Department of Taxation and Finance

Instructions for Form CT-44

Claim for Investment Tax Credit for the Financial Services Industry

CT-44-I

General information

The investment tax credit (ITC) for the financial services industry expired for property placed in service on or after October 1, 2015.

The employment incentive credit (EIC), allowed to business corporations taxable under Article 9-A for the two years immediately succeeding the tax year for which an ITC was allowed, has also expired.

Note: You may only claim ITC and EIC carry forward or recapture of credit on this form.

S corporations: File this form only to report the recapture of the ITC.

You may not use the ITC and the EIC to reduce the tax due to less than the fixed dollar minimum tax for Article 9-A filers or the minimum tax due for Article 33 filers.

You may not request a refund for any unused portion of this credit; however, you may carry it forward for up to 15 tax years (10 tax years for a New York S corporation).

Recapture of ITC

If the property was stolen, destroyed, disposed of, or ceases to be in qualified use prior to the end of its useful life, or if there is an increase in nonqualified nonrecourse financing, you must calculate a recapture of ITC previously allowed (see *Schedule B: Recapture of ITC)*.

Line instructions

Line A

If you are claiming a credit based on costs passed through to you from a partnership, mark an ***X*** in the box.

Schedule A: Summary of tax credits

Line 3: If the amount on line 1 is greater than the amount on line 2, subtract line 2 from line 1.

If the amount on line 2 is greater than line 1, you have a net recaptured tax credit. Continue with line 3 instructions, but do not complete lines 7 through 15.

C corporations: subtract line 1 from line 2 and enter the result as a negative number with a minus (-) sign in the appropriate box of the tax credits section of your franchise tax return.

New York S corporations: subtract line 1 from line 2 and enter the result as a positive number on Form CT-34-SH, *New York S Corporation Shareholders' Information Schedule*.

Schedule B: Recapture of ITC

If property on which an ITC has been allowed is disposed of or ceases to be in qualified use prior to the end of its useful life, you must add back the difference between the original credit allowed and the credit allowed for actual use to the tax otherwise due in the year of disposition.

Column H

There are different formulas for calculating the amount of recaptured ITC for property depreciated under IRC sections 167 and 168.

1. For property depreciated solely under IRC section 167, the recapture formula is as follows:

$$\frac{\text{months of unused life}}{\text{months of useful life}} \times \text{original ITC allowed}$$

2. For three-year property depreciated under IRC section 168, the recapture formula is as follows:

$$\frac{\text{36 minus the number of months of qualified use}}{36} \times \text{original ITC allowed}$$

   Recapture is only required if the property is disposed of or ceases to be in qualified use prior to the end of 36 months.

3. For property depreciated under IRC section 168, other than three-year property, or buildings, or structural components of buildings, the formula is as follows:

$$\frac{\text{60 minus the number of months of qualified use}}{60} \times \text{original ITC allowed}$$

   Recapture is only required if the property is disposed of or ceases to be in qualified use prior to the end of 60 months.

4. For buildings or structural components of buildings depreciated under IRC section 168, the formula is as follows:

$$\frac{\text{months of unused life}}{\text{number of months allowed by the IRC and used by the taxpayer}} \times \text{ITC allowed}$$

If property is depreciated under IRC section 168 for federal tax purposes, but is required to be depreciated under IRC section 167 for New York State tax purposes (decoupled property), you must use formula (1).

If qualified property has a useful life of more than 12 years, and it has been in use for more than 12 years, you are not required to recapture.

If there is a net increase in nonqualified nonrecourse financing at the end of the tax year, you must recapture the decrease in the ITC that would have resulted from the net increase in nonqualified nonrecourse financing.

Additional forms: If you have more entries than will fit on the lines provided in Schedule B, submit additional Forms CT-44, completing only Schedule B. Include your name and employer identification number on each form. On the indicated line of the first Form CT-44, include the totals from all additional Forms CT-44. Place the extra forms behind the first Form CT-44 and submit them with your return.

Line 5: Additional recapture — You must also calculate an additional recapture amount equal to the original recapture amount multiplied by the underpayment interest rate in effect on the last day of the tax year.

Schedule C: Calculation of credit used or carried forward (New York S corporations do not complete this section)

Lines 7 and 10 entries table

If you filed	Enter on line 7 any net recapture of other tax credits **plus** the amount from	Enter on line 10 the minimum tax below
CT-3	Part 2, line 2	Part 2, line 1c
CT-3-A	Part 2, line 2	Part 2, line 1c
CT-33	Line 11	***250***
CT-33-A	Line 15	Line 4 **plus** line 12
CT-33-NL	Line 5	***250***

Line 7: Enter your tax due before credits using the *Lines 7 and 10 entries table* above.

Line 8: If you are claiming more than one 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.

Article 9-A taxpayers: 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 investment tax credit for the financial services industry, that you want to apply before you apply this credit.

Article 33 taxpayers: For the correct order of credits, see the instructions for your franchise tax return.

Line 10: Enter your minimum tax using the *Lines 7 and 10 entries table* above.

Line 12: Enter the lesser of line 3 or line 11. Transfer this amount to your franchise tax return.

Line 14: Enter any unused tax credit included on line 13 that expired during this tax year and is no longer available.