



# Instructions for Form CT-648

## Life Sciences Research and Development Tax Credit

### General information

You may be eligible for this credit if you or your business:

- is a new business, and has been certified by Economic Development as a qualified life sciences company, **and**
- paid or incurred qualified research and development expenses in New York State, **and**
- received a certificate of tax credit issued by Empire State Development (ESD).

For information regarding the Life Sciences Research and Development Tax Credit Program, including the application process, visit Life Sciences Research and Development Tax Credit Program or search the Empire State Development website at [www.esd.ny.gov](http://www.esd.ny.gov).

### Credit calculation

The credit is equal to:

- 15% of the research and development expenditures in New York State for a company that employs **10 or more persons** during the tax year, or
- 20% of the research and development expenditures in New York State for a company that employs **fewer than 10 persons** during the tax year.

In addition:

- ESD will allocate the amount of credit you may claim for the current tax year. Each year, ESD will issue a certificate of tax credit showing the amount of tax credit and the tax year the credit may be claimed.
- The total amount of the credit may not exceed \$500,000 in any tax year (the limit is at the group level for combined groups and at the entity level for partnerships and S corporations).
- The credit is allowed for up to three consecutive years—as long as the qualified life sciences company meets the eligible criteria. Subsequent certifications will not extend the three-year limitation.
- The credit may not reduce the tax liability below the fixed dollar minimum tax. If you do not use the full amount of the credit against your tax liability this year, you may request a refund or apply the overpayment to the next year's tax. However, the Tax Department will not pay interest on the refund or overpayment.
- The credit is **not** allowed against the metropolitan transportation business tax (MTA surcharge).
- You may not use any qualified research and development expenses used in calculating this credit in the calculation of any other credits.
- If you are not eligible, or do not choose to participate in the Life Sciences Research and Development Tax Credit Program, you may be eligible to participate in the Excelsior Jobs Program. For more information about the Excelsior Jobs Program application and approval process, visit Empire State Development: Excelsior Jobs Program or visit [www.esd.ny.gov](http://www.esd.ny.gov).

### Line instructions

Use the information provided on the certificate of tax credit to complete this form:

1. Submit a copy of your certificate of tax credit from ESD with your tax return.
2. Claim the credit in the tax year specified on the certificate of tax credit issued by ESD.
3. File a separate Form CT-648 for each certificate of tax credit issued to you by ESD.

### Line A

Mark an **X** in the appropriate box to determine the parts of this form you need to complete. If you are claiming this credit **both** as a corporation that earned the credit **and** as a corporate partner receiving a share of the credit, mark an **X** in the Yes box and complete all appropriate schedules on one Form CT-648.

**Additional forms:** If you have more entries than will fit on the lines provided in Schedule B or C, submit additional Forms CT-648, completing only the necessary schedules. Include your name and taxpayer identification number on each form. On the indicated lines of the first Form CT-648 include the totals from all additional Forms CT-648. Place the extra forms behind the first Form CT-648 and submit them with your return.

## Schedule A: Computation of credit

### Line 1

Enter the amount of credit listed on your certificate of tax credit issued by ESD. This amount may not exceed \$500,000.

## Schedule B: Combined filer limitation for multiple life sciences research and development credit claims

Complete this schedule if you are filing a combined return and more than one member of the combined group is claiming this credit as a qualified life sciences company. The total credit amount allowed to the combined group may not exceed \$500,000. If needed, see *Additional forms*.

**Column B:** List only the life sciences research and development tax credits claimed by a member of the combined group that is itself a **qualified life sciences company** that you want to apply prior to the credit claimed on line 1 of this form. List the member's name and amounts of credit applied for each member and total all amounts.

**Note:** Do **not** include a credit any member received as a corporate partner.

## Schedule C: Partnership information

If you were a partner in a partnership and received a share of the credit from that entity, enter the name, employer identification number, certificate number from the partnership's certificate of tax credit, and the credit amount passed through to you from the partnership. If needed, see *Additional forms*.

### Line 5

**CT-3-A filers:** If you are required to complete Schedule B, add lines 3 and 4; otherwise, add lines 1 and 4.

**All others:** Add lines 1 and 4.

**New York S corporations:** Include this amount on Form CT-34-SH, *New York S Corporation Shareholders' Information Schedule*, and provide your shareholders with their share of the credit.

## Schedule D: Computation of credit used, refunded, or credited as an overpayment to the next tax year

**Line 6:** Enter the amount from Form CT-3 or CT-3-A, Part 2, line 2 **plus** any net recaptured credits.

**Line 7:** You must apply certain credits before the life sciences research and development tax credit. Refer to Form CT-600-I, *Instructions for Form CT-600*, for the proper ordering of your credits.

If you are:

- only claiming the life sciences research and development tax credit against the current year's tax, enter **0**.
- claiming more than one credit, enter the total amount of credits applied against the current year's corporation franchise tax before the life sciences research and development tax credit.
- included in a **combined return**, include the amount of any tax credits being claimed by other members of the combined group (including the life sciences research and development tax credit) that you want to apply before your life sciences research and development tax credit.

**Line 9:** Enter your fixed dollar minimum tax from Form CT-3, or the designated agent's fixed dollar minimum tax from Form CT-3-A.