



Instructions for Form IT-654

New York City Musical and Theatrical Production Tax Credit

IT-654-I

General information

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

- 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.

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 may not use any qualified production expenditures used in calculating this credit in the calculation of any other credit.
- 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

If you are an individual, a beneficiary or fiduciary of an estate or trust, a partner in a partnership (including members of an LLC treated as a partnership for federal tax purposes), or a shareholder of an S corporation, and you are claiming the New York City musical and theatrical production tax credit, file Form IT-654 with your income tax return.

A **married couple** in a business enterprise that made an IRC 761(f) election to file **two federal Schedule C forms** instead of a partnership return: If you file jointly, calculate your credit as if you were filing one federal Schedule C for the business.

An **estate or trust** that divides the credit among itself and its beneficiaries must submit Form IT-654 with Form IT-205, *Fiduciary Income Tax Return*, showing each beneficiary's share of the credit.

A **partnership** must file Form IT-654 with Form IT-204, *Partnership Return*, showing the total credit.

A **New York S corporation** does not file Form IT-654. It must file Form CT-654, *New York City Musical and Theatrical Production Tax Credit*.

If you are a shareholder of an S corporation, obtain your share of the New York City musical and theatrical production tax credit from the S corporation and follow the instructions on this form for claiming the credit on your personal income tax return.

Line instructions

Line A: Mark an **X** in the appropriate box to determine the parts of this form you need to complete. If you are claiming this credit **both** as an individual (sole proprietor), partnership, or fiduciary of an estate or trust that earned the credit **and** as a partner, shareholder, or beneficiary receiving a share of the credit, mark an **X** in the **Yes** box and complete all appropriate schedules on one Form IT-654.

Certificate information

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

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

Lines B through E: If you do not enter the correct information, your credit may be denied. Partners, shareholders, or beneficiaries must get this information from their partnership, S corporation, estate or trust. 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 or C, submit additional Forms IT-654, completing only the necessary schedules. Include your name and taxpayer identification number on each form. On the indicated lines of the first Form IT-654, include the totals from all additional Forms IT-654. Place the extra forms behind the first Form IT-654 and submit them with your return.

Schedule A: Individual (including sole proprietor), partnership, and estate or trust

Line 1: Enter the total amount of credit listed on your certificate of tax credit issued by ESD. The amount entered cannot exceed the amount shown on your certificate of tax credit. If needed, see *Additional forms*.

Schedule B: Partner's, shareholder's, or beneficiary's share of credit

Enter the appropriate information for each partnership, New York S corporation, or estate or trust from which you received a share of the credit. Obtain your share of the credit from your partnerships, S corporation, estate or trust. If needed, see *Additional forms*.

Schedule C: Beneficiary's and fiduciary's share of credit

An estate or trust must complete Schedule C. If an estate or trust allocates or assigns the credit to its beneficiaries, it must base the division on each beneficiary's share of the income of the estate or trust. Provide the beneficiaries with their share of the credit. If needed, see *Additional forms*.

Schedule D: Calculation of credit

Line 9

Individuals: Enter the amount from line 9 and code **654** on:

- Form IT-201-ATT, line 12; or
- Form IT-203-ATT, line 12.

Partnerships: Enter the amount from line 9 and code **654** on Form IT-204, line 147.

Fiduciaries: Include the amount from line 9 and code **654** on Form IT-205, line 33. Do not enter any amount on line 6 and 7 of this form.
