



Department of Taxation and Finance

START-UP NY Tax Elimination Credit

CT-638

Tax Law – Article 1, Section 40 and Article 9-A, Section 210-B.41

All filers must enter tax period:

beginning ending

Legal name of corporation	Employer identification number (EIN)
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File this form with Form CT-3, CT-3-A, or CT-3-S.

A Certificate number from Form DTF-74, *Certificate of Eligibility*, issued to the approved START-UP NY business (see instructions)

B Year of START-UP NY business tax benefit period (enter a number from 1 to 10; see instructions)

C If you are claiming this credit as a corporate partner, mark an **X** in the box

Schedule A – Allocation factor (see instructions)

	A Tax-free NY area	B New York State
1 Average value of property (see instructions)	1	
2 Property factor (divide line 1, column A, by line 1, column B; round the result to the fourth decimal place)	2	
3 Wages, salaries, and other compensation of employees (see instructions)	3	
4 Wage factor (divide line 3, column A, by line 3, column B; round the result to the fourth decimal place)	4	
5 Total factors (add lines 2 and 4)	5	
6 Allocation factor (divide line 5 by two; round the result to the fourth decimal place; enter here and on line 24)	6	

Schedule B – New York S corporation business allocation factor (C corporations do not complete this schedule)

	A New York State	B Everywhere
7 Average value of property (see instructions)	7	
8 Property factor (divide line 7, column A, by line 7, column B; round the result to the fourth decimal place)	8	
9 Wages, salaries, and other compensation of employees (see instructions) ..	9	
10 Wage factor (divide line 9, column A, by line 9, column B; round the result to the fourth decimal place)	10	
11 Apportionment factor (from Form CT-3-S, line C)	11	
12 Total factors (add lines 8, 10, and 11)	12	
13 Business allocation factor (divide line 12 by three; round the result to the fourth decimal place)	13	

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Schedule C – Tax factor (complete Part 1 or Part 2; see instructions; New York S corporations do not complete this schedule)

Part 1 – Corporations computing their own credit (see instructions)

14 Enter your tax	•	14	
15 All other credits applied against your tax	•	15	
16 Tax factor	•	16	

Part 2 – Corporate partners (see instructions)

17 Tax from your franchise tax return (see instructions)	•	17	
18 All other credits applied against your tax (see instructions)	•	18	
19 Tax factor before partnership allocation (see instructions)	•	19	
20 Your share of partnership income allocated to New York State (see instructions)	•	20	
21 Partners business income allocated to New York State	•	21	
22 Divide line 20 by line 21 (cannot exceed 1.0)	•	22	
23 Corporate partners tax factor (multiply line 19 by line 22; enter here and on line 25)	•	23	

Schedule D – Computation of credit

24 Allocation factor (from line 6; corporate partners see instructions)	•	24	
25 Tax factor (from line 16 or line 23)	•	25	
26 Total credit (multiply line 24 by line 25)	•	26	

Schedule E – Computation of tax credit used, refunded, or credited as an overpayment to the next year (New York S corporations do not complete this schedule)

27 Tax due before credits (see instructions)	•	27	
28 Tax credits claimed before this credit (see instructions)	•	28	
29 Subtract line 28 from line 27	•	29	
30 If line 24 equals 1.0, enter 0. If line 24 is less than 1.0, see instructions	•	30	
31 Credit limitation (subtract line 30 from line 29)	•	31	
32 Credit used this year (enter the lesser of line 26 or line 31, here and on your franchise tax return)	•	32	
33 Unused credit available as a refund or as an overpayment (subtract line 32 from line 26)	•	33	
34 Amount of credit to be refunded (limited to the amount on line 33; enter here and on your franchise tax return)	•	34	
35 Amount of credit to be applied as an overpayment to next year's tax (subtract line 34 from line 33; enter here and on your franchise tax return)	•	35	

