



# Instructions for Form CT-654

## New York City Musical and Theatrical Production Tax Credit

**CT-654-I**

### General information

You may be eligible for this credit if you or your business:

- is subject to tax under Tax Law Article 9-A (franchise tax on general business corporations),
- is a qualified New York City musical and theatrical production company, and
- received a certificate of tax credit from Empire State Development (ESD) showing the following:
  - name of certified business and their employer identification number (EIN),
  - certificate number, and
  - completion date.

ESD allocates the amount of the credit. For rules and regulations about the credit, including the application process for the credit, visit New York City Musical and Theatrical Production Tax Credit Program or visit [www.esd.ny.gov](http://www.esd.ny.gov).

### Credit calculation

The credit is 25% of the qualified production expenditures paid for during the qualified New York City musical and theatrical production's credit period.

### Limitations

You may claim this credit in the tax year that includes the completion date shown on the certificate of tax credit.

You **cannot**:

- use any qualified production expenditures in calculating this credit in the calculation of any other credit,
- apply the credit against the metropolitan transportation business tax (MTA surcharge), and
- reduce your tax liability below the fixed dollar minimum tax.

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. The Tax Department will not pay interest on the refund or overpayment.

### How to claim the credit

**New York S corporations:** New York S corporations will calculate the credit; however, the S corporation may not use the credit against its own tax liability. Instead, the credit is passed through to the shareholders to use against their personal income tax liabilities on their New York State tax returns.

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

### Line instructions

**Line A:** Mark an **X** in the appropriate box to determine the parts of this form that you need to complete. If you are claiming this credit **both** as a corporation that earned the credit **and** as a corporate partner receiving a share of the credit, mark an **X** in the Yes box and complete all appropriate schedules on one Form CT-654.

### Certificate information

A **separate** Form CT-654 **must** be completed for each certificate you receive, whether it is as the entity that earned the credit or as a partner.

**Note:** If you received multiple copies of the same certificate from different entities, complete a separate Form CT-654 to report your share of credit from each entity, even though the certificate number is the same.

**Lines B through D:** If you do not enter the correct information, your credit may be denied. Corporate partners must get this information from their partnership. Submit a copy of the certificate with this form.

**Additional forms:** If you have multiple credit amounts to enter on line 1, or more entries than will fit on the lines provided in Schedule B, submit additional Forms CT-654, completing only the necessary schedules. Include your name and taxpayer identification number on each form. On the indicated lines of the first Form CT-654, include the totals from all additional Forms CT-654. Place the extra forms behind the first Form CT-654 and submit them with your return.

### Schedule A: Calculation of credit

**Line 1:** Enter the total amount of credit from the certificate of tax credit issued by ESD. The amount entered cannot exceed the amount shown on your certificate of tax credit. If you are not claiming an additional tax credit from a partnership, skip line 2 and enter the total of lines 1 and 1a on line 3. If needed, see *Additional forms*.

### Schedule B: Partnership information

If you were a partner in a partnership and received a share of the New York City musical and theatrical production tax credit from that entity, complete this schedule. Enter the name, employer identification number (EIN), and credit amount passed through to you from each partnership. Obtain this information from all partnerships allocating the credit to you. If needed, see *Additional forms*.

#### Line 3

**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 share of this line. The shareholders will file Form IT-654, *New York City Musical and Theatrical Production Tax Credit*, to claim this credit on their New York State personal income tax returns.

### Schedule C: Calculation of credit used, refunded, or credited as an overpayment to the next tax year (New York S corporations: Do **not** complete this schedule.)

**Line 4:** Enter the amount from Form CT-3 or CT-3-A, Part 2, line 2, **plus** any net recaptured tax credits.

**Line 5:** 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 tax credits you **and** other members of the combined group are claiming—including the New York City musical and theatrical production tax credit—that you want to apply before you apply this credit.

**Line 7:** Enter your fixed dollar minimum tax from Form CT-3 or the designated agent's fixed dollar minimum tax from Form CT-3-A.

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