



Department of Taxation and Finance

Important

Article 32 of the Tax Law was repealed, effective for tax years beginning on or after January 1, 2015, by Part A of Chapter 59 of the Laws of 2014. As a result, this TSB-M is obsolete and cannot be relied upon for tax years on or after that date insofar as the TSB-M addresses matters relating to Article 32.

For additional information concerning the Article 32 repeal, see [Transitional Filing Provisions for Taxpayers Affected By Corporate Tax Reform Legislation](#).

This TSB-M begins on page 2 below.

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

TSB-M-86 (7.1) 2nd Rev.
Corporation Tax
April 28, 1992

Determinations-Obligations of the
United States, New York State and Political
Subdivisions of New York State

In accordance with regulation 20 NYCRR 18-2.4(b)(12), the following is an illustrative list of obligations of New York State, obligations of political subdivisions of New York State and obligations of the United States that meet the requirements for the 22 1/2% interest income deduction.

Albany County South Mall
**CATS-Certificate of Accrual Treasury Securities
Colonie, New York (AMBAC Insured)
**CTR-Coupon Treasury Receipts
**ETR-Easy Growth Treasury Receipts
Farm Housing Administration of U.S.
Farmers Home Administration
General Service Administration
Gloversville, New York (Water Supply)
Gloversville, New York (Urban Renewal)
Mayfield Village Water System
*Municipal Assistance Corp. for the City of New York
New York Job Development Authority
Niagara City Water
NY City Bonds
NY City Housing Authority
NY City Tax Anticipation Note
NYS Housing Finance Administration Hospital Mental Hygiene
NYS Housing Finance Administration
NYS Thruway
NYS Tax Anticipation Note
NYS (Pure Water Bond)
NYS Energy Research & Development Authority
NYS Dormitory Authority Upstate Community College
NYS General Obligation
NYS Urban Development
NYS Suffolk Co. Sewer Bond
NYS Mortgage Agency
NYS Mental Hygiene
NYS Housing and Finance
NYS Housing Finance Administration Hospital & Nursing
NYS Housing Finance Administration Hospital State University
NYS Power Authority
NYS Dormitory Authority
NYS Housing Finance Agency (State University)
Oneida County New York Public Improvement
Otsego County Development Bonds
Sewer Districts in NYS Towns

**STRIPS-Separate Trading of Registered interest and Principal of Securities
**TBR-Treasury Bond Receipts
**TIGR-Treasury Investment Gross Receipts
Town of Long Lake Highway District
Town of Canister Machinery Bond

NOTE: The 22 1/2% interest income deduction is not allowed for interest, from obligations held for resale in connection with regular trading activities.

The following is an illustrative list of obligations that do not meet the requirements for the 22 1/2% interest income deduction.

Federal Farm Credit Bank
Federal Home Loan Bank Board
NY City Health & Hospital
NYS Med. Care Fac. Fin. Agency
NYS PFA Refund
Private Export Funding Corp.
Student Loan Marketing Association
Tennessee Valley Authority
U.S. Merchant Marine

*After further review it has been determined that Municipal Assistance Corp. for the City of New York qualifies for the 22 1/2% interest income deduction.

**Based on an opinion of counsel, holders of TIGRs are beneficial owners of the underlying federal obligations and thus the interest qualifies for the 22 1/2% interest income deduction. Note however, that insofar as stripped United States bonds and coupons stripped from such bonds are involved, the determination as to the portion of the interest relating thereto which is from obligations of the United States, and this subject to the 22 ½ percent deduction, is to be made in accordance with the principles embodied in section 1286(d) of the Internal Revenue Code. Since CATS, CTR, ETR, STRIPS, and TBR are similar to TIGRs they will receive similar treatment.