

**Minimum Tax Credit**

Tax Law - Article 9-A

CT-38

All filers must enter tax period:

beginning

ending

Legal name of corporation

Employer identification number

File this form with Form CT-3, *General Business Corporation Franchise Tax Return*, or Form CT-3-A, *General Business Corporation Combined Franchise Tax Return*.

The minimum tax credit is generated in a tax period beginning before January 1, 2015, when the largest tax for such period is based on the minimum taxable income (MTI) base, and may be claimed in a subsequent tax period that begins before January 1, 2015, if the tax in such subsequent tax period is based on the entire net income (ENI) base.

- If your tax due this tax period is based on the MTI base, complete Schedule A, Parts 1 and 2, Schedule B, and Schedule D to compute the minimum tax credit generated this tax period and available for use in your next tax period (if such period begins before January 1, 2015).
- If your tax due this tax period is based on the ENI base, and your tax in a prior period was based on the MTI base, complete Schedules B, C, and D to compute the minimum tax credit used this tax period and any amount available for use in your next tax period (if such period begins before January 1, 2015).
- If your tax due this tax period is based on the fixed dollar minimum tax or the capital base tax, complete line 29 to compute the minimum tax credit available for use in your next tax period (if such period begins before January 1, 2015).

Schedule A, Part 1 — Computation of modified minimum tax (see instructions)

1	Entire net income (ENI) (see instructions)	1		
2	Depletion (see instructions)	2		
3	Total (add lines 1 and 2)	3		
4	Investment income before allocation (see instructions)	4		
5	Modified business income before allocation (subtract line 4 from line 3)	5		
6	Allocated modified business income (multiply line 5 by <input type="text"/> %; see instructions)	6		
7	Allocated investment income (multiply line 4 by <input type="text"/> %; see instructions)	7		
8	Total allocated modified minimum income (add lines 6 and 7)	8		
9	Optional depreciation adjustments (see instructions)	9		
10	Modified minimum taxable income base (add lines 8 and 9 or subtract line 9 from line 8)	10		
11	Modified minimum tax (see instructions)	11		

Schedule A, Part 2 — Computation of adjusted minimum tax

12	Tax on minimum taxable income base from Form CT-3 or Form CT-3-A	12		
13	Largest amount from Form CT-3 or Form CT-3-A, line 72, 73, or 74b (enter here and on line 16)	13		
14	Excess minimum tax (subtract line 13 from line 12; if less than zero, enter 0)	14		
15	Modified minimum tax from line 11	15		
16	Amount from line 13	16		
17	Excess modified minimum tax (subtract line 16 from line 15; if less than zero, enter 0)	17		
18	Adjusted minimum tax (subtract line 17 from line 14; if less than zero, use a minus (-) sign to show negative amount) ...	18		

Schedule B — Computation of available minimum tax credit (see instructions)

19	Minimum tax credit carryforward from prior periods (see instructions)	19		
20	Available minimum tax credit (see instructions)	20		

Schedule C — Computation of minimum tax credit used

21	Tax due before credits (see instructions)	21		
22	Tax credits claimed before minimum tax credit (see instructions)	22		
23	Subtract line 22 from line 21	23		
24	Next largest tax (enter largest amount from Form CT-3 or CT-3-A, line 71, 73, or 74b)	24		
25	Tax on subsidiary capital from Form CT-3 or CT-3-A	25		
26	Add lines 24 and 25	26		
27	Limitation on credit used this period (see instructions)	27		
28	Minimum tax credit used this period (see instructions)	28		

Schedule D — Minimum tax credit carried forward

29	Minimum tax credit carried forward (see instructions)	29		
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Instructions

General information

The minimum tax credit is generated in a tax period beginning before January 1, 2015, when the largest tax for such period is based on the MTI base, and may be claimed in a subsequent tax period that begins before January 1, 2015, if the tax in such subsequent tax period is based on the ENI base. The credit is designed to prevent the double taxation that might otherwise arise because of the inclusion of timing items of tax preference and adjustment in both the MTI and ENI bases but in different tax periods. The minimum tax credit for any tax period is the amount, if any, that the **adjusted minimum tax** imposed for all prior tax periods beginning after 1989 exceeds the amount allowed as a minimum tax credit, that was deducted from the taxpayer's tax for such prior periods.

The minimum tax credit is not available for use in tax periods beginning on or after January 1, 2015. Therefore, if your tax due this tax period is based on the MTI base, complete Schedule A, Parts 1 and 2, Schedule B, and Schedule D to compute the minimum tax credit generated this tax period and available for use in your next tax period, if such tax period begins before January 1, 2015.

If your tax due this tax period is based on the ENI base, and your tax in a prior period was based on the MTI base, complete Schedules B, C, and D to compute the minimum tax credit used this tax period and any amount available for use in your next tax period, if such period begins before January 1, 2015.

If your tax due this tax period is based on the fixed dollar minimum tax or the capital base tax, complete line 29 to compute the minimum tax credit available for use in your next tax period, if such tax period begins before January 1, 2015.

Combined filers: Lines 1 through 29 should be read as if the terms were on a combined return, Form CT-3-A. For example: the reference to *entire net income* on line 1 should be read by the combined filer as *combined entire net income*.

Line instructions

Schedule A, Part 1 – Computation of modified minimum tax

The *modified minimum tax* is the minimum tax recomputed excluding those adjustments and tax preference items related to timing differences. The only adjustment or tax preference item you may take into account is **depletion**.

Line 1 — Enter the amount from Form CT-3, line 17, or Form CT-3-A, line 17, column E.

Line 2 — Enter the amount from Form CT-3, line 52, or Form CT-3-A, line 52, column E.

Line 4 — Enter the amount from Form CT-3, line 18, or Form CT-3-A, line 18, column E.

Line 6 — Multiply the amount on line 5 by the business allocation percentage from Form CT-3 or CT-3-A.

Line 7 — Multiply line 4 by the investment allocation percentage from Form CT-3-ATT, *Schedules B, C, and D – Attachment to Form CT-3*, or CT-3-A.

Line 9 — Enter the amount from Form CT-3, line 23, or Form CT-3-A, line 23, column E.

Line 11 — Multiply line 10 by 1.5% (.015). If you are a qualified New York manufacturer or a qualified emerging technology company, multiply line 10 by 1.362% (.01362). If you are an **eligible** qualified New York manufacturer, multiply line 10 by .75% (.0075).

Schedule B – Computation of available minimum tax credit

You may use the minimum tax credit to reduce your franchise tax only if the tax is based on ENI. The amount of credit is the adjusted minimum tax computed for all prior periods, minus any amount used as a minimum tax credit in prior periods. Use lines 19 and 20 to compute the available minimum tax credit.

Line 19 — The amount of minimum tax carryforward is the total amount of the adjusted minimum tax calculated in prior periods minus any amount used as a minimum tax credit in prior periods.

Line 20 — If your tax due is based on the MTI, add lines 18 and 19. Do not complete lines 21 through 28. Enter this amount on line 29.

If your tax due is based on ENI, enter the line 19 amount and continue with lines 21 through 29.

Schedule C – Computation of minimum tax credit used

Line 21 — Enter the amount from Form CT-3, line 78, or Form CT-3-A, line 77, **plus** any net recaptured tax credits.

Line 22 — If you are claiming more than one tax credit for this tax period, enter the amount of tax credit(s) claimed before the minimum tax credit. Refer to Form CT-600, *Ordering of Corporation Tax Credits*; otherwise enter **0** on line 22.

Line 27 — If line 26 is less than line 23, subtract line 26 from line 23 and enter the result here. Otherwise, enter **0**; you cannot use any minimum tax credit this tax period.

Line 28 — Enter the lesser of line 20 or line 27. Transfer this amount to your franchise tax return.

Schedule D – Minimum tax credit carried forward

Line 29 — If your tax due is based on MTI, enter the line 20 amount. If your tax due is based on ENI, subtract line 28 from line 20. If your tax due is based on fixed dollar minimum tax or the capital base tax, enter the amount of minimum tax credit carryforward from the prior tax period's Form CT-38.

Need help? and Privacy notification

See Form CT-1, *Supplement to Corporation Tax Instructions*.

