



Instructions for Form CT-607

Claim for Excelsior Jobs Program Tax Credit

CT-607-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) or Article 33 (franchise tax for insurance companies);
- operating predominantly in New York State in certain industries;
- a regionally significant project or creates a minimum number of net new jobs;
- an approved participant in the Excelsior Jobs Program; **and**
- issued a certificate of eligibility, a preliminary schedule of benefits, and a certificate of tax credit by Empire State Development (ESD). (To receive a certificate of tax credit for subsequent tax years, the participant must demonstrate that the entity continues to satisfy the eligibility criteria.)

ESD allocates the amount of the credit for each credit component on the certificate of tax credit for the tax year. For additional information about the application and approval process, visit *Excelsior Jobs Program* or Empire State Development at www.esd.ny.gov.

Note: If you are not eligible or choose not to participate in the Excelsior Jobs Program, you may be eligible to participate in the Life Sciences Research and Development Tax Credit Program. For more information, visit *Life Sciences Research and Development Tax Credit Program* or search the Empire State Development website at www.esd.ny.gov.

Credit calculation

The credit is equal to the sum of the following components:

- excelsior jobs tax credit;
- excelsior investment tax credit;
- excelsior research and development tax credit;
- excelsior real property tax credit; **and**
- excelsior child care services tax credit.

For more information on these components, see the instructions for *Schedules A through E*.

In addition:

- You may claim the credit for 10 consecutive tax years commencing with the first tax year for which you receive a certificate of tax credit or the first tax year listed on your preliminary schedule of benefits, whichever is later. If you fail to satisfy the eligibility criteria in any one year, you will lose the ability to claim the tax credit for that year. Such failure does not extend the original 10-year eligibility period.
- If a certificate of eligibility or a certificate of tax credit is revoked because you do not meet the eligibility requirements, you must recapture the amount of credit previously claimed prior to that revocation. The amount of credit to be recaptured must be added back to tax for the tax year in which the revocation becomes final.
- 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:

- use any cost or expense paid or incurred as the basis for more than one component of this credit, with one exception: a participant may claim both the excelsior investment tax credit component and the investment tax credit for research and development property,
- use this credit to reduce the tax due to less than the fixed dollar minimum tax (or minimum tax) or apply this credit against the metropolitan transportation business tax (MTA surcharge),
- claim the credit if you are a:
 - not-for-profit entity;
 - business entity whose primary function is the provision of services, including personal services, business services, or the provision of utilities;
 - business entity engaged predominantly in the retail or entertainment industry, other than a business operating as an entertainment company, or a business entity engaged in music production; **or**
 - company engaged in the generation or distribution of electricity, the distribution of natural gas, or the production of steam associated with the generation of electricity.

Definitions

Certificate of eligibility means the document issued by ESD to an applicant that has completed an application to be admitted into the Excelsior Jobs Program and has been accepted into the program by ESD. Possession of a certificate of eligibility does not by itself guarantee eligibility to claim the tax credit.

Certificate of tax credit means the document issued to a participant by ESD, after ESD has verified that the participant has met all applicable credit eligibility criteria. The certificate will be issued annually if such criteria are met and will specify the exact amount of each of the credit components that a participant may claim and will specify the tax year for which those tax credit components may be claimed.

Participant means a business entity that has completed an application to be admitted into the Excelsior Jobs Program, has been issued a certificate of eligibility by ESD, and demonstrated that it meets the eligibility requirements of the Excelsior Jobs Program, and has been certified as a participant by ESD.

Line instructions

Lines A and A1: Complete lines A and A1 using the information from your certificate of tax credit issued by ESD. If you do not enter the correct information, your credit may be denied. Partners must get this information from their partnership. Submit a copy of your certificate of tax credit with Form CT-607.

Line B: You may claim the credit for 10 consecutive tax years, starting with the first tax year for which you receive a certificate of tax credit, **or** the first tax year listed on your preliminary schedule of benefits, whichever is later. Enter a number from 1 to 10. Failure to qualify for credits in any of those years does not extend the 10-year benefit period.

Line B1: You must submit a **separate form for each Green CHIPS project certificate** issued by ESD. Mark an **X** in the box for the project phase indicated on your certificate of tax credit. Only Green CHIPS projects have a phase 2. All others complete line B only.

Line C: If you are claiming a credit passed through to you from a partnership, mark an **X** in the box.

Additional forms: If you have more entries than will fit on the lines provided in the *Partnership information* section, submit additional Forms CT-607, completing only this section. Include your name and taxpayer identification number on each form. On the indicated lines of the first Form CT-607 include the totals from all additional Forms CT-607. Place the extra forms behind the first Form CT-607 and submit them with your return.

Schedules A through E: The amount of each tax credit component that you are eligible to claim in Schedules A through E is shown on your certificate of tax credit issued by ESD or is allocated to you by your partnership.

Schedule A: Excelsior jobs tax credit component

You may be eligible to claim a tax credit for each net new job that you create in New York State if you are a participant in the Excelsior Jobs Program.

Line 1: Enter the amount of your excelsior jobs tax credit component.

Line 3: If you are a New York S corporation, transfer this amount to Form CT-34-SH, *New York S Corporation Shareholders' Information Schedule*, excelsior jobs tax credit component line, and provide your shareholders with their share of line 3.

Schedule B: Excelsior investment tax credit component

You may be eligible to claim a credit on qualified investments and may be eligible for an enhanced investment tax credit on projects for child care services if you are a participant in the Excelsior Jobs Program.

You may claim both the excelsior investment tax credit component and the investment tax credit for research and development property.

You may **not** claim:

- both the excelsior investment tax credit component and the brownfield tangible property credit component regarding a particular piece of property.
- both the excelsior investment tax credit component and the investment tax for the same property for any tax year.

The election to claim the excelsior investment tax credit component, the investment tax credit, or the brownfield tangible property credit component, is irrevocable.

Line 4: Enter the amount of your excelsior investment tax credit component.

Line 6: If you are a New York S corporation, transfer this amount to Form CT-34-SH, excelsior investment tax credit component line, and provide your shareholders with their share of line 6.

Schedule C: Excelsior research and development tax credit component

If you are a participant in the Excelsior Jobs Program, you may be eligible to claim an excelsior research and development tax credit for research and development expenditures in New York State.

Line 7: Enter the amount of your excelsior research and development tax credit component.

Line 9: If you are a New York S corporation, transfer this amount to Form CT-34-SH, excelsior research and development tax credit component line, and provide your shareholders with their share of line 9.

Schedule D: Excelsior real property tax credit component

If you are a participant in the Excelsior Jobs Program that is qualified as a regionally significant project or is located in an investment zone you may be eligible to claim an excelsior real property tax credit.

The credit is a percentage of the eligible real property taxes on the real property comprising the regionally significant project or located in the investment zone.

Line 10: Enter the amount of your excelsior real property tax credit component.

Line 12: If you are a New York S corporation, transfer this amount to Form CT-34-SH, excelsior real property tax credit component line, and provide your shareholders with their share of line 12.

Schedule E: Excelsior child care services tax credit component

If you are a participant in the Excelsior Jobs Program you may be eligible to claim a child care services tax credit for child care services expenditures in New York State.

The credit is a percentage of child care services expenditures for the operation, sponsorship, or direct financial support of a child care services program.

Line 13: Enter the amount of your excelsior child care services tax credit component.

Line 15: If you are a New York S corporation, transfer this amount to Form CT-34-SH, excelsior child care services tax credit component line, and provide your shareholders with their share of line 15.

Schedule F: Credit summary

New York S corporations: Complete line 22 **only** if you are reporting a recapture. Report the recapture on Form CT-34-SH. Notify your shareholders that they must recapture all previously claimed credits. Do not complete the rest of this form.

Line 22: If ESD revokes a certificate of eligibility or a certificate of tax credit because you do not meet the eligibility requirements of the credit, you **must** add back the amount of all credits previously allowed and claimed by you prior to that revocation to your tax for the tax year in which the revocation becomes final.

If you are a corporate partner, include your share of the partnership recapture here.

Line 23: If you are a New York C corporation, and the amount on line 21 is greater than the amount on line 22, subtract line 22 from line 21. This is the amount of your credit; continue with the rest of this form. If the amount on line 22 is greater than the amount on line 21, you have a net recapture amount; subtract line 21 from line 22 and enter the result with a minus sign (-). Transfer the line 23 amount (with the minus sign if a recapture) to the appropriate line of the tax credits section on your franchise tax return. Do not complete the rest of this form.

Schedule G: Calculation of excelsior jobs program tax credit used, refunded, or credited as an overpayment in the next year (New York S corporations do not complete this schedule)

Line 24: Enter your tax due before credits using the *Lines 24 and 27 entries table* below.

Line 25: 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.

Article 9-A filers: 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 of all tax credits you **and** other members of the combined group are claiming—including the Excelsior Jobs Tax Credit—that you want to apply before you apply this credit.

Line 27: Enter your minimum tax using the *Lines 24 and 27 entries table* below.

Lines 24 and 27 entries table

| If you filed | Enter on line 24 any net recapture of other tax credits plus the amount from | Enter on line 27 the minimum tax below |
|---------------|---|--|
| Form CT-3 | Part 2, line 2 | Part 2, line 1c |
| Form CT-3-A | Part 2, line 2 | Part 2, line 1c |
| Form CT-33 | Line 11 | 250 |
| Form CT-33-A | Line 15 | Line 4 plus line 12 |
| Form CT-33-NL | Line 5 | 250 |

Partnership information

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

Line 33: Total the credit component amount for each column and enter the total for each column on line 33. Enter these amounts on lines 2, 5, 8, 11, and 14.

