STATEMENT OF AUDIT PROCEDURE

GENERAL CORPORATION TAX
VALUATION OF FILMS PRODUCED
BY BROADCASTERS

I. BACKGROUND

Starting with the tax years beginning in 1982 and 1983, Finance’s policy has been not to change a taxpayer’s general corporation tax liability solely because the taxpayer calculated its “property factor” using the methodology in New York State Department of Taxation and Finance TSB-M-83 (20)C, provided a complete schedule of films and their valuations included in the property factor was submitted as part of the tax return.

II. POLICY

Continued Applicability: The audit policy described above continues for all subsequent tax years. Further, there will not be a change in audit policy, unless Finance first promulgates a revised Statement of Audit Procedure.

Audit will not use another method for tax years beginning in or after 1982 and prior to issuing a revised Statement of Audit Procedure, provided the taxpayer had followed the property factor methodology set forth in TSB-M-83 (20)C on its tax return and had submitted a complete schedule of films and their valuations used in computing the property factor as part of that return.