

All federal Subchapter S Corporations must complete this schedule and include it when filing Form NYC-1, NYC-3A, NYC-3L, NYC-4S, or NYC-4SEZ. Amounts on Part I, Lines 1 through 8, 12 and 13 and Part II, Lines 15 through 18 are carried from your Federal form 1120S.

For CALENDAR YEAR \_\_\_\_\_ or FISCAL YEAR beginning \_\_\_\_\_ and ending \_\_\_\_\_

Name as shown on NYC-1, NYC-3A/ATT, NYC-3L, NYC-4S or NYC-4SEZ

EMPLOYER IDENTIFICATION NUMBER

|  |  |  |  |  |  |  |  |  |  |
|--|--|--|--|--|--|--|--|--|--|
|  |  |  |  |  |  |  |  |  |  |
|--|--|--|--|--|--|--|--|--|--|

**PART I - ADDITIONS TO ORDINARY BUSINESS INCOME**

|  | From Federal Form 1120S |     |     |  |
|--|-------------------------|-----|-----|--|
| 1. Ordinary business income (loss).....  | Schedule K, Line 1      |     | 1.  |  |
| 2. Net rental real estate income (loss) .....  | Schedule K, Line 2      |     | 2.  |  |
| 3. Other net rental income (loss).....   | Schedule K, Line 3c     |     | 3.  |  |
| 4a. Interest income.....   | Schedule K, Line 4      |     | 4a. |  |
| 4b. Interest Expense Addback .....   | See Instructions        |     | 4b. |  |
| 5. Ordinary dividends .....  | Schedule K, Line 5a     |     | 5.  |  |
| 6. Royalties .....   | Schedule K, Line 6      |     | 6.  |  |
| 7. Net short-term capital gain (loss) .....  | Schedule K, Line 7      | 7.  |     |  |
| 8. Net long-term capital gain (loss) .....   | Schedule K, Line 8a     | 8.  |     |  |
| 9. Sum of lines 7 and 8 .....  | See Instructions        | 9.  |     |  |
| 10. Capital Loss Carryover .....   | See Instructions        | 10. |     |  |
| 11. Net Capital Gain.....  | See Instructions        |     | 11. |  |
| 12. Net Section 1231 gain (loss).....  | Schedule K, Line 9      |     | 12. |  |
| 13. Other income (loss).....   | See Instructions        |     | 13. |  |
| 14. <b>TOTAL ADDITIONS</b><br>(Sum of lines 1 through 6 plus lines 11 through 13) .... |                         |     | 14. |  |

**PART II - DEDUCTIONS FROM ORDINARY BUSINESS INCOME**

Make applicable adjustments for C Corporation treatment of items 15 through 21

|  |                      |  |     |  |
|--|----------------------|--|-----|--|
| 15. Section 179 deduction.....                                   | Schedule K, Line 11  |  | 15. |  |
| 16. Contributions .....  | See Instructions     |  | 16. |  |
| 17. Interest expense.....  | See Instructions     |  | 17. |  |
| 18. Section 59(e)(2) expenditures.....                           | Schedule K, Line 12d |  | 18. |  |
| 19. Other deductions .....                                       | See Instructions     |  | 19. |  |
| 20. Intentionally Omitted .....                                  |                      |  | 20. |  |
| 21. <b>TOTAL DEDUCTIONS</b><br>(Sum of lines 15 through 20)..... |                      |  | 21. |  |

**PART III - CALCULATION OF FEDERAL TAXABLE INCOME**

|                                  |                  |  |     |  |
|----------------------------------|------------------|--|-----|--|
| 22. Federal Taxable Income ..... | See Instructions |  | 22. |  |
|----------------------------------|------------------|--|-----|--|

## 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 5 of pro forma Form 8992, which taxpayers must attach to their City return.

**NOTE:** Taxpayers electing entity treatment under IRS Notice 2020-69 or Proposed Treasury Regulation § 1.958-1(e) are required to file Form 8992 with Form 1120S. Taxpayers electing this treatment should attach Form 8992 to their City return, as well.

### PART II

**Line 16** - Enter on this line the sum of the amounts from federal Form 1120S, Schedule K, lines 12a and 12b. Such sum may not exceed 10% of the sum of lines 1 through 12e (other than lines 12a and 12b) 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 12c

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 12c, 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 12e, 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 III, Line 29 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 III, Line 28 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.