



Instructions for Form CT-650

Empire State Apprenticeship Tax Credit

General information

The Empire State Apprenticeship Tax Credit Program provides a tax credit to *certified employers* in New York State for employing qualified apprentices. The New York State Department of Labor administers the program.

For tax years beginning on or after January 1, 2018, the Empire State apprenticeship tax credit is available to employers who are certified by the Department of Labor.

To participate in this program, you must submit a completed application to the Department of Labor by December 31 of each year you want to participate.

If your application is approved, the Department of Labor will issue a preliminary certificate of eligibility. To receive a final certificate of tax credit that includes the amount of credit you may claim for the year, you **must** submit a final annual report to the Department of Labor to verify that you have met all the eligibility requirements.

For more information about the program and application process, visit Empire State Apprenticeship Tax Credit or visit the Department of Labor at dol.ny.gov.

Eligibility

To be eligible for this credit, you must meet the following requirements:

- you are subject to tax under Tax Law Article 9-A or 22;
- you have received a final certificate of tax credit **or** a share of the credit listed on the final certificate issued by the Department of Labor.

If an apprentice is the basis for any other tax credit, the certified employer is **not** allowed a tax credit for that apprentice.

If a *disadvantaged youth* begins an apprenticeship before the age of 25, you are eligible to continue to receive the tax credit until that apprentice completes the apprenticeship.

Definitions

A *qualified employer* means an employer that has or participates in an approved registered apprenticeship program.

A *certified employer* means a *qualified employer* that has received a final certificate of tax credit from the Department of Labor after the Commissioner of Labor has determined that the *qualified employer* has fulfilled all the required eligibility criteria to participate in the Empire State Apprenticeship Tax Credit Program under Labor Law section 25-c.

A *participating employer* means a *qualified employer* that has applied to participate in the Empire State Apprenticeship Tax Credit Program and received a preliminary certificate of eligibility from the Department of Labor.

A *qualified apprentice* means an individual employed by a *participating employer* in a full-time position (at least 35 hours per week) for at least six months of a calendar year pursuant to a qualified apprenticeship agreement with a *qualified employer*.

A *disadvantaged youth* means an individual who is between the ages of 16 and 24 when the youth begins the apprenticeship and who is low income or at risk as defined by the Commissioner of Labor. For details on the definition of a *disadvantaged youth*, visit <https://dol.ny.gov/apprenticeship/options-apprenticeship-program-sponsors> and select *ESATC Fact Sheet*.

A *mentor* means an individual who provides instruction, guidance, and support to the apprentice on a regular basis throughout the apprentice's completion of the apprenticeship, as the apprentice seeks employment in the field or industry of the apprenticeship.

Credit details

The base credit is equal to:

Year of apprenticeship	Credit amount per apprentice	Credit amount per disadvantaged youth apprentice
1st year	\$2,000	\$5,000
2nd year	\$3,000	\$6,000
3rd year	\$4,000	\$7,000
4th year	\$5,000	\$7,000
5th year	\$6,000	\$7,000

If an apprentice has been trained in their trade by a *mentor* for the entire calendar year, the base credit amounts in the above table will be increased by \$500.

If you are a certified employer, the credit allowed cannot be greater than the amount of credit listed on the final certificate of tax credit issued by the Department of Labor.

If you are a partner in a partnership or a member of a limited liability company (LLC), the credit allowed cannot be greater than your share of the credit listed on the final certificate of tax credit issued to the partnership or LLC.

The credit may **not** reduce the tax below the fixed dollar minimum tax.

The credit is **not** allowed against the metropolitan transportation business tax (MTA surcharge) under Article 9-A.

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 next year's tax. However, the Tax Department will not pay interest on the refund or overpayment.

How to claim the credit

Claim **only** the credit for the tax year shown on the final certificate of tax credit. If your tax year is a fiscal year, claim the credit on the fiscal year return that includes the last day of the calendar year covered by the final certificate of tax credit.

New York S corporations: New York S corporations will calculate the credit; however, the S corporation may not use the credit 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 tax returns. Complete only lines A through H, and Schedules A and B (line 3).

Combined filers: A taxpayer filing as a member of a combined group is allowed to claim the credit, which is calculated on a separate basis but applied against the combined tax.

Line instructions

Line A: Mark an **X** in the appropriate box to determine the parts of this form that 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-650.

Additional forms: If you have more entries than will fit on the lines provided in Schedule B, submit additional Forms CT-650, completing only the necessary schedules. Include your name and taxpayer identification number on each form. On the indicated lines of the first Form CT-650, include the totals from all additional Forms CT-650. Place the extra forms behind the first Form CT-650 and submit them with your return.

Schedule A: Computation of credit

Line 1: Enter the total amount from the final certificate of tax credit issued by the Department of Labor and submit a copy of the certificate, including Part A. The amount you enter **cannot** exceed the amount shown on your final certificate of tax credit.

Schedule B: Partnership information

If you were a partner in a partnership and received a share of the Empire State apprenticeship tax credit from that entity, complete this schedule. Enter the name, employer identification number, certificate number from the final certificate of tax credit issued to the partnership, and the credit amount passed through to you from each partnership. Obtain this information from each partnership allocating the credit to you. If needed, see *Additional forms*.

Line 3 (New York S corporations): Transfer this amount to the applicable line of Form CT-34-SH, *New York S Corporation Shareholders' Information Schedule*, and provide your shareholders with their share of this line. The shareholders will file Form IT-650, *Empire State Apprenticeship Tax Credit*, to claim this credit on their New York State personal income tax returns.

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

(New York S corporations: Do **not** complete this schedule.)

Lines 4 and 7 entries table

If you filed	Enter on line 4 any net recapture of other tax credit, plus the amount from	Enter on line 7 the fixed dollar minimum tax below
Form CT-3	Part 2, line 2	Part 2, line 1c
Form CT-3-A	Part 2, line 2	Part 2, line 1c

Line 4: Enter your tax due before credits using the *Lines 4 and 7 entries table* above.

Line 5: If you are claiming more than one tax credit for this year, enter the total amount of credits claimed before applying this credit; otherwise enter **0**. Tax credits must be applied in a certain order. See Form CT-600-I, *Instructions for Form CT-600, Ordering of Corporation Tax Credits* for the correct order of credits.

Combined filers: If you are filing as a member of a combined group, include any amount of tax credits—including the Empire State apprenticeship tax credit—claimed by other members of the combined group that you want to apply before this credit.

Line 7: Enter the fixed dollar minimum tax using the *Lines 4 and 7 entries table* above.