

STATE OF NEW YORK
DEPARTMENT OF TAXATION AND FINANCE
COMMISSIONER OF TAXATION AND FINANCE
ALBANY, NEW YORK

Pursuant to the authority contained in subdivision First of section 171 and subsection (a) of section 1096 of the Tax Law, the Commissioner of Taxation and Finance hereby makes and adopts the following amendments to the Business Corporation Franchise Tax regulations under Article 9-A and Article 27 of the Tax Law, as published in Subchapter A of Chapter I of Title 20 of the Official Compilation of Codes, Rules and Regulations of the State of New York, such amendments to read as follows:

Section 1. Subdivision (c) of section 6-3.1 of such regulations is amended to read as follows:

(c) If a taxpayer made payments treated as interest in the computation of its entire net income or minimum taxable income to shareholders, including subsidiaries of a corporate shareholder or members of the immediate family of an individual shareholder, beneficially owning, directly or indirectly, individually or in the aggregate, more than 50 percent of the issued capital stock of the taxpayer, such taxpayer must submit the following information:

- (1) name of each such shareholder;
- (2) social security number or employer identification number of each such shareholder;
- (3) amount of interest paid to each such shareholder;
- (4) total interest paid to such shareholders; and
- (5) amount of indebtedness to each such shareholder and whether or not there is written evidence of the indebtedness.

Members of the immediate family include brothers and sisters of the whole or half blood, spouse, ancestors and descendants. A penalty of \$500 will be added to the tax if a taxpayer fails to submit this information for the

taxable year on or before the prescribed date for filing its report (determined with regard to any extension of time for filing) unless it is shown that such failure is due to reasonable cause and not due to willful neglect. (See section [9-1.5 of this Title] 1085(n) of the Tax Law, Failure to [submit] file report of information relating to certain interest payments.)

Section 2. Part 9 of such regulations is REPEALED.

Dated: Albany, New York
May 13, 2009

Robert L. Megna
Commissioner of Taxation and Finance