

# Instructions for Form NYC-2.5A



## Computation of Receipts Factor of Combined Business Allocation Percentage

2015

For tax years beginning on and after January 1, 2015, significant changes were made to the rules for computing the receipts factor of the business allocation percentage. The receipts factor of the business allocation percentage under the Business Corporation Tax generally uses customer-based sourcing. Receipts from services are generally sourced to New York City if the customer receives the benefit of the service in the City.

Both the combined business income base and combined total business capital are allocated to New York City using a three factor formula calculated in Schedule F of Form NYC-2A. The purpose of this Form NYC-2.5A is to calculate the receipts factor which should then be used in calculating the business allocation percentage in Schedule F.

Generally, receipts from services are reported on line 52. Receipts, net income, net gains, and other items are sourced, and the amounts allowed in the receipts factor are determined, pursuant to Ad. Code §11-654.2. To determine the receipts, net income, net gains, and other items as described in §11-654.2, begin only with the receipts, net income, and net gains that are included in your business income, determined without regard to the amount subtracted on Schedule B, line 23 of Form NYC-2A (*Subtraction modification for qualified banks*), and without regard to any amount that is determined to exceed the 8% limitation on gross investment income.

In determining the receipts factor of the business allocation percentage for a combined return, the receipts, net income, net gains, and other items of all the members of the combined group, whether or not they are taxpayers, are included; and intercorporate receipts, income, and gains are eliminated.

New York City (NYC) amounts to enter in **row a** of Form NYC-2.5A, lines 1 through 53 are determined per the specific line instructions below. Everywhere (EW) amounts to enter in **row b** of Form 2.5A, lines 1 through 53 should be 100%, before intercorporate eliminations, of the receipts, net income, net gains, or other applicable items, unless otherwise specified. If only one category of receipts, net income, net gains, or other applicable item applies to your business, you must still enter the NYC and EW amounts for that category. Skip a line only if both the numerator (NYC) and the denominator (EW) are zero.

For columns **A and B**, for all lines involving the computation of net gains, net income, or net interest, amounts less than zero must be entered, where applicable. Amounts less than zero are allowed in columns **A and B** because these amounts must be netted on a **combined** basis in columns D and E to amounts not less than zero for each such line. For columns A and B use a minus sign (-) to report amounts less than zero (not parentheses or brackets).

For column **C**, the amount entered can be either a positive or negative amount depending on what is being eliminated. If a negative amount, use a minus (-) sign, not parentheses or brackets.

For columns **D and E**, if any combined total for a particular line nets to less than zero, enter **0** for that line. Unless specifically instructed otherwise, enter in column D of any given line the result of row a, column A plus column B, minus column C for that particular line; and enter in column E of any given line the result of row b, column A plus column B, minus column C for that particular line.

For column A, NYC receipts amounts for each line should be calculated using the applicable allocation rule or fraction as computed for the **combined group** for each line.

**Example:** For line 44, in column A, the designated agent would multiply its own separate amount of receipts from the conduct of a railroad business or a trucking business by a fraction, the numerator of which is the total miles of the **combined group** within New York City and the denominator of which is the total miles of the **combined group** within and outside New York City.

**Designated agent:** Use Worksheet D of these instructions to compute your New York City receipts for the fixed dollar minimum tax base.

### SECTION 11-654.2(2) – SALES OF TANGIBLE PERSONAL PROPERTY, ELECTRICITY AND NET GAINS FROM REAL PROPERTY

**Line 1** – Receipts from the sale of tangible personal property are allocated to New York City when shipments are made to points in the City, or the destination of the property is a point in the City. Receipts from sales of tangible personal property and electricity that are traded as commodities, as defined in IRC section 475, are included on line 27, in accordance with §11-654.2(5)(a)(2)(ix).

**Line 2** – Receipts from the sale of electricity are allocated to New York City when delivered to points in the City. Receipts from sales of tangible personal property and electricity that are traded as commodities, as defined in IRC section 475, are included on line 27, in accordance with §11-654.2(5)(a)(2)(ix).

**Line 3** – Net gains from sales of real property located within the City are allocated to New York City.

### SECTION 11-654.2(3) – RENTALS OF REAL AND TANGIBLE PERSONAL PROPERTY, ROYALTIES, AND RIGHTS FOR CERTAIN CLOSED-CIRCUIT AND CABLE TV TRANSMISSIONS

**Line 4** – Receipts from rentals of real and tangible personal property located within the City are allocated to New York City.

**Line 5** – Receipts of royalties from the use of patents, copyrights, trademarks, and similar intangible personal property within the City are allocated to New York City.

**Line 6** – Receipts from the sales of rights for closed-circuit and cable television transmissions of an event (other than events occurring on a regularly scheduled basis) taking place within the City as a result of the rendition of services by employees of the corporation, as athletes, entertainers or performing artists, are entered in the New York City column to the extent that those receipts are attributable to such transmissions received or exhibited within the City.

### SECTION 11-654.2(4) – RECEIPTS FROM SALE OF, LICENSE TO USE, OR GRANTING OF REMOTE ACCESS TO DIGITAL PRODUCTS

**Line 7** – For purposes of allocation under Subchapter 3-A of Chapter 6 of Title 11 of the Ad. Code (“Subchapter 3-A”), the term *digital prod-*

*uct* means any property or service, or combination thereof, of whatever nature delivered to the purchaser through the use of wire, cable, fiber-optic, laser, microwave, radio wave, satellite or similar successor media, or any combination of these. Digital product includes, but is not limited to, an audio work, audiovisual work, visual work, book or literary work, graphic work, game, information or entertainment service, storage of digital products and computer software by whatever means delivered. The term *delivered* to includes furnished or provided to or accessed by. A digital product does not include legal, medical, accounting, architectural, research, analytical, engineering or consulting services.

If the receipt for a digital product is comprised of a combination of property and services, it cannot be divided into separate components and is considered to be one receipt, regardless of whether it is separately stated for billing purposes. The entire receipt must be allocated according to a hierarchy (see below).

Receipts from the sale of, license to use, or granting of remote access to digital products within the City, are determined according to the following hierarchy:

- 1) The customer's primary use location of the digital product.
- 2) The location where the digital product is received by the customer or is received by a person designated for receipt by the customer.
- 3) The receipts fraction determined pursuant to Administrative Code §11-654.2(4) of the taxpayer for the preceding tax year for such digital product.
- 4) The receipts fraction in the current tax year for those digital products that can be sourced using the methods in items 1 and 2.

**Note:** Item 3 does not apply to your first tax period that begins on or after January 1, 2015.

The taxpayer must exercise due diligence under each method before rejecting it and proceeding to the next method in the hierarchy, and must base its determination on information known to the taxpayer or information that would be known to the taxpayer upon reasonable inquiry.

#### **SECTION 11-654.2(5)(a)(1) – QUALIFIED FINANCIAL INSTRUMENTS (QFIs), THE 8% METHOD**

**Line 8** – A *qualified financial instrument* means a financial instrument of a type that is reported on lines 11 through 24, 27, 29, or 30 that is marked to market in the tax year by the taxpayer under IRC section 475 or 1256. Further, if the taxpayer has in the tax year marked to market a financial instrument of the type described on the aforementioned lines, then any financial instrument within that type that has not been marked to market by the taxpayer under IRC section 475 or 1256 is a QFI in the tax year. If the only loans that are marked to market under IRC section 475 or 1256 are loans secured by real property, then no loans are QFIs. Stock that is investment capital shall not be a QFI.

The designated agent may elect to use the *fixed percentage method* to allocate QFIs; if so, all income, gain or loss from QFIs, including marked to market net gains as described in the line 28 instructions, constitutes business income, gain or loss. Under the fixed percentage method, 8% of all net income (not less than zero on a combined basis) from QFIs is included in the New York City column. This election is irrevocable, applies to all QFIs and must be made on an annual basis on the original timely filed return (determined with regard to extensions of time for filing) by marking an **X** in the box on line 8. The election applies to all members of the combined group. If you do not mark the box, but still allocate QFI receipts by 8%, you will be considered to have made the election.

Regardless of whether or not the 8% fixed percentage method is made, when **any** financial instrument has been marked to market that is reported on:

- a) **either** line 11 or 12, **both** the boxes on lines 11 and 12 must be marked; and
- b) **any** of lines 13 through 24, and 27 through 30, then the box next to the section heading above the line on which that financial instrument is reported must be marked.

For all financial instruments that do not meet the definition of a QFI, and when you did not elect the fixed percentage method for QFIs, use the rules as detailed in the instructions for lines 9 through 30.

For purposes of these allocation instructions, an individual is deemed to be located in New York City if his or her billing address is in the City. A business entity is deemed to be located in New York City if its commercial domicile is located in the City.

Use the following hierarchy to determine the *commercial domicile* of a business entity, based on known information, or information that would be known upon reasonable inquiry:

- 1) The seat of management and control of the business entity.
- 2) The billing address of the business entity in the taxpayer's records.

You must exercise due diligence before rejecting the first method and proceeding to the next method in this hierarchy.

For purposes of these allocation instructions, *registered securities broker or dealer* means a broker or dealer registered as such by the Securities and Exchange Commission (SEC) or a broker or dealer registered as such by the Commodities Futures Trading Commission, and shall include an over-the-counter (OTC) derivatives dealer as defined under regulations of the SEC (17 CFR 240.3b-12).

For purposes of these allocation instructions, *gross proceeds* are determined after the deduction of any cost incurred to acquire the securities, but shall not be less than zero.

Regardless of whether or not the 8% election is in effect, Worksheets A, B, and C of these instructions compute certain amounts for lines 10, 12, 21, 24, 28, and 30 of: Form NYC-2.5A, Form NYC-2.5A/BC, and Worksheet D.

#### **SECTION 11-654.2(5)(a)(2)(i) – LOANS**

A loan is secured by real property if 50% or more of the value of the collateral used to secure the loan (when valued at FMV as of the time the loan was entered into) consists of real property.

**Gross proceeds** are determined after the deduction of any cost to acquire the loans, but shall not be less than zero.

**Line 9** – Include in the New York City row, interest from loans secured by real property located within the City.

**Line 10** – The New York City amounts are determined by multiplying the amount of net gains from sales of loans secured by real property by a fraction, the numerator of which is the amount of gross proceeds from sales of loans secured by real property located within the City, and the denominator of which is the amount of gross proceeds from sales of such loans everywhere. Everywhere amounts are the amount of net gains from sales of loans secured by real property both within and outside New York City.

Use Worksheet A at the end of these instructions.

**Line 11** – In the New York City row, include interest from loans **not** secured by real property if the borrower is located in New York City.

**Line 12** – New York City amounts are determined by multiplying net gains (not less than zero) from sales of loans **not** secured by real property by a fraction, the numerator of which is the amount of gross proceeds from sales of loans not secured by real property to purchasers located within the City, and the denominator of which is the amount of gross proceeds from sales of such loans to purchasers located within and outside the City. Everywhere amounts are the amount of net gains (not less than zero) from sales of loans not secured by real property within and outside the City.

Use Worksheet A at the end of these instructions.

**SECTION 11-654.2(5)(a)(2)(ii) – FEDERAL, STATE, AND MUNICIPAL DEBT**

**For lines 13 and 15:**

- If the fixed percentage method election has been made (the box on line 8 is marked), and the QFI box above line 13 is marked, enter 8% of the applicable receipts in row a, columns A and B. Enter 100% of the applicable receipts in row b, columns A and B.
- In all other instances, enter **0** in row a, columns A, B, C, and D. Enter 100% of the applicable receipts in row b, columns A and B.

**For lines 14 and 16:**

- If the fixed percentage method election has been made (the box on line 8 is marked), and the QFI box above line 13 is marked, enter 8% of the applicable receipts in row a, columns A and B.
- In all other instances, enter **0** in row a, columns A, B, C, and D. For row b, column E, add row b, column A to row b, column B; then subtract row b, column C and enter the result. If the result is less than zero, enter **0** in column E.

**For line 17:**

- If the fixed percentage method election has been made (the box on line 8 is marked), and the QFI box above line 13 is marked, enter 8% of the applicable receipts in row a, columns A and B. Enter 100% of the applicable receipts in row b, columns A and B.
- In all other instances, enter **0** in row a, columns A, B, C, and D. Enter only 50% (not 100%) of the applicable everywhere receipts in row b, columns A and B.

**For line 18:**

- If the fixed percentage method election has been made (the box on line 8 is marked), and the QFI box above line 13 is marked, enter 8% of the applicable receipts in row a, columns A and B.
- In all other instances, enter **0** in row a, columns A, B, C, and D. For row b, column E, add row b, column A to row b, column B; then subtract row b, column C and enter the result. If the result is less than zero, enter **0** in column E.

**SECTION 11-654.2(5)(a)(2)(iii) – ASSET-BACKED SECURITIES AND OTHER GOVERNMENT AGENCY DEBT**

**Line 19** – In the New York City row, enter 8% of the interest income from:

- 1) Asset-backed securities issued by government agencies;
- 2) Other securities issued by government agencies, including but not limited to securities issued by the Government National Mortgage Association (GNMA), the Federal National Mortgage Association (FNMA), the Federal Home Loan Mortgage Corporation (FHLMC), or the Small Business Administration (SBA); or
- 3) Asset-backed securities issued by other entities.

**Line 20** – The New York City amount is 8% of the net gains (not less than zero) from:

- 1) Sales of asset-backed securities or other securities issued by government agencies, including but not limited to securities issued by GNMA, FNMA, FHLMC, or the SBA; and
- 2) Sales of other asset-backed securities that are sold through a registered securities broker or dealer, or through a licensed exchange.

**Line 21** – For the New York City amount, multiply net gains (not less than zero) from sales of other asset-backed securities **not** reported on line 20 by a fraction, the numerator of which is the amount of gross proceeds from such sales to purchasers located in the City and the denominator of which is the amount of gross proceeds from such sales to purchasers located within and outside the City.

The Everywhere is 100% of the amount of net gains (not less than zero) from sales of other asset-backed securities not reported on line 20.

Use Worksheet A at the end of these instructions.

**SECTION 11-654.2(5)(a)(2)(iv) – CORPORATE BONDS**

**Line 22** – In the New York City row, enter interest from corporate bonds when the commercial domicile of the issuing corporation is in the City.

**Line 23** – For New York City amount, net gains from sales of corporate bonds sold through a registered securities broker or dealer, or through a licensed exchange is multiplied by 8%.

**Line 24** – For the New York City amount, net gains from those sales of corporate bonds **not** reported on line 23 is multiplied by a fraction, the numerator of which is the amount of gross proceeds from such sales to purchasers located within the City, and the denominator of which is the amount of gross proceeds from such sales to purchasers located within and outside the City.

The Everywhere amount is the amount of net gains from sales of corporate bonds **not** reported on line 23 to purchasers within and outside the City.

Use Worksheet A at the end of these instructions.

**SECTION 11-654.2(5)(a)(2)(v) – INTEREST INCOME FROM REVERSE REPURCHASE AND SECURITIES BORROWING AGREEMENTS**

**Line 25** – In column E enter the **combined group's** net interest income (not less than zero), and after intercorporate eliminations, from reverse

repurchase agreements and securities borrowing agreements. For this calculation, the combined group's net interest income is determined after the deduction of the amount of the combined group's interest expense, after intercorporate eliminations, from repurchase agreements and securities lending agreements, but cannot be less than zero. The amount of the combined group's interest expense to be deducted is the combined group's interest expense associated with the sum, determined after intercorporate eliminations, of the value of the combined group's repurchase agreements where a member of the combined group is the seller or borrower, **plus** the value of the combined group's securities lending agreements where a member of the combined group is the securities lender; provided that such sum is limited to the sum, after intercorporate eliminations, of the value of the combined group's reverse repurchase agreements where a member of the combined group is the purchaser or lender, **plus** the value of the combined group's securities borrowing agreements where a member of the combined group is the securities borrower.

In column D, enter 8% of the amount in column E.

#### **SECTION 11-654.2(5)(a)(2)(vi) – INTEREST INCOME FROM FEDERAL FUNDS**

**Line 26** - For the New York City amount, net interest from federal funds (determined after deduction of interest expense from federal funds) is multiplied by 8%.

#### **SECTION 11-654.2(5)(a)(2)(ix) – NET INCOME FROM SALES OF PHYSICAL COMMODITIES**

**Line 27** – For the New York City amount, multiply the net income from sales of physical commodities by a fraction, the numerator of which is the amount of receipts from sales of physical commodities actually delivered to points within the City or, if there is no actual delivery of the physical commodity, the amount sold to purchasers located in the City, and the denominator of which is the amount of receipts from all sales of physical commodities actually delivered to points within and outside the City or, if there is no actual delivery of the physical commodity, the amount sold to purchasers located both within and outside the City.

Net income (not less than zero) from sales of physical commodities is determined after the deduction of the cost to acquire or produce the physical commodities. For the Everywhere amount, use 100% of the net income (not less than zero) from sales of physical commodities.

For this line, net income is determined after the deduction of the cost to acquire or produce the physical commodities.

#### **SECTION 11-654.2(5)(a)(2)(x) – MARKED TO MARKET NET GAINS**

**Line 28** – For purposes of lines 9 through 43, *marked to market* means that a financial instrument is **treated** by the taxpayer as sold for its FMV on the last business day of the taxpayer's tax year, despite no actual sale having taken place, under IRC section 475 or 1256. The term *marked to market gain or loss* means the gain or loss recognized by the taxpayer under IRC section 475 or 1256 because the financial instrument is treated as sold for its FMV on the last business day of the tax year.

#### **SECTION 11-654.2(5)(a)(2)(x)(B)**

The amount of marked to market net gains (not less than zero) from each type of financial instrument to be included in the New York City row is determined by multiplying such net gains (not less than zero) from each such type of financial instrument by a fraction, the numerator of which

is the numerator of the allocation fraction for the net gains from actual sales of that type of financial instrument as reported on lines 9 through 30 (as applicable), and the denominator of which is the denominator of the allocation fraction for the net gains from actual sales of that type of financial instrument determined on the applicable line.

For the Everywhere amount, use 100% of the marked to market net gains (not less than zero) from financial instruments for which the amount to be included in the New York City row is determined under the immediately preceding paragraph.

#### **SECTION 11-654.2(5)(a)(2)(x)(C)**

If the type of financial instrument that is marked to market is not otherwise sourced by the taxpayer on lines 9 through 30, or if the taxpayer has a net loss from the sales of that **type** of financial instrument not otherwise sourced on lines 9 through 30, for the New York City row, multiply the marked to market net gains from that type of financial instrument by a fraction, the numerator of which is the sum of the amount of receipts from financial instruments entered in the New York City row on lines 9 through 30, **plus** any New York City receipts determined under §11-654.2(5)(a)(2)(x)(B) above, and any amount included in the New York City row on line 53 under §11-654.2(5)(a)(2)(vii), and the denominator of which is the sum of the amount of receipts entered in the Everywhere row on lines 9 through 30, **plus** any everywhere receipts determined under §11-654.2(5)(a)(2)(x)(B) above, and any amount included in the Everywhere row on line 53 under §11-654.2(5)(a)(2)(vii).

For the Everywhere amount, use 100% of the marked to market net gains from financial instruments for which the amount to be included in the New York City row is determined under the immediately preceding paragraph.

Use Worksheet C at the end of these instructions.

#### **SECTION 11-654.2(5)(a)(2)(viii) – INCOME FROM OTHER FINANCIAL INSTRUMENTS**

**Line 29** – In the New York City row, enter interest from other financial instruments when the payor is located in New York City.

**Line 30** – For the New York City amount, include net gains (not less than zero) from sales of other financial instruments and other income from other financial instruments when the purchaser or payor is located in the City. However, if the purchaser or payor is a registered securities broker or dealer, or the transaction is made through a licensed exchange, then include 8% of the net gains or other income .

If the fixed percentage method election has been made, include on line 30:

- (1) dividends and net gains from stock that is not investment capital, and dividends from stock that does not generate other exempt income, if the taxpayer has marked to market any stock under IRC section 475 or 1256; and
- (2) net gains from the sale of partnership interests in widely held or publicly traded partnerships if the taxpayer has marked to market any partnership interest in a widely held or publicly traded partnership under IRC section 475 or 1256.

Use Worksheet B at the end of these instructions.

#### **SECTION 11-654.2(5)(b) – OTHER RECEIPTS FROM BROKER OR DEALER ACTIVITIES**

For the purposes of lines 31 through 37, *securities* has the same meaning

as in IRC section 475(c)(2), and *commodities* has the same meaning as in IRC section 475(e)(2). If the taxpayer receives any of the receipts reported on lines 31 through 35 as a result of a securities correspondent relationship that the taxpayer has with another broker or dealer (with the taxpayer acting in this relationship as the clearing firm), those receipts are deemed generated within the City to the extent set forth in §11-654.2(5)(b)(1) through §11-654.2(5)(b)(4). The amount of those receipts excludes the amount the taxpayer is required to pay to the correspondent firm for the correspondent relationship. If the taxpayer receives any of the receipts reported on lines 31 through 35 as a result of a securities correspondent relationship that the taxpayer has with another broker or dealer (with the taxpayer acting in this relationship as the introducing firm), these receipts are deemed generated within the City to the extent set forth in §11-654.2(5)(b)(1) through §11-654.2(5)(b)(4). If the taxpayer is unable to determine the mailing address of the customer from its records, include 8% of the receipts in the numerator of the allocation fraction.

**Line 31** – In the New York City row, enter brokerage commissions derived from the execution of securities or commodities purchase or sales orders for the accounts of customers if in the records of the taxpayer, the mailing address of the customer responsible for paying the commissions is in the City.

**Line 32** – In the New York City row, enter margin interest earned on behalf of brokerage accounts if in the records of the taxpayer, the mailing address of the customer responsible for paying such margin interest is in the City.

**Line 33** – In the New York City row, enter the amount of fees for advisory services to a customer in connection with the underwriting of securities for the entity that is contemplating issuing or is issuing securities, or fees for managing an underwriting, if in the records of the taxpayer, the mailing address of the customer responsible for paying such fees is in the City.

**Line 34** – In the New York City row, enter the receipts constituting the primary spread of selling concession from underwritten securities if the customer is located in the City. The term *primary spread* means the difference between the price paid by the taxpayer to the issuer of the securities being marketed and the price received from the subsequent sale of the underwritten securities at the initial public offering price, less any selling concession and any fees paid to the taxpayer for advisory services or any manager's fees, if those fees are not paid by the customer to the taxpayer separately. The term *public offerings price* means the price agreed upon by the taxpayer and the issuer at which the securities are to be offered to the public. The term *selling concession* means the amount paid to the taxpayer for participating in the underwriting of a security where the taxpayer is not the lead underwriter.

**Line 35** – In the New York City row, enter account maintenance fees if in the records of the taxpayer, the mailing address of the customer responsible for paying such account maintenance fees is in the City.

**Line 36** – In the New York City row, enter fees for management or advisory services, including fees for advisory services in relation to merger or acquisition activities, if in the records of the taxpayer, the mailing address of the customer responsible for paying such fees is in the City. Exclude fees paid for services reported on line 43.

**Line 37** – Interest earned on loans and advances made by the taxpayer to a corporation affiliated with the taxpayer, but with which the taxpayer is not included in a combined return under Subchapter 3-A of Chapter 6 of Title 11 of the Administrative Code are deemed to arise from services performed at the principal place of business of the affiliated corporation.

If such principal place of business is in New York City, include the interest in the New York City row.

#### **SECTION 11-654.2(5)(c) – RECEIPTS FROM CREDIT CARD AND SIMILAR ACTIVITIES**

**Line 38** – In the New York City row, enter interest, fees, and penalties in the nature of interest from bank, credit, travel, and entertainment card receivables if in the records of the taxpayer, the mailing address of the card holder is in the City.

**Line 39** – In the New York City row, enter service charges and fees from such cards, if in the records of the taxpayer, the mailing address of the card holder is in the City.

**Line 40** – In the New York City row, enter receipts from merchant discounts when the merchant is located within the City. If the merchant has locations both within and outside of New York City, **only** receipts from merchant discounts attributable to sales made from locations within New York City are entered in the New York City row. The location of the merchant is presumed to be the address of the merchant shown on the invoice submitted to the taxpayer by the merchant.

**Line 41** – In the New York City row, enter receipts from credit card authorization processing, and clearing and settlement processing, received by credit card processors if the location where the customer of the credit card processor accesses the credit card processor's network is located within the City.

**Line 42** – For the New York City row, multiply the total amount of all other receipts received by credit card processors not reported on lines 1 through 52 by the average of 8% and the percent of its New York City access points. The *percent of New York City access points* is the number of locations within New York City from which the credit card processor's customers access the credit card processor's network, divided by the total number of locations in the United States where the credit card processor's customers access the credit card processor's network.

#### **SECTION 11-654.2(5)(d) – RECEIPTS FROM CERTAIN SERVICES TO INVESTMENT COMPANIES**

**Line 43** – For the New York City row, multiply the receipts received from an investment company arising from the sale of management, administration, or distribution services to such investment company by a fraction, the numerator of which is the sum of the monthly percentages determined for each month of the investment company's federal tax year that ends within the tax year of the taxpayer (but excluding any month during which the investment company had no outstanding shares), and the denominator of which is the number of those monthly percentages.

To determine the monthly percentage for each month, divide the number of shares in the investment company that are owned on the last day of the month by shareholders that are located in New York City by the total number of shares in the investment company outstanding on that date.

In the Everywhere row, enter 100% of the receipts received from an investment company arising from the sale of management, administration, or distribution services to the investment company.

For purposes of these receipts, the following apply:

- An individual, estate or trust is deemed located in New York City if his, her, or its mailing address in the records of the investment company is in the City. A business entity is deemed located in New

York City if its commercial domicile is located in the City.

- *Investment company* means a regulated investment company, as defined in IRC section 851, and a partnership to which IRC section 7704(a) applies (by virtue of section 7704(c)(3)) and that meets the requirements of IRC section 851(b). This is applied to the tax year, for federal income tax purposes, of the business entity that is asserted to constitute an investment company that ends within the tax year of the taxpayer.
- *Receipts from an investment company* includes amounts received directly from an investment company as well as amounts received from the shareholders in the investment company, in their capacity as such.
- *Management services* means the rendering of investment advice to an investment company, making determinations as to when sales and purchases of securities are to be made on behalf of an investment company, or the selling or purchasing of securities constituting assets of an investment company, and related activities, but only where such activity or activities are performed pursuant to a contract with the investment company entered into according to the federal Investment Company Act of 1940, section 15(a), as amended.
- *Distribution services* means the services of advertising, servicing investor accounts (including redemptions), marketing shares or selling shares of an investment company; but in the case of advertising, servicing investor accounts (including redemptions) or marketing shares, **only** where such service is performed by a person who is (or was, in the case of a closed end company) also engaged in the service of selling such shares. In the case of an open-end company, the service of selling shares must be performed pursuant to a contract entered into pursuant to the federal Investment Company Act of 1940, section 15(b), as amended.
- *Administration services* includes clerical, accounting, bookkeeping, data processing, internal auditing, legal, and tax services performed for an investment company, but only if the provider of such service or services during the tax year in which such service or services are sold also sells management or distribution services (as defined above), to such investment company.

**SECTION 11-654.2(6) – RECEIPTS FROM RAILROAD AND TRUCKING BUSINESSES**

**Line 44** – For the New York City row, multiply receipts from the conduct of a railroad business or a trucking business (including surface railroad, whether or not operated by steam, subway railroad, elevated railroad, palace car or sleeping car business) by a fraction, the numerator of which is the miles in such business within the City during the period covered by this return, and the denominator of which is the miles in such business both within and outside the City during such period.

**SECTION 11-654.2(12) – RECEIPTS FROM OPERATION OF VESSELS**

**Line 45** – For the New York City row multiply receipts from the operation of vessels by a fraction, the numerator of which is the aggregate number of working days of the vessels owned or leased by the taxpayer in territorial waters of the City during the period covered by this return, and the denominator of which is the aggregate number of working days of all vessels owned or leased by the taxpayer during such period.

**SECTION 11-654.2(7) – RECEIPTS FROM AVIATION SERVICES**

**Line 46 – Air freight forwarding** – In the New York City row, enter the receipts from the activity of air freight forwarding acting as principal and like indirect air carrier receipts arising from that activity as follows:

- 100% of such receipts if both the pickup and delivery associated with those receipts are made in the City; and
- 50% of such receipts if either the pickup or delivery associated with those receipts is made in this City.

In the Everywhere row, enter the amount of receipts from all such activity.

**Line 47** – Other aviation services – For the New York City and Everywhere columns, determine the portion of receipts from aviation services, other than services described in line 46 (but including the receipts of a qualified air freight forwarder, as described below) to enter by averaging lines 2, 4, and 6 in the worksheet below.

**BUSINESS ALLOCATION FOR AVIATION CORPORATIONS**

		AVERAGE FOR THE YEAR	
		COLUMN A - NEW YORK CITY	COLUMN B - EVERYWHERE
1.	Aircraft arrivals and departures .....		
2.	New York City percentage (column A divided by column B) .....		%
3.	Revenue tons handled.....		
4.	New York City percentage (column A divided by column B) .....		%
5.	Originating revenue .....		
6.	New York City percentage (column A divided by column B) .....		%
7.	Total of lines 2, 4 and 6 .....		%
8.	Allocation percentage (line 7 divided by three rounded to the nearest one hundredth of a percentage point).....		%
9.	Enter 100% of receipts from other aviation services; also enter on line 47, in the EW row .....		
10.	Multiply line 8 by line 9; also enter on line 47, in the NYC row .....		

*Aircraft arrivals and departures* means the number of landings and takeoffs in the tax year, **plus** the number of air pickups and deliveries by such aircraft. Do **not** include arrivals and departures solely for maintenance, repair, or refueling (where no debarkation or embarkation of traffic occurs). Arrivals and departures of ferry and personnel training flights, or in the

event of emergency situations, are also not included. Arrivals and departures of flights transporting officers and employees receiving air transportation are included (but see Note below for exceptions) without regard to remuneration.

**Note:** The Commissioner of Finance may exempt from the calculation arrivals and departures of all non-revenue flights including flights involving the transportation of officers and employees receiving air transportation to perform maintenance or repair services, or where such officers or employees are transported in conjunction with an emergency situation or the investigation of an air disaster (other than on a scheduled flight).

*Revenue tons* 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.

*Originating revenue* means revenue to the taxpayer from the transportation of revenue passengers and revenue property first received by the taxpayer as originating or connecting traffic at airports.

A corporation is a *qualified air freight forwarder* with respect to another corporation if:

- it owns or controls, either directly or indirectly, all of the capital stock of such other corporation; or if all of its capital stock is owned or controlled, either directly or indirectly, by such other corporation; or if all of the capital stock of both corporations is owned or controlled, either directly or indirectly, by the same interests;
- it is principally engaged in the business of air freight forwarding; and
- its air freight forwarding business is carried on principally with the airline or airlines operated by such other corporation.

#### **SECTION 11-654.2(8) – ADVERTISING: NEWSPAPERS/PERIODICALS, TV/RADIO, AND OTHER MEANS**

**Line 48** – For the New York City row, multiply receipts from sales of advertising in newspapers or periodicals by a fraction, the numerator of which is the number of newspapers and periodicals delivered to points within the City, and the denominator of which is the number of newspapers and periodicals delivered to points both within and outside the City.

**Line 49** – For the New York City row, multiply receipts from sales of advertising on television or radio by a fraction, the numerator of which is the number of viewers or listeners within the City, and the denominator of which is the number of viewers or listeners both within and outside the City.

**Line 50** – For the New York City row, multiply receipts from sales of advertising **not** reported on either line 48 or 49 that is furnished, provided, or delivered to or accessed by the viewer or listener through the use of wire, cable, fiber-optic, laser, microwave, radio wave, satellite or similar successor media, or any combination of these by a fraction, the numerator of which is the number of viewers or listeners within the City, and the denominator of which is the number of viewers or listeners both within and outside the City.

#### **SECTION 11-654.2(9) – RECEIPTS FROM THE TRANSPORTATION OR TRANSMISSION OF GAS THROUGH PIPES**

**Line 51** – For the New York City row, multiply receipts from the transportation or transmission of gas through pipes by a fraction, the numerator of which is the taxpayer's transportation units within the City, and the denominator of which is the taxpayer's transportation units both within and outside the City. A *transportation unit* is the transportation

of one cubic foot of gas over a distance of one mile.

#### **SECTION 11-654.2(10) – RECEIPTS FROM OTHER SERVICES/ACTIVITIES NOT SPECIFIED**

**Line 52** – In the New York City row, enter receipts from services and other business receipts not reported on lines 1 through 51, if the location of the customer is within the City. The determination of the amount of receipts included in the New York City row is made according to the *Hierarchy of methods* below. Each corporation must exercise due diligence under each method described before rejecting it and proceeding to the next method in the hierarchy, and must base its determination on information known to the corporation, or information that would be known to the corporation upon reasonable inquiry.

##### **Hierarchy of methods**

- 1) The benefit is received in this City.
- 2) Delivery destination.
- 3) The receipts fraction for such receipts within the City determined according to §11-654.2(10) for the preceding tax year.
- 4) The receipts fraction for the current tax year determined according to §11-654.2(10) for those receipts that can be sourced using the hierarchy of sourcing method in item 1 or 2.

**Note:** Item 3 does not apply to your first tax period that begins on or after January 1, 2015.

#### **SECTION 11-654.2(11) – DISCRETIONARY ADJUSTMENTS**

**Line 53** – If it appears that the receipts allocation fraction determined according to §11-654.2 does not result in a proper reflection of the taxpayer's business income or capital within New York City, the Commissioner of Finance is authorized in his or her discretion to adjust it, or the taxpayer may request that the commissioner adjust it.

The party seeking the adjustment bears the burden of proof to demonstrate that the receipts allocation fraction determined according to §11-654.2 does not result in a proper reflection of the taxpayer's business income or capital within the City and that the proposed adjustment is appropriate.

Where you have received approval from the commissioner to make such adjustment, use line 53 to report it. Do **not** use line 53 to report an adjustment **unless** you have received the approval of the commissioner. If you have not received the approval of the commissioner before filing this return, you must file using the statutory rules for allocation. You may file an amended return after you have received approval.

Worksheet A – Gross proceeds factors and net gains for lines 10, 12, 21, and 24						
	A		B	C	D	E
	EIN	Entity specific detail				
Line 10	§ 11-654.2(5)(a)(2)(i)(C) – Gross proceeds from sales of loans secured by real property (see instr.)					
	10a	NYC				
	10b	EW				
	10c	NYC gross proceeds factor				
	§ 11-654.2(5)(a)(2)(i)(C) – Net gains from sales of loans secured by real property (see instr.)					
	10d	EW				
Line 12	§ 11-654.2(5)(a)(2)(i)(D) – Gross proceeds from sales of loans not secured by real property (see instr.)					
	12a	NYC				
	12b	EW				
	12c	NYC gross proceeds factor				
	§ 11-654.2(5)(a)(2)(i)(D) – Net gains from sales of loans not secured by real property (see instr.)					
	12d	EW				
Line 21	§ 11-654.2(5)(a)(2)(iii) – Gross proceeds from all other asset backed securities (see instructions)					
	21a	NYC				
	21b	EW				
	21c	NYC gross proceeds factor				
	§ 11-654.2(5)(a)(2)(iii) – Net gains from all other asset backed securities (see instructions)					
	21d	EW				
Line 24	§ 11-654.2(5)(a)(2)(iv) – Gross proceeds from other sales of corporate bonds (see instructions)					
	24a	NYC				
	24b	EW				
	24c	NYC gross proceeds factor				
	§ 11-654.2(5)(a)(2)(iv) – Net gains from other sales of corporate bonds (see instructions)					
	24d	EW				
24e	NYC					
24f	NYC FDM					

Worksheet A – Gross proceeds factors and net gains – Form NYC-2.5A and Form NYC-2.5A/BC, lines 10, 12, 21, and 24 and Worksheet D lines 10, 12, 21, and 24.

## General information

This worksheet computes the amounts for Forms NYC-2.5A and NYC-2.5A/BC, as well as the amounts for these lines for Worksheet D, *Designated agent's NYC Receipts for purposes of fixed dollar minimum (FDM) tax base*. The line numbers correspond to the line numbers on Form NYC-2.5A. See the corresponding Form NYC-2.5 line instructions and also the specific instructions below.

In the instructions below, **all lines** refer to lines 10, 12, 21, and 24, and specific rows (a, b, c, d, e, or f) are indicated to clarify which rows of these lines the specific instruction applies to.

**Column A** (for **all lines**, rows a through f) is completed for the designated agent and for **each** combined member, in the manner set forth in these instructions. Therefore, there should be as many columns A completed as there are entities in your combined return. Enter the EIN of the applicable entity at the top of each column A completed.

Amounts less than zero are allowed in an entity's column A, rows a, b, d, and e only, because these amounts must be netted to amounts not less than zero **on a combined basis**. For rows a and b, the gross proceeds amounts are determined after the deduction of any cost incurred to acquire the securities.

**Columns B, C, D, and E** are completed on a combined basis, as instructed below.

### Line instructions for Worksheet A

**Column A** – Complete column A using the instructions for Condition 1 or Condition 2 below, whichever applies; however:

- for **line 10**, use the specific instructions under Condition 1 below and skip Condition 2.
- for **lines 12, 21, and 24**, when the receipts for a certain line are **not** from QFIs (the QFI box pertaining to that specific line is not marked), use the specific instructions under Condition 1 below.

**Condition 1** – If the fixed percentage method for QFIs is **not** in effect for the combined group (use when Form NYC-2.5A, line 8 box is **not** marked)

- 1.1. In each entity’s column A, for all lines, rows a and b respectively, enter that entity’s NYC and EW gross proceeds amount for that line’s category of receipts.
  - 1.2. In each entity’s column A, for all lines, row c, divide the amount in column A, row a by the amount in such column A, row b, and enter the result rounded to four decimal places; however, if either the amount in row a or the amount in row b for an entity is an amount less than or equal to zero, enter **0**. This is the NYC gross proceeds factor for each entity, for each respective line, computed on a **separate** company basis. It is used to compute the row f (NYC FDM) amount for all lines in each entity’s column A.
  - 1.3. In each entity’s column A, for all lines, row d, enter that entity’s EW receipts for that line’s category of receipts.
- Note:** To complete each line’s column E, you must first complete, for all lines, that line’s row a, columns A, B, and C and row b, columns A, B, and D. Instructions for completing columns B, C, D, and E follow.
- 1.4. In each entity’s column A, for all lines, row e, multiply the factor in column E, of that line’s row c (the combined NYC gross proceeds factor) by the amount in column A of that line’s row d for each respective entity, and enter the result. If the result is less than zero, enter the negative amount with a minus (-) sign.
  - 1.5. In each entity’s column A, for all lines, row f, multiply the factor in column A, row c (the NYC gross proceeds factor on a separate company basis) by the amount in column A, row d for each respective entity, and enter the result (but **not** less than zero). For FDM purposes only, the net gains (not less than zero) are computed on a separate company basis.

**Condition 2** – If the fixed percentage method for QFIs is in effect for the combined group (use for a specific line when Form NYC-2.5A, line 8 box is marked **and** the QFI box pertaining to **that** specific line is also marked)

- 2.1. In each entity’s column A, leave rows a through c blank, for such specific line(s).
- 2.2. In each entity’s column A, for such specific lines, row d, enter that entity’s EW receipts for that line’s category of receipts.
- 2.3. In each entity’s column A, **rows e and f**, for such specific line(s), multiply column A, row d for each respective entity by 8% (.08) and enter the result; however, if the result is an amount less than zero, enter the negative amount with a minus (-) sign in row e, but enter **0** in row f.

**Columns B through E**

If the fixed percentage method **is** in effect for the combined group (Form NYC-2.5A, line 8 box is marked) for any lines for which the applicable QFI box **is** also marked on Form NYC-2.5A, leave rows a and b of columns B through E **blank**.

For column **B**, **all** lines, **rows a and b**, enter on a combined group basis the amount of NYC and EW gross proceeds generated from intercorporate transactions, respectively, from that category of receipts.

For columns **C** and **D**, **all** lines, **rows a and b**, enter the result of taking the **sum** of the amounts for each such row entered in each entity’s column A (i.e., the sum of **all** entities’ column A, rows a and b, respectively) **less** any intercorporate eliminations in column **B** for each such row; however, if the resulting combined total for either row is less than zero, enter **0** for that row.

For column **E**, **all** lines, **row c**, divide column C by column D for each line and enter the result rounded to four decimal places; however, if either column C or column D is less than or equal to zero, enter **0**. This is the combined NYC gross proceeds factor for each respective line. It is used to compute the row e amount for all lines in each entity’s column A.

**Where are the amounts calculated on Worksheet A entered?**

The amounts entered or calculated in columns B, C, D, and are only used for Worksheet A calculations and do not get transferred to any other form or worksheet. The amounts entered or calculated in rows a, b, and c, for all lines, are also only used for Worksheet A calculations and do not get transferred to any other form or worksheet. The amounts entered or calculated in rows d, e, and f need to be entered on Form NYC-2.5A, Form NYC-2.5A/BC, or Worksheet D, as follows:

Amount from Worksheet A, column A completed for the designated agent	Amount is entered on
Line 10d (EW) .....	NYC-2.5A, column A, line 10b (EW)
Line 10e (NYC) .....	NYC-2.5A, column A, line 10a (NYC)
Line 10f (NYC FDM).....	Worksheet D, line 10 (NYC FDM)
Line 12d (EW) .....	NYC-2.5A, column A, line 12b (EW)
Line 12e (NYC) .....	NYC-2.5A, column A, line 12a (NYC)
Line 12f (NYC FDM).....	Worksheet D, line 12 (NYC FDM)
Line 21d (EW) .....	NYC-2.5A, column A, line 21b (EW)
Line 21e (NYC) .....	NYC-2.5A, column A, line 21a (NYC)
Line 21f (NYC FDM).....	Worksheet D, line 21 (NYC FDM)
Line 24d (EW) .....	NYC-2.5A, column A, line 24b (EW)
Line 24e (NYC) .....	NYC-2.5A, column A, line 24a (NYC)
Line 24f (NYC FDM).....	Worksheet D, line 24 (NYC FDM)

Amount from Worksheet A, column A completed for each combined entity other than the designated agent	Amount is entered in each entity's Form NYC- 2.5A/BC, as follows:
Line 10d (EW).....	NYC-2.5A/BC, column A, line 10 (EW)
Line 10e (NYC).....	NYC-2.5A/BC, column B, line 10 (NYC)
Line 10f (NYC FDM) .....	NYC-2.5A/BC, column C, line 10 (NYC FDM)
Line 12d (EW).....	NYC-2.5A/BC, column A, line 12 (EW)
Line 12e (NYC).....	NYC-2.5A/BC, column B, line 12 (NYC)
Line 12f (NYC FDM) .....	NYC-2.5A/BC, column C, line 12 (NYC FDM)
Line 21d (EW).....	NYC-2.5A/BC, column A, line 21 (EW)
Line 21e (NYC).....	NYC-2.5A/BC, column B, line 21 (NYC)
Line 21f (NYC FDM) .....	NYC-2.5A/BC, column C, line 21 (NYC FDM)
Line 24d (EW).....	NYC-2.5A/BC, column A, line 24 (EW)
Line 24e (NYC).....	NYC-2.5A/BC, column B, line 24 (NYC)
Line 24f (NYC FDM) .....	NYC-2.5A/BC, column C, line 24 (NYC FDM)

**Worksheet B – Net gains and other income for line 30**

		A	B	C	D
		EIN	Intercorporate eliminations	Combined group NYC total	Combined group everywhere total
		Entity specific detail			
<b>Part 1</b>					
§ 11-654.2(5)(a)(2)(viii) – Net gains from other financial instruments (see instr.)					
30.1a	EW				
30.1b	NYC				
30.1c	NYC FDM				
§ 11-654.2(5)(a)(2)(viii) – Other income from other financial instruments (see instr.)					
30.2a	EW				
30.2b	NYC				
30.2c	NYC FDM				
<b>Part 2 (see instructions)</b>					
§ 11-654.2(5)(a)(2)(vii) – Dividends from stock that is business capital (see instr.)					
30.3a	EW				
30.3b	NYC				
30.3c	NYC FDM				
§ 11-654.2(5)(a)(2)(vii) – Net gains from sales of stock that is business capital (see instr.)					
30.4a	EW				
30.4b	NYC				
30.4c	NYC FDM				
§ 11-654.2(5)(a)(2)(vii) – Net gains from sales of partnership interests (see instr.)					
30.5a	EW				
30.5b	NYC				
30.5c	NYC FDM				
<b>Totals of Parts 1 and 2</b>					
§ 11-654.2(5)(a)(2)(viii) and 11-654.2(5)(a)(2)(vii) – Net gains and other income from other financial instruments (see instr.)					
30a	Total EW				
30b	Total NYC				
30c	Total NYC FDM				

Worksheet B – Net gains and other income – Form NYC-2.5A and Form NYC-2.5A/BC, line 30 and Worksheet D, line 30

## General information

This worksheet computes certain amounts for Forms NYC-2.5A and NYC-2.5A/BC, line 30, as well as the amount for Worksheet D, line 30. Line number 30 corresponds to the same line number on Form NYC-2.5A. See the corresponding line instructions for Form NYC-2.5A and also the specific instructions below. In the instructions below, **all lines** refer to lines 30.1, 30.2, 30.3, 30.4, 30.5, and 30, and specific rows (a, b, or c) are indicated to clarify which rows of these lines the specific instruction applies to. **Note:** Lines 30.1 through 30.5 are specific to this worksheet only. Since Form NYC-2.5A, line 30 is comprised of different types of receipts that have to be netted separately, these receipts amounts are shown separately on lines 30.1 through 30.5.

**Column A** (for **all lines**, rows a through c), is completed for the designated agent and for **each** combined member, in the manner set forth in these instructions. There should be as many columns A completed as there are entities in your combined return. Enter the EIN of the applicable entity at the top of each column A completed.

Amounts less than zero are allowed in an entity's column A, rows a and b only, because these amounts must be netted to amounts not less than zero **on a combined basis**.

**Columns B, C, and D** are completed on a combined basis.

### Line instructions for Worksheet B Part 1

**Step 1 – Column A, lines 30.1 and 30.2, row a** – Regardless of whether or not the fixed percentage method is in effect for the combined group, for **lines 30.1 and 30.2**, row a in each entity's **column A** follow the applicable instructions for Form NYC-2.5A, line 30 to determine the amount of everywhere receipts, except that if the amount is less than zero, enter the negative amount with a minus (-) sign. Use line 30.1 for net gains from sales of other financial instruments, and line 30.2 for other income from other financial instruments.

**Step 2 – Complete column A, lines 30.1 and 30.2, rows b and c**, using the instructions for Condition 1 or Condition 2 below, whichever applies.

**Condition 1** – If the fixed percentage method for QFIs is **not** in effect for the combined group (Form NYC-2.5A, line 8 box is **not** marked); or if the receipts from lines 30.1 and 30.2 do **not** represent receipts from QFIs:

- 1.1. For **lines 30.1 and 30.2, row b**, follow the corresponding Form NYC-2.5A line instructions to determine the amount of NYC receipts, except that if the amount is less than zero, enter the negative amount with a minus (-) sign. Use line 30.1 for net gains from sales of other financial instruments, and use line 30.2 for other income from other financial instruments.
- 1.2. For **lines 30.1 and 30.2, row c**, enter the amount entered in row b for that entity, for that line, except that if the row b amount for that entity is less than zero, enter **0**. For fixed dollar minimum purposes only, the net gains (not less than zero) and other income (not less than zero) are computed on a separate company basis. Use line 30.1 for net gains from sales of other financial instruments, and line 30.2 for other income from other financial instruments.

**Condition 2** – If the fixed percentage method for QFIs is in effect for the combined group (Form NYC-2.5A, line 8 box is marked) and:

- 2.1. the applicable QFI box is **not** marked on Form NYC-2.5A, for the

applicable section heading above line 30, each entity's column A, lines 30.1 and 30.2, rows b and c, are completed in the same manner as if the fixed percentage method is **not** in effect (see above instructions).

- 2.2. the applicable QFI box **is** marked on Form NYC-2.5A, for the applicable section heading above line 30, in each entity's column A, lines 30.1 and 30.2, **rows b and c**, multiply column A, row a, for each respective entity and line, by 8% (.08) and enter the result; however, if the result is an amount less than zero, enter the negative amount with a minus (-) sign in row b, but enter **0** in row c.

**Step 3 – Column B** – For lines 30.1 and 30.2, **rows a and b**, enter the amount of EW and NYC receipts generated from intercorporate transactions, respectively, from that category of receipts.

**Step 4 – Columns C and D** – For lines 30.1 and 30.2, **rows a and b**, enter the result of taking the sum of the amounts for each such row entered in each entity's column A (i.e., the sum of all entities' columns A, rows a and b, respectively) **less** any intercorporate eliminations in column B for each such row; however, if the resulting combined total for either row is less than zero, enter **0** for that row.

### Part 2

Part 2 of Worksheet B must **only** be completed if the fixed percentage method for QFIs **is** in effect. If Form NYC-2.5A, line 8 box is **not** marked, leave lines 30.3, 30.4, and 30.5 blank and continue with Totals of Parts 1 and 2 instructions below; otherwise continue with Step 1 below.

**Step 1 – Columns A, B, C and D, lines 30.3 and 30.4, rows a, b, and c** – If the fixed percentage method for QFIs is in effect and **any** member of the combined group in the tax year has marked to market **any** stock under IRC section 475 or 1256, complete substeps 1.1, 1.2, and 1.3 below; otherwise leave lines 30.3 and 30.4 blank and continue with Step 2 below.

- 1.1. In each entity's **column A**, enter on **line 30.3, row a**, 100% of dividends from stock that is business capital, provided that dividends that qualify as other exempt income should not be included. In each entity's **column A**, enter on **line 30.4, row a**, 100% of net gains from sales of stock that is business capital; if the amount is less than zero, enter the negative amount with a minus (-) sign.
  - 1.1.1. In each entity's **column A, lines 30.3 and 30.4, rows b and c**, multiply column A, row a, for each respective entity and line, by 8% (.08) and enter the result; however, if the result is an amount less than zero, enter the negative amount with a minus (-) sign in row b, but enter **0** in row c.
- 1.2. In **column B**, for **lines 30.3 and 30.4, rows a and b**, enter the amount of EW and NYC receipts generated from intercorporate transactions, respectively, from that category of receipts.
- 1.3. In **columns C and D**, for **lines 30.3 and 30.4, rows a and b**, enter the result of taking the sum of the amounts for each such row entered in each entity's column A (i.e., the sum of all entities' columns A, rows a and b, respectively) **less** any intercorporate eliminations in column B for each such row; however, if the resulting combined total for either row is less than zero, enter **0** for that row.

**Step 2 – Columns A, B, C and D, line 30.5, rows a, b, and c** – If the fixed percentage method for QFIs is in effect, and **any** member of the combined group in the tax year has marked to market **any** partnership interest in a widely held or publicly traded partnership under IRC section 475 or 1256, complete substeps 2.1, 2.2, and 2.3 below; otherwise leave line 30.5

blank and continue with Step 3 below.

2.1. In each entity’s **column A**, enter on **line 30.5, row a**, 100% of net gains from sales of partnership interests in widely held or publicly traded partnerships; if the amount is less than zero, enter the negative amount with a minus (-) sign.

2.1.1. In each entity’s **column A, line 30.5, rows b and c**, multiply column A, row a, for each respective entity and line, by 8% (.08) and enter the result; however, if the result is an amount less than zero, enter the negative amount with a minus (-) sign in row b, but enter **0** in row c.

2.2. In **column B**, for **line 30.5, rows a and b**, enter the amount of EW and NYC receipts generated from intercorporate transactions, respectively, from that category of receipts.

2.3. In **columns C and D**, for **line 30.5, rows a and b**, enter the result of taking the sum of the amounts for each such row entered in each entity’s column A (i.e., the sum of all entities’ columns A, rows a and b, respectively) **less** any intercorporate eliminations in column B for each such row; however, if the resulting combined total for either row is less than zero, enter 0 for that row.

**Totals of Parts 1 and 2**

**Step 1 – Column A, line 30, row c** – Enter on **line 30, row c** the sum of the amounts in column A, row c, lines 30.1 through 30.5 for that entity.

**Step 2 – Column D, line 30, row a and column C, line 30, row b**

2.1. For column D, line 30, row a, enter the sum of the amounts in column D, row a, lines 30.1 through 30.5.

2.2. For column C, line 30, row b, enter the sum of the amounts in column C, row b, lines 30.1 through 30.5.

**Where are the amounts calculated on Worksheet B entered?**

The amounts entered or calculated on lines 30.1 through 30.5 are used to compute the line 30 totals and do not get transferred to any other form or worksheet; the line 30 totals need to be entered on Form NYC-2.5A, Form NYC-2.5A/BC, or Worksheet D, as follows:

Amount from Worksheet B	Amount is entered on
Column A <b>completed for the designated agent</b> Line 30c (Total NYC FDM)	Worksheet D, line 30 (NYC FDM)
Column A <b>completed for each combined entity other than the designated agent</b> Line 30c (Total NYC FDM)	<b>each entity’s</b> Form NYC-2.5A/BC, column C, line 30 (NYC FDM)
Column C Line 30b (Total NYC)	Form NYC-2.5A, column D, line 30a (NYC)
Column D Line 30a (Total EW)	Form NYC-2.5A, column E, line 30b (EW)

**Worksheet C – Marked to market (MTM) net gains for line 28**

		A			B			C
		EIN			Combined group NYC total			Combined group everywhere total
		Entity specific detail						
<b>Part 1 – MTM net gains under § 11-654.2(5)(a)(2)(x) (see instructions)</b>								
Line 10	MTM net gains from sales of loans secured by real property							
	10a	EW						
	10b	NYC	8%	(x)(B)	(x)(C)	8%	(x)(B)	(x)(C)
	10c	NYC FDM						
Line 12	MTM net gains from sales of loans not secured by real property							
	12a	EW						
	12b	NYC	8%	(x)(B)	(x)(C)	8%	(x)(B)	(x)(C)
	12c	NYC FDM						
Line 14	MTM net gains from federal debt							
	14a	EW						
	14b	NYC	8%	(x)(B)	(x)(C)	8%	(x)(B)	(x)(C)
	14c	NYC FDM						
Line 16	MTM net gains from NYC and its political subdivisions debt							
	16a	EW						
	16b	NYC	8%	(x)(B)	(x)(C)	8%	(x)(B)	(x)(C)
	16c	NYC FDM						
Line 18	MTM net gains from other states and their political subdivisions debt							
	18a	EW						
	18b	NYC	8%	(x)(B)	(x)(C)	8%	(x)(B)	(x)(C)
	18c	NYC FDM						
Line 20	MTM net gains from government agency debt or asset-backed securities sold through an exchange							
	20a	EW						
	20b	NYC	8%	(x)(B)	(x)(C)	8%	(x)(B)	(x)(C)
	20c	NYC FDM						
Line 21	MTM net gains from all other asset-backed securities							
	21a	EW						
	21b	NYC	8%	(x)(B)	(x)(C)	8%	(x)(B)	(x)(C)
	21c	NYC FDM						
Line 23	MTM net gains from corporate bonds sold through broker/dealer or licensed exchange							
	23a	EW						
	23b	NYC	8%	(x)(B)	(x)(C)	8%	(x)(B)	(x)(C)
	23c	NYC FDM						
Line 24	MTM net gains from other corporate bonds							
	24a	EW						
	24b	NYC	8%	(x)(B)	(x)(C)	8%	(x)(B)	(x)(C)
	24c	NYC FDM						
Line 27	MTM net gains from sales of physical commodities							
	27a	EW						
	27b	NYC	8%	(x)(B)	(x)(C)	8%	(x)(B)	(x)(C)
	27c	NYC FDM						
Line 30	MTM net gains from other financial instruments							
	30a	EW						
	30b	NYC	8%	(x)(B)	(x)(C)	8%	(x)(B)	(x)(C)
	30c	NYC FDM						

(Continued)

Worksheet C – Marked to market (MTM) net gains for line 28 (continued)					
		A		B	C
		EIN		Combined group NYC total	Combined group everywhere total
		Entity specific detail			
<b>Part 1 – MTM net gains under § 11-654.2(5)(a)(2)(x) (see instructions) (continued)</b>					
Line 30-Stk	MTM net gains from sales of stock that is business capital				
	30a Stk	EW			
	30b Stk	NYC	8%	8%	
	30c Stk	NYC FDM			
Line 30-Pship	MTM net gains from sales of partnership interests				
	30a Pship	EW			
	30b Pship	NYC	8%	8%	
	30c Pship	NYC FDM			
<b>(x)(B) Totals (see instructions)</b>					
(x)(B) Total EW					
(x)(B) Total NYC					
Line 28	Total MTM net gains under §11-654.2(5)(a)(2)(x)				
	28a	EW			
	28b	NYC			
	28c	NYC FDM			
<b>Part 2 – NYC aggregate MTM factor, based on net gains from actual sales, plus (x)(B) MTM net gains (see instructions)</b>					
A	NYC				
B	EW				
C	NYC aggregate MTM factor				
D	Combined NYC aggregate MTM factor				

Worksheet C – Marked to market (MTM) net gains – Form NYC-2.5A and Form NYC-2.5A/BC, line 28 and Worksheet D, line 28

### General information

**Note:** You must first complete Worksheets A and B, and lines 9 through 27, 29, and 30 of Forms NYC-2.5A and NYC-2.5A/BC, then, follow the steps below, in order, to complete Worksheet C.

This worksheet computes the amounts for Forms NYC-2.5A and NYC-2.5A/BC, line 28, and the amount for line 28 of Worksheet D, *Designated agent's NYC Receipts for purposes of fixed dollar minimum (FDM) tax base*. Line 28 corresponds to line 28 on Form NYC-2.5A. See the corresponding instructions for NYC-2.5A and also the specific instructions below. **Note: Only MTM net gains/(losses)**, as instructed below, should be included on Worksheet C, Part 1 and entered, as instructed below, on Worksheet D, **line 28** and Forms NYC-2.5A and NYC-2.5A/BC, **line 28**. **Actual** net gains/(losses) from these types of financial instruments are reported on the corresponding lines 10, 12, 14, 16, 18, 20, 21, 23, 24, 27, and 30 on Form NYC-2.5A, as per the applicable part, line, and worksheet instructions for those lines in the instructions to Form NYC-2.5A; **no** actual net gains/(losses) should be entered on Part 1 of this worksheet.

**Part 1** of the worksheet computes MTM net gains for those financial instruments that are **described on** Form NYC-2.5A, lines 10, 12, 14, 16, 18, 20, 21, 23, 24, 27, and 30, **and that have been MTM**. Columns A

and B, row b are broken out into three subcolumns for lines 10, 12, 14, 16, 18, 20, 21, 23, 24, 27, and 30. For each such line in columns A and B, respectively, only **one** of the subcolumns should be used, depending on the sourcing rule that applies; the subcolumns that do **not** apply in columns A and B should be left **blank**.

**Note:** Column A amounts are on a separate company basis for each entity on the combined return, and column B amounts are on a combined group basis. For detailed instructions for determining the New York City amounts for these subcolumns in columns A and B, see the specific instructions below.

**Part 2** of the worksheet is only applicable if the 8% fixed percentage method for QFIs is **not** in effect. Part 2 computes the NYC aggregate MTM factor for each entity in the combined return, and also computes the combined NYC aggregate MTM factor for the combined group. These factors are used to determine NYC MTM net gains under §11-654.2(5)(a)(2)(x)(C) in Part 1, as per the specific line instructions for columns A and B, under *Customer-based sourcing* below.

**Column A** (for all lines in all parts of the worksheet) is completed for the designated agent and for each combined member, in the manner set forth in these instructions. There should be as many columns A completed as there are entities in your combined return. Enter the EIN of the applicable entity at the top of each column A completed.

Amounts less than zero are allowed in an entity's Part 1, column A, row a only, because these amounts must be netted to amounts not less than zero **on a combined basis**.

**Line instructions for Worksheet C**

If the fixed percentage method for QFIs is in effect (Form NYC-2.5A, line 8 box is marked), you **must** complete the steps under the *8% fixed percentage method sourcing* instructions below to complete Worksheet C. Do **not** complete the steps under the *Customer-based sourcing* instructions.

If the fixed percentage method for QFIs is **not** in effect (Form NYC-2.5A, line 8 box is marked), you **must** complete the steps under the *Customer-based sourcing* instructions below to complete Worksheet C. Do **not** complete the steps under the *8% fixed percentage method sourcing* instructions.

**8% fixed percentage method sourcing.**

Only Part 1 of Worksheet C needs to be completed when the fixed percentage method for QFIs is in effect; follow the steps outlined below to complete the applicable sections of Part 1 of the worksheet, and leave Part 2 of the worksheet blank. You do **not** need to complete Part 1, (x)(B) **Totals** section that is directly below line 30-Pship as the (x)(B) **Totals** are not applicable when the fixed percentage method for QFIs is in effect.

**Step 1 – Part 1, column A, rows a, b, and c**

1.1. In **row a**, lines 10, 12, 14, 16, 18, 20, 21, 23, 24, 27, and 30 (and in lines 30-Stk and 30-Pship, if applicable), in each entity's column A, enter 100% of each entity's MTM net gains/(losses) for those financial instruments described on each such line (and described further in the corresponding line instructions for Form NYC-2.5A), except that if the net amount is less than zero, enter the negative amount with a minus (-) sign. If the amount is zero for an entity, for any line, enter **0** in row a for that line.

**Note:** Use **line 30** for MTM net gains/(losses) from other financial instruments (§11-654.2(5)(a)(2)(viii)). If **any** member of the combined group in the tax year has marked to market **any** stock under IRC section 475 or 1256, use **line 30-Stk** for MTM net gains/(losses) from sales of stock that is business capital (§11-654.2(5)(a)(2)(vii)); otherwise leave line 30-Stk blank. If **any** member of the combined group in the tax year has MTM **any** partnership interest in a widely held or publicly traded partnership under IRC section 475 or 1256, use **line 30-Pship** for MTM net gains/(losses) from sales of partnership interests in widely held or publicly traded partnerships (§11-654.2(5)(a)(2)(vii)).

1.2. In **row b, subcolumn 8%**, lines 10, 12, 14, 16, 18, 20, 21, 23, 24, 27, 30, 30-Stk, and 30-Pship, in each entity's column A, multiply column A, row a, for each respective entity and line, by 8% (.08) and enter the result; if the result is less than zero, enter the negative amount with a minus (-) sign. You must **leave row b, subcolumn (x)(B) and row b, subcolumn (x)(C)** blank for all lines as they are not applicable when the 8% fixed percentage method sourcing is in effect for QFIs.

1.3. In **row c**, lines 10, 12, 14, 16, 18, 20, 21, 23, 24, 27, 30, 30-Stk, and 30-Pship, in each entity's column A, enter the amount you entered in **row b, subcolumn 8%** for that line; if the amount is less than zero, enter **0**.

1.4. In **row c**, for **line 28**, in each entity's column A, enter the sum of the amounts from row c in lines 10, 12, 14, 16, 18, 20, 21, 23, 24, 27, 30, 30-Stk, and 30-Pship, for that entity.

**Step 2 – Part 1, column C, row a**

2.1. In column C, lines 10, 12, 14, 16, 18, 20, 21, 23, 24, 27, 30, 30-Stk, and 30-Pship, in row a of each such line, enter the sum of all the amounts entered in each entity's column A, row a, for each such line (that is, the sum of all entities' columns A, row a amounts for each such line); however, if the resulting **combined** total is less than or equal to zero for any such line, enter **0** for column C.

2.2. In column C for **line 28**, enter the sum of the amounts from column C, row a for lines 10, 12, 14, 16, 18, 20, 21, 23, 24, 27, 30, 30-Stk, and 30-Pship.

**Step 3 – Part 1, column B, row b**

3.1. In column B, lines 10, 12, 14, 16, 18, 20, 21, 23, 24, 27, 30, 30-Stk, and 30-Pship, in **row b, subcolumn 8%**, of each such line, enter the **product** of: the amount in column C, row a for that line, and 8% (.08).

3.2. In column B for **line 28**, enter the sum of the amounts from column B, row b for lines 10, 12, 14, 16, 18, 20, 21, 23, 24, 27, 30, 30-Stk, and 30-Pship.

**Customer-based sourcing**

Parts 1 and 2 of Worksheet C need to be completed when the 8% fixed percentage method for QFIs is **not** in effect. To complete Worksheet C in this instance, follow Steps 1 through 10 below, in that order.

**Note:** Lines 30-Stk and 30-Pship should **not** be completed as these lines are not applicable when customer-based sourcing is used for QFIs (§11-654.2(5)(a)(2)(vii)).

**Step 1 – Part 1, column A, row a, and row b, subcolumn (x)(B)**

1.1. In **row a**, lines 10, 12, 14, 16, 18, 20, 21, 23, 24, 27, and 30, in each entity's column A, enter 100% of each entity's **MTM** net gains/(losses) for those financial instruments described on each such line (and described further in the corresponding line instructions for Form NYC-2.5A), except that if the net amount is less than zero, enter the negative amount with a minus (-) sign. If the amount is zero for an entity, for any line, enter **0** in row a for that line.

1.2. **Row b, subcolumn (x)(B)** - Subcolumn (x)(B), lines 10, 12, 14, 16, 18, 20, 21, 23, 24, 27, and 30, in each entity's column A, is used to compute **NYC MTM** net gains, for those financial instruments described on each such line, under the sourcing rules of clause (x)(B) of §11-654.2(5)(a)(2).

Follow the steps below to compute the subcolumn (x)(B) amounts. These amounts are computed on a separate company basis in column A, and are used in the computation of the NYC aggregate MTM factor in Part 2, column A, and also used to compute NYC receipts for FDM purposes in Part 1, row c. Complete substeps 1.2.1 through 1.2.4 for each line (10, 12, 14, 16, 18, 20, 21, 23, 24, 27, and 30) for each entity's column A:

1.2.1. If the step 1.1 amount is less than or equal to zero for an entity, for any line, enter **0** in row b, subcolumns (x)(B) and (x)(C), **and** row c for that entity, for that line.

1.2.2. For each entity, for each line for which row a is **not** less than or equal to zero, determine if **that entity has actual** everywhere sales that generated a net gain during the tax year, for

that type of financial instrument. An entity, other than the designated agent, had **actual** everywhere sales that generated a net gain during the tax year for a specific financial instrument if there is an amount greater than zero reported on the corresponding line of Form NYC-2.5A/BC, Column A. The designated agent had **actual** sales that generated a net gain during the tax year for a specific financial instrument if there is an amount greater than zero reported on the corresponding line of Form NYC-2.5A, column A, row b. However, for line 30, for all entities, an entity had **actual** everywhere sales that generated a net gain during the tax year for the type of financial instrument described in §11-654.2(5)(a)(2)(viii) if there is an amount greater than zero reported on Worksheet B, in that entity's column A, line 30.1, row a or line 30.2, row a.

1.2.3. In each entity's column A, for each line for which row a is **not** less than or equal to zero, if that entity did have **actual** everywhere sales that generated a net gain for the specific type of financial instrument described on that line (as determined in substep 1.2.2 above), enter in that entity's row b, subcolumn (x)(B), for that line, the **product** of: the amount in that entity's row a for that line, and a fraction, the numerator and the denominator of which are determined as follows:

- If the entity is the designated agent, for all such lines (except line 30): the numerator of the fraction for such line (except line 30) is the amount from Form NYC-2.5A, column A, row a of the corresponding line, and the denominator of the fraction for such line (except line 30) is the amount from Form NYC-2.5A, column A, row b of the corresponding line. However, if the numerator so determined is less than or equal to zero, enter **0**. For line 30, see the specific line 30 instructions below.
- If the entity is an entity other than the designated agent, for all such lines (except line 30): the numerator of the fraction for such line (except line 30) is the amount from that entity's Form NYC-2.5A/BC, column B of the corresponding line, and the denominator of the fraction for such line (except line 30) is the amount from that entity's Form NYC-2.5-A/BC, column A of the corresponding line. However, if the numerator so determined is less than or equal to zero, enter **0**. For line 30, see the specific line 30 instructions below.
- **Line 30** – For all entities, the numerator of the fraction for line 30 is determined by adding together the following amounts from Worksheet B, from that entity's column A: the amount from line 30.1, row b (but not less than zero) and the amount from line 30.2, row b (but not less than zero). The denominator of the fraction for line 30 is determined by adding together the following amounts from Worksheet B, from that entity's column A: the amount from line 30.1, row a (but not less than zero) and the amount from line 30.2, row a (but not less than zero). However, if the numerator so determined is zero, enter **0**.

1.2.4. In each entity's column A, for each line for which row a is **not** less than or equal to zero, if that entity did **not** have **actual** everywhere sales that generated a net gain for the specific type of financial instrument described in that line (as determined in substep 1.2.2 above), leave row b, subcolumn (x)(B) **blank** for that line.

### Step 2 – Part 1, column A, (x)(B) Total EW, and (x)(B) Total NYC

When you have completed each entity's column A, Part 1, row a, and row b subcolumn (x)(B), for lines 10, 12, 14, 16, 18, 20, 21, 23, 24, 27, and 30, you must next complete, for each entity's column A, the **(x)(B) Total** lines for EW and NYC, which are directly below line 30-Pship. The clause (x)(B) totals are needed to calculate the New York City aggregate MTM factor in Part 2, Column A of this worksheet.

- 2.1. In each entity's **column A**, enter in the **(x)(B) Total EW** line, the sum of the column A, **row a** amounts for all lines that have an amount entered in column A, row b, subcolumn (x)(B), but do not include in the sum any column A, row a amounts that are less than zero for a particular line.
- 2.2. In each entity's **column A**, enter in the **(x)(B) Total New York City** line, the sum of the row b, subcolumn (x)(B) amounts for all lines that have an amount entered in column A, row b, subcolumn (x)(B).

### Step 3 – Part 2, column A

Part 2 of the worksheet, column A, computes each entity's NYC aggregate MTM factor, on a separate company basis, which you will need in order to complete Part 1, row b, subcolumn (x)(C) .

- 3.1. **Line A** – In each entity's column A, enter on this line the result of the applicable instruction for that entity:
  - For the designated agent, enter the sum of: the **(x)(B) Total NYC** amount from the designated agent's Part 1, column A of this worksheet; the amounts from Worksheet D, lines 9 through 27, 29, and 30; and any amounts related to receipts sourced under §11-654.2(5)(a)(2)(vii) included on Worksheet D, line 53 (discretionary adjustments).
  - For **each** entity other than the designated agent, enter the sum of: the **(x)(B) Total NYC** amount from that entity's Part 1, column A of this worksheet; the amounts from that entity's Form NYC-2.5A/BC, column C, lines 9 through 27, 29, 30, and any amounts related to receipts sourced under §11-654.2(5)(a)(2)(vii) included on Form NYC-2.5A/BC, line 53 (discretionary adjustments).
- 3.2. **Line B** – In each entity's column A, enter on this line the result of the applicable instruction for that entity:
  - For the designated agent, enter the sum of: the **(x)(B) Total EW** amount from the designated agent's column A, Part 1 of this worksheet; the amounts (but not less than zero from any line) from Form NYC-2.5A, column A, lines 9 through 27 and 29, row b; the amounts (but not less than zero for any line) from the designated agent's Worksheet B, column A, lines 30.1 and 30.2, row a; and any amounts (but not less than zero) related to receipts sourced under §11-654.2(5)(a)(2)(vii) included on Form NYC-2.5A, column A, line 53 (discretionary adjustments), row b.
  - For **each** entity other than the designated agent, enter the sum of: the **(x)(B) Total EW** amount from that entity's Part 1, column A, of this worksheet; the amounts (but not less than zero from any line) from Form NYC-2.5A/BC, column A, lines 9 through 27 and 29; any amounts (but not less than zero for any line) from that entity's Worksheet B, column A, lines 30.1 and 30.2, row a; and any amounts (but not less than zero) related to receipts sourced under §11-654.2(5)(a)(2)(vii) included on that entity's Form NYC-2.5A/BC, column A, line 53 (discretionary adjustments).

3.3. **Line C** – For each entity’s column A, divide the line A amount by the line B amount and enter the result, rounded to four decimal places.

**Step 4 – Part 1, column A, row b, subcolumn (x)(C), and row c:**

4.1. **Row b, subcolumn (x)(C)** - Subcolumn (x)(C), lines 10, 12, 14, 16, 18, 20, 21, 23, 24, 27, and 30, in each entity’s column A, is used to compute **NYC MTM** net gains, for those financial instruments described on each such line, under the sourcing rules of clause (x)(C) of §11-654.2(5)(a)(2).

Follow the steps below to compute the subcolumn (x)(C) amounts. These amounts are computed on a separate company basis in column A. Complete substeps 4.1.1 and 4.1.2 for each line (10, 12, 14, 16, 18, 20, 21, 23, 24, 27, and 30) for each entity’s column A:

4.1.1. For each entity, for each line, if there is an amount greater than or equal to zero entered in row b, subcolumn (x)(B), then leave row b, subcolumn (x)(C) **blank** for that line, for that entity. **Note:** When an **entity** had **actual** everywhere sales that generated a net gain for **that type** of financial instrument during the tax year, subcolumn (x)(B) should have an amount entered, and subcolumn (x)(C) should be left **blank** (also see step 1.2, row b, subcolumn (x)(B) instructions above).

4.1.2. In each entity’s column A, for each line, if that entity did **not** have actual everywhere sales that generated a net gain for **the specific type** of financial instrument described on that line (**row b, subcolumn (x)(B)** was left blank per substep 1.2.4), enter in that entity’s row b, subcolumn (x)(C), for that line, the **product** of: the amount in that entity’s row a for that line, and the factor in Part 2, line C of that entity’s column A.

4.2. In **row c**, lines 10, 12, 14, 16, 18, 20, 21, 23, 24, 27, and 30, in each entity’s column A, for all lines that have an amount entered in row b, subcolumn (x)(B), enter the amount you entered in row b, subcolumn (x)(B) for that line; but if that amount is less than zero, enter **0**. If row b, subcolumn (x)(B) is **blank** for any line for an entity, enter the amount you entered in row b, subcolumn (x)(C) for that line, for that entity; but if that amount is less than zero, enter **0**.

**Note:** for each entity’s column A, you must complete row b, subcolumn (x)(C), for all lines that do not have an amount entered in row b, subcolumn (x)(B), **before** you can complete row c for such lines (see row b, subcolumn (x)(C) instructions above).

4.3. In **row c**, for **line 28**, in each entity’s column A, enter the sum of the amounts from row c in lines 10, 12, 14, 16, 18, 20, 21, 23, 24, 27, and 30 for that entity.

**Step 5 – Part 1, column C, row a**

In **column C**, lines 10, 12, 14, 16, 18, 20, 21, 23, 24, 27, and 30, in **row a** of each such line, enter the sum of all the amounts entered in each entity’s column A, row a, for each such line (that is, the sum of all entities’ columns A, row a amounts for each such line); however, if the resulting **combined** total is less than or equal to zero for any such line, enter **0** for column C.

**Step 6 – Part 1, column B, row b, subcolumn (x)(B)**

6.1. **Column B, subcolumn (x)(B)** - Subcolumn (x)(B), lines 10, 12, 14, 16, 18, 20, 21, 23, 24, 27, and 30, in column B, is used to compute **NYC MTM** net gains on a combined basis, for those financial

instruments described on each such line, under the sourcing rules of clause (x)(B) of §11-654.2(5)(a)(2). Follow the steps below to compute the Column B, subcolumn (x)(B) amounts. These amounts are computed on a combined basis in column B, and are used in the computation of the combined NYC aggregate MTM factor in Part 2. Complete the following steps for each line (10, 12, 14, 16, 18, 20, 21, 23, 24, 27, and 30) for column B:

6.1.1. If the column C amount entered is equal to zero for an entity, for any line, enter **0** in row b, subcolumns (x)(B) and (x)(C), and row c for that entity, for that line.

6.1.2. For each line for which column C is **not** equal to zero, determine if **the combined group** has **actual** everywhere sales that generated a net gain during the tax year, for that type of financial instrument. The combined group had **actual** everywhere sales that generated a net gain during the tax year for a specific financial instrument if there is an amount greater than zero reported on the corresponding line of Form NYC-2.5A, column E, row b.

6.1.3. For each line for which column C is **not** equal to zero, if the combined group did have actual everywhere sales that generated a net gain for the specific type of financial instrument described on that line (as determined in substep 6.1.2), enter in column B, subcolumn (x)(B), for that line, the **product** of: the amount in column C for that line and a fraction, the numerator and the denominator of which are determined as follows:

- the numerator of the fraction for such line is the amount from Form NYC-2.5A, column D, row a of the corresponding line, and the denominator of the fraction for such line is the amount from Form NYC-2.5A, column E of the corresponding line; however, if the numerator so determined is less than or equal to zero, enter **0**.

6.1.4. For each line for which column C is **not** equal to zero, if the combined group did **not** have actual everywhere sales that generated a net gain for the specific type of financial instrument described in that line (as determined in substep 6.1.3), leave column B, row b, subcolumn (x)(B) **blank** for that line.

**Step 7 – Part 1, column C, (x)(B) Total EW, and column B, (x)(B) Total NYC**

When you have completed column C, Part 1, row a, and column B, Part 1, row b subcolumn (x)(B) for lines 10, 12, 14, 16, 18, 20, 21, 23, 24, 27, and 30, you must next complete, for column C, the **(x)(B) Total EW** line, and for column B, the **(x)(B) Total NYC** line; the **(x)(B) Total** lines are directly below line 30-Pship. The clause (x)(B) totals are needed to calculate the **combined** NYC aggregate MTM factor in Part 2, column B of this worksheet.

7.1. In **column C**, enter in the **(x)(B) Total EW** line, for every line that has an amount entered in column B, row b, subcolumn (x)(B), the sum of the column C, **row a** amounts for all such lines, but do not include in the sum any column C, row a amounts that are less than zero for a particular line.

7.2. In **column B**, enter in the **(x)(B) Total NYC** line, the sum of the column B, row b, subcolumn (x)(B) amounts.

**Step 8 – Part 2, columns B and C**

Part 2 of the worksheet, columns B and C, compute your combined NYC

aggregate MTM factor, which you will need in order to complete Part 1, column B, for those lines which are sourced to NYC on a combined basis under clause (x)(C) of §11-654.2(5)(a)(2).

8.1. **Column B, line A** – Enter on line A the sum of all of the following amounts:

- the (x)(B) **Total New York City** amount from Part 1, column B; the amounts from Form NYC-2.5A, lines 9 through 27, 29, and 30, column D, row a; and any amounts related to receipts sourced under §11-654.2(5)(a)(2)(vii) included on Form NYC-2.5A, line 53, column D, row a.

8.2. **Column C, line B** – Enter on line B the sum of all of the following amounts:

- the (x)(B) **Total EW** amount from Part 1, column C; the amounts from Form NYC-2.5A, lines 9 through 27, 29, and 30, column E, row b; and any amounts related to receipts sourced under §11-654.2(5)(a)(2)(vii) included on Form NYC-2.5A, line 53, column E, row b.

8.3. **Column B, line D** – Divide the column B, line A amount by the column C, line B amount and enter the result, rounded to four decimal places.

**Step 9 – Part 1, column B, row b, subcolumn (x)(C)**

9.1. **Column B, subcolumn (x)(C)**, lines 10, 12, 14, 16, 18, 20, 21, 23, 24, 27, and 30, in column B, is used to compute **NYC MTM** net gains on a combined basis, for those financial instruments described on each such line, under the sourcing rules of clause (x)(C) of §11-654.2(5)(a)(2). Follow the steps below to compute the subcolumn (x)(C) amounts.

These amounts are computed on a combined basis in column B. Complete substeps 9.1.1 and 9.1.2 for each line (10, 12, 14, 16, 18, 20, 21, 23, 24, 27, and 30) for column B:

9.1.1. For each line, if there is an amount greater than or equal to zero entered in column B, row b, subcolumn (x)(B), then leave column B, row b, subcolumn (x)(C) **blank** for that line.

**Note:** When the combined group had **actual** everywhere sales that generated a net gain on a combined basis for that type of financial instrument during the tax year, subcolumn (x)(B) should have an amount entered, and subcolumn (x)(C) should be **blank**.

9.1.2. For each line, if the combined group did **not** have actual everywhere sales that generated a net gain on a combined basis for the specific type of financial instrument described on that line, enter in column B, row b, subcolumn (x)(C), for that line, the **product** of: the amount in column C, row a for that line, and the factor in Part 2, column B, line D.

**Step 10 – Part 1, column B, line 28, and column C, line 28**

10.1. In column B for **line 28**, enter the sum of the amounts from column B, row b, subcolumns (x)(B) **and** (x)(C) for lines 10, 12, 14, 16, 18, 20, 21, 23, 24, 27, and 30.

10.2. In column C for **line 28**, enter the sum of the amounts from column C, row a for lines 10, 12, 14, 16, 18, 20, 21, 23, 24, 27, and 30.

**Where are the amounts calculated on Worksheet C entered?**

The amounts entered or calculated on Part 1, lines 10, 12, 14, 16, 18, 20, 21, 23, 24, 27, 30, 30-Stk, and 30-Pship and Part 2, lines A, B, C, and D are only used to compute the **line 28** MTM totals in Part 1 and do not get transferred to any other form or worksheet; the **line 28 totals** from Part 1 need to be entered on Form NYC-2.5A, Form NYC-2.5A/BC, or Worksheet D, as follows:

Amount from Worksheet C	Amount is entered on
Column A <b>completed for the designated agent</b> Line 28c (NYC FDM)	Worksheet D, line 28 (NYC FDM)
Column A <b>completed for each combined entity other than the designated agent</b> Line 28c (Total NYC FDM)	<b>each entity's</b> Form NYC-2.5A/BC, column C, line 28 (NYC FDM)
Column B Line 28b (Total NYC)	Form NYC-2.5A, column D, line 28a (NYC)
Column C Line 28a (Total EW)	Form NYC-2.5A, column E, line 28b (EW)

**Worksheet D – Designated agent’s NYC receipts for fixed dollar minimum (FDM) tax base**

		NYC for FDM of designated agent
<b>Section 11-654.2(2)</b>		
1	Sales of tangible personal property .....	1
2	Sales of electricity .....	2
3	Net gains from sales of real property .....	3
<b>Section 11-654.2(3)</b>		
4	Rentals of real and tangible personal property .....	4
5	Royalties from patents, copyrights, trademarks, and similar intangible personal property .....	5
6	Sales of rights for certain closed-circuit and cable TV transmissions of an event .....	6
<b>Section 11-654.2(4)</b>		
7	Sale, licensing, or granting access to digital products .....	7
<b>Section 11-654.2(5)(a)(1)</b>		
8	When the fixed percentage method election is in effect for the combined group, mark an <b>X</b> in the box (see instructions) .....	<input type="checkbox"/> 8 <input type="checkbox"/>

**Section 11-654.2(5)(a)(2) – Mark an X in each box that is applicable (see instructions)**

<b>Section 11-654.2(5)(a)(2)(i)</b>		
9	Interest from loans secured by real property .....	9
10	Net gains from sales of loans secured by real property .....	10
11	Interest from loans <b>not</b> secured by real property (QFI <input type="checkbox"/> ) .....	11
12	Net gains from sales of loans <b>not</b> secured by real property (QFI <input type="checkbox"/> ) .....	12
<b>Section 11-645.2(5)(a)(2)(ii) ( <input type="checkbox"/> QFI )</b>		
13	Interest from federal debt .....	13
14	Net gains from federal debt .....	14
15	Interest from NYS and its political subdivisions debt .....	15
16	Net gains from NYS and its political subdivisions debt .....	16
17	Interest from other states and their political subdivisions debt .....	17
18	Net gains from other states and their political subdivisions debt .....	18
<b>Section 11-654.2(5)(a)(2)(iii) ( <input type="checkbox"/> QFI )</b>		
19	Interest from asset-backed securities and other government agency debt .....	19
20	Net gains from government agency debt or asset-backed securities sold through an exchange ....	20
21	Net gains from all other asset-backed securities .....	21
<b>Section 11-654.2(5)(a)(2)(iv) ( <input type="checkbox"/> QFI )</b>		
22	Interest from corporate bonds .....	22
23	Net gains from corporate bonds sold through broker/dealer or licensed exchange .....	23
24	Net gains from other corporate bonds .....	24
<b>Section 11-654.2(5)(a)(2)(v)</b>		
25	Net interest from reverse repurchase and securities borrowing agreements .....	25
<b>Section 11-654.2(5)(a)(2)(vi)</b>		
26	Net interest from federal funds .....	26
<b>Section 11-654.2(5)(a)(2)(ix) ( <input type="checkbox"/> QFI )</b>		
27	Net income from sales of physical commodities .....	27
<b>Section 11-654.2(5)(a)(2)(x) ( <input type="checkbox"/> QFI )</b>		
28	Marked to market net gains .....	28
<b>Section 11-654.2(5)(a)(2)(viii) ( <input type="checkbox"/> QFI )</b>		
29	Interest from other financial instruments .....	29
30	Net gains and other income from other financial instruments .....	30

(continued)

**Worksheet D – Designated agent’s NYC receipts for fixed dollar minimum (FDM) tax base** *(continued)*

		NYC for FDM of designated agent
<b>Section 11-654.2(5)(b)</b>		
31	Brokerage commissions .....	31
32	Margin interest earned on behalf of brokerage accounts .....	32
33	Fees for advisory services for underwriting or management of underwriting .....	33
34	Receipts from primary spread of selling concessions .....	34
35	Receipts from account maintenance fees .....	35
36	Fees for management or advisory services .....	36
37	Interest from an affiliated corporation .....	37
<b>Section 11-654.2(5)(c)</b>		
38	Interest, fees, and penalties from credit cards .....	38
39	Service charges and fees from credit cards .....	39
40	Receipts from merchant discounts .....	40
41	Receipts from credit card authorizations and settlement processing .....	41
42	Other credit card processing receipts .....	42
<b>Section 11-654.2(5)(d)</b>		
43	Receipts from certain services to investment companies .....	43
<b>Section 11-654.2(6)</b>		
44	Receipts from railroad and trucking business .....	44
<b>Section 11-654.2(12)</b>		
45	Receipts from the operation of vessels .....	45
<b>Section 11-654.2(7)</b>		
46	Receipts from air freight forwarding .....	46
47	Receipts from other aviation services .....	47
<b>Section 11-654.2(8)</b>		
48	Advertising in newspapers or periodicals .....	48
49	Advertising on television or radio .....	49
50	Advertising via other means .....	50
<b>Section 11-654.2(9)</b>		
51	Transportation or transmission of gas through pipes .....	51
<b>Section 11-654.2(10)</b>		
52	Receipts from other services/activities not specified .....	52
<b>Section 11-654.2(11)</b>		
53	Discretionary adjustments .....	53
<b>Total receipts</b>		
54	Add lines 1 through 53 <i>(enter here and in the New York receipts box on Form NYC-2A, Sch A, line 3a)</i> .....	54

**Worksheet D – Designated agent’s NYC receipts for purposes of fixed dollar minimum (FDM) tax base**

This worksheet computes the amount for the New York City receipts box on Form NYC-2A, Schedule A, line 3a. Generally, New York City receipts for purposes of the fixed dollar minimum tax are calculated on a separate company basis using the applicable allocation rule or fraction, as computed on a separate company basis, for each line of the worksheet.

Worksheets A, B, and C of these instructions compute certain amounts for lines 10, 12, 21, 24, 28, and 30 of Worksheet D.

Worksheets A, B, and C, and Form NYC-2.5A, column A **must** be completed **before** you complete Worksheet D.

For all lines involving the computation of net gains, net income, or net interest, if the net amount is less than zero, enter **0**.

**Section 11-654.2(5)(a)(2)**

For lines or section headings with a QFI box, only mark an **X** in the QFI box on the worksheet when the QFI box on the corresponding lines (in the case of lines 11 and 12) or next to the corresponding section headings on Form NYC-2.5A has been marked with an **X**.

The line numbers on Worksheet D correspond to the line numbers on Form NYC-2.5A and the line numbers on Worksheets A, B, and C. Use the corresponding line number instructions from Form NYC-2.5A, the chart, and the instructions below to determine the amount to enter on each line on Worksheet D.

Amount from	In Worksheet D, on line(s)
Worksheet A, column A completed for the designated agent, row f (NYC FDM), for each respective line	10, 12, 21, and 24
Worksheet C, Part 1, column A completed for the designated agent, line 28c (NYC FDM)	28
Worksheet B, column A completed for the designated agent, line 30c (Total NYC FDM)	30

**Line 25**

**Step 1:** Compute the **designated agent's** net interest income (not less than zero) from reverse repurchase agreements and securities borrowing agreements. For this calculation, the designated agent's net interest income is determined after the deduction of the amount of the designated agent's interest expense from repurchase agreements and securities lending agreements, but cannot be less than zero. The amount of the designated agent's interest expense to be deducted is the designated agent's interest expense associated with the sum of the value of the designated agent's repurchase agreements where the designated agent is the seller or borrower, **plus** the value of the designated agent's securities lending agreements where the designated agent is the securities lender; provided that such sum is limited to the sum of the value of the designated agent's reverse repurchase agreements where the designated agent is the purchaser or lender, **plus** the value of the designated agent's securities borrowing agreements where the designated agent is the securities borrower.

**Step 2:** Enter 8% of the amount computed in step 1 above.

**For all other lines – The designated agent's NYC receipts** amounts for each line should be calculated on a separate company basis using the applicable allocation rule or fraction as computed on a separate company basis for each such line (this includes **not** taking into consideration intercorporate eliminations). Refer to the corresponding line instructions for information regarding the applicable allocation rule or fraction for each line.

**Example:** *For line 44 the designated agent would multiply its own separate amount of receipts from the conduct of a railroad business or a trucking business by a fraction, the numerator of which is the total miles of the designated agent within NYC and the denominator of which is the total miles of the designated agent within and outside NYC.*

**Where is the total receipts amount calculated on Worksheet D entered?**

The line 54 total receipts amount is entered in the designated agent's New York receipts box on Form NYC-2A, Schedule A, line 3a.