



Important Notice

Information for Fiscal-Year Taxpayers Claiming the Industrial or Manufacturing Business (IMB) Credit in 2000

Chapter 63 of the Laws of 2000 (section 1, Part Y) provides a credit to industrial or manufacturing businesses (IMBs) against the taxes imposed under Articles 9-A or 22 of the Tax Law. The credit is equal to the sum, or pro-rata share of the sum, of the liability for taxes imposed under sections 186-a, 186-c, 189, and 189-a of Article 9 of the Tax Law that were either passed through to, collected from, or directly paid by the IMB during the taxable year. The IMB credit is limited to the tax liability incurred, as set forth retroactively in Chapter 63, and paid on gas, electricity, steam, water, or refrigeration; or gas, electricity, steam, water, or refrigeration services, used or consumed in New York State. The credit is for tax liability paid on or after January 1, 2000, and can be claimed for taxable years ending on or after January 1, 2000.

Because of retroactive tax reductions as set forth in Chapter 63, the amount passed through under sections 186-a and 186-c or collected under sections 189 and 189-a may not accurately reflect the actual tax liability qualifying for the credit. Accordingly, a separate statement should be obtained from your utility that identifies the amount of sections 186-a, 186-c, 189, and 189-a tax liability that qualifies for the credit for the year 2000. If you have a direct pay permit and file your own Form CT-189, the net tax liability, after offset by credits, is the amount to be included in the calculation of the IMB credit.

The term *industrial or manufacturing business* means a business that, during the taxable year, is: principally engaged in manufacturing, processing, assembling, refining, mining, extracting, farming, agriculture, horticulture, floriculture, viticulture, commercial fishing, or research and development; or is an industrial waste treatment facility or an air pollution control facility; or is engaged in any combination of the foregoing activities. If a business has facilities, branches, or divisions both in and outside of New York State, the test would apply to the activities of the entire business. Also, each business entity within a combined tax filing group would make the determination separately.

For corporations, this credit may not reduce the tax to less than the greater of the tax on minimum taxable income or the fixed dollar minimum.

Any portion of the credit that cannot be applied to the current year's liability may be refunded without interest or applied as a payment against next year's tax.

For taxable years beginning on or after January 1, 2000, the IMB credit will be claimed on new Form DTF-623, *Claim for Industrial or Manufacturing Business (IMB) Credit*.

Claiming the IMB credit for fiscal years ending in 2000

Upon request, persons who collect from, or pass through to the IMB, any tax imposed under sections 186-a, 186-c, 189, and 189-a of Article 9 of the Tax Law must provide a statement to their customers containing the information required to claim this credit. Fiscal-year taxpayers with taxable years ending in 2000 may claim the credit by attaching the statement to their 1999 Form CT-3, CT-3-S, or IT-204.

Corporations filing 1999 Form CT-3 for a fiscal year that ended in 2000 should include the amount of the IMB credit allowable for the current year on line 79, the amount that is refundable on line 99, and the total on line 100.

Corporations that qualify for the IMB credit and already filed Form CT-3 for a fiscal year that ended in 2000 may claim a refund equal to the amount of the credit by filing Form CT-8, *Claim for Credit or Refund of Corporation Tax Paid*.

New York S corporations and partnerships that qualify for the IMB credit and already filed Forms CT-3-S or IT-204 for a fiscal year that ended in 2000 may file an amended return to report the credit. Refer to the instructions for the form you filed for information about amended returns.