



CT-601.1

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New York State Department of Taxation and Finance

Claim for ZEA Wage Tax Credit

Tax Law — Sections 210.19, 1456(e) and 1511(g)

All filers must enter tax period:

beginning	<input type="text"/>	ending	<input type="text"/>
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Taxpayer identification number(s) shown on the front page of your tax return	
Name	
Name of zone equivalent area (ZEA)	Date of ZEA designation

File this claim with your corporation tax return, Form CT-3, CT-3-A, CT-3-S, CT-3-S-A, CT-32, CT-32-A, CT-32-S, CT-33, CT-33-A, or CT-33-NL.

Schedule A — Application of ZEA wage tax credit for the current tax year

Part I — Computation of 50% limitation

1	ZEA wage tax credit carryforward from preceding tax year.....	•	1.	<input type="text"/>
2	Current year's tax (see instructions)	•	2.	<input type="text"/>
3	Fifty percent limitation (see instructions)	•	3.	<input type="text"/>
Taxpayers claiming wage tax credits in multiple EZs and ZEAs must complete Schedule B below.				
4	Current year's tax (enter amount from line 2; Article 33 taxpayers see instructions)		4.	<input type="text"/>
5	Enter other credits claimed before the ZEA wage tax credit (see instructions)	•	5.	<input type="text"/>
6	Net tax (subtract line 5 from line 4)		6.	<input type="text"/>

Part II — Computation of tax limitation

7	Enter appropriate tax: Article 9-A — enter the tax on minimum taxable income or fixed dollar minimum tax (whichever is larger) Article 32 — enter the fixed minimum tax of 250 Article 33 — enter 250	•	7.	<input type="text"/>
8	ZEA wage tax credit limitation (subtract line 7 from line 6)	•	8.	<input type="text"/>
9	ZEA wage tax credit limitation for current tax year (enter the lesser of line 3 or line 8 amount)	•	9.	<input type="text"/>

Part III — Computation of ZEA wage tax credit used for the current tax year

10	ZEA wage tax credit used for current tax year (see instructions).....	•	10.	<input type="text"/>
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Part IV — Computation of ZEA wage tax credit carryforward

11	ZEA wage tax credit available as carryforward (see instructions)	•	11.	<input type="text"/>
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Schedule B — Computation of limitation for multiple wage tax credit claims (see instructions)

Part I — 50% limitation

12	Current year's tax (from line 2)		12.	<input type="text"/>
13	Fifty percent limitation (multiply line 12 by 50% (.50))		13.	<input type="text"/>

Part II — Unused ZEA wage tax credit limitation

A	B		C	
	Amount of ZEA and EZ wage tax credits applied prior to this credit			
Fifty percent limitation (from line 13)	Zone name	Amount of credit	Unused ZEA and EZ wage tax credit limitation (column A amount – column B total amount used)	
	<input type="text"/>	<input type="text"/>		
	<input type="text"/>	<input type="text"/>		
	<input type="text"/>	<input type="text"/>		
Total amount used		<input type="text"/>		

14	Unused ZEA wage tax credit limitation (subtract column B total from column A; enter here and on line 3)		14.	<input type="text"/>
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Instructions

General information

The ZEA wage tax credit for all zone equivalent areas (ZEAs) expired on June 13, 2004. ZEA wage tax credit carryforwards may still be utilized; however, no additional ZEA wage tax credit can be earned in any tax year beginning after June 13, 2004.

The taxpayer must attach a copy of the *Certificate of Eligibility* issued by Empire State Development each year that the credit is carried forward.

Schedule A — Application of ZEA wage tax credit for the current tax year

The ZEA wage tax credit allowed in Schedule A is **limited to** the following:

- 50% of the tax imposed under Tax Law Article 9-A, before the addition of the metropolitan transportation business tax (MTA surcharge) or the deduction of any tax credit; **or**
- 50% of the tax imposed under Tax Law Article 32, before the addition of the MTA surcharge or the deduction of any tax credit; **or**
- for **life insurance** corporations, 50% of the lesser of:
 - the tax computed under Article 33 section 1505(a); **or**
 - the **greater** of the sum of taxes imposed under sections 1501 and 1510, **or** the tax computed under Article 33 section 1505(b),
 before the addition of the MTA surcharge or the deduction of any tax credit.
- for **non-life insurance** corporations, 50% of the taxes imposed under Article 33 section 1502-a before the addition of the MTA surcharge or the deduction of any tax credit.

In addition, the ZEA wage tax credit allowed in Schedule A **may not** be applied against the following taxes:

- the greater of the tax on the minimum taxable income base or fixed dollar minimum tax as computed under Article 9-A; **or**
- the fixed minimum tax of \$250 computed under Article 32; **or**
- the minimum tax of \$250 under Article 33; **or**
- the MTA surcharge under Articles 9-A, 32, or 33.

Any portion of the ZEA wage tax credit disallowed in Schedule A as a result of the above limitations may be carried forward to subsequent tax returns.

Line 2 — Enter the current year's tax after the addition of the tax on subsidiary capital and before the deduction of any tax credit or addition of the MTA surcharge. The ZEA wage tax credit cannot be applied against the MTA surcharge.

Article 9-A taxpayers: enter tax shown on Form CT-3, line 78, or Form CT-3-A, line 77.

Article 32 taxpayers: enter tax shown on Form CT-32, line 5, or Form CT-32-A, line 5.

Article 33 taxpayers: enter tax shown on Form CT-33, line 9a or line 10, whichever is less; or Form CT-33-NL, line 5; or Form CT-33-A, line 10 or line 14, whichever is less.

Line 3 — For taxpayers claiming ZEA wage tax credit in only one ZEA, multiply line 2 by 50% (.50).

For taxpayers who earned wage tax credits in multiple ZEAs or empire zones (EZs), or are claiming EZ and ZEA wage tax credits from more than one entity, the aggregate amount of **all** of the wage tax credits used in the current year cannot exceed 50% of the current year's tax. To compute your limitation, complete Schedule B and enter the line 14 result on line 3.

Example: *Corporation A operates in two locations in New York State, one in Buffalo and one in Elmira. Both locations are in ZEAs, and Corporation A is certified in both ZEAs. Corporation*

A has calculated its current year tax as \$3,100 and calculates a 50% limitation of \$1,550 (50% of \$3,100). Corporation A claims a ZEA wage tax credit of \$1,500 from its Buffalo location. Corporation A is limited to \$50 of wage tax credits earned in the Elmira location (\$1,550 minus \$1,500 of limitation already used) that may be applied against the current year's tax.

Line 4 — Article 33 taxpayers: enter tax shown on Form CT-33, line 9a; Form CT-33-NL, line 5; or Form CT-33-A, line 10.

Line 5 — If you are claiming more than one tax credit for this tax year, enter the amount of the tax credit(s) claimed before the ZEA wage tax credit. Include in this amount any ZEA or EZ wage tax credit applied to the tax prior to the credit claimed on this form. Refer to your corporation franchise tax return for the order of credit that applies. Article 9-A taxpayers, refer to Form CT-600, *Ordering of Corporation Tax Credits*; otherwise, enter **0** on line 5.

Line 10 — Enter the lesser amount from line 1 or line 9.

Article 9-A taxpayers: transfer the line 10 amount to Form CT-3, line 100a, or Form CT-3-A, line 101a.

Article 32 taxpayers: transfer the line 10 amount to Form CT-32, line 178, or Form CT-32-A, line 211.

Article 33 taxpayers: transfer the line 10 amount to Form CT-33, line 102; Form CT-33-NL, line 47; or Form CT-33-A, line 117.

Line 11 — To determine the unused ZEA wage tax credit, which can be carried forward to future years, subtract line 10 from line 1.

Schedule B — Computation of limitation for multiple wage tax credit claims

When completing column B, list only the EZ and ZEA wage tax credits claimed for this tax year that you wish to apply **prior** to the credit claimed on this form.

Part II, column A: Enter amount from line 13.

Part II, column B: List the name of the zone and amounts of wage tax credits applied to your tax prior to the amount claimed on this form. Add amounts in column B.

Part II, column C: Subtract column B total from the amount in column A. Enter the result on line 14 and on line 3.

Privacy notification

The Commissioner of Taxation and Finance may collect and maintain personal information pursuant to the New York State Tax Law, including but not limited to, sections 171, 171-a, 287, 308, 429, 475, 505, 697, 1096, 1142, and 1415 of that Law; and may require disclosure of social security numbers pursuant to 42 USC 405(c)(2)(C)(i).

This information will be used to determine and administer tax liabilities and, when authorized by law, for certain tax offset and exchange of tax information programs as well as for any other lawful purpose.

Information concerning quarterly wages paid to employees is provided to certain state agencies for purposes of fraud prevention, support enforcement, evaluation of the effectiveness of certain employment and training programs and other purposes authorized by law.

Failure to provide the required information may subject you to civil or criminal penalties, or both, under the Tax Law.

This information is maintained by the Director of Records Management and Data Entry, NYS Tax Department, W A Harriman Campus, Albany NY 12227; telephone 1 800 225-5829. From areas outside the United States and outside Canada, call (518) 485-6800.

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