



Employment Incentive Credit for the Financial Services Industry

IT-252-ATT

Attach this form to Form IT-252.

Name(s) as shown on return	Identifying number as shown on return	Type of business
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— Use this form to claim an employment incentive credit for property that qualifies for the investment tax credit that is used in the ordinary course of a taxpayer's business as a broker or dealer in connection with the purchase or sale of stocks, bonds, or other securities, or in providing investment advisory services for a regulated investment company. The property must be placed in service on or after October 1, 1998, and before October 1, 2003.

Employment incentive credit

Part I — Employment information required to determine eligibility for employment incentive credit

	A Year	B March 31	C June 30	D September 30	E December 31	F Total <i>(Add columns B through E)</i>	G Average <i>(see instructions)</i>	H Percentage <i>(line 1, col. G) (line 2, col. G)</i>
1 Number of New York employees in the credit year								
2 Number of New York employees in employment base year								(If the percentage in column H is less than 101% (1.01), stop ; you do not qualify for the employment incentive credit.)

Part II — Employment incentive credit computation

	A Tax year in which original investment tax credit was allowed	B Amount of investment credit base upon which original investment tax credit was allowed	C Employment incentive credit <i>(Multiply column B by the appropriate rate from Tax rate schedule below. Enter here and on Form IT-252, line 27.)</i>
3			



Tax rate schedule — Employment incentive credit rates to be used in Part II above

If the percentage in Part I, column H is at least:	The employment incentive credit rate is:
101% but less than 102%	1½% (.015) of investment credit base
102% but less than 103%	2% (.02) of investment credit base
103%	2½% (.025) of investment credit base

Instructions

General Information — If you place property in service on or after October 1, 1998, and before October 1, 2003, and that property qualifies for the investment tax credit, you may be entitled to the employment incentive credit. If you qualify, the credit is allowed for each of the two years immediately following the tax year in which the investment credit was allowed.

Example : A partnership files its partnership return using a fiscal year of February 1, 2001, through January 31, 2002. The partnership placed property in service on October 15, 2001, that qualified for the investment tax credit. The partnership should complete Form IT-252-ATT for tax years February 1, 2002, through January 31, 2003, and February 1, 2003, through January 31, 2004, to determine if the partners of the partnership are eligible to claim the employment incentive credit.

The amount of the credit is a percentage of the original investment credit base on which the investment tax credit was allowed. The percentage used to compute the credit is based upon the level of employment in each of the two years during which the credit may be claimed compared to the level of employment in the base year. However, the credit will not be allowed for a year if the taxpayer's average number of employees in New York State during that year is not at least 101% of the taxpayer's average number of employees in New York State during the base year. A taxpayer that has claimed an investment tax credit for property it purchased that is principally used by an affiliate of the taxpayer may also be eligible for an employment incentive credit. In this case, the credit is allowed based on the taxpayer's average number of employees in New York State. The number of the affiliate's employees is not taken into consideration.

Generally, the *base year* is the tax year immediately preceding the tax year in which the original investment tax credit was claimed. However, if the business was not in operation in New York State during that year, the *base year* is the tax year in which the original investment tax credit was claimed.

If you cannot claim all of your employment incentive credit because it is more than your New York State tax less other credits, you can carry over the unused amount to the following ten tax years; or, if you are the owner of a new business, you may qualify for a refund (see *Refundable unused investment tax credit* on page 2 of Form IT-252-I).

Part I - Employment information required to determine eligibility for the employment incentive credit

Complete Part I to determine if you are eligible for the credit. If you are eligible, complete Part II.

Column A - Enter in column A the credit year and the base year. The *credit year* is the tax year you are claiming the employment incentive credit. If you qualify, the credit is allowed for each of the two tax years immediately following the tax year in which the original investment tax credit was allowed. The *base year* is the year preceding the year you claimed the original investment tax

credit. However, if your business was not in operation in New York State during that year, the base year is the year in which you claimed the investment tax credit.

Columns B, C, D, and E - Enter the total number of employees employed within New York State on each of the dates listed that occur during your credit and base tax years.

Example: A taxpayer filing for a fiscal year beginning September 1, 2001, and ending August 31, 2002, would enter on line 1 the number of employees employed in New York State on the following dates: September 30, 2001; December 31, 2001; March 31, 2002; and June 30, 2002.

Caution: If you are also claiming the empire zone wage credit for the credit year, do not include on line 1 any employees for whom you are claiming that wage credit.

Column G - Unless you have a short tax year, divide the amount in Column F by four. If you have a short tax year (a tax year of less than 12 months), divide the amount in Column F by the number of dates shown in Columns B through E that occur during the short tax year.

Column H - Divide the amount on line 1, column G, by the amount on line 2, column G, and carry the result to two decimal places. If the percentage in column H is at least 101% (1.01), complete Part II. If the percentage in column H is less than 101%, **stop**; you do not qualify for the employment incentive credit for this year.

Part II - Employment incentive credit computation


Column A - Enter in column A the tax year in which the original investment tax credit was allowed.

Column B - Enter in column B the amount of the investment credit base (not the amount of the investment tax credit) that was used to compute the original investment tax credit. Do not include in column B the investment credit base for any property for which you are claiming the empire zone employment incentive credit.

Column C - Multiply the column B amount by the appropriate rate from the *Tax rate schedule*. However, if the property that qualified for the investment tax credit was disposed of or was not in qualified use at the end of the credit year, figure the amount of credit to claim as follows:

- For depreciable property under section 167 of the IRC, multiply the credit by a fraction; the numerator is the number of months of qualified use, and the denominator is the number of months of useful life of the property.
- For property subject to the provisions of section 168 of the IRC, multiply the credit by a fraction; the numerator is the number of months of qualified use, and the denominator is:
 - 36 for three-year property;
 - the number of months you chose for buildings or structural components of buildings; or
 - 60 for all other classes of property.

Need help?

 **Telephone assistance** is available from 8:30 a.m. to 4:25 p.m. (eastern time), Monday through Friday.

Tax information: 1 800 225-5829

Forms and publications: 1 800 462-8100


Refund status: Access our Web site or call 1 800 443-3200;

if electronically filed: 1 800 353-0708; direct deposit refunds: 1 800 321-3213
Automated service for refund status is available 24 hours a day, seven days a week.


From outside the U.S. and outside Canada: (518) 485-6800


Fax-on-demand forms (available 24 hours a day, seven days a week): 1 800 748-3676

Hearing and speech impaired (telecommunications device for the deaf (TDD) callers only): 1 800 634-2110 (8:30 a.m. to 4:25 p.m., eastern time)

 **Internet access:** www.tax.state.ny.us

Estimated tax: Access our Web site to check your balance and reconcile your account.

 **Persons with disabilities:** In compliance with the Americans with Disabilities Act, we will ensure that our lobbies, offices, meeting rooms, and other facilities are accessible to persons with disabilities. If you have questions about special accommodations for persons with disabilities, please call 1 800 225-5829.

 **If you need to write,** address your letter to: NYS Tax Department, Taxpayer Assistance Bureau, W A Harriman Campus, Albany NY 12227.

