

**New York State Department of Taxation and Finance  
Taxpayer Services Division  
Technical Services Bureau**

TSB-M-85 (10)C  
Corporation Tax  
May 16, 1985

This memorandum supersedes memorandum TSB-M-83(15)C, dated November 15, 1983, which should be destroyed.

Chapter 29 of the Laws of 1985

Amendment to Section 186-a. 2-a of the Tax Law  
regarding the treatment of Telephone and Telegraph Corporations

Subdivision 2-a of Section 186-a of the Tax Law was amended to extend indefinitely the requirement that a telephone and telegraph corporation must include in its determination of gross income or gross operating income, in addition to receipts and profits from sales and services within this state, that portion of revenues from interstate and foreign transmission service attributable to New York State. The portion attributable to New York State is determined in the same manner as described in TSB-M-82(6)C which sets forth allocation rules for receipts from interstate and foreign transmission services for purposes of the franchise tax imposed by Section 184 of the Tax Law.

Only those revenues from interstate and foreign transmission services which are received because of sales made or services rendered for ultimate consumption or use by the purchaser must be allocated and included in the taxable base under Section 186-a.