

**START-UP NY Tax Elimination Credit**

Tax Law – Article 1, Section 40 and Article 9-A, Section 210.47

CT-638

All filers must enter tax period:

beginning

ending

Legal name of corporation

Employer identification number (EIN)

File this form with Form CT-3, CT-3-A, or CT-3-S.

A Certificate number from Form DTF-74, *Certificate of Eligibility*, issued to the approved
START-UP NY business (see instructions)**B** Year of START-UP NY business tax benefit period (enter a number from 1 to 10; see instructions)**C** If you are claiming this credit as a corporate partner, mark an **X** in the box**Schedule A – Employment test**Computation of the employment number of the approved business and its related persons **within New York State** for the current tax year and the year immediately preceding the year in which the business submitted its application to locate in a tax-free NY area.

Current tax year employment number	March 31	June 30	September 30	December 31	Total
Number of employees					
1 Current tax year employment number within New York State (see instructions)					1

Tax year immediately preceding START-UP NY business application	March 31	June 30	September 30	December 31	Total
Tax year ending (mm-yy).....					
2 Employment number within New York State for the tax year immediately preceding START-UP NY business application (see instructions)					2

Computation of the average number of net new jobs in the tax-free NY area for the current tax year.

Current tax year net new jobs	March 31	June 30	September 30	December 31	Total
Number of net new jobs					
3 Net new jobs of the business in the tax-free NY area during the tax year (see instructions)					3
4 Add lines 2 and 3					4

5 Does the amount on line 1 equal or exceed line 4? (see instructions) **5** Yes • ☐ No • ☐If **No**, you do **not** qualify for the credit. **Do not** complete the rest of this form.**Schedule B – Allocation factor (see instructions)**

	A Tax-free NY area	B New York State
6 Average value of property (see instructions)	6	
7 Property factor (divide line 6, column A, by line 6, column B; round the result to the fourth decimal place)	7	
8 Wages, salaries, and other compensation of employees (see instructions)....	8	
9 Wage factor (divide line 8, column A, by line 8, column B; round the result to the fourth decimal place)	9	
10 Total factors (add lines 7 and 9)	10	
11 Allocation factor (divide line 10 by two; round the result to the fourth decimal place; enter here and on line 23)	11	

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Schedule C – New York S corporation three factor formula business allocation percentage
(C corporations do not complete this schedule)

12 Three factor formula business allocation percentage *(see instructions)* • **12**

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Schedule D – Tax factor *(complete Part 1 or Part 2; see instructions; New York S corporations do not complete this schedule)*
Part 1 – Corporations computing their own credit *(see instructions)*

13 Enter your tax • **13**

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14 All other credits applied against your tax • **14**

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15 Tax factor • **15**

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Part 2 – Corporate partners *(see instructions)*

16 Tax from your franchise tax return *(see instructions)* • **16**

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17 All other credits applied against your tax *(see instructions)* • **17**

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18 Tax factor before partnership allocation *(see instructions)* • **18**

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19 Your share of partnership income allocated to New York State *(see instructions)* • **19**

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20 Partners entire net income **or** minimum taxable income allocated to New York State • **20**

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21 Divide line 19 by line 20 *(cannot exceed 1.0)* • **21**

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22 Corporate partners tax factor *(multiply line 18 by line 21; enter here and on line 24)* • **22**

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Schedule E – Computation of credit

23 Allocation factor *(from line 11; corporate partners see instructions)* • **23**

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24 Tax factor *(from line 15 or line 22)* • **24**

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25 Total credit *(multiply line 23 by line 24)* • **25**

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Schedule F – Computation of tax credit used, refunded, or credited as an overpayment to the next year
(New York S corporations do not complete this schedule)

26 Tax due before credits *(see instructions)* • **26**

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27 Tax credits claimed before this credit *(see instructions)* • **27**

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28 Subtract line 27 from line 26 • **28**

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29 If line 23 equals 1.0, enter **0**. If line 23 is less than 1.0, enter your fixed dollar minimum tax from Form CT-3, line 74b, or Form CT-3-A, line 74b • **29**

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30 Credit limitation *(subtract line 29 from line 28)* • **30**

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31 Credit used this year *(enter the lesser of line 25 or line 30, here and on your franchise tax return)* • **31**

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32 Unused credit available as a refund or as an overpayment *(subtract line 31 from line 25)* • **32**

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33 Amount of credit to be refunded *(limited to the amount on line 32; enter here and on your franchise tax return)* • **33**

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34 Amount of credit to be applied as an overpayment to next year's tax *(subtract line 33 from line 32; enter here and on your franchise tax return)* • **34**

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Schedule G – Related entities

List the names and EINs of any business entities related to the approved START-UP NY business. Attach additional sheets if necessary. See *Related persons* in the instructions to determine if an entity is related.

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