

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

TSB-M-78 (17)C
Corporation Tax
Instructions and Interpretations Section
September 7, 1978

Subject: Computation of Entire Net Income of Bank Corporation with
reference to Subpart F Income

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

Question:

Should Subpart F income be eliminated from New York entire net income as income derived from business carried on without New York State?

Answer:

No. Subpart F income is deemed to be a dividend and Article 32 of the Tax Law contains no modification which excludes this type of income from entire net income. Under the principles of separate accounting, such income is wholly attributable to the home office of the taxpayer.