

Combined Reporting Instructions

2012 Schedule CG

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 the excise shown on the combined report, which for taxable years beginning on or after January 1, 2012 includes any non-income measure of excise due from corporations taxable under M.G.L. Ch. 63, sec. 39 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 3. 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 4.

Part 1: Total Excise Tax Due and Payments

This section reports the total of the income and non-income measures for all members as shown on the combined report and the total of all payments made by all group members. For Line 1, enter the amount from Form 355U, line 27. For each line 2 through 7, the total shown in Part 1 must match the totals shown for all records in Part 3 and 4 for the same line.

Schedule CG, Part 1, line 2 (overpayment credited from prior period) is entered on Form 355U, line 30.

The total of the amounts from Schedule CG, Part 1, lines 3 through 6 (the estimated tax payments made by all members of the group) is entered on Form 355U, line 31.

Schedule CG, Part 1, line 7 (amount paid with extension) is entered on Form 355U, line 32.

Part 2: Required Annual Payment

This section calculates the required annual payment for the combined group as provided in TIR 09-05 and the cumulative amounts required for the various installments in a taxable year of 12 months. For example, if the amount shown on Part 2, line 6 is greater than the total of the amounts shown on Part 1, line 2 and line 3, the taxable members of the combined group may be liable for an addition to tax under M.G.L. Ch. 63B. The amount of any such addition is calculated on Form M-2220, which is also used claim certain exceptions. See 830 CMR 63B.2.2 for further information.

Part 3: Combined Report Excise Due and Payments by the PRC

The group must file a single Part 3 record showing the payments made by the principal reporting corporation for the excise due on the combined report. Enter on line 1, the period end date of the prior year combined report. If a combined report was not filed for the prior year, leave this blank. Enter on lines 2 through 7 any amounts paid or credited by the principal reporting corporation on behalf of the group.

Part 4: Additional Payments Made Separately by Individual Members

A member is required to submit a Part 4 record only if payments were made by the individual member that is not listed in Part 3. It is possible for Schedule CG to contain no Part 4 records.

For each Part 4 record submitted, enter the member’s name and Federal Identification number. Enter on line 1 the period end date shown on the member’s prior year separate return. If the member did not file a separate return for the prior year, leave this blank. 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 3.

Fiscalized Taxpayers

If any member of the group has a separate taxable year ending after the end of the combined group’s taxable year, the non-income measure of excise due from that member must be paid separately. In such circumstances, the member should file a Part 4 record only for the purpose of having one or more payments credited against that separate non-income measure applied to the total excise shown on Form 355U.

Example:

X, Y and Z are members of a group filing a combined report for the 2012 calendar year. 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 before voluntary contribution on line 27 of Form 355U is \$60,000. This includes the non-income measures of excise calculated by X & Y for the year.

X filed a 2011 form 355U and applied \$40,000 of its refund from that taxable year to the combined group’s 2012 estimated taxes. Beginning in March of 2012, 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, 2013 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 2012 estimated taxes. Y also had income from a partnership that withheld \$10,000 from Y’s share of the partnership income. 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. Z did not make any payments. As a group, X, Y and Z had a total tax liability of \$60,000, made \$120,000 in payments and had \$10,000 withheld. They request a refund of \$30,000 and apply \$40,000 to estimated taxes for 2013

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

Part 2. Required Annual Payment

1 Total income and non-income tax due of all members	60,000
2 Tentative required annual payment	54,000
3 Total pass-through entity withholding	10,000
4 Total refundable credits	0
5 Balance.	44,000
6 Enter 40% of line 5,	17,600
7 Enter 65% of line 5.	28,600
8 Enter 90% of line 5.	39,600

Part 3. Combined Report Excise Due and Payments by the PRC

1 Total excise due from the combined report	60,000
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 4. Additional Payments Made Separately by Individual Members

Corporation Y 888999999

1 Period End Date per prior return	12/31/2011
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

Note that there is no Part 4 record for Corporation X or Corporation Z and the pass through withholding for Corporation Y is not reflected in Part 4.