

## **2010 Schedule CG Instructions Combined Reporting Allocation Schedule**

Schedule CG must be completed and submitted with each combined report (Form 355U). It records all payments made by all members of the group towards either the income measure of excise under Ch. 63 or any non-income measure of excise which may be due from individual group members with the same taxable year for which the combined report is filed. The contact information provided should be the name and telephone number the Department may use to resolve questions regarding discrepancies between the payments reported on the schedule and DOR records.

Schedule CG reconciles all payments made by all members of the group towards either the income measure of excise under Ch. 63 or any non-income measure of excise which may be due from individual group members with the same taxable year for which the combined report is filed. Payments made by the principal reporting corporation on behalf of the group are reported in Part 2. Payments made separately by individual members (e.g. overpayments carried forward from prior years and estimated payments made before they determined they were to be included in the combined report) are shown in Part 3.

The reallocation of payments to match the amount actually due for an individual member's separate non-income measure of excise is accomplished by using Schedule CG, allowing a group that has aggregated its estimated tax payments under the account of the principal reporting corporation to allocate amounts from each installment to individual members as needed after the returns have been prepared. Similarly, payments made by or amounts credited to an individual member may be applied using this schedule to the income measure of excise shown on Form 355U, whether or not that member files a separate non-income measure return (as may be the case with a financial institution with an overpayment carried forward from a separate return for the 2009 tax year).

### **Part 1: Total Excise Tax Due and Payments**

This section reports the total of the income and non-income measures for all members of the group and the total of all payments made by all group members. For each line 1 through 7, the total shown in Part 1 must match the totals shown for all records in Part 2 and 3 for the same line.

Schedule CG, Part 1, line 2 (overpayment credited from prior period) is entered on Form 355U, line 29.  
The total of the amounts from Schedule CG, Part 1, lines 3 through 6 is entered on Form 355U, line 30.  
Schedule CG, Part 1, line 7 (amount paid with extension) is entered on Form 355U, line 31.  
The amount on Schedule CG, Part 1, line 8 is entered as a negative on Form 355U, line 32.

### **Part 2: Combined Report Excise Due and Payments by the PRC**

The group must file a single Part 2 record showing the excise due on the combined report. Enter on line 1, the total tax plus voluntary contribution as shown on Form 355U, line 28.

Enter on lines 2 through 7 any amounts paid or credited by the principal reporting corporation on behalf of the group.

### **Part 3: Additional Excise Due and Payments Made Separately by Individual Members**

Each member is required to submit a Part 3 record if any of the following conditions applies:

- (a) payments were made by the individual members that are not listed in Part 2
- (b) the member is also filing Form 355 or 355S to determine and pay its non-income measure of excise (or the member's minimum excise, if applicable).

If neither of these conditions applies to the member, do not submit a Part 3 record for that member.

If the principal reporting corporation is required to submit a Part 3 record, that Part 3 record must be the first Part 3 record shown.

For each Part 3 record submitted (including the record filed by the principal reporting corporation), enter the member's Federal Identification number.

Enter on line 1 the excise shown on the member's Form 355, Form 355S or financial institution S corporation return. If the member is not required to file a return other than Form 355U, enter "0."

Enter on lines 2 through 7 any amounts paid by the member for each installment. Do not include any amounts paid on behalf of the group by the principal reporting corporation and shown in Part 2.

Enter on line 8 the total payments and credits to be applied to the excise shown in line 1 but not more than the amount on line 1. Also enter this total as a single amount on the estimated tax payments line of Form 355 or 355S as appropriate. If making payment of a balance due with the separate Form 355 or 355S at the time of filing, that payment is not reported on Schedule CG.

### **Fiscal Taxpayers**

If any member of the group has a taxable year ending on a different day than the combined group's taxable year, any non-income measure return due from that member will be due at a date determined with reference to the member's own taxable year. In such circumstances, the member should report "0" on line 1 of its Part 3 record and include in lines 2 through 7 only those payments and credits to be allocated to the excise shown on the combined report.

### **Example:**

X, Y and Z are members of a group filing a combined report. X and Y are taxable in Massachusetts, Z is a non-taxable member. X is the principal reporting corporation and files Form 355U on behalf of the group. The excise plus voluntary contribution on line 28 of Form 355U is \$45,000. X also files a separate non-income measure return and reports a tax of \$9,000 on line 15 of the excise calculation section of Form 355S. Y also files a separate non-income measure return and reports a tax of \$6,000 on line 12 of the excise calculation section of Form 355. Z is not subject to a non-income measure of excise. X filed a 2009 Form 355U and applied \$40,000 of its refund from that taxable year to its 2010 estimated taxes. Beginning in March of 2010, X made estimated payments on behalf of the group in the amounts of \$10,000, \$30,000, \$20,000 and \$5,000 respectively. X filed a request for extension on behalf of the combined group on March 15, 2011 and made a payment of \$10,000 at that time.

Y was not a member of the group in prior years and, it had an overpayment of \$5,000 from its last separate return that it chose to apply to its 2010 estimated taxes. Y made no other estimated tax payments as its projected tax liability for both its income and non-income measures of excise was combined with that of the other members and included in the payments made by X for each installment as provided in TIR 09-05. Y did not need to separately file for an extension; the request for extension filed by X on behalf of the group applies to its separate non-income measure return. Z did not make any payments. As a group, X, Y and Z had a total tax liability of \$60,000 and made \$120,000 in payments. They request a refund of \$20,000 and apply \$40,000 to estimated taxes for 2011.

As a group, X and its affiliates have overpaid their excise, but the payments made must be allocated to the 3 tax returns filed. In this case, the group must allocate the payments so that \$9,000 is applied the Form 355S filed by X, \$6,000 is applied to the Form 355 filed by Y and the remaining \$105,000 is applied to the Form 355U (note that the last includes both the amount being applied to 2011 estimated tax and the amount to be refunded).

In this case, the group completes Schedule CG as follows:

#### **Part 1. Total Excise Due and Payments**

- 1 Total income and non-income tax due of all members 60,000
- 2 Overpayment credited from prior period 45,000
- 3 First installment estimated tax payments 10,000
- 4 Second installment estimated tax payments 30,000
- 5 Third installment estimated tax payments 20,000
- 6 Fourth installment estimated tax payments 5,000
- 7 Amount Paid with extension 10,000
- 8 Total payments applied to member's Form 355 or 355S 15,000
- 9 Total Payments applied to Form 355U 105,000

Part 2. Combined Report Excise Due and Payments by the PRC

- 1 Total excise due from the combined report 45,000
- 2 Overpayment credited from prior period 40,000
- 3 First installment estimated tax payments 10,000
- 4 Second installment estimated tax payments 30,000
- 5 Third installment estimated tax payments 20,000
- 6 Fourth installment estimated tax payments 5,000
- 7 Amount Paid with extension 10,000

Part 3. Additional Excise Due and Payments Made Separately by Individual Members Corporation X 999999999

- 1 Total excise due from Form 355 or 355S as filed 9,000
- 2 Overpayment credited from prior period 0
- 3 First installment estimated tax payments 0
- 4 Second installment estimated tax payments 0
- 5 Third installment estimated tax payments 0
- 6 Fourth installment estimated tax payments 0
- 7 Amount Paid with extension 0
- 8 Total Payments applied (not more than line 1) 9,000

Corporation Y 888999999

- 1 Total excise due from Form 355 or 355S as filed 6,000
- 2 Overpayment credited from prior period 5,000
- 3 First installment estimated tax payments 0
- 4 Second installment estimated tax payments 0
- 5 Third installment estimated tax payments 0
- 6 Fourth installment estimated tax payments 0
- 7 Amount Paid with extension 0
- 8 Total Payments applied (not more than line 1) 6,000