

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

TSB-M-78 (15)C
Corporation Tax
Instructions and Interpretations Section
September 5, 1978

Subject: Consolidated Bank Returns - Allocation of
a General Business Corporation

The following question has been raised concerning Article 32 (Franchise Tax on Banking Corporation) of the Tax Law.

Question:

When a banking corporation files a consolidated return (CT-32A) with general business type corporations (Article 9-A type corporations), should the Article 9-A three factor formula allocation for allocating entire net income within and without New York State be allowed?

Answer:

NO. General business corporations which file on an Article 32 consolidated return (CT-32A) must allocate pursuant to the methods allowed under Article 32 of the Tax Law. Such corporations must allocate pursuant to the rules of separate accounting as set forth in Part 35 of the current Bank Tax Regulations (20 N.Y.C.R.R.35.1 et seq.). Even though Part 35 was written with banking corporations in mind, the separate accounting principles set forth in these regulations apply to general business corporations filing under Article 32.