New York State Department of Taxation and Finance

Instructions for Forms CT-183 and CT-184

1987

Franchise Tax Reports on Capital Stock and Gross Earnings

- **Every taxpayer must file BOTH Form CT-183 and Form CT-184.**
- **Instructions for Form CT-183, see page 2.**
- **Instructions for Form CT-184, see page 3.**

General Instructions

Filing Requirements

Use **Form CT-183** to report and pay the franchise tax required by Article 9, Section 183. This is an annual tax based on the corporation's allocated capital stock or a minimum tax of $75.00.

Use **Form CT-184** to report and pay the franchise tax required by Article 9, Section 184. This tax is based on the corporation's gross earnings from all New York State sources.

Each taxpayer **must** file both Form CT-183 and Form CT-184 annually. Even taxpayers who do not have taxable gross earnings must file Form CT-184 to show that no tax is due under Article 9, Section 184, of the Tax Law.

Change of Business Information — If there have been any changes in your business' name, ID number, mailing address, business address, telephone number or owner/officer information, complete the enclosed Form DTF-95, *Change of Business Information.* If no form is enclosed, call **1 800 462-8100** (from out of state (518) 438-1073) to request one.

When and Where to File

Filing period for both forms must be based on a calendar year regardless of the reporting period used for federal purposes. The report must be filed on or before March 15, 1988.

Mail to: **New York State Tax Department**
Processing Unit
P. O. Box 1909
Albany, NY 12201-1909

Who Must File Forms CT-183 and CT-184

Forms CT-183 and CT-184 must be filed by every corporation, joint-stock company or association formed for or principally engaged in the conduct of aviation, railroad, canal, steamboat, express, navigation, pipeline, transfer, baggage express, trucking, telephone, telegraph, palace or sleeping car or ferry business and every other transportation or transmission business (except ferry companies operating between any of the boroughs of the City of New York, "omnibus corporations" and "taxicab corporations").

The jurisdictional standards of Sections 183 and 184 include every domestic and foreign corporation principally engaged in the conduct of a transportation or transmission business which is doing business, employing capital, owning or leasing property, or maintaining an office in New York State.

All corporations incorporated under the laws of New York State, that are **exclusively engaged** in the operation of vessels in foreign commerce between U. S. and foreign ports are exempted from all taxation in this state, for state and local purposes, upon their capital stock, franchises and earnings.

The tax under Article 9, Section 184 does not apply to a railroad, palace car or sleeping car company, or to a navigation, canal, ferry (unless operating between New York City boroughs under a city lease), steamboat or other corporations operating vessels if the corporation's only activity in New York State is (1) maintaining an office and employing capital, and (2) owning property used exclusively in interstate or foreign commerce.

Tax Basis

Article 9, Section 183, of the Tax Law provides for a franchise tax based on the net value of issued capital stock employed in New York State (see Form CT-183, Schedule E).

The net value of issued capital stock may be allocated within and without New York . The allocation is based on the gross assets employed in New York (see Form CT-183, Schedule B).

The franchise tax required to be paid under Section 183 is the highest tax computed by three methods:

1. Allocated value of issued capital stock multiplied by the tax rate of 1.5 mills (.0015)
2. Allocated value of issued capital stock on which dividends are paid at a rate of 6% or more multiplied by the tax rate of.375 mills (.000375) for each 1% of dividends paid. The rate of 1.5 mills (.0015) is applied to capital stock on which dividends are not paid or are paid at a rate of less than 6%.
3. Minimum tax of $75.00.

A combination of tax on capital stock using the tax rate of 1.5 mills and the dividend rate as computed in Schedule F is possible if a corporation has more than one kind of stock (see Form CT-183).

Article 9, Section 184, provides for a tax at a rate of ¾ of 1% of the gross earnings received from business in New York State during the year (see Form CT-184). Except that all corporations, joint stock companies or associations principally engaged in the conduct of a telephone or telegraph business shall pay a franchise tax under Article 9, Section 184 of the Tax Law, at a rate of 3/10 of 1% upon gross earnings for taxable years commencing on or after 1/1/85.

A railroad not operated by steam, whose property is leased to another railroad, shall only pay a tax of 4½% on dividends paid during the year in excess of 4% of the amount of its capital stock. The tax on gross earnings would not apply.

Article 31-B, Section 1449-a (Tax on Gains Derived From Certain Real Property Transfer) This article requires every corporation with an interest in real property in New York to keep a record of the transfer of its stock and report annually every transfer of a "controlling" interest in its stock and any other information that may be required to enforce this article.

Controlling interest of a corporation means either 50 percent or more of the total combined voting power of all classes of stock or 50 percent or more of the capital, profits or beneficial interest in such voting stock.

Answer both questions on Form CT-183, page 1. If the answer to both questions is "yes" attach the following information:

- Name, address and indentification number of the new controlling stockholder (use social security number for individuals and federal employer identification number for corporations)
- Date transfer was made
- Location of real property

Maintenance Fee — Foreign Corporations

Every foreign corporation authorized to do business in New York State **must** pay an annual maintenance fee of $200. This fee may be applied against the taxes due under Article 9. If the total franchise taxes, excluding the installment for 1988 payable with your returns on Forms CT-183, CT-184, CT-186A and CT-186P for December 31, 1987, exceed $200, you have satisfied the requirement to pay a maintenance fee. If the total taxes due, excluding the installments for 1988 are **less** than $200, add the amount needed to produce a total tax and maintenance fee of $200 on line 6 of Form CT-183.

Foreign corporations must also file a report of license fee - see Form CT-240, *Report of License Fee.*

Extension of Time to File

A request for an extension of time to file a tax report must be filed on or before March 15, 1988 on Form CT-5.9.

A request for an additional extension of time for filing this report may be filed on Form CT-5.1.

An extension of time granted by the IRS to file a federal return does not extend the date for filing a New York State report.

Interest

If you do not pay the tax on or before the due date (determined without regard to any extension), you must pay interest on the amount of the underpayment from the due date to the date paid. The interest rate should be determined in accordance with part 603 of the Tax Regulations, or by calling Taxpayer Assistance at 1 800 CALL TAX (1 800 225-5829)

Late Filing — Additional Charges

Additional charges for late filing are computed on the amount of tax less any payment made on or before the prescribed due date.

a. If a return is not filed when due or if the application for extension is invalid add to the tax 5% per month up to 25% (Section 1085(a)(1)(A))
b. If a return is not filed within 60 days of the prescribed due date the addition to tax cannot be less than the smaller of $100 or 100% of the amount required to be shown as tax. (Section 1085(a)(1)(B))
c. In case of failure to pay the tax shown on a return, add to the tax, ½% per month up to 25%. (Section 1085(a)(2))
d. The total of the additional charges in a and c may not exceed 5% for any one month, except as provided for in b above. (Section 1085(a))

If you think you are not liable for these additional charges, attach a statement to your return explaining the delay in filing and/or payment (Section 1085).

Instructions for CT-183

Schedule A — Tax Computation

Line 1 — Enter tax computed in Schedule E and shown on line 58. This is the largest tax computed in Schedule E, based on the net value of allocated issued capital stock.

Line 2 — Enter tax from Schedule F, line 77 or line 81. This is the tax computed on dividends paid of 6% or more.

Line 5 — A credit may be taken against your franchise tax for any "special additional mortgage recording tax" paid by you. This credit may not reduce your tax below the minimum tax under Section 183 or, if you are an authorized foreign corporation, it may not reduce the tax below the $200 maintenance fee. Any unused credit that remains after applying the credit to your franchise tax may be applied against the tax due under Section 184 (Form CT-184) or carried forward. Attach Form CT-43, *Claim for Special Additional Mortgage Recording Tax Credit.*

Line 6 — Foreign authorized corporations **only**: If the total taxes due with your franchise tax returns, CT-183, CT-184, CT-186P and CT-186A, for December 31, 1987 total **less** than $200, add the difference to the tax due on this form and enter the total ($200) on this line. Attach computation. The special additional mortgage recording tax credit may not reduce the maintenance fee below $200.

Example:

CT-183, Minimum Tax, 12/31/87	$ 75
CT-184, Tax for 12/31/87	100
Total	175
Maintenance Fee for 1987	$ 200
Enter $200 on line 6, CT-183.	

Line 7 — Prepayments to be entered include one or more of the following:

a. Prepayments made with application for extension (CT-5.9).

b. Credits transferred from prior years or Form CT-183-M.

A schedule to assist you in the reconciliation of your prepayments is located on the bottom of page 4, Form CT-183.

Line 9 — Interest - see under *General Instructions* on page 1.

Line 10 — Late Filing - Additional Charges - see under *General Instructions* on page 1.

Schedule B — Allocations

Part I — General Transportation Corporations

Line 13 — Bills and accounts receivable are considered located where controlled.

Line 14 — If the assets of any company whose stock is owned by this corporation are employed both "In" and "Outside" New York State, an apportionment of your holdings may be made on the basis of percentage of employment by the issuer of the stock.

Line 15 — Bonds, loans and other securities are considered located where employed.

Line 19 — The total of lines 13 through 18 (column b) must equal the amount of gross assets shown on the balance sheet of your federal return, except for cash and investments in United States obligations.

Part II — Aviation Corporations

Line 21 — "Aircraft arrivals and departures" means the number of landings and takeoffs of an aircraft of an aviation corporation and the number of air pickups and deliveries by such aircraft. Arrivals and departures for maintenance, repair, refueling (where no debarkation or embarkation of traffic occurs), training, emergencies, and nonrevenue flights should not be included.

Line 23 — "Revenue tons handled" means the weight, in tons, of revenue passengers (at 200 pounds per passenger) and revenue cargo first received either as originating or connecting traffic or finally discharged at an airport.

Line 25 — "Originating revenue" means revenue from the transportation of revenue passengers and revenue property first received as originating or connecting traffic.

Part III — Corporations Operating Vessels Not Exclusively Engaged in Foreign Commerce

Line 29 — "Working days" means days during which a vessel is sufficiently manned for the transportation of persons or cargo or when it has cargo aboard. The working time in New York territorial waters and the working time everywhere shall be computed for each vessel in hours and minutes. At the end of the year, such time shall be totaled for all vessels, and the sum converted into days. Instead of records indicating actual time in New York territorial waters, time may be computed from records showing the time Ambrose Light Station was passed on the way in and out of port.

Schedules C and D

Information required in these two schedules must be the same information that appears on the balance sheet of your federal return. Attach a copy of your federal return.

Schedule E — Computation of Tax Based on the "Net Value" of Issued Capital Stock

Tax based on net value is the largest tax computed by the following three methods of valuing stock:

1. Net value per share of stock outstanding at end of year, but not less than $5.00 per share (lines 49 through 51).
2. The average selling price at which stock is sold during the year (lines 52 through 54).
3. The difference between the corporation's assets and liabilities (lines 55 through 57).

Schedule F

Part I

Compute the dividend rate on par value capital stock by using the par value of such stock. Do not include any "paid-in capital." Compute the dividend rate on "no par value" stock by dividing the dividend paid by the amount paid for the stock. The amount "paid in" includes only the amount paid in for the stock (stated value of no par stock) and paid-in capital on such stock. It does not include capital arising from appreciation of assets, amounts not contributed by the stockholder or retained earnings.

Part II

If you paid a 6% or more dividend on **all** classes of issued capital stock, you need not complete lines 72 through 76.

If you did not pay a 6% dividend on **all** classes of stock, compute a tax on the dividend based on the value of the stock on which the dividend of 6% or more was paid **plus** a tax, at the "capital stock" rate, on the remaining value of all capital stock.

The remaining value of all capital stock depends on which class of capital stock the dividend was paid. If the dividend was paid on preferred stock, the remaining value of all capital stock is retained earnings plus common stock. If the dividend was paid on common stock, the remaining value of all capital stock is preferred stock. Retained earnings are normally associated with common stock. The following examples show how the dividend rates and remaining value of capital are computed:

Example 1: Dividend Paid on Preferred Stock

Par Value of Common Stock	$10,000	
Par Value of Preferred Stock	50,000	
Retained Earnings	80,000	
Dividend Paid on Preferred Stock	3,000	
Dividend Rate ($3,000 ÷ $50,000)	6%	
6 × .000375 (tax rate of 3/8 mill)	.00225	
Tax ($50,000 × .00225)		$112.50
Remaining Value of Issued Capital Stock (common stock plus retained earnings: $90,000 × .0015)		135.00
Total Tax		$247.50

Example 2: Dividend Paid on Common Stock

Par Value of Common Stock	$10,000	
Par Value of Preferred Stock	50,000	
Retained Earnings	80,000	
Dividend Paid on Common Stock	3,000	
Dividend Rate ($3,000 ÷ $10,000)	30%	
30 × .000375 (tax rate of 3/8 mill)	.01125	
Tax ($10,000 × .01125)		$112.50
Remaining Value of Issued Capital Stock (preferred stock only; $50,000 × .0015)		75.00
Total Tax		$187.50

Parts III and IV

Corporations operating vessels not exclusively in foreign commerce must compute the dividend rate on "paid-in capital" for all classes of stock. This includes all amounts paid for the stock. It does not include capital from appreciation of assets, amounts not contributed by the stockholder or retained earnings.

Instructions for CT-184

All transportation and transmission corporations and associations must file Form CT-184 even if no tax is due. Enter zeros in the appropriate lines in Schedule A and send the signed report along with Form CT-183.

Schedule A — Tax Computation

Lines 1 & 2 — Enter total gross earnings from Schedule E, line 39, and multiply by the tax rate.

Line 3 — Enter tax from Schedule F, line 45.

Line 4 — A credit may be taken against your franchise tax for any "special additional mortgage recording tax" paid by you. Any unused credit that remains after applying the credit to your franchise tax may be applied against the tax due under Section 183 (Form CT-183) or carried forward. Attach Form CT-43, *Claim for Special Additional Mortgage Recording Tax Credit.*

Line 6 a — Use this line if you have filed an application for extension (CT-5.9). Enter amount shown from line 3 of Form CT-5.9.

Line 6 b — If the tax under Section 184, line 5, exceeds $1,000 and Form CT-5.9 was not filed, a mandatory first installment is required for the period following that covered by this report. Enter 25% of that amount.

Line 7 — All corporations must add lines 5 and either 6a or 6b to obtain a total. However, in the case of foreign authorized corporations, if the total taxes due with your franchise tax returns, CT-183, CT-184, CT-186P and CT-186A, for December 31, 1987 is less than $200, see instructions for CT-183, Schedule A, line 6.

Line 8 — Prepayments to be entered include one or more of the following:

a. Mandatory first installment.

b. Installment payments made with CT-400 forms.

c. Credits transferred from prior years or CT-184-M.

d. Payments made with application for extension (CT-5.9).

A schedule to assist you in the reconciliation of your prepayments is located on the bottom of page 3 of Form CT-184.

Line 10 — Interest - see under *General Instructions* on page 1

Line 11 — Late Filing - Additional Charges - see under *General Instructions* on page 1.

Schedule B — Mileage Allocation — Transportation Over the Road or Through Pipelines

Transportation over roads — The mileage allocation is a percentage based on the number of revenue miles traveled within New York State compared to the total revenue miles traveled everywhere (nonrevenue miles, such as deadheading, should be excluded).

Pipeline corporations — For pipeline, "mileage" means miles of transportation units performed within and without New York State. For natural gas pipelines, "transportation unit" means the transportation of one cubic foot of gas over a distance of one mile (see TSB-M-82(11)C).

Schedule C — Allocation of Gross Operating Revenue from Telephone and Telegraph Corporations

Telephone, telegraph and transmission companies which sell or furnish telephone or telegraph transmission services in New York State are required to complete Schedule C and compute gross operating revenue.

Gross operating revenue includes the following:

- intrastate gross operating revenue,
- interstate gross operating revenue allocated to New York State, and
- foreign gross operating revenue allocated to New York State.

Interstate and foreign gross operating revenue allocated to New York State is computed by using either the accounting rule method or formula rule method.

Intrastate gross operating revenue includes receipts from the sale or furnishing of intrastate telephone or telegraph services.

Interstate and foreign gross operating revenue includes revenues (i.e. receipts) allocated to New York State from the sale or furnishing of interstate and foreign telephone or telegraph services.

In determining gross operating revenue, receipts include cash, credits and property of any kind or nature without any deductions for the cost of property sold, the cost of materials used, labor, services or other costs, interest or discount paid, or any other expense.

Deductions allowed from receipts comprising gross operating revenue are uncollectible accounts and taxes imposed by New York State or its municipalities or the federal government where the taxpayer is merely a collecting agency for the taxing authority (e.g. state and local sales tax, federal excise taxes).

Gross operating revenue from telephone and telegraph services includes receipts such as the following:

- Local services receipts from subscriber's stations, public telephones, service stations, local private lines and other local service receipts.
- Toll service receipts from message calls, wide area toll services, toll private line services and other toll service receipts.
- Miscellaneous receipts from commissions, directory advertising and sales, rent receipts, general service receipts, license receipts and other miscellaneous receipts.
- Any other transmission receipts.

Line 16 — Enter 100% of receipts which comprise intrastate gross operating revenue from telephone and telegraph services wholly within New York State. Where the taxpayer employees a Uniform System of Accounts as prescribed for federal or state regulatory purposes, enter the amount of receipts which comprise gross operating revenue as reflected in such accounts.

Line 17 a and b — Allocation of interstate and foreign gross operating revenue by accounting rule method. This method must be used where the taxpayer employs a Uniform System of Accounts as prescribed for federal or state regulatory purposes and such accounts reflect the amount of gross operating revenue from interstate and foreign services attributable to New York. Enter the amount of receipts which comprise interstate and foreign gross operating revenue, as reflected in such accounts.

Line 19 — Allocation of interstate and foreign gross operating revenue by formula rule method. This method must be used where the taxpayer does not employ a Uniform System of Accounts as prescribed for federal or state regulatory purposes or where the accounting rule method does not properly reflect the amount of gross operating revenue from interstate and foreign transmission services attributable to New York State.

Part I - Computation of revenue-producing circuit miles factor

Line 19 a — Enter revenue-producing circuit miles within New York State. Revenue-producing circuit miles within New York State is computed as follows:

The average length in miles of **each** type of revenue-producing communication pathway within New York State used in connection with interstate and/or foreign transmission services

Multiplied by

The number of revenue-producing channels included within **each** type of revenue-producing communication pathway within New York State used in connection with interstate and/or foreign transmission services.

Attach a statement showing the computation of revenue-producing circuit miles within New York State used in connection with interstate and/or foreign transmission services. List each type of revenue-producing communication pathway separately. Include type of pathway, average length in miles of the pathway, number of channels within the pathway and revenue-producing circuit miles.

Example: Computation of revenue-producing circuit miles within New York State.

Communication Pathway	Type	Average length in miles (which has been computed on a quarterly basis)	X	# of channels	=	Circuit Miles
#1	Coaxial	100		10,500(EVGC)		1,050,000
#2	Fiber Optical	200		24,000(EVGC)		4,800,000
TOTAL						5,850,000

The term "communication pathway" means any conduit, wire, cable, fiber optical path, microwave signal path, radio signal path or other pathway over which transmissions can be carried.

The average length in miles of each type of revenue-producing communication pathway within New York State is computed on a quarterly basis. At the option of the taxpayer, a more frequent basis such as monthly, weekly or daily may be used. Whatever basis is used to compute the average length of one type of revenue-producing communication pathway must be used to compute the average length of all types of revenue-producing communication pathways within New York State and everywhere. The length of the revenue-producing communication pathway for satellite transmission is the shortest distance in miles over the surface of the earth between the point on the earth where the signal is sent to a satellite and the point on the earth where the signal is received from the satellite.

The term "channel" means the smallest discrete circuit whereby a message, conversation, data set or signal may be transmitted without destroying or diminishing the capacity to carry the transmission. In general, the number of channels within each type of revenue-producing communication pathway may be measured by equivalent voice grade circuits (EVGC) as shown on Federal Form M-1405. The unit of measurement used to compute the number of revenue-producing channels within a type of revenue-producing communication pathway within New York State must be used to compute the number of channels within that type of revenue-producing communication pathway everywhere.

Line 19 b — Enter revenue-producing circuit miles everywhere. Revenue producing circuit miles everywhere is computed as follows:

The average length in miles of **each** type of revenue-producing communication pathway everywhere used in connection with interstate and/or foreign transmission services

Multiplied by

The number of revenue-producing channels included within **each** type of revenue-producing communication pathway everywhere used in connection with interstate and/or foreign transmission services.

Attach a statement showing the computation of revenue-producing circuit miles everywhere used in connection with interstate and/or foreign transmission services.

Example: Computation of revenue-producing circuit miles everywhere.

Communication Pathway	Type	Average length in miles (which has has been computed on a quarterly basis*)	X	# of channels	=	Circuit Miles
#1	Coaxial	200		10,500(EVGC)**		2,100,000
#2	Fiber Optical	300		24,000(EVGC)**		7,200,000
TOTAL						9,300,000

* Same basis as shown on computation of revenue-producing circuit miles within New York State.

** Same units of measurement as shown on computation of revenue-producing circuit miles within New York State.

Line 19 d — The weight given to the circuit miles factor is 27.5%.

Part II — Computation of property factor

Line 19 f — Enter the average value of real property owned within New York State and everywhere which is used in connection with interstate and/or foreign transmission services. Average value means the cost of real property without allowance for depreciation or amortization. The computation of average value is computed on a quarterly basis. At the option of the taxpayer, a more frequent basis such as monthly, weekly or daily may be used. However, you must use the same method of valuation with respect to real property within New York State and everywhere. Real property shall be determined to be located within New York State if it is physically situated or located in New York State.

Line 19 g — Enter the average value of real property rented by the taxpayer within New York State and everywhere which is used in connection with interstate and/or foreign transmission services. The average value of real property rented by the taxpayer is determined by multiplying gross rents payable during the period covered by this report by eight (8). Gross rents include any amount payable as rent or in lieu of rent, such as interest, insurance, taxes, repairs, etc., and amortization of leasehold improvements that revert to the lessor at the termination of the lease. Real property rented shall be determined to be located within New York State if it is physically situated or located in New York State.

Line 19 h — Enter the average value of tangible personal property owned within New York State and everywhere which is used in connection with interstate and/or foreign transmission services. Tangible personal property means corporeal personal property, such as machinery, tools, implements, goods, wares and merchandise. It does not mean money, deposits in banks, shares of stock, bonds, notes, credits or evidences of an interest in property or debt, or intangible assets. Average value means the cost of tangible personal property without allowance for depreciation or amortization. The computation of average value is computed on a quarterly basis. At the option of the taxpayer, a more frequent basis such as monthly, weekly or daily may be used. The same method of valuation must be used with respect to tangible personal property within New York State and everywhere. Tangible personal property shall be determined to be within New York State if it is physically situated or located in New York State.

Line 19 i — Enter the average value of tangible personal property rented by the taxpayer within New York State and everywhere which is used in connection with interstate and/or foreign transmission services. The average value of tangible personal property rented by the taxpayer is determined by multiplying gross rents payable during the period covered by this report by eight (8). See line 19g instructions for definition of gross rents. Tangible personal property rented shall be determined to be within New York State if it is physically situated or located in New York State.

Line 19 j — Enter the average value of intangible assets owned within New York State and everywhere which is used in connection with interstate and/or foreign transmission services. Intangible assets include but are not limited to such items as patents, franchises and copyrights. Average value means the cost of intangible assets without allowance for depreciation or amortization. The computation of average value is computed on a quarterly basis. At the option of the taxpayer, a more frequent basis such as monthly, weekly or daily may be used. However, you must use the same method of valuation with respect to intangible assets within New York State and everywhere. Intangible assets are determined to be within or without New York State by allocating them to the commercial domicile of the taxpayer.

Line 19 k — Enter the average value of extraterrestrial property within New York State and everywhere which is used in connection with interstate and/or foreign transmission services. Extraterrestrial property refers to property such as communication satellites. Average value means cost without allowance for depreciation or amortization or if rented, the gross rental times eight (8). To determine the average value of extraterrestrial property within New York State multiply the average value of extraterrestrial property everywhere by a percentage determined as follows:

Average value of satellite repeater facilities, earth stations, or other satellite communication facilities within New York State used in connection with interstate and/or foreign transmission services

Divided by

Average value of satellite repeater facilities, earth stations, or other satellite communication facilities everywhere used in connection with interstate and/or foreign transmission services.

Line 19 n — The weight given to the property factor is 72.5%.

Line 21 — Enter the amount of receipts which comprise gross operating revenue from interstate telephone and transmission services and multiply by the formula rule allocation percentage from line 20.

Line 22 — Enter the amount of receipts which comprise gross operating income from foreign telephone and transmission services and multiply by the formula rule allocation percentage from line 20.

Schedule D — Allocation of Interest and Dividends

A corporation that has investments in other corporations and/or interest bearing cash accounts may allocate interest and dividends received based on the amount of capital employed in New York State by the payor. This percentage is called "issuer's allocation percentage" for New York State purposes. Interest earned on obligations on the U. S. and its instrumentalities and of New York State and its political subdivisions and instrumentalities is not taxable.

Column c — The issuer's allocation percentage used in this column will be supplied upon written request (in duplicate) to:

New York State Tax Department
Taxpayer Assistance Bureau
W. A. Harriman Campus
Albany, New York 12227
Telephone (518) 457-7034

Column d — Multiply each item of interest and dividends listed in column b by its issuer's allocation percentage, column c.

Line 25 — Total column d and enter at line 36, Schedule E, allocated interest and dividend income.

Schedule E — Tax Computation Based on Gross Earnings from Business in New York State

Line 27 — Enter total gross receipts earned from trucking services everywhere and multiply by the mileage allocation percentage computed on line 15 of Schedule B.

Line 28 — Enter total gross receipts earned from pipeline operations everywhere and multiply by the allocation percentage computed on line 15 of Schedule B.

Line 29 — Receipts from interstate, foreign and intrastate air transportation of passengers and U. S. mail are exempt from tax. Receipts from interstate and foreign air transportation of freight are also exempt. Only include on this line intrastate transportation of freight and other property.

Line 30 — Enter total gross receipts earned from messenger services everywhere and multiply by the mileage allocation percentage computed on line 15 of Schedule B.

Line 31 — Enter total gross receipts from television antenna and cable television systems services. If the antenna and all subscribers are located in New York State, 100% of the gross earnings must be allocated to New York State. Otherwise, gross receipts may be allocated on the basis of property within New York State compared to property everywhere.

Line 32 — Enter total intrastate and allocated interstate and foreign gross operating revenue from Schedule C, line 24.

Line 33 — Enter gross receipts from water transportation business both originating and terminating within New York State. Receipts from business beginning and ending in New York State but passing through another state or country must be allocated within and without New York State. Include only that part of the revenue received from such business as the miles in New York State compare to the total miles. Attach a rider to show the computation of loop traffic allocation.

Line 34 — Enter gross receipts from railroad transportation business both originating and terminating within New York State. Receipts from business beginning and ending in New York State but passing through another state or country must be allocated within and without New York State. Include only that part of the revenue received from such business as the miles in New York State compare to the total miles. Attach a rider to show computation of loop traffic allocation.

Line 36 — Enter allocated interest and dividends from Schedule D, line 25.

Line 37 — The profit on the sale or exchange of real or tangible personal property is computed on the basis of the original cost, not the depreciated cost, less any expenses incurred in making the sale. Gains from the sale or exchange of United States and New York State government securities are **taxable** receipts and should be reported. Capital gains **may not** be reduced by capital losses.

Line 38 — Include on this line gross receipts from all other sources within New York State including gross receipts received by freight forwarders. Attach a statement showing the method of allocation.

Line 39 — Add lines 27 through 38 and enter total in Schedule A, Line 1.

Schedule F — Annual Tax on Dividends

Line 42 — Enter dividends paid during the period from January 1, 1987 to December 31, 1987.

Composition of Prepayments Claimed on Line 8, Schedule A

It is not mandatory to provide this information. However, we are asking you to do so. If a discrepancy should arise between your records and ours, we could resolve it promptly with this information.