

Combined Return Instructions

2010 Schedule U-TTP

Tax Treaty Positions

A member of Massachusetts water's edge combined group that takes a treaty-based return position must disclose that position when filing its return. A taxpayer takes a treaty based return position by maintaining that a treaty of the U.S. overrules or modifies a provision of the Internal Revenue Code and thereby causes (or potentially causes) a reduction of the income required to be shown on the return. Note that the exclusions from a similar requirement to disclose treaty-based positions for U.S. federal tax purposes do not apply to the requirement that members of a combined group disclose the position with their Massachusetts return.

Header for Schedule U-TTP

For each Schedule U-TTP filed, enter the name of the member (as shown on its federal income tax return, if filed), its Federal Identification number and the beginning and ending dates of the combined group's taxable year. If the member is a non-U.S. corporation that does not have a Federal Identification number, enter "Foreign" in the space provided for the FIN. This information must exactly match the information shown on the Schedule U-M filed for that member.

For each Schedule U-TTP, identify the name of the combined group's principal reporting corporation and the Federal Identification number of the principal reporting corporation.

For each Schedule U-TTP, enter the member's U.S. address, which may be the address of the principal reporting corporation if the if the member does not have an office or agent in the U.S.

For each Schedule U-TTP, enter the member's address in the country of residence including street address, city with province or state and postal code, and country name.

For each Schedule U-TTP, indicate whether or not the member filed U.S. Form 1120F.

For each Schedule U-TTP, indicate whether or not the member is filing one or more U.S. Form(s) 8833 with the Internal Revenue Service.

Treaty Information

Schedule U-TTP allows a single member relying on multiple U.S. national treaties to identify the various treaties and the positions taken on the same schedule.

For each treaty relied on enter the name of the treaty country and indicate whether the treaty relied on is an income tax treaty or any other kind (e.g. commerce, etc.). Also identify the specific article(s) relied upon by the taxpayer (there may be more than one article providing benefits applicable to the member under a given treaty).

For each treaty relied on, identify the IRS Code provision(s) overruled or modified by the treaty in question.

If the treaty relied upon has a limitation-on-benefits article, identify the provision(s) that the member relies on to prevent application of the article (e.g. how is the member a qualified person if such is required to claim a benefit under the treaty). Explain the treaty-based return position taken. Include a brief summary of the facts on which it is based and a description of the income to be excluded from the Massachusetts combined return. It is *not* necessary to quantify the items of income affected by each treaty separately.

Reason for Inclusion in the Combined Report

For each Schedule U-TTP, check the first applicable box that corresponds to this member (e.g. if the member is a non-U.S. corporation that, based on its own activities, is taxable on its income in Massachusetts, that box will be checked regardless of whether or not either of the subsequent tests is met).

Income Exclusions

Each member filing Schedule U-TTP must report the amount of income excluded from its Schedule U-M by application of all the treaties identified on Schedule U-TTP. Each member must report separately the amounts of interest, royalties, other FDAP income and other non-FDAP income from all sources that were excluded from its income as reported. Do not reduce these amounts on account of any deductions that would be allowable if the income were included in the combined report. The total of lines 1 through 4 is reported on line 5.

Each member filing Schedule U-TTP that receives but excludes from the return any income that is derived, directly or indirectly, from intangible property or service-related activities, the costs of which are generally deductible for federal income tax purposes against the business income of other members of the Massachusetts combined group must also identify the amounts received from each related party. Enter on line 6 the name of each such other member paying such amounts to the member filing Schedule U-TTP, the Federal Identification number of the other member and the total amount of income excluded from the return (without reduction on account of any deductions that would be allowable if the income were included in the combined report). The total of the amounts on line 6 may be less than the amount reported on line 5.