New York State Department of Taxation and Finance

Claim for QEZE Tax Reduction Credit

IT-604

Tax Law - Section 16

2005

QEZEs first certified **prior** to April 1, 2005, complete **only** *Section 1*, Schedules A through I.

QEZEs first certified **on or after** April 1, 2005, complete **only** *Section 2*, Schedules J through Q.

Note: You must file **either** Section 1 (pages 1 through 4) **or** Section 2 (pages 5 through 8). Do not file both.

See Form IT-604-I, *Instructions for Form IT-604,* for assistance.

2005 calendar-year filers, mark an *X* in the box: ☐

Other filers enter tax period:

beginning [   ]   ending [   ]

File this claim with your Form IT-201, IT-203, IT-204, or IT-205.

Name(s) as shown on your return	Taxpayer identification number
Name of empire zone (EZ)	
Name of qualified empire zone enterprise (QEZE) business	EIN of QEZE

Section 1 — For QEZEs first certified prior to April 1, 2005

Date of first certification by Empire State Development *(attach a copy of your* Certificate of Eligibility*)* .... [   ]

(mm-dd-yyyy)

Schedule A — Employment test for QEZEs first certified prior to April 1, 2005

Part 1 — Empire zone (EZ) employment — Computation of the employment number within all EZs for the current tax year and the five-year base period. Include employees within all EZs, even if you are not certified in all of those zones *(see instructions)*.

Current tax year employment number	March 31	June 30	September 30	December 31	Total
Number of full-time employees within all EZs					

1 Employment number within all EZs for the current tax year *(see instructions)* .... **1.** [   ]

Base period employment number	March 31	June 30	September 30	December 31	Total
Number in base year one					
Number in base year two					
Number in base year three					
Number in base year four					
Number in base year five					
Total number of full-time employees within all EZs in the base period					

2 Employment number within all EZs in the five-year base period *(see instructions)* .... **2.** [   ]

3 Does the amount on line 1 **equal** or **exceed** line 2? *(see instructions)* .... Yes ☐ No ☐

    If *No*, **stop.** You are not eligible for the QEZE tax reduction credit.

Part 2 — New York State employment outside all EZs — Computation of the employment number inside New York State and outside all EZs (whether or not you are certified in all of those EZs) for the current tax year and the five-year base period *(see instructions).*

Current tax year employment number	March 31	June 30	September 30	December 31	Total
Number of full-time employees inside NYS and outside all EZs					

4 Employment number inside New York State and outside all EZs for the current tax year .... | **4.** |

Base period employment number	March 31	June 30	September 30	December 31	Total
Number in base year one					
Number in base year two					
Number in base year three					
Number in base year four					
Number in base year five					
Total number of full-time employees inside New York State and outside all EZs in the base period....					

5 Employment number inside New York State and outside all EZs in the base period .... | **5.** |

6 Does the amount on line 4 **equal** or **exceed** the amount on line 5? *(see instructions)* .... Yes ☐   No ☐

   If *No*, **stop.** You are not eligible for the QEZE tax reduction credit.

Schedule B — Computation of employment number within the EZs in which you are certified for the test year

Test year *(mm/yyyy)* _____ to _____	March 31	June 30	September 30	December 31	Total
Number of full-time employees within the EZs..........................					

7 Employment number within the EZs in which you are certified for the test year *(see instructions)* .... | **7.** |

Schedule C — Employment increase factor *(see instructions)*

8 Employment number within the EZs in which you are certified for the current tax year *(see instructions)* ... | **8.** |
9 Employment number within the EZs in which you are certified for the test year *(from line 7)* .... | **9.** |
10 Subtract line 9 from line 8 .... | **10.** |
11 Divide line 10 by line 9 *(round the result to the fourth decimal place; if line 9 is zero and line 8 is greater than zero, enter **1** here)* .... | **11.** | . |
12 Divide line 10 by 100 *(round the result to the fourth decimal place)* .... | **12.** | . |
13 Employment increase factor *(enter the greater of line 11 or 12, but not more than 1.0)* .... | **13.** | . |

   Partnerships — Enter the line 13 amount on line 26 and on Form IT-204, line 37.

   All others — Enter the line 13 amount on line 26.

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Please file this original scannable claim form with the Tax Department.

Schedule D — Zone allocation factor *(see instructions)*

		A — EZ	B — New York State

14	Average value of property *(see instructions)*	**14.**	**14.**
15	EZ property factor *(divide line 14, column A, by line 14, column B; round the result to the fourth decimal place)*		**15.**
16	Wages and other compensation of employees *(except general executive officers)*	**16.**	**16.**
17	EZ payroll factor *(divide line 16, column A, by line 16, column B; round the result to the fourth decimal place)*		**17.**
18	Total EZ factors *(add lines 15 and 17)*		**18.**
19	Zone allocation factor *(divide line 18 by two; round the result to the fourth decimal place)*		**19.**

Partnerships — Enter the line 19 amount on Form IT-204, line 38.
All others — Enter the line 19 amount on line 27.

Schedule E — Tax factor

20	Enter your tax from Form IT-201, line 39; Form IT-203, line 38; Form IT-205, line 6 (full-year resident estate or trust); or Form IT-205-A, line 11 (nonresident estate or trust or part-year resident trust)....	**20.**
21	Enter the amount of your income from the QEZE allocated within NYS *(see instructions)*	**21.**
22	New York adjusted gross income *(see instructions)*	**22.**
23	Divide line 21 by line 22 *(the result cannot exceed one; round the result to the fourth decimal place)*	**23.**
24	Multiply line 20 by line 23; this is your tax factor *(enter here and on line 28)*	**24.**

Schedule F — QEZE tax reduction credit

25	Tax year of the business benefit period _____ ; benefit period factor *(from table below)*	**25.**
26	Employment increase factor *(from line 13)*	**26.**
27	Zone allocation factor *(from line 19)*	**27.**
28	Tax factor *(from line 24)*	**28.**
29	Multiply line 25 × line 26 × line 27 × line 28	**29.**
30	Beneficiaries of estates or trusts share *(see instructions)*	**30.**
31	QEZE tax reduction credit *(add lines 29 and 30)*	**31.**

Fiduciaries — Include the line 31 amount on the *Total* line of Schedule G, column C.
Individuals — Enter the line 31 amount and code **164** on Form IT-201-ATT, line 2, or Form IT-203-ATT, line 3.

Benefit period factor table*	
Tax year of the benefit period	Benefit period factor
1 - 10	1.0
11	.8
12	.6
13	.4
14	.2
15	0

Find the tax year of your benefit period.

Partnerships — Enter the benefit period factor for that year from the table to the left on line 25 and on Form IT-204, line 39.

All others — Enter the benefit period factor for that year from the table to the left on line 25.

* For taxpayers first certified prior to April 1, 2005, the QEZE tax reduction credit is generally available for up to 14 years for taxpayers that continue to qualify.

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Schedule G — Beneficiary's and fiduciary's share of credit

A Beneficiary's name *(same as on Form IT-205, Schedule C)*	**B** Identifying number	**C** Share of QEZE tax reduction credit
Total		_____ . ___
	_____	_____ . ___
	_____	_____ . ___
Fiduciary	_____	_____ . ___

Schedule H — Related entities

List the names and employer identification numbers of any related business entities. Attach additional sheets if necessary. Use the definition of *related persons* in the instructions to determine if an entity is related.

Name	Employer identification number
	_____
	_____
	_____
	_____
	_____
	_____

Schedule I — Valid business purpose for QEZEs first certified prior to August 1, 2002 *(see instructions)*

For purposes of the new business definition, are you claiming the QEZE was formed for a valid business purpose? *(Mark an **X** in the appropriate box; if you mark Yes, attach a notarized statement describing in detail how the QEZE meets the valid business purpose test.)* .... Yes ☐ No ☐

Please file this original scannable claim form with the Tax Department.

Claim for QEZE Tax Reduction Credit

Section 2 — For QEZEs first certified on or after April 1, 2005

Note: You must file **either** Section 1 (pages 1 through 4) **or** Section 2 (pages 5 through 8). Do not file both.

See Form IT-604-I, *Instructions for Form IT-604,* for assistance.

2005 calendar-year filers, mark an *X* in the box: ☐
Other filers enter tax period:

beginning [ ] ending [ ]

File this claim with your Form IT-201, IT-203, IT-204, or IT-205.

Name(s) as shown on your return

Taxpayer identification number [ ]

Name of empire zone (EZ)

Name of qualified empire zone enterprise (QEZE) business

EIN of QEZE [ ]

Date of first certification by Empire State Development *(attach a copy of your* Certificate of Eligibility*)* .... [ ]

(mm-dd-yyyy)

Schedule J — Employment test for QEZEs first certified on or after April 1, 2005

Part 1 — Empire zone (EZ) employment — Computation of the employment number within all EZs for the current tax year and the four-year base period. Include employees within all EZs, even if you are not certified in all of those zones *(see instructions).*

Current tax year employment number	March 31	June 30	September 30	December 31	Total
Number of full-time employees within all EZs					

32 Employment number within all EZs for the current tax year *(see instructions)* .... **32.** [ ]

Base period employment number	March 31	June 30	September 30	December 31	Total
Number in base year one					
Number in base year two					
Number in base year three					
Number in base year four					
Total number of full-time employees within all EZs in the base period					

33 Employment number within all EZs in the base period *(see instructions)* .... **33.** [ ]

34 Does the amount on line 32 **exceed** line 33? *(see instructions)* .... Yes ☐   No ☐

    If *No,* **stop.** You are not eligible for the QEZE tax reduction credit.

(continued)

Part 2 — New York State employment — Computation of the employment number in New York State for the current tax year and the four-year base period *(see instructions).*

Current tax year employment number	March 31	June 30	September 30	December 31	Total
Number of full-time employees inside New York State					

35 Employment number in New York State for the current tax year .... | **35.** | |

Base period employment number	March 31	June 30	September 30	December 31	Total
Number in base year one					
Number in base year two					
Number in base year three					
Number in base year four					
Total number of full-time employees in New York State for the base period...........................					

36 Employment number in New York State in the base period................................... | **36.** | |

37 Does the amount on line 35 **exceed** the amount on line 36? *(see instructions)* .... Yes ☐   No ☐

   If *No*, **stop.** You are not eligible for the QEZE tax reduction credit.

Schedule K — Computation of employment number within the EZs in which you are certified for the test year

Test year *(mm/yyyy)* _____ to _____	March 31	June 30	September 30	December 31	Total
Number of full-time employees within the EZs..........................					

38 Employment number within the EZs in which you are certified for the test year *(see instructions)* .... | **38.** | |

Schedule L — Employment increase factor *(see instructions)*

39 Employment number within the EZs in which you are certified for the current tax year *(see instructions)* .... | **39.** | |
40 Employment number within the EZs in which you are certified for the test year *(from line 38)* .... | **40.** | |
41 Subtract line 40 from line 39 .... | **41.** | |
42 Divide line 41 by line 40 *(round the result to the fourth decimal place; if line 40 is zero and line 39 is greater than zero, enter **1** here)* .... | **42.** | . | |
43 Divide line 41 by 100 *(round the result to the fourth decimal place)* .... | **43.** | . | |
44 Employment increase factor *(enter the greater of line 42 or 43, but not more than 1.0)* .... | **44.** | . | |

   Partnerships — Enter the line 44 amount on Form IT-204, line 37.

   All others — Enter the line 44 amount on line 57.

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Schedule M — Zone allocation factor *(see instructions)*

		A — EZ	**B — New York State**
45	Average value of property *(see instructions)*	45.	45.
46	EZ property factor *(divide line 45, column A, by line 45, column B; round the result to the fourth decimal place)*		46.
47	Wages and other compensation of employees *(except general executive officers)*	47.	47.
48	EZ payroll factor *(divide line 47, column A, by line 47, column B; round the result to the fourth decimal place)*		48.
49	Total EZ factors *(add lines 46 and 48)*		49.
50	Zone allocation factor *(divide line 49 by two; round the result to the fourth decimal place)*		50.

Partnerships — Enter the line 50 amount on Form IT-204, line 38.
All others — Enter the line 50 amount on line 58.

Schedule N — Tax factor

51	Enter your tax from Form IT-201, line 39; Form IT-203, line 38; Form IT-205, line 6 (full-year resident estate or trust); or Form IT-205-A, line 11 (nonresident estate or trust or part-year resident trust)	51.
52	Enter the amount of your income from the QEZE allocated within NYS *(see instructions)*	52.
53	New York adjusted gross income *(see instructions)*	53.
54	Divide line 52 by line 53 *(the result cannot exceed one; round the result to the fourth decimal place)*	54.
55	Multiply line 51 by line 54; this is your tax factor *(enter here and on line 59)*	55.

Schedule O — QEZE tax reduction credit

56	Tax year of the business benefit period [ ] ; benefit period factor	56. 1.0
57	Employment increase factor *(from line 44)*	57.
58	Zone allocation factor *(from line 50)*	58.
59	Tax factor *(from line 55)*	59.
60	Multiply line 56 × line 57 × line 58 × line 59	60.
61	Beneficiaries of estates or trusts share *(see instructions)*	61.
62	QEZE tax reduction credit *(add lines 60 and 61)*	62.

Fiduciaries — Include the line 62 amount on the *Total* line of Schedule P, column C.
Individuals — Enter the line 62 amount and code **164** on Form IT-201-ATT, line 2, or Form IT-203-ATT, line 3.

Schedule P — Beneficiary's and fiduciary's share of credit

A Beneficiary's name *(same as on Form IT-205, Schedule C)*	B Identifying number	C Share of QEZE tax reduction credit
Total		.
		.
		.
Fiduciary		.

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Schedule Q — Related entities

List the names and employer identification numbers of any related business entities. Attach additional sheets if necessary. Use the definition of related persons in the instructions to determine if an entity is related.

Name	Employer identification number

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