



FINANCE
NEW YORK

NYC
9.7B

NEW YORK CITY DEPARTMENT OF FINANCE

UBT PAID CREDIT
BANKING CORPORATION TAXPAYERS

(NYC Administrative Code Section 11-643.8)

ATTACH TO FORM NYC-1 or NYC-1A

Print or Type

▼ Name as shown on NYC-1 or NYC-1A ▼

EMPLOYER IDENTIFICATION NUMBER

Grid for Employer Identification Number

SCHEDULE A

- 1a. Add total of amounts from Schedule B, line 10 for all partnerships with respect to which you are claiming a credit (see instructions) 1a.
- 1b. Enter amount from Schedule C, line 9 1b.
- 1c. Total of 1a and 1b. 1c.

Table with 2 columns and 3 rows for Schedule A lines 1a, 1b, and 1c.

▼ FOR TAXPAYERS LIABLE FOR THE BASIC TAX ▼

- 2. Amount from Form NYC-1 or 1A, Schedule A, line 1 2.
- 3. Multiply line 2 by 4/9 3.
- 4. UBT PAID CREDIT - Enter the lesser of line 1c and line 3 and transfer amount to Form NYC-1, Schedule A, line 6 or Form NYC-1A, Schedule A, line 8 4.

Table with 2 columns and 3 rows for Schedule A lines 2, 3, and 4.

▼ FOR TAXPAYERS LIABLE FOR THE ALTERNATIVE TAX ▼

- 5. Multiply line 1c by .75 5.
- 6. Amount from Form NYC-1 or 1A, Schedule A, line 5 6.
- 7. UBT PAID CREDIT - Enter the lesser of line 5 and line 6 and transfer amount to Form NYC-1, Schedule A, line 6 or Form NYC-1A, Schedule A, line 8 7.

Table with 2 columns and 3 rows for Schedule A lines 5, 6, and 7.

SCHEDULE B

A separate Schedule B must be completed for each partnership with respect to which you are claiming this credit.

Name of partnership from which you received a distributive share or guaranteed payment (distributing partnership) ▼

EMPLOYER IDENTIFICATION NUMBER OF DISTRIBUTING PARTNERSHIP

Grid for Employer Identification Number of Distributing Partnership

- 1. Unincorporated business tax paid by distributing partnership (from Form NYC-204, line 25) 1.
- 2. Credits taken by distributing partnership on its own return (from Form NYC-204, lines 22, 24a and 24b) (see instructions) 2.
- 3. Total of lines 1 and 2 3.
- 4. Your distributive share percentage with respect to the distributing partnership (Attach copy of distributing partnership's NYC-204, Schedule C) 4.
- 5. Product of line 3 and line 4 5.
- 6. Amount from Form NYC-1 or 1A, Schedule A, line 5 (modified if necessary - see instructions) 6.
- 7. Amount from pro forma Form NYC-1 or 1A, Schedule A, line 5 (see instructions) 7.
- 8. Subtract line 7 from line 6 8.
- 9. Multiply line 8 by 4/9 9.
- 10. Enter lesser of line 5 and line 9 here and total of all Schedules B, line 10, on page 1, Schedule A, line 1a 10.

Table with 2 columns and 10 rows for Schedule B lines 1 through 10.

SCHEDULE C

Table with 4 columns: APPLICABLE YEAR, COLUMN A (Credit Available in 1997), COLUMN B, and COLUMN C (Credit Carryforward to 1998. Column A Minus Column B (if less than zero, enter zero)). Rows include Current year, 7th preceding year, 6th preceding year, 5th preceding year, 4th preceding year, 3rd preceding year, 2nd preceding year, and 1st preceding year.

- 9. Total Column A, lines 2 through 8 (enter on Schedule A, line 1b) 9.

Table with 2 columns and 1 row for Schedule C line 9.

INSTRUCTIONS

A corporation subject to the Banking Corporation Tax (BCT) that is a partner in a partnership that is subject to the Unincorporated Business Tax (UBT) may claim a credit against its liability for the BCT if the corporation is required to include its distributive share of the income, gain, loss and deductions of, or guaranteed payments from, the partnership in its own tax base subject to the BCT. The credit is available only with respect to taxes paid by the partnership for taxable years of the partnership beginning on or after July 1, 1994.

SCHEDULE A

Taxpayers liable for the basic tax should fill out lines 1 through 4 of Schedule A. Taxpayers liable for the alternative tax should fill out lines 1 and 5 through 7 of Schedule A. Taxpayers liable for the tax on taxable assets or capital stock or for the fixed dollar minimum tax may not take a credit in the current year but should fill out line 1 of Schedule A.

LINE 1a

Enter on line 1a, the amount from Schedule B, line 10. If you are claiming credits with respect to more than one partnership, add the amounts on line 10 on all attached Schedules B and enter the sum on this line.

SCHEDULE B

The UBT Paid Credit may be "taken" only by a taxpayer in a year that it is actually liable for the basic tax or for the alternative tax on alternative entire net income. However, the UBT Paid Credit is "allowed" to banking corporations regardless of the basis on which they are liable for the banking corporation tax. The credit that is "allowed" is always calculated as if the taxpayer were liable for the basic tax on entire net income. The difference between the credit that is "allowed" and the credit that may be "taken" is eligible to be carried forward for up to seven years. (See instructions for Schedule C)

LINE 2

If the distributing partnership has taken credits on its own Form NYC-204, lines 22, 24a and 24b, enter on line 2 the sum of the credits on lines 22 and 24b, plus the credits on line 24a but only to the extent that the credits on line 24a do not reduce the distributing partnership's unincorporated business tax below zero. The amount entered on line 2 may not exceed the amount on line 21 on the distributing partnership's Form NYC-204.

LINE 4

Enter here the percentage of total distributive shares reported for you in column 4 of Schedule C of the distributing partnership's Form NYC-204.

LINE 6

If your answer to both of the following questions is "no," enter on line 6 the amount from your NYC-1, or 1A, Schedule A, line 1.

1. Was the sum of your net distributive share of income, gain, loss, and deductions of, and guaranteed payments from, any unincorporated business less than zero (a "net loss distributive share")?
2. Was your entire net income less than zero before taking into account any distributive share or guaranteed payments from any partnerships (hereafter referred to as "separate ENI")?

If your answer to either of these questions is "yes", you must fill out a modified NYC-1 or 1-A on which you make the following adjustments:

1. treat all net loss distributive shares as zero; and
2. if your separate ENI is less than zero, treat it as zero.

Enter on line 6 the amount from your modified Form NYC-1 or 1A, Schedule A, line 1. (Hereafter referred to as the "modified BCT liability.")

LINE 7

If your answer to both questions in the instructions for line 6 is "no," fill out a pro forma Form NYC-1 or 1A in which you calculate your banking corporation tax liability for the basic tax without taking into account your distributive share of income, gain, loss and deductions of, or guaranteed payments from, the distributing partnership with regard to which you are claiming a credit on this form. Enter on line 7 the amount from the pro forma Form NYC-1 or 1A, Schedule A, line 1.

If your answer to either of the questions in the instructions for line 6 is "yes," fill out a modified pro forma Form NYC-1 or 1A, taking into account the modifications required at 1 and 2 of the instructions for line 6 above and recalculating your modified BCT liability for the basic tax without taking into account your distributive share of income, gain, loss and deductions of, or guaranteed payments from, the distributing partnership with regard to which you are claiming a credit on this form. Enter on line 7 the amount from the pro forma Form NYC-1 or 1A, Schedule A, line 1.

LINE 9

To account for the difference in tax rates between the Unincorporated Business Tax and the Banking Corporation Tax, multiply line 8 by a fraction, the numerator of which is 4 and the denominator of which is 9.

SCHEDULE C

COLUMN A, LINE 1

Enter on Column A, line 1 the amount from Schedule A, line 1a.

COLUMN B, LINE 1

Taxpayers liable for the basic tax enter on Column B, line 1 the amount from Schedule A, line 4. Taxpayers liable for the alternative tax enter on Column B, line 1 the amount from Schedule A, line 7 divided by .75. Taxpayers liable for the tax on Taxable Assets or Capital Stock, enter zero on Column B, line 1.

LINES 2 THROUGH 7

Because no carryover of credits from years prior to 1996 is permitted, do not enter any amounts on lines 2 through 7.

COLUMN A, LINE 8

Enter amount from 1996 Form NYC-9.7B Schedule A, line 5, line 10c or line 11.

COLUMN B, LINE 8

Enter the excess, if any, of the amount from Column B, line 1 over Column A, line 1. If less than zero, enter zero.