



Instructions for Form IT-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 website 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, member of a limited liability company (LLC), or shareholder of an S corporation, the credit allowed cannot be greater than your share of the credit listed on the final certificate of tax credit issued to the partnership, LLC, or S corporation.

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.

Individuals must file Form IT-650 with their personal income tax return. *Individuals* includes:

- an individual;
- a beneficiary or fiduciary of an estate or trust;
- a partner in a partnership (including members of an LLC that is treated as a partnership for federal tax purposes); **or**
- a shareholder of an S corporation.

An **estate or trust** that divides the credit among itself and its beneficiaries must submit Form IT-650 with Form IT-205, *Fiduciary Income Tax Return*, showing each beneficiary's share of the credit.

A **partnership** must file Form IT-650 with Form IT-204, *Partnership Return*, showing the total credit.

A **New York S corporation** does not file Form IT-650. It must file Form CT-650, *Empire State Apprenticeship Tax Credit*. If you are a shareholder of an S corporation, obtain your share of the Empire State apprenticeship tax credit from the S corporation

and follow the instructions on this form to claim the credit on your personal income tax return.

Line instructions

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 an individual (sole proprietor), partnership, or fiduciary of an estate or trust that earned the credit **and** as a partner, shareholder, or beneficiary receiving a share of the credit, mark an **X** in the **Yes** box and complete all appropriate schedules on one Form IT-650.

Individuals (including sole proprietors) and partnerships: Complete lines A through I, 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, calculate your credit as if you were filing one federal Schedule C for the business. Complete lines A through I, and Schedules A and D.

Fiduciary: Complete lines A through I, and Schedules A, C, and D.

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

Note: If more than one set of instructions applies to you, complete all of the appropriate parts of the form on one Form IT-650.

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

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

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: 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. Obtain your share of the credit and certificate number from each. If needed, see *Additional forms*.

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

An estate or trust must complete Schedule C. If an estate or trust allocates or assigns the credit to its beneficiaries, it must base the division on each beneficiary's proportionate share of the income of the estate or trust. Provide the beneficiaries with their share of the credit. If needed, see *Additional forms*.

Schedule D: Computation of credit

Complete lines 6, 7, and 8 (whichever apply to you).

Fiduciaries: Do not enter any amounts on line 6 or 7.

Line 9: Enter the amount and code **650** as follows:

- Form IT-201-ATT, line 12
 - Form IT-203-ATT, line 12
 - Form IT-204, line 147
 - Form IT-205, include the amount on line 33
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