



Instructions for Form IT-642

Empire State Musical and Theatrical Production Credit

IT-642-I

General information

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

- is a qualified musical and theatrical production company, **and**
- received a certificate of tax credit from Empire State Development (ESD) showing the following:
 - certificate number,
 - allocation year of the tax credit, **and**
 - amount of tax credit allowed.

Empire State Development allocates the amount of the credit. For rules and regulations regarding the credit, including the application process for the credit, visit Empire State Musical and Theatrical Production Credit Program or visit Empire State Development at www.esd.ny.gov.

Credit calculation

The credit is 25% of the sum of the qualified production expenditures and the transportation expenditures.

Limitations

- 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.
- You cannot claim the credit before the later of:
 - the tax year the production of the qualified musical or theatrical production is complete, or
 - the tax year immediately following the allocation year listed on your certificate.
- You may not use any qualified production and transportation expenditures used in calculating this credit in the calculation of any other credits.

Line instructions

If more than one of the following applies to you, complete all appropriate parts on one Form IT-642.

Individual (including sole proprietor) and partnership: Complete lines A and B and Schedules A and D.

A **married couple** in a business enterprise that made an IRC 761(f) election to file **two federal Schedule C forms** instead of a partnership return: If you file jointly, compute your credit amount as if you were filing one federal Schedule C for the business. Complete lines A and B and Schedules A and D.

Partner in a partnership, **shareholder** of a New York S corporation, and **beneficiary** of an estate or trust: Complete lines A and B and Schedules B and D.

Fiduciary: Complete lines A and B and Schedules A, C, and D. If you are an estate or trust that divides the credit among itself and its beneficiaries, submit all Forms IT-642 with Form IT-205, *Fiduciary Income Tax Return*, showing each beneficiary's share of the credit.

S corporation: Do not file Form IT-642. You must file Form CT-642, *Empire State Musical and Theatrical Production Credit*.

Lines A and B: Enter the credit allocation year and certificate number from the certificate of tax credit you received from ESD. If you are a partner in a partnership, shareholder of a New York S corporation, or beneficiary of an estate or trust, enter the credit allocation year and certificate number provided to you by the partnership, New York S corporation, or estate or trust.

Complete a separate Form IT-642 for each individual certificate issued to you.

Additional forms: If you have more entries than will fit on the lines provided in Schedule B or C, submit additional Forms IT-642, completing only the necessary parts. Include your name and taxpayer identification number on each form. On the indicated lines of the first Form IT-642 include the totals from all additional Forms IT-642. Place the extra forms behind the first Form IT-642 and submit them with your return.

Schedule A: Individual (including sole proprietor), partnership, and estate or trust

Line 1: Enter the amount of credit listed on your certificate of tax credit issued by ESD. Submit a copy of your certificate with this form.

Schedule B: Partner's, shareholder's or beneficiary's share of credit

Enter the appropriate information for each partnership, New York S corporation, or estate or trust from which you received a share of the credit. You may obtain this information from the partnership, S corporation, estate or trust. If needed, see *additional forms*.

Schedule C: Beneficiary's and fiduciary's share of credit

An estate or trust must complete this schedule. If you allocate or assign the credit to your beneficiaries, base the division on each beneficiary's proportionate share of the income of the estate or trust. Provide your beneficiaries with their share of the credit amount. If needed, see *additional forms*.

Schedule D: Computation of credit

Individuals: Enter the amount from line 11 and code **642** on:

- Form IT-201-ATT, line 12; or
- Form IT-203-ATT, line 12.

Partnerships: Enter the amount from line 11 and code **642** on Form IT-204, line 147.

Fiduciaries: Do **not** enter any amounts on lines 8 and 9. Include the amount from line 11 and code **642**, on Form IT-205, line 33.