



# Instructions for Form CT-663

## Commercial Security Credit

# CT-663-I

### General information

The commercial security credit is available to qualified businesses that have incurred qualified retail theft prevention measure expenses for tax years beginning on or after January 1, 2024, and before January 1, 2026.

The Division of Criminal Justice Services (DCJS) administers the commercial security credit. If an application is approved, DCJS will issue a certificate of tax credit providing the amount of tax credit available to claim. DCJS will make all determinations regarding eligibility.

For more information about the commercial security credit, visit the DCJS website at [criminaljustice.ny.gov](http://criminaljustice.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, 9-A, or 22;
- you have received a certificate of tax credit **or** a share of the credit listed on the certificate issued by DCJS.

### Credit details

The credit is equal to \$3,000 for each retail location of a business entity in New York State that meets the requirements.

You **cannot**:

- use this credit to reduce the tax due to less than the fixed dollar minimum tax or the minimum tax,
- apply the credit against the metropolitan transportation business tax (MTA surcharge), or
- use any qualified retail theft prevention measure expenses used in calculating this credit in the calculation of any other credits.

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 are required to recapture any previous credit due to a revocation of a certificate of tax credit.

### How to claim the credit

Claim the tax credit in the taxable year that begins in the year for which DCJS allocated the credit. You can find the allocation year on the certificate of tax credit issued by DCJS. You **must** submit a copy of your certificate with your return.

**New York S corporations:** You must calculate the credit and file this form with Form CT-3-S, *New York S Corporation Franchise Tax Return*. However, the S corporation may not use the credit against its own tax liability. Instead, the S corporation must pass the credit through to its shareholders to use against their personal income tax liabilities on their New York State personal income tax returns.

**Combined filers:** A taxpayer filing as a member of a combined group may claim the credit, which is calculated on a separate basis but applied against the combined tax.

### Line instructions

#### Certificate information

A **separate** Form CT-663 **must** be completed for each certificate you receive, whether it is as the entity that earned the credit, or as a partner in an entity that earned the credit.

**Note:** If you received multiple copies of the same certificate from different entities, complete a separate Form CT-663 to report your share of credit from each entity, even though the certificate number is the same.

**Lines B through E:** If you do not enter the correct information, your credit may be denied. Corporate partners must get this information from their partnership.

**Additional forms:** If you are required to file more than one Form CT-663, submit additional Forms CT-663, completing only the necessary schedules. Include your name and taxpayer identification number on each form. On the indicated lines of the first Form CT-663, include the totals from all additional Forms CT-663. Place the extra forms behind the first Form CT-663 and submit them with your return.

#### Schedule A: Calculation of credit earned

**Line 1:** Enter the credit amount listed on the certificate of tax credit issued by DCJS. The amount entered cannot exceed the amount shown on the certificate. If needed, see *Additional forms*.

**Line 3:** Enter your share of the credit amount listed on the certificate of tax credit your partnership received from DCJS. If needed, see *Additional forms*.

**Line 5:** If DCJS has revoked a previously claimed commercial security credit that you earned directly or from a partnership, the amount revoked must be added back to your tax in the tax year the revocation become final. Enter the revoked amount as a negative number using a minus sign (-).

**Line 6:**

Add lines 1 through 5:

- If the amount is positive, enter it here and complete Schedule B.
- If the amount is negative, enter it with a minus sign (-). Do **not** complete Schedule B; instead enter the amount in the appropriate box of the *Summary of tax credits* on your franchise tax return.

**New York S corporations:** Transfer this amount to the applicable line of Form CT-34-SH, *New York S Corporation Shareholders' Information Schedule*, and provide your shareholders with their proportionate share of this line. The shareholders will file Form IT-663, *Commercial Security Credit*, to claim this credit on their New York State personal income tax returns. Do **not** complete Schedule B.

## Schedule B: Calculation of credit used, refunded, or credited as an overpayment to the next tax year

### Lines 7 and 10 entries table

Section 1		
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
Forms CT-183 and CT-184	Form CT-183, line 4 plus Form CT-184, line 3 or 4	75
Form CT-186	Line 5	0
Form CT-3	Part 2, line 2	Part 2, line 1c amount
Form CT-3-A	Part 2, line 2	Part 2, line 1c amount
Section 2		
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
Form CT-186-E	Line 39 + line 88 + line 115	0
Form CT-186-P	Line 4	0

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

The commercial security credit can be applied to the taxes as calculated on the forms listed in *Lines 7 and 10 entries table*. However, the credit cannot be applied against both a franchise tax return listed in Section 1 and a tax return in Section 2.

**Line 8:** 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 amount of all tax credits you **and** other members of the combined group are claiming—including the commercial security credit—that you want to apply before you apply this credit.

**All other tax filers:** Refer to the instructions of your tax return to determine the proper order of credits.

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