

SPECIFIC LINE INSTRUCTIONS

PART I

Line 4b - Complete this line only if you are subject to IRC §163(j) (you are not a small business pursuant to IRC §163(j)(3) and not an excepted business under IRC §163(j)(7)), whether or not the amount of interest expense deduction was limited by such section for Federal purposes. Enter here the amount of interest, if any, deducted on 1120S, page 1, line 13, as well as any other interest deducted on the federal return and reflected on any line in Part I of this form that would be subject to the Internal Revenue Code ("IRC") section 163(j) limitation if the taxpayer had not made an election under subchapter S of the IRC. See the instructions to line 17 for more details on interest expense treatment.

Line 9 - If the calculated value for line 9 is negative, enter 0.

Line 10 - The capital loss carryover from prior years that may be used in the current tax year for City purposes. This amount may not exceed the value on line 9. Enter carryover loss as a positive number.

Line 11 - Subtract Line 10 from Line 9.

Line 13 - Enter on this line the amount from Schedule K line 10 of Form 1120S, as well as the amount, if any, that the taxpayer would have been required to recognize under IRC § 951A (GILTI inclusion) if it had not made an election under subchapter S of the IRC. The GILTI inclusion amount is reported on Part II, Line 3 of pro forma Form 8992, which taxpayers must attach to their City return.

PART II

Line 16 - The charitable contribution deduction from federal Form 1120S, Schedule K, line 12a may not exceed 10% of the sum of lines 1 through 12d (other than line 12a) of Schedule K, subject to any exception provided in the IRC with respect to C corporations.

Line 17 - If you are not subject to IRC §163(j), enter on this line the amount from Schedule K, Line 12b of Form 1120S. Otherwise, enter on this line the total amount of interest deductions that would have been allowed for federal purposes if the taxpayer

had not made an election under subchapter S of the IRC, including any amount added back on line 4b of this form (unless limited by IRC §163(j) as provided below). If any investment interest expense was deducted on form 1120S, Schedule K, line 12b, such interest will be treated as business interest for the purposes of applying the limitation on interest deductions pursuant to IRC section 163(j). Fill out and attach federal form 8990 as if the taxpayer had not made an election under subchapter S of the IRC. For more information on interest expense deductions, see Finance Memorandum 18-11, Impact of IRC §163(j) Limitation on Interest Attribution.

Line 19 - Enter here the amount from 1120S, Schedule K, line 12d, as well as any other applicable deduction not otherwise taken on this form. Included on this line should be the amounts of any deductions that would have been allowed under IRC section 250(a)(1)(B)(i) if the taxpayer had not made an election under subchapter S of the IRC as well as the amount deductible under IRC section 965(c). The deduction under IRC section 250(a)(1)(B)(i) is reported on Part IV, Line 9 of pro forma Form 8993, which taxpayers must attach to their City return. Banking Corporation Tax filers should also include on this line the amount of any deductions that would have been allowed under IRC section 250(a)(1)(A) if the taxpayer had not made an election under subchapter S of the IRC. The deduction under IRC section 250(a)(1)(A) is reported on Part IV, Line 8 of pro forma Form 8993.

PART III

Line 22 - Federal Taxable Income: Calculate the value of Part I, Line 14 minus Part II, Line 21 and enter here and on Schedule B, Line 1 of your form NYC-1, NYC-3L, NYC-4S, or NYC-4SEZ. For members of a Combined Group included in an NYC-3A, enter on Form NYC-3A, Schedule B Column A, line 1, if this form NYC-ATT-S-Corp is for the reporting corporation. For any other member of the combined group, enter on Form NYC-3A/B, Schedule B, line 1, in the column for this corporation. If there is only one other member of the combined group, enter on Form NYC-3A, Schedule B Column B, line 1. For members of a Combined Group included in an NYC-1A, this form NYC-ATT-S-CORP must be attached to the Form NYC-1 for each Subchapter S corporation included in the combined group.