New York State Department of Taxation and Finance

# START-UP NY Tax Elimination Credit

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

**CT-638**

2014

**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)*.............. |  | Number of employees... |  |  |  |  |

**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<br>Tax-free NY area | | B<br>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** | % |

## 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** | |
| **14** All other credits applied against your tax ................................................................. ● | **14** | |
| **15** Tax factor .................................................................................................................. ● | **15** | |

### Part 2 – Corporate partners *(see instructions)*

| | | |
|---|---|---|
| **16** Tax from your franchise tax return *(see instructions)* ............................................. ● | **16** | |
| **17** All other credits applied against your tax *(see instructions)* ................................... ● | **17** | |
| **18** Tax factor before partnership allocation *(see instructions)* .................................... ● | **18** | |
| **19** Your share of partnership income allocated to New York State *(see instructions)* ............... ● | **19** | |
| **20** Partners entire net income **or** minimum taxable income allocated to New York State ...................... ● | **20** | |
| **21** Divide line 19 by line 20 *(cannot exceed 1.0)* ..................................................... ● | **21** | |
| **22** Corporate partners tax factor *(multiply line 18 by line 21; enter here and on line 24)* ............................... ● | **22** | |

## Schedule E – Computation of credit

| | | |
|---|---|---|
| **23** Allocation factor *(from line 11; corporate partners see instructions)* ........................................... ● | **23** | |
| **24** Tax factor *(from line 15 or line 22)* ....................................................................... ● | **24** | |
| **25** Total credit *(multiply line 23 by line 24)* ................................................................. ● | **25** | |

## 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** | |
| **27** Tax credits claimed before this credit *(see instructions)* ....................................... ● | **27** | |
| **28** Subtract line 27 from line 26 ..................................................................................... | **28** | |
| **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** | |
| **30** Credit limitation *(subtract line 29 from line 28)* ..................................................... ● | **30** | |
| **31** Credit used this year *(enter the lesser of line 25 or line 30, here and on your franchise tax return)* ............... ● | **31** | |
| **32** Unused credit available as a refund or as an overpayment *(subtract line 31 from line 25)* .................... ● | **32** | |
| **33** Amount of credit to be refunded *(limited to the amount on line 32; enter here and on your franchise tax return)* ...................................................................................................... ● | **33** | |
| **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** | |

## 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.

| Name | EIN |
|---|---|
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