



Instructions for Form CT-246

Claim for Empire State Commercial Production Credit

CT-246-I

General information

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

- is subject to tax under Tax Law Article 9-A (franchise tax on general business corporations);
- paid or incurred expenses in the production of a qualified commercial in New York State; and
- received a certificate of tax credit from the New York State Governor's Office of Motion Picture & Television Development.

The New York State Governor's Office of Motion Picture & Television Development allocates the amount of the credit. For more information, including how to apply, visit *Empire State Development: Commercial Tax Credit Program*, or search the Empire State Development website at www.esd.ny.gov.

Credit calculation

The credit is allowed for the tax year in which the production of the qualified commercial is completed.

- If the amount of the credit allowable for any tax year exceeds the tax for that year, 50% of the excess is treated as an overpayment to be credited or refunded. The remaining excess may be carried forward to the following tax year and may be deducted from the tax in that year.
- If you do not use the full amount of the credit in this succeeding 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.

You **cannot**:

- use this credit to reduce the tax due to less than the fixed dollar minimum tax,
- apply the credit against the metropolitan transportation business tax (MTA surcharge), or
- use any production costs you used in calculating this credit to calculate any other credits.

Line instructions

Corporate partners: Enter your share of the commercial production credits passed through to you from the partnership in Part 1, line 2. Also, enter the name and EIN of the partnership in Part 3 and mark an **X** in box A. Also, complete lines B and C. Enter on line 1 only the amount of commercial production credit allocated to your corporation by the New York State Governor's Office of Motion Picture & Television Development.

New York S corporations: New York S corporations will calculate an amount of commercial production credit. However, the S corporation may not use the commercial production 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 personal income tax returns.

Complete lines B and C, and Part 1, lines 1 through 3. If you are receiving the credit or a portion of the credit from a partnership, you must also complete Part 3. Include the line 3 amount on Form CT-34-SH, *New York S Corporation Shareholders' Information Schedule*, which is filed with your New York State corporation tax return.

Combined filers: If you are filing as a member of a combined group, you may claim the credit, which is computed on a separate basis but applied against the combined tax. Complete lines B and C, and Parts 1 and 2.

Additional forms: If you have more entries than will fit on the lines provided in Part 3, submit additional Forms CT-246, completing only the necessary parts. Include your name and taxpayer identification number on each form. On the indicated lines of the first Form CT-246, include the totals from all additional Forms CT-246. Place the extra forms behind the first Form CT-246 and submit them with your return.

Part 1: Calculation of commercial production credit available for use

Line 1: Enter the amount from your certificate of tax credit issued by the New York State Governor's Office of Motion Picture & Television Development. Submit a copy of your certificate of tax credit. If you have more than one certificate, include the total from all certificates on Line 1 and submit copies of all certificates.

Line 2: Obtain this amount from the partnership allocating this credit to you. Complete lines A through C, and Part 3, *Partnership information*.

Line 3: If you are a New York S corporation, transfer this amount to the applicable line of Form CT-34-SH, and provide your shareholders with their share of this line. Your shareholders will enter this amount on Form IT-246, *Claim for Empire State Commercial Production Credit*.

Line 4: Obtain this amount from the previous tax year's Form CT-246.

Part 2: Calculation of commercial production credit used, refunded, and carried forward (New York S corporations do not complete this part)

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

Line 7: 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*.

If you are filing as a member of a combined group, include the total amount of all tax credits you **and** other members of the combined group are claiming—including the Empire State commercial production credit—that you want to apply before you apply this credit.

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

Part 3: Partnership information

Obtain this information from all partnerships allocating the credit to you. If needed, see *Additional forms*.