



Instructions for Form CT-239

Claim for Credit for Taxicabs and Livery Service Vehicles Accessible to Persons with Disabilities

Tax Law — Article 9-A, Section 210.40

Temporary deferral of certain tax credits

For tax years beginning on or after January 1, 2010, and before January 1, 2013, if the total amount of certain credits that you may use to reduce your tax or have refunded to you is greater than \$2 million, the excess over \$2 million must be deferred to, and used or refunded in, tax years beginning on or after January 1, 2013. For more information about the credit deferral, see Form CT-500, *Corporation Tax Credit Deferral*.

If you are subject to the credit deferral, you must complete all credit forms without regard to the deferral. However, the credit amount that is transferred to your tax return to be applied against your tax due or to be refunded to you may be reduced. Follow the instructions for Form CT-500 to determine the amounts to enter on your tax return.

General information

The Tax Law allows a credit to companies that provide a taxicab or livery service for the incremental cost associated with the purchase of a vehicle accessible to persons with disabilities or the conversion of a motor vehicle to a vehicle accessible to persons with disabilities that is used in providing the taxicab or livery service. The incremental costs must be incurred on or after January 1, 2006, and before January 1, 2011, and may be claimed for the tax year in which the incremental costs are incurred. The credit is available to taxpayers subject to tax under Article 22 (personal income tax) and Article 9-A (franchise tax on business corporations).

Credit amount

The amount of credit equals the incremental costs associated with the purchase of a vehicle accessible to persons with disabilities or the conversion of an existing motor vehicle to a vehicle accessible to persons with disabilities. The credit may only be claimed once per vehicle and may not exceed \$10,000 per vehicle.

The credit may reduce the franchise tax due to zero. If the amount of credit exceeds the tax for the year the excess is **not** refundable. However, any amount of credit not claimed in the current tax year may be carried forward for an unlimited number of tax years. The credit is not allowed against the metropolitan transportation business tax (MTA surcharge) under Article 9-A.

New York S corporations

New York S corporations calculate an amount of credit for taxicabs and livery service vehicles accessible to persons with disabilities. However, the S corporation may not use the credit for taxicabs and livery service vehicles accessible to persons with disabilities against its own tax liability; instead, the credit is passed through to the shareholders to use against their personal income tax liabilities on their New York State income tax returns.

Provide all shareholders with their pro rata share of the credit calculated. The shareholders file their own Form IT-239, *Claim for Credit for Taxicabs and Livery Service Vehicles Accessible to Persons with Disabilities*, to claim the credit on their New York State personal income tax returns.

Corporate partners

If you are a corporate partner who has the credit for taxicabs and livery service vehicles accessible to persons with disabilities passed through to you from a partnership, complete Part 3, and enter your pro rata share of the credit passed through to you from the partnership on lines 4 and 13.

Combined filers

A taxpayer filing a combined return as a member of a combined group is allowed to claim the credit for taxicabs and livery service vehicles accessible to persons with disabilities. The credit is computed on a separate basis, but it is applied against the combined tax.

Definitions

Vehicle accessible to persons with disabilities means a motor vehicle, less than 22 feet in length, that complies with

- federal regulations promulgated pursuant to the Americans with Disabilities Act applicable to vans under 22 feet in length by
 - the federal Department of Transportation, in Code of Federal Regulations (CFR), title 49, parts 37 and 38, and
 - the federal Architecture and Transportation Barriers Compliance Board, in CFR title 36, section 1192.23; and
- Federal Motor Vehicle Safety Standards, CFR, title 49, part 571.

Taxicab means every motor vehicle, other than a bus, used in the business of transporting passengers for compensation and operated in that business under a license or permit issued by a local authority. However, it does not mean vehicles that are rented or leased without a driver.

Livery means every motor vehicle, other than a taxicab or a bus, used in the business of transporting passengers for compensation. However, it does not mean vehicles that are rented or leased without a driver.

Motor vehicle means every vehicle that is operated or driven on a public highway and is propelled by any power other than muscular power, **except** for an electrically driven mobility assistance device operated or driven by a person with a disability, a vehicle that runs only on rails or tracks, a snowmobile, and an all-terrain vehicle (ATV).

Bus means every motor vehicle having a seating capacity of 15 or more passengers in addition to the driver and used for the transportation of persons.

Local authority means every county, municipal or other local board, body or officer, county park commission, parkway authority, bridge authority, bridge and tunnel authority, the Office of Parks and Recreation, the New York State Thruway Authority, or similar body or person having authority to enact laws or regulations relating to traffic under the constitution and laws of this state.

Providing a taxicab or livery service means the operation of a taxicab or livery in New York State in accordance with required licenses, permits, or registrations issued by a local authority and the New York State Department of Motor Vehicles.

Incremental cost means the expenses specifically associated with

- the excess purchase price of a vehicle accessible to persons with disabilities over the purchase price of a motor vehicle that is the same make and model, except for the equipment necessary to convert it to a vehicle accessible to persons with disabilities; or
- in the case of a conversion of an existing motor vehicle, it includes the equipment and installation costs necessary to convert it to a vehicle accessible to persons with disabilities.

Line instructions

New York S corporations: Complete Form CT-239, lines 1 through 5 only, and include the line 5 amount on Form CT-34-SH, *New York S Corporation Shareholders' Information Schedule*, filed with your New York State S corporation tax return. Attach a copy of Form CT-239 to your Form CT-3-S, *New York S Corporation Franchise Tax Return*.

Part 1 – Computation of Credit

Enter the information relating to the incremental costs incurred during the tax year associated with upgrading a vehicle to be accessible to persons with disabilities. If you incurred costs to purchase a vehicle accessible to persons with disabilities, use Schedule A. If you incurred costs to convert an existing motor vehicle to be accessible to persons with disabilities, use Schedule B.

If you need more space, attach additional sheets to Form CT-239 listing this information using the same format as requested in Schedule A or Schedule B. Write the name and employer identification number (EIN) of your corporation on each sheet.

Schedule A – Purchase of vehicle accessible to persons with disabilities

Enter the information relating to each purchase of a vehicle accessible to persons with disabilities.

Column D – Enter in column D the total purchase price of a motor vehicle that is the same make and model except for the equipment necessary to convert it to a vehicle accessible to persons with disabilities.

Schedule B – Conversion of existing motor vehicle

Column C – Enter in column C the cost, including equipment and installation, to convert an existing motor vehicle to be accessible to persons with disabilities.

Part 2 – Computation of credit used and carried forward

Line 8 – Enter the amount from Form CT-3, line 78, or Form CT-3-A, line 77, **plus** any net recaptured tax credits.

Line 9 – If you are claiming more than one tax credit for this year, enter the total amount of credit(s) you want to apply against your franchise tax due before the application of the credit for taxicabs and livery service vehicles accessible to persons with disabilities. Otherwise, enter **0**. You must apply certain credits before the credit for taxicabs and livery service vehicles accessible to persons with disabilities. Refer to Form CT-600-I, *Instructions for Form CT-600*, to determine the order of credits that applies.

If you are included in a combined return, include any amount of tax credit(s), including credit(s) for taxicabs and livery service vehicles accessible to persons with disabilities claimed by other members of the combined group that you want to apply before your credit for taxicabs and livery service vehicles accessible to persons with disabilities.

Line 11 – Enter the lesser of line 7 or line 10.

If your total credits from all sources are **\$2 million or less**, enter the amount from line 11 on your franchise tax return.

If your total credits from all sources are **more than \$2 million**, you may be subject to the temporary credit deferral. Complete line 11 but do not enter the amount from line 11 on your franchise tax return. See Form CT-500 to determine the proper amounts to enter on your franchise tax return.

Part 3 – Partnership information

If you were a partner in a partnership and received a pro rata share of the credit for taxicabs and livery service vehicles accessible to persons with disabilities from that entity, complete Part 3. Enter the name, EIN, and the credit amount passed through to you from the partnership. If you need more space, attach additional sheets using the same format. Enter the total from additional sheets (if applicable) on the appropriate line. Write the name and EIN of your corporation on each sheet.

Need help? and Privacy notification

See Form CT-1, *Supplement to Corporation Tax Instructions*.
