



Instructions for Form CT-601

Claim for EZ Wage Tax Credit

Including the ZEA Wage Tax Credit

General information

The zone equivalent area (ZEA) and empire zone (EZ) wage tax credits have **both** expired:

- For tax years beginning after June 13, 2004, you may only claim a **ZEA** wage tax credit you carried forward from previous years.
- For tax years beginning on or after July 1, 2014, you may only claim an **EZ** wage tax credit you carried forward from previous years.
- If you were required to obtain an EZ retention certificate from Empire State Development, but were denied one, you are **not** eligible to claim any amount of the credit you carried forward.

Credit calculation

The credit is limited to 50% of the tax imposed under Article 9-A, **before** you add the metropolitan transportation business tax (MTA surcharge) or deduct any tax credits.

You **cannot**:

- use the credit to reduce the tax due to less than the fixed dollar minimum tax,
- apply the credit against the MTA surcharge, or
- request a refund for any unused portion of this credit; however, you may carry it forward to future tax years indefinitely.

Schedule A: Calculation of the credit carried forward and available for the current tax year

Line 1

Enter the wage tax credit you carried forward from your prior year Form CT-601.

Line 2

Enter the current year's tax before the deduction of any tax credit or addition of the MTA surcharge.

Line 3

For taxpayers claiming a wage tax credit carried forward from more than one entity on a return, such as on a combined franchise tax return, the total amount of all the wage tax credits used in the current year cannot exceed 50% of the current year's tax.

Schedule B: Calculation of credit used and carried over

Line 4

Enter the amount from line 2 **plus** any net recaptured tax credits.

Line 5

If you are claiming more than one tax credit for this year, enter the total amount of credits you claimed before applying this credit; otherwise enter **0**. You must apply tax credits in a specific order.

For the correct order of credits, see Form CT-600-I, *Instructions for Form CT-600, Ordering of Corporation Tax Credits*.

Combined filers: Include the total amount of all tax credits you **and** other members of the combined group are claiming – including the claim for EZ wage tax credit – that you want to apply before you apply this credit.

Line 7

Enter your fixed dollar minimum tax from Form CT-3, *General Business Corporation Franchise Tax Return*, or the designated agent's fixed dollar minimum tax from Form CT-3-A, *General Business Corporation Combined Franchise Tax Return*.

Line 10

Enter the lesser of line 1 or line 9. Transfer this amount to your franchise tax return.