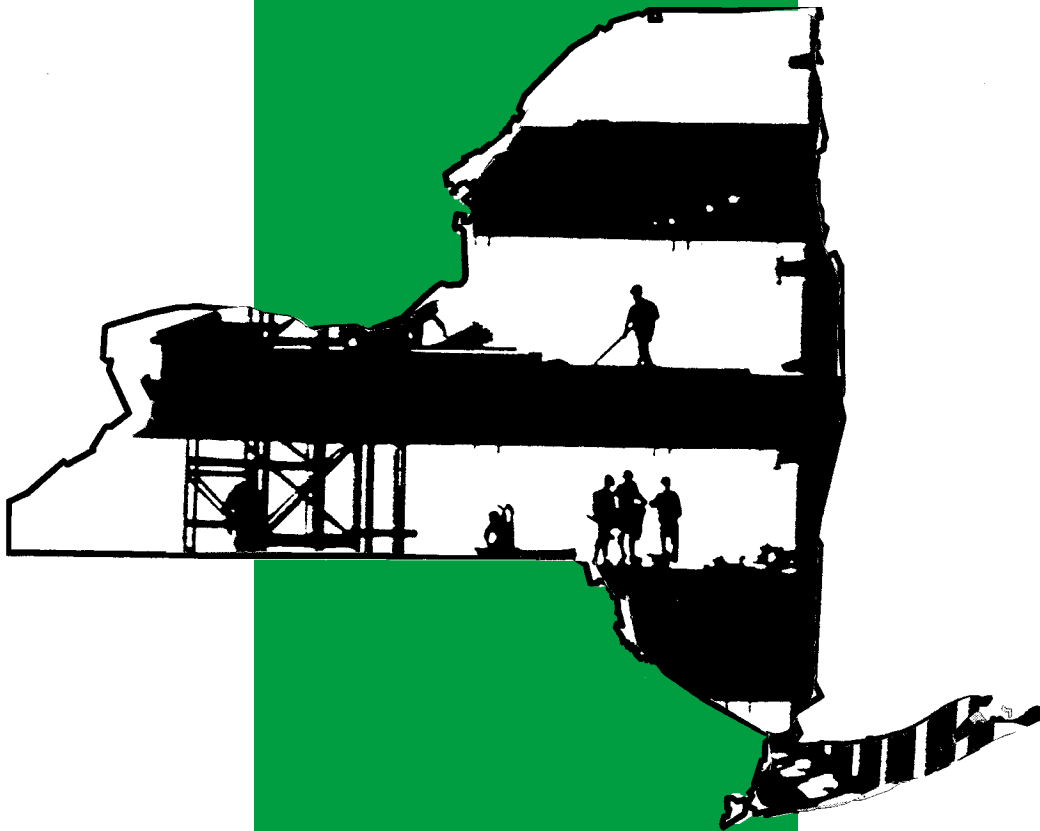


New York State
Department of
Taxation and Finance

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A GUIDE TO
BUSINESS TAX
AND
PERSONAL
INCOME
TAX CREDITS
WITHIN
EMPIRE ZONES



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INTRODUCTION

This publication discusses the personal income tax and corporate franchise tax credits available to businesses located in Empire Zones (see page 29 for definition) in New York State.

Chapter 63 of the Laws of 2000 made changes to the Economic Development Zone Program. Effective May 15, 2000, the term "Economic Development Zone" was changed to "Empire Zone." Throughout this publication, the term "Empire Zone" is used.

In recent years, Empire Zones (EZs) have been created in various cities, counties, towns and villages within New York State. A business located in an EZ may be eligible for credits against its New York State personal income tax and various corporate franchise taxes — the taxes imposed under Articles 9-A, 22, 32 and 33 of the Tax Law.

This publication will specifically explain the EZ credits available to taxpayers under Articles 9-A, 22, 32 and 33 of the Tax Law, for taxable years beginning on or after January 1, 1994¹.

For information on how the sales tax (Article 28) credit or refund provisions apply to purchases of building materials used to construct, expand or rehabilitate qualifying property located in an EZ, refer to Publication 30, *A Guide to Sales and Use Tax Incentives Within Empire Zones*. In addition, see Publication 31, *Empire Zones Sales and Compensating Use Tax Refund Rates*.

For information about the Empire Zone Equivalent Area (ZEA) Wage Tax Credit, refer to Technical Services Bureau Memorandum, TSB-M-94(7)(C).

Chapter 63 of the Laws of 2000 created "Qualified Empire Zone Enterprises". A Qualified Empire Zone Enterprise is a business enterprise which is certified as an Empire Zone business under Article 18-B of the General Municipal Law prior to July 1, 2005, and which annually meets an employment test. For taxable years beginning on or after January 1, 2001, these enterprises will be entitled to real property and tax reduction credits, available under the personal income tax and various corporate franchise taxes. Information about these two credits is available in a separate Technical Services Bureau Memorandum issued by the Department. In addition, an exemption from sales and use taxes may be applicable. Information about the exemption is also available in a separate TSB-M.

Please see the back cover of this publication for information on how to acquire Technical Service Bureau memoranda, Publications and other information. We encourage EZ program participants to access our public web site (<http://www.tax.state.ny.us>) to obtain forms, publications and additional information.

This publication is broken down into the following categories:

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Part I - Empire Zone Investment Tax Credit - Franchise Tax on Business Corporations (Article 9-A) and Personal Income Tax (Article 22)

General

The Empire Zone (EZ) investment tax credit is allowed to taxpayers certified under Article 18-B of the General Municipal Law and subject to either the franchise tax on business corporations or the personal income tax. The credit is allowed on certain tangible property (qualified property), including buildings and structural components of buildings, located in an EZ. The credit is computed by multiplying the cost or other basis for Federal income tax purposes of qualified property by a percentage. The percentage is 10% for Article 9-A taxpayers (business corporations), and 8% for Article 22 taxpayers (individuals; sole proprietors; partners in a partnership, including members of an LLC, if that LLC is treated as a partnership for Federal tax purposes; or shareholders of a New York S Corporation). The credit is allowed for the year in which the qualified property is placed in service.

Eligibility

Qualified property means tangible personal property including buildings and structural components of buildings that:

- was acquired, constructed, reconstructed or erected by the taxpayer on or after the date of the designation of the zone or area as an EZ and before the expiration of such designation;
- is depreciable under § 167 of the Internal Revenue Code (IRC);
- has a useful life of four years or more;
- was acquired by the taxpayer by purchase, as defined in § 179(d) of the IRC;
- is located in an EZ; and
- (1) is principally used by the taxpayer in the production of goods by manufacturing, processing, assembling, refining, mining, extracting, farming, agriculture, horticulture, floriculture, viticulture or commercial fishing, or (2) is an industrial waste treatment facility or air pollution control facility used in the taxpayer's trade or business, or (3) is research and development property, or (4) is principally used in the ordinary course of the taxpayer's trade or business as a broker or dealer in connection with the purchase or sale of stocks, bonds, or other securities or of commodities or in providing lending, loan arrangement, or loan origination services to customers in connection with the purchase or sale of securities, or (5) is principally used in the ordinary course of the taxpayer's trade or business of providing investment advisory services for a regulated investment company (as defined in § 851 of the IRC), or (6) is principally used in the

ordinary course of the taxpayer's business as an exchange registered as a national securities exchange within the meaning of §§ 3(a)(1) and 6(a) of the Securities Exchange Act of 1934 or a board of trade as defined in § 1410(a)(1) of the Not-For-Profit Corporation Law, or as an entity that is wholly owned by one or more national securities exchanges or boards of trade and that provides automation or technical services to such exchanges or boards of trade.

Property that qualifies for the EZ investment tax credit based on items (4), (5) or (6) above, must be property that is placed in service on or after October 1, 1998, and before October 1, 2003.

For the definitions of *manufacturing, processing, property used in the production of goods, principally used, cost, other basis, industrial waste treatment facilities, air pollution control facilities, research and development property, and purchase or sale of stocks, bonds or other securities, or of commodities* see the *Glossary of Terms* section beginning on page 29 of this publication. For a special rule regarding equipment used to produce electricity, see the definition of *property used in the production of goods*.

Special eligibility rules

If an acquisition, construction, reconstruction or erection of property is begun during the period in which an area is designated as an EZ, and is continued or completed after the designation as an EZ has expired, the credit is allowed on the portion of the cost or other basis for Federal income tax purposes of the property attributable to the period during which the area was designated as an EZ. The attributable portion is determined by multiplying the cost or other basis by a fraction. The numerator of the fraction is the expenditures paid or incurred during the period in which the area was designated as an EZ. The denominator of the fraction is the total of all expenditures paid or incurred for the acquisition, construction, reconstruction, or erection of the property.

Qualified property that is purchased by a taxpayer and that is principally used by a broker, dealer, or national securities exchange or board of trade that is an affiliate of the taxpayer or in an activity described in (4), (5) or (6) above, is also eligible for the EZ investment tax credit. See *Glossary of Terms* section for definition of *affiliate*.

A taxpayer will not qualify for an EZ investment tax credit for property described under items (4), (5) or (6) unless all or a substantial portion of the employees performing the administrative and support functions resulting from or related to the qualifying uses of such property are located in New York State. For more

information about the EZ investment tax credit with respect to the financial services industry, refer to Technical Services Bureau Memorandum TSB-M-98(8)(C) or TSB-M-98(6)(I).

For business corporation franchise tax purposes, at the option of the taxpayer, property that qualifies for the eligible business facility credit, property qualifying for the investment tax credit, or research and development facilities that qualify for elective deductions from a taxpayer's entire net income, may be treated as property principally used by the taxpayer in the production of goods by manufacturing, processing, assembling, etc., for purposes of claiming the EZ investment tax credit, provided the property otherwise qualifies. In these cases, the EZ investment tax credit may be claimed on the property in lieu of claiming the eligible business facility credit, the investment tax credit, or the research and development facility deductions.

For personal income tax purposes, at the option of the taxpayer, the following may be treated as property principally used by the taxpayer in the production of goods by manufacturing, processing, assembling, etc., for claiming the EZ investment tax credit, provided the property otherwise qualifies:

- air or water pollution control facilities that qualify for elective modifications under § 612(h) of the Tax Law;
- research and development facilities that qualify for elective modifications under § 612(g)(3) and (4) of the Tax Law; or
- property that qualifies for the investment tax credit.

If the EZ investment tax credit is elected, the investment tax credit and elective modifications are not allowed on such property.

Leased property

Generally, property that a taxpayer leases to others does not qualify for the EZ investment tax credit. However, a lessee in a safe harbor lease agreement, that was based on section 168 (f)(8) of the IRC, as that section was in effect for safe harbor lease agreements entered into prior to January 1, 1984, is allowed an EZ investment tax credit if the property otherwise meets the eligibility rules described on pages 7 and 8 of this publication. In addition, property that otherwise meets the eligibility rules described on pages 7 and 8 of this publication, that is leased to a broker, dealer, national securities exchange, board of trade or other entity described in item (6) on pages 7 and 8, which is an affiliate of the taxpayer, qualifies for the credit, provided it is used by the affiliate in the qualifying activities described in items (4), (5) or (6) on pages 7 and 8. Any contract or agreement to lease or rent, or for a license to use the property, is considered a lease.

Also, if property that otherwise meets the eligibility rules described on pages 7 and 8, is purchased by a taxpayer and is principally used by a broker, dealer, national securities exchange, or board of trade which is an affiliate of the taxpayer in the qualifying activities described in items (4), (5), or (6) on pages 7 and 8, the property also qualifies for the EZ investment tax credit.

Business tax limitations

For business corporation franchise tax purposes, the EZ investment tax credit allowed for any taxable year may not reduce the tax due for the taxable year to less than the higher of the tax on the minimum taxable income base or the fixed dollar minimum amount.

Business tax and personal income tax limitations and recapture rules

If property on which the credit has been taken is disposed of or is no longer in qualified use before the end of the period over which the taxpayer chooses to claim depreciation for the property for Federal income tax purposes, a recapture of a portion of the credit is required. If property that is disposed of has a useful life of more than 12 years and the property has been in qualified use for more than 12 consecutive years, no portion of the credit is required to be added back. (See 20 NYCRR 5-10.8 for the recapture rules.) Disposal or cessation of qualified use is not considered to have occurred solely because of the termination or expiration of designation of an area as an EZ.

General carryover rules

For business corporation franchise tax and personal income tax purposes, any amount of credit not used in any year may be carried forward to the following year or years and deducted from the taxpayer's tax for those years. However, a taxpayer that has been decertified may carry forward the EZ investment tax credit for only 7 years from the taxable year that the credit is originally allowed.

Personal income tax modification

For personal income tax purposes, if the EZ investment tax credit is elected, a deduction is not allowed under § 612(h) or 612(g)(3) and (4) of the Tax Law, nor is a regular investment tax credit allowed.

General refund rules

A taxpayer that qualifies as a *new business* (see page 31 for definition) for purposes of the business corporation franchise tax or qualifies as the *owner of a new business* (see page 31 for definition) for purposes of personal income tax may elect to treat 50% of the amount of the credit available for carryover as an overpayment of tax. The election is made on the return for the taxable year that the credit was allowed (the taxable year the qualified property was placed in service). No interest will be paid on the overpayment. The amount of the credit available for carryover after the claiming of the refund is not available for refund in future years.

Claiming the credit

To claim the EZ investment tax credit, complete Form DTF-603, *Claim for EZ Investment Tax Credit and EZ Employment Incentive Tax Credit*, and attach it to the appropriate business corporation franchise or personal income tax return. To claim the EZ investment tax credit for the financial services industry, complete DTF-605, *Claim for EZ Investment Tax Credit and EZ Employment Incentive Tax Credit for the Financial Services Industry*, and attach it to the appropriate business corporation franchise or personal income tax return.

Example 1:

On June 1, 2000, ABC, a business corporation and a calendar year taxpayer, acquired property valued at \$10,000,000 that is eligible for the EZ investment tax credit. ABC also qualifies as a new business. ABC is eligible for an EZ investment tax credit of \$1,000,000 (\$10,000,000 x 10%).

The tax computations for ABC in taxable year ending December 31, 2000, show the following:

Tax on entire net income base	\$500,000
Fixed dollar minimum tax	\$ 1,500
Tax on capital base	\$250,000
Tax on minimum taxable income base	\$100,000

The tax on the entire net income base is the highest of these amounts. Therefore, ABC's tax is \$500,000 before the allowance of any credits. Tax credits cannot reduce the tax due to an amount less than the higher of the fixed dollar minimum tax (\$1,500) or the tax on the minimum taxable income base (\$100,000). Thus, the EZ investment tax credit cannot reduce the tax to less than \$100,000.

The EZ investment tax credit used is computed as follows:

Tax on entire net income base	\$ 500,000
Less: Tax on minimum taxable income base (minimum tax due after credits)	<u>-100,000</u>
EZ investment tax credit used	\$ <u>400,000</u>

Since ABC is a *new business*, it is entitled to a refund of 50% of its EZ investment tax credit carryover.

The carryover and refund amounts are computed as follows:

EZ investment tax credit (\$10,000,000 x 10%)	\$1,000,000
Less: Amount used in taxable year ending December 31, 2000	<u>- 400,000</u>
Amount of credit available for carryover (before refund)	600,000
Less: Amount to be refunded (\$600,000 x 50%)	<u>- 300,000</u>
Amount of credit available for carryover (not available for refund)	<u>\$ 300,000</u>

Part II - Empire Zone Employment Incentive Credit - Franchise Tax on Business Corporations (Article 9-A) and Personal Income Tax (Article 22)

General

The Empire Zone (EZ) employment incentive credit has been available for business corporations since 1986. Taxpayers subject to personal income tax now are also eligible to claim an EZ employment incentive credit, applicable to any EZ investment tax credit computed on property placed in service on or after January 1, 1997. The credit is allowed for each of the three taxable years immediately following the taxable year the EZ investment tax credit was allowed, provided certain requirements are met. The credit each year is equal to 30% of the allowable EZ investment tax credit.

Eligibility

The EZ employment incentive credit is allowed only for each of those years during which the average number of employees, excluding general executive officers, employed by a certified taxpayer in the EZ is at least 101% of the average number of employees, excluding general executive officers, employed by the taxpayer in the zone, or if applicable, in the geographic area subsequently constituting the zone, during the taxable year which precedes the taxable year for which the EZ investment tax credit is allowed.

If the taxpayer was not subject to tax and did not have a taxable year which preceded the taxable year for which the EZ investment tax credit was allowed, the EZ employment incentive credit will be allowed if the average number of employees, excluding general executive officers, employed in the zone for the current taxable year is at least 101% of the average number of employees, excluding general executive officers, employed in the zone during the taxable year in which the EZ investment tax credit was allowed.

In addition, if the Empire Zone designation expires or an area is removed from the Empire Zone program, a taxpayer will be able to continue to claim the EZ employment incentive credit for the full three years following the year in which an EZ investment tax credit was allowed, as long as the EZ investment tax credit was earned during a period that the program was in existence or which the area was part of an EZ and the taxpayer has also met the other eligibility requirements to claim the EZ employment incentive credit.

Business tax limitations

For business corporation franchise tax purposes, the EZ employment incentive credit may not reduce the tax due for the taxable year to less than the higher of the tax on the minimum taxable income base or the fixed dollar minimum amount. For taxable years beginning on or after January 1, 2001, the EZ employment incentive credit may

reduce a taxpayer's tax below the level of the tax on the minimum taxable income base to no less than the fixed dollar minimum amount. If the amount of the credit for any taxable year reduces the tax to such amount, any amount of credit not deductible in that taxable year may be carried over to the following years and may be deducted from the taxpayer's tax for those years. However, unlike the EZ investment tax credit, a taxpayer which qualifies as a *new business* may not elect to treat 50% of the amount of the credit available for carryover as an overpayment of tax. The EZ employment incentive credit is subject to recapture in the same manner as the EZ investment tax credit.

Personal income tax limitations

For personal income tax purposes, if the amount of the EZ employment incentive credit exceeds the taxpayer's tax for the current taxable year, the amount of credit not deductible in that taxable year may be carried over to the following years and may be deducted from the taxpayer's tax for such years. In addition, a taxpayer who qualifies as an *owner of a new business* (see page 31 for definition) for purposes of personal income tax may elect to treat 50% of the amount of the credit available for carryover as an overpayment of tax. No interest will be paid on the overpayment. The overpayment may be credited or refunded. The amount of the credit available for carryover after claiming the refund may not be refunded in a future year.

Claiming the credit

To claim the EZ employment incentive credit, complete Form DTF-603, *Claim for EZ Investment Tax Credit and EZ Employment Incentive Tax Credit*, and attach it to the appropriate business corporation franchise or personal income tax return. To claim the EZ employment incentive credit for the financial services industry, complete Form DTF-605, *Claim for Investment Tax Credit and EZ Employment Incentive Tax Credit for the Financial Services Industry*, and attach it to the appropriate business corporation franchise or personal income tax return.

Part III - Empire Zone Wage Tax Credit - Franchise Tax on Business Corporations (Article 9-A), Banking Corporations (Article 32), Insurance Corporations (Article 33) and Personal Income Tax (Article 22)

General

The Empire Zone (EZ) wage tax credit is allowed to taxpayers certified under Article 18-B of the General Municipal Law that meet certain increased employment levels in New York State and in the EZ during the taxable year and are subject to the franchise tax on business corporations, the franchise tax on banking corporations, the franchise tax on insurance corporations or the personal income tax. A taxpayer is considered to be certified on the first day of the taxpayer's taxable year that the taxpayer applied for certification.

Calculation of credit

The EZ wage tax credit, for taxable years beginning on or after January 1, 1994, is the sum of:

1. \$1,500 (\$3,000 for taxable years beginning on or after January 1, 2001) multiplied by the average number of full-time employees (see page 30 for definitions of *full-time employment* and *employee*) of the taxpayer who are:
 - *targeted employees* (see page 34 for definition),
 - received *EZ wages* (see page 30 for definition) for more than half the taxable year, and
 - received an hourly wage that was at least 135% of the minimum wage specified in §652 of the Labor Law for more than half their period of employment by the taxpayer during the taxable year; and
2. \$750 (\$1,500 for taxable years beginning on or after January 1, 2001) multiplied by the average number of full-time employees of the taxpayer who received EZ wages for more than half the taxable year, other than the individuals included in (1) above.

Taxpayers that have shifted operations or a portion thereof from an area within New York State, that is not an EZ, to an area that is an EZ, and have been certified in specific limited circumstances under section 959(a) of Article 18-B of the General Municipal Law, will be eligible to include the employees that have been shifted from the area that is not an EZ when determining the amount of the EZ wage tax credit, provided the taxpayer has also met the other eligibility requirements to claim the EZ wage tax credit.

Determining employees

The EZ wage tax credit is allowed only if the average number of full-time employees employed by the taxpayer in the state and the zone during the taxable year exceeds the average number employed full-time in the state and the zone during the four years immediately preceding the first taxable year in which the credit is claimed for the zone. The average number of full-time employees employed in the state and the zone during the current taxable year is computed as follows:

1. Add the number of full-time employees the taxpayer employed on March 31, June 30, September 30, and December 31 of the current taxable year and
2. divide the total obtained in (1) above by the number of those dates in (1) above occurring during the current taxable year.

The average number of full-time employees employed in the state and the zone during the four-year period immediately preceding the first taxable year in which the EZ wage tax credit is claimed is computed as follows:

1. Add the number of full-time employees the taxpayer employed on March 31, June 30, September 30, and December 31 during each of the four years, and
2. divide the total obtained in (1) above by the number of those dates in (1) above occurring during the four-year period. If the taxpayer provided full-time employment within the state and the zone for only part of the four-year period, then the term “four years” will be deemed to refer to that part.

Taxpayers that have shifted their operations or a portion thereof from an area within New York State, that is not an EZ, to an area that is an EZ, and have been certified in specific limited circumstances under section 959(a) of Article 18-B of the General Municipal Law, will be eligible to include the employees that have been shifted from the area that is not an EZ when determining the number of full-time employees employed by the taxpayer in the zone during the taxable year.

General limitations on credit

The EZ wage tax credit is allowed for up to five consecutive taxable years. The five consecutive taxable years (including taxable years of less than 12 months) begin in the first taxable year that EZ wages are paid and the level of employment described above is met. The EZ wage tax credit will continue to be allowed if EZ wages continue to

be paid and the level of employment described above continues to be met in each of the next four following taxable years.

The five consecutive taxable year period the EZ wage tax credit is allowed may include the four taxable years immediately following a taxable year in which designation as an EZ has expired. However, the credit will be allowed only in any of the four taxable years where EZ wages are paid. In addition, the average number of full-time employees employed by the taxpayer in the state and the EZ, or the geographical area comprising the expired zone, during the taxable year must exceed the average number employed full-time in the state and the zone, or the geographical area comprising the expired zone, during the four years immediately preceding the first taxable year in which the credit is claimed for the zone or expired zone. The average number of full-time employees is computed as shown in the preceding paragraphs. No credit will be allowed, however, for any taxable year beginning more than four years following the taxable year in which designation as an EZ expired.

***Business tax
limitations***

The EZ wage tax credit, including carryovers, deducted from the franchise tax on business corporations for any taxable year, may not exceed 50% of the tax imposed without regard to any credit or surcharge. In addition, the total EZ wage tax credit and carryovers of the credit allowed may not reduce the tax due for the taxable year to less than the higher of the tax on the minimum taxable income base or the fixed dollar minimum amount.

***Insurance tax
limitations***

The EZ wage tax credit, including carryovers, deducted from the franchise tax on insurance corporations for any taxable year, may not exceed 50% of the sum of the taxes on insurance corporations (imposed under sections 1501 and 1510 of Article 33) or 50% of the limitation on tax on insurance corporations (computed under section 1505 of Article 33), whichever is less. The franchise taxes on insurance corporations or the limitation on tax on insurance corporations, for purposes of this 50% limitation, shall be determined before the addition of the MTA surcharge or the deduction of any tax credits. In addition, the total EZ wage tax credit and carryovers of the credit allowed may not reduce the tax due for the taxable year to less than the fixed dollar minimum tax of \$250.

***Bank tax
limitations***

The EZ wage tax credit, including carryovers, deducted from the franchise tax on banking corporations for any taxable year, may not exceed 50% of the tax imposed under section 1455 of Article 32 before the addition of the MTA surcharge or the deduction of any tax credits. In addition, the total EZ wage tax credit and carryovers of the credit allowed may not reduce the tax due for the taxable year to less than the fixed dollar minimum tax of \$250.

Personal income tax limitations

The EZ wage tax credit, including carryovers, deducted from the personal income tax for any taxable year, may not exceed 50% of the personal income tax imposed without regard to any credit.

For an estate or trust (taxable under the personal income tax), the credit is limited to an amount that bears the same ratio to 50% of the personal income tax for the taxable year as the portion of the income of the estate or trust that is not allocated to beneficiaries bears to the total income of the estate or trust.

General carryover and refund rules

Any amount of the EZ wage tax credit not used may be carried forward for purposes of the franchise taxes on business, banking, and insurance corporations, and personal income tax.

However, a taxpayer who qualifies as a *new business* (see page 31 for definition) for purposes of the business corporation franchise tax or qualifies as the *owner of a new business* (see page 31 for definition) for purposes of personal income tax may elect to treat 50% of the amount of the credit available for carryover as an overpayment of tax. The election is made on the return for the taxable year that the credit was allowed (the taxable year the EZ wage tax credit was earned). The overpayment may be credited or refunded. No interest will be paid on the overpayment. The amount of the credit available for carryover after the claiming of the refund is not available for refund in future years.

Claiming the credit

To claim the EZ wage tax credit, complete Form DTF-601, *Claim for EZ Wage Tax Credit*, and attach it to the appropriate business corporation, banking corporation or insurance corporation franchise tax or personal income tax return .

Example 2:

In 1996 (the first year that ABC qualified for the EZ wage tax credit), ABC, a business corporation and a calendar year taxpayer, set up a facility located within an EZ and created 100 new full-time jobs. On January 9, 1996, the taxpayer hired 100 individuals to fill the newly created jobs.

The breakdown of the 100 employees in the new full-time jobs created in the EZ is as follows:

- 20 were targeted employees who received EZ wages for more than half the year, and the wages for each employee were 135% of the minimum wage specified in § 652 of the Labor Law.
- 80 were not targeted employees who received EZ wages for more than half the year.

The average number of employees employed full-time by ABC during 1996 in New York State including the EZ was 1,100. In the four years immediately preceding 1996, the average number of employees employed full-time by ABC in New York State was 1,000, with none in the EZ.

The wage tax credit allowable for the taxable year ending December 31, 1996, is computed as follows:

Average number of qualified employees (full-time employees that are targeted employees, receiving EZ wages for more than half the taxable year, and receiving an hourly wage that is 135% of the minimum wage specified in § 652 of the Labor Law for more than half their period of employment during the taxable year) that qualify for the \$1,500 credit:

Number employed on 3/31/96	20
Number employed on 6/30/96	20
Number employed on 9/30/96	20
Number employed on 12/31/96	<u>20</u>
Total	80
Divide by	<u>4</u>
Average number of qualified employees	20
Multiply by	<u>\$1,500</u>
Portion of EZ wage tax credit on qualified targeted employees	\$30,000

Average number of qualified employees (full-time employees receiving EZ wages for more than half the taxable year and not included above) that qualify for the \$750 credit.

Number employed on 3/31/96	80
Number employed on 6/30/96	80
Number employed on 9/30/96	80
Number employed on 12/31/96	<u>80</u>
Total	320
Divide by	<u>4</u>
Average number of qualified employees	80
Multiply by	<u>\$750</u>
Portion of EZ wage tax credit on other qualified employees	\$60,000
Total EZ wage tax credit allowable in 1996	<u>\$90,000</u>

If ABC cannot use the entire amount of the credit in the 1996 taxable year, any amount not used may be carried over to the following

taxable year(s). In addition, if ABC qualifies as a new business, 50% of the amount of the credit available for carryover may be refunded.

In March 1997, 150 of ABC's employees were laid off in New York State, but not in the EZ. ABC continued to pay EZ wages in 1997. However, the average number of full-time employees of 950 (1,100-150) in 1997 did not exceed the average number of full-time employees of 1,000 in the four years immediately preceding the first year that the credit was claimed (taxable year ending December 31, 1996). Therefore, no EZ wage tax credit is allowed for the taxable year ending December 31, 1997.

However, any amount of the carryover credit from 1996 (that was not refunded) may be applied against the 1997 business corporation franchise tax due from ABC.

On May 15, 1998, 200 additional individuals were hired in full-time jobs created in the EZ. The 200 additional full-time employees received EZ wages for more than half the year, with 25 employees being targeted employees who were paid 135% of the minimum wage specified in § 652 of the Labor Law. The remaining 175 employees received EZ wages that were less than 135% of the minimum wage specified in § 652 of the Labor Law.

Since the average number of full-time employees of 1,150 (950+200) in the taxable year ending December 31, 1998, exceeded the average number of full-time employees of 1,000 employed in New York State and the EZ during the four years immediately preceding the first year that the credit was claimed (taxable year ending December 31, 1996), an EZ wage tax credit is allowed.

The credit allowable for the taxable year ending December 31, 1998, is computed as follows:

Average number of qualified employees (full-time employees that are targeted employees, receiving EZ wages for more than half the taxable year, and receiving an hourly wage that is 135% of the minimum wage specified in § 652 of the Labor Law for more than half their period of employment during the taxable year) that qualify for the \$1,500 credit:

Number employed on 3/31/98	
Hired 1/9/96	20
Number employed on 6/30/98	
Hired 1/9/96	20
Hired 5/15/98	25

Number employed on 9/30/98	
Hired 1/9/96	20
Hired 5/15/98	25
Number employed on 12/31/98	
Hired 1/9/96	20
Hired 5/15/98	<u>25</u>
Total	155
Divide by	<u>4</u>
Average number of qualified employees	38.75
Multiply by	<u>\$1,500.00</u>
Portion of EZ wage tax credit on qualified <u>targeted</u> employees	<u>\$58,125.00</u>

Average number of qualified employees (full-time employees receiving EZ wages for more than half the taxable year and not included above) that qualify for the \$750 credit.

Number employed on 3/31/98	
Hired 1/9/96	80
Number employed on 6/30/98	
Hired 1/9/96	80
Hired 5/15/98	175
Number employed on 9/30/98	
Hired 1/9/96	80
Hired 5/15/98	175
Number employed on 12/31/98	
Hired 1/9/96	80
Hired 5/15/98	<u>175</u>
Total	845
Divide by	<u>4</u>
Average number of qualified employees	211.25
Multiply by	<u>\$750.00</u>
Portion of EZ wage tax credit on qualified employees	<u>\$158,437.50</u>
Total EZ wage tax credit allowable in 1998	<u><u>\$216,562.50</u></u>

In addition, any amount of the carryover credit from 1996 (that was not refunded or used in the 1997 taxable year) may be applied against the 1998 business corporation franchise tax of ABC.

If ABC cannot use the entire amount of the credit in the 1998 taxable year, any amount not used may be carried over to the following taxable year(s). In addition, if ABC qualifies as a new business, 50% of the amount of the credit available for carryover (excluding any carryover from 1996) may be refunded.

In February 1999, 225 of ABC's employees are laid off in New York State, but not in the EZ. No additional employees are hired during 1999 and 2000. Since the average number of full-time employees of 925 (1,150-225) in the taxable years ending December 31, 1999 and December 31, 2000 does not exceed the average number of full-time employees of 1,000 in the four years immediately preceding the taxable year ending December 31, 1996, no EZ wage tax credit is allowed for the taxable years ending December 31, 1999 and December 31, 2000.

Although the taxpayer does not qualify for a EZ wage tax credit for the taxable years ending December 31, 1999 and December 31, 2000, as well as December 31, 1997, these three years count toward the total five consecutive years the taxpayer may qualify for the credit.

However, any amount of the carryover credit from 1996 and 1998 may be applied against the 1999 and/or 2000 business corporation franchise taxes due from ABC or any subsequent taxable years where any amount of the carryover credit remains.

Part IV - Empire Zone Capital Tax Credit - Franchise Tax on Business Corporations (Article 9-A), Banking Corporations (Article 32), Insurance Corporations (Article 33) and Personal Income Tax (Article 22)

General

The Empire Zone (EZ) capital tax credit is 25% of the sum of the following investments and contributions that have been made during the taxable year and certified by the Commissioner of Economic Development and may be claimed by taxpayers subject to the franchise tax on business corporations, the franchise tax on banking corporations, the franchise tax on insurance corporations or the personal income tax:

Eligible investments

1. Qualified investments made in, or contributions in the form of donations made to, one or more EZ capital corporations established under § 964 of the General Municipal Law.
2. Qualified investments in certified zone businesses that had an average of 250 or fewer full-time employees (see page 30 for definitions of full-time employment and employee), within the state during the 12-month period immediately preceding the month in which the investment is made. In computing the average number of full-time employees, add the number of individuals employed full-time on March 31, June 30, September 30, and December 31 in the 12-month period and divide the sum by four.

However, investments made by or on behalf of an owner of a certified zone business, including, but not limited to, a stockholder, partner, or sole proprietor, or any related person, as defined in § 465(b)(3)(C) of the IRC, do not qualify for the EZ capital tax credit.

For purposes of this credit only, the term *owner* means an entity or individual that owns more than a 10% interest in a certified zone business.

3. Contributions of money to community development projects as defined by regulations promulgated by the Commissioner of Economic Development. (See, 5 NYCRR 10.2(c))

Qualified investments are contributions of property, including money, to, (a) a corporation in exchange for original issue capital stock or other ownership interest, (b) a partnership in exchange for an interest in the partnership, and (c) similar contributions in the case of a

business entity not in corporate or partnership form in exchange for an ownership interest in the entity.

Lifetime limitations on the credit

The total amount of the EZ capital tax credit allowable for all years, taken in the aggregate, may not exceed \$300,000, and may not exceed \$100,000 for each of the investments and contributions described in (1), (2) or (3) above. For personal income tax, in the case of a husband and wife who are required to file separate returns, the total amount of credit allowable for all years is limited for each spouse to \$150,000 and may not exceed \$50,000 with respect to each of the investments and contributions described in (1), (2) or (3) above, unless the taxpayer's spouse has no carryforward of the credit allowable and has no current year credit allowable for the taxable year that ends within or with the taxpayer's taxable year. In the case of an estate or trust (under the personal income tax), the credit is limited to an amount that bears the same ratio to the aggregate amount, not to exceed \$300,000 (or \$100,000, with respect to each of the investments and contributions described in (1), (2) or (3) above), as the portion of the estate or trust not allocated to beneficiaries bears to the total income of the estate or trust.

Annual personal income tax limitations and carryover rules

For individuals subject to the personal income tax, the total EZ capital tax credit, including carryovers, deducted from the personal income tax for any taxable year (provided that the current year's EZ capital tax credit and carryovers plus all previously used EZ capital tax credits are within the taxpayer's lifetime limitation) may not exceed 50% of the difference between (1) the New York State personal income tax imposed for the year without regard to any credit (the personal income tax does not include the minimum income tax or the separate tax on the ordinary income portion of lump sum distributions) and (2) the sum for the taxable year of the credit for income tax of another state, political subdivision of another state, District of Columbia or province of Canada (the resident credit) and the credit to a trust beneficiary receiving an accumulation distribution credit.

In the case of an estate or trust (under personal income tax), the credit is limited to an amount that bears the same ratio to 50% of the personal income tax for the taxable year as the portion of the income of the estate or trust that is not allocated to beneficiaries bears to the total income of the estate or trust.

Any amount of the EZ capital tax credit not used or subject to 50% limitations described above may be carried forward for purposes of the personal income tax.

Business tax carryover rules

The total EZ capital tax credit and carryovers of the credit allowed may not reduce the tax due for the taxable year to less than the higher of the tax on the minimum taxable income base or the fixed dollar

minimum amount for purposes of the franchise tax on business corporations, and the fixed dollar minimum amount of \$250 for purposes of the franchise tax on banking corporations and franchise tax on insurance corporations.

The EZ capital tax credit, including carryovers, deducted from the franchise tax on business corporations for any taxable year, may not exceed 50% of the tax imposed on the corporation without regard to any credit or surcharge (this limitation also applies to banking corporations).

In addition, the EZ capital tax credit, including carryovers, deducted from the franchise tax on insurance corporations for any taxable year, may not exceed 50% of the sum of the taxes on insurance corporations or 50% of the limitation on tax on insurance corporations, whichever is less. The franchise taxes on insurance corporations or the limitation on tax on insurance corporations, for purposes of this 50% limitation, shall be determined without regard to any credits.

The EZ capital tax credit is deducted from the sum of the taxes on insurance corporations before application of the limitation on tax. Insurance corporations will derive a tax benefit from this credit where the sum of the taxes is below the limitation on tax or if the credit lowers the sum of the taxes to an amount below the limitation on tax.

Any amount of the EZ capital tax credit not used or subject to 50% limitations described above may be carried forward for purposes of the franchise taxes on business, banking and insurance corporations.

Recapture rules

When the stock, partnership interest, or other ownership interest obtained by making a qualified investment is disposed of, a recapture of a portion of the credit may be required. For determining the amount of the qualified investment to be added back, the cost of the stock, partnership interest, or other ownership interest is the original cost of the stock, partnership interest, or other ownership interest less the amount of the EZ capital tax credit allowed.

Specifically, an add back of a portion of the credit is required if:

1. a taxpayer sells, transfers or otherwise disposes of corporate stock, a partnership interest or other ownership interest obtained by making a qualified investment in an EZ capital corporation or certified zone business that was the basis for the allowance of the EZ capital tax credit and the disposition occurs during the taxable year or within 36 months from the close of the taxable year in which the credit was allowed; or

2. a contribution or investment that was the basis for the allowance of the EZ capital tax credit is, in any manner or part, recovered by the taxpayer, and the recovery occurs during the taxable year or within 36 months from the close of the taxable year in which the credit was allowed.

The portion of the EZ capital tax credit originally allowed that must be added back is the portion of the credit attributable to the property disposed of or the payment or contribution recovered, multiplied by:

1. 100%, if the disposition or recovery occurs within the taxable year in which the credit was allowed or within 12 months of the end of the taxable year,
2. 67%, if the disposition or recovery occurs more than 12 months but not more than 24 months after the end of the taxable year in which the credit was allowed, or
3. 33%, if the disposition or recovery occurs more than 24 months but not more than 36 months after the end of the taxable year in which the credit was allowed.

Claiming the credit

To claim the EZ capital tax credit, complete Form DTF-602, *Claim for EZ Capital Tax Credit*, and attach it to the appropriate business corporation, banking corporation or insurance corporation franchise tax or personal income tax return.

Example 3:

Corporation A, a business corporation and a calendar year taxpayer, makes a qualified investment of \$100,000 in the original issue capital stock of an EZ capital corporation in 1996. It is entitled to a \$25,000 (25% x \$100,000) EZ capital tax credit for the taxable year ending December 31, 1996. In 1998, A sells 50% of the stock originally purchased in 1996. It is required to add back 67% of the original \$12,500 (50% x \$25,000) EZ capital tax credit claimed in 1996 (67% x \$12,500=\$8,375). In addition, the basis of the stock sold (\$50,000) must be reduced by the EZ capital tax credit allowed of \$4,125 (\$12,500-\$8,375) and that amount is added to the entire net income in the year of disposition of the stock (1998). The basis for any computation of gain or loss is \$45,875 (\$50,000-\$4,125=\$45,875).

In 2000, A sells the remaining 50% of the stock that is the basis for the EZ capital tax credit. No add back of the credit is required since the stock was sold more than 36 months after the end of the taxable year in which the original credit was claimed. However, the basis of the stock (\$50,000) must be reduced by the credit claimed (\$12,500), and that amount is added to the entire net income in the year of disposition of the stock (2000). The basis for any computation of gain or loss is \$37,500 (\$50,000-\$12,500=\$37,500).

The purchasers of the stock in 1998 and 2000 are not entitled to an EZ capital tax credit since the stock they purchased is no longer original issue capital stock.

If the stock had been sold in 1996 or 1997, 100% of the EZ capital tax credit would have been required to be added back. The purchaser of the stock would not be entitled to the EZ capital tax credit since the stock would no longer be considered original issue stock.

Part V - Additional Information About Tax Credits

Ordering of credits under Articles 9-A, 32 and 33 of the Tax Law

Each article has a specific order in which the credits are applied against the corporation's tax liability. For taxpayers subject to the franchise tax on business corporations, see the CT-3/4-I, *Instructions for Forms CT-3, CT-3-ATT and CT-4 General Business Corporation Franchise Tax Returns*, for taxpayers subject to the franchise tax on banking corporations, see the CT-32-I, *Instructions for Form CT-32 Banking Corporation Franchise Tax Return* and for taxpayers subject to the franchise tax on insurance corporations, see the CT-33-I, *Instructions for Form CT-33 Insurance Corporation Franchise Tax Return*.

Available credits under Article 22 of the Tax Law

See Publication 99, *General Information on New York State and New York City Income Tax Credits*, for the credits available (including EZ credits attributable to a New York S corporation) for personal income tax purposes.

S Corporation Shareholders

Shareholders of an S corporation are allowed to claim on their New York State personal income tax returns their pro rata share of the EZ credits attributable to the corporation. These credits may be claimed only if the corporation was a **New York S corporation** for the year the credit was earned. In addition, the provisions of the personal income tax regarding rates, dollar limitations, carryover limitations, refundability and ordering of credits also apply to the portion of that credit attributable to a New York S corporation.

Part VI - Glossary of Terms

*Air pollution control facilities*²

Property constituting facilities that remove, reduce, or render less noxious air contaminants emitted from an air contamination source (as the terms *air contaminant* and *air contamination source* are defined in § 19-0107 of the Environmental Conservation Law) from a point immediately preceding the point of such removal, reduction or rendering to the point of discharge of air, meeting emission standards as established by the Department of Environmental Conservation, but excluding such facilities installed for the primary purpose of salvaging materials that are usable in the manufacturing process or are marketable, and excluding those facilities that rely for their efficacy on dilution, dispersion, or assimilation of air contaminants in the ambient air after emission. Such term also includes flue gas desulfurization equipment and attendant sludge disposal facilities, fluidized bed boilers, precombustion coal cleaning facilities or other facilities that conform with section 210.12 of the Tax Law and that comply with the provisions of the New York State Acid Deposition Control Act set forth in Title 9 of Article 19 of the Environmental Conservation Law (See § 19-0309(1) of the Environmental Conservation Law).

*Affiliate*³

Affiliate means:

1. a partnership 80% or more of whose interest in the partnership's capital or profits is owned or controlled, directly or indirectly, by the taxpayer;
2. a corporation 80% or more of whose voting stock is owned or controlled, directly or indirectly, by the taxpayer;
3. a corporation who owns or controls, directly or indirectly, 80% or more of the voting stock of the taxpayer; and
4. a corporation 80% or more of whose voting stock is owned or controlled, directly or indirectly, by the entity that owns or controls, directly or indirectly, 80% or more of the voting stock of the taxpayer.

Cost

The basis of property as defined in § 1012 of the IRC.

Empire Zone (EZ)

An area within New York State that has been designated as an EZ pursuant to Article 18-B of the General Municipal Law. The area must be characterized by pervasive poverty, high unemployment and general economic distress. Empire Zones were previously referred to as Economic Development Zones.

EZ wages⁴

Wages paid by a certified taxpayer for full-time employment during the taxable year in an area designated or previously designated as an EZ under Article 18-B of the General Municipal Law, if the employment is in a job created in the area either during the period of its designation as an EZ, or within four years of the expiration of its designation. If a taxpayer's certification under Article 18-B of the General Municipal Law is revoked with respect to an EZ, any wages paid by the taxpayer on or after the effective date of the decertification, for employment in the zone, do not constitute EZ wages.

Employee⁵

For purposes of calculating the EZ wage tax credit and the EZ capital tax credit, the term employee shall include any individual in which the relationship of employer and employee exists when the taxpayer has the right to control and direct the individual, not only as to the result to be accomplished by the individual, but also as to the means by which such result is to be accomplished. If the relationship of employer and employee exists, the designation or description of the relationship, and the measure, method or designation of the compensation are immaterial. Also, for purposes of the EZ wage tax credit for franchise taxes on business, banking and insurance corporations and the EZ capital tax credit, the term employee shall not include general executive officers.

Full-time employment⁶

A job consisting of at least 35 hours per week, or two or more jobs that together are the equivalent of a job of at least 35 hours per week. A seasonal job that meets the 35-hour requirement qualifies as a full-time employment position if the job is of at least three months continuous duration.

Industrial waste treatment facilities⁷

Property constituting facilities for the treatment, neutralization or stabilization of industrial wastes (as the terms *industrial waste* and *other wastes* are defined in § 17-0105 of the Environmental Conservation Law) from a point immediately preceding the point of such treatment, neutralization or stabilization to the point of disposal, including the necessary pumping and transmitting facilities, but excluding such facilities installed for the primary purpose of salvaging materials which are usable in the manufacturing process or are marketable.

IRC

Internal Revenue Code

Manufacturing

The process of working raw materials into wares suitable for use or that gives new shapes, new quality, or new combinations to matter that already has gone through some artificial process by the use of machinery, tools, appliances, and other similar equipment.

*New business*⁸Any corporation **except**:

1. a corporation in which more than 50% of the number of shares of stock entitling their holders to vote for the election of directors or trustees is owned or controlled, directly or indirectly, by a taxpayer subject to the franchise tax on business corporations under Article 9-A; the corporation taxes under sections 183, 184 or 185 of Article 9; the franchise tax on banking corporations under Article 32; or the franchise tax on insurance corporations under Article 33 of the Tax Law;
2. a corporation that is substantially similar in operation and in ownership to a business entity or entities taxable or previously taxable under Article 9-A; sections 183, 184, 185, or 186 of Article 9; Article 32 or Article 33 of the Tax Law; unincorporated business tax under Article 23 of the Tax Law or that would have been subject to the tax under such Article 23 (as that article was in effect on January 1, 1980), or the income (or losses) of which is (or was) includable under the personal income tax under Article 22 of the Tax Law whereby the intent and purpose of §§ 210.12(j) and 210.12(e) of the Tax Law with respect to refunding of credit to new business would be evaded; or
3. a corporation that has been subject to tax under Article 9-A for more than four taxable years (excluding short periods) before the taxable year during which the taxpayer first becomes eligible for: (1) the investment tax credit, or (2) the EZ wage tax credit, whichever is applicable.

Other basis

The adjusted basis for determining gain or loss used as the basis for depreciation under § 167(g) of the IRC.

*Owner of a new business*⁹

An individual who is either a sole proprietor, a member of a partnership including members of an LLC, if that LLC is treated as a partnership for Federal tax purposes, or a shareholder of a New York S corporation unless:

1. the individual previously received a refund of any new business tax credit as a New York S corporation shareholder or as a sole proprietor, member of a partnership or member of an LLC that has previously received a refund of an investment tax credit, or the EZ wage tax credit, whichever is applicable;
2. the business of which the individual is an owner is substantially similar in operation and in ownership to a

business entity taxable, or previously taxable, under the franchise tax on business corporations under Article 9-A; the corporation taxes under sections 183, 184, 185, or 186 of Article 9; the franchise tax on banking or insurance corporations under Article 32 or Article 33 of the Tax Law, respectively; the unincorporated business tax under Article 23 of the Tax Law or that would have been subject to the tax under such Article 23 (as that article was in effect on January 1, 1980), or the income (or losses) of which is (or was) includable under the personal income tax under Article 22 of the Tax Law whereby the intent and purpose of §§ 606(a)(10) and 606(a)(5) of the Tax Law with respect to refunding of credit to new business would be evaded; or

3. the individual has operated the new business entity for more than four years prior to the first day of the taxable year during which such individual first becomes eligible for: (1) the investment tax credit or (2) the EZ wage tax credit, for which the refund is claimed with respect to such new business entity.

S corporations must also qualify as a new business as defined above, in addition to the individual S corporation shareholders qualifying as owners of a new business.

Principally used

More than 50%. A building or addition to a building is principally used in production if more than 50% of its usable business floor space is used in storage and production. Floor space used for bathrooms, cafeterias and lounges is not usable business floor space. Space used for offices, accounting, sales and distribution is not used in production. Dual purpose machinery is principally used in production when it is used in production more than 50% of its operation time.

Processing

An operation whereby raw material is subjected to some special treatment, by artificial or natural means, that transforms or alters its form, state, or condition.

Property used in the production of goods

- Machinery, equipment or other tangible property used principally in the production of goods (including machinery, equipment or other tangible personal property that is principally used by the taxpayer in the repair and service of other machinery, equipment or other tangible personal property used principally in such production of goods)

- All facilities used in the production operation, including storage of material to be used in production and storage of the finished product
- Property and equipment at the raw materials warehouse and the finished goods warehouse of a manufacturer, if they are principally used in storing raw materials or finished goods
- Property used for transportation of goods during the manufacturing process*

*However, generally, transportation equipment used on public roads does not qualify (property used to transport raw materials to the raw materials warehouse or finished goods to customers does not qualify).

A public warehouse used to store the taxpayer's goods also does not qualify.

For purposes of the EZ investment tax credit, the term *goods* does not include electricity. Thus, equipment used to produce electricity does not qualify for the EZ investment tax credit. However, taxpayers may claim an EZ investment tax credit, for tangible personal property used in the production of goods, including electricity, when a newly constructed facility which is placed in service by a taxpayer, for the first time, on or after April 1, 1993, if with respect to such facility the following events have occurred prior to April 1, 1993: all necessary pre-construction permits, approvals or other authorizations had been obtained by the taxpayer; construction site clearance and excavation had been commenced by the taxpayer; and substantially all of the funds necessary for payment of construction costs were available to the taxpayer.

Purchase or sale of stocks, bonds, or other securities, or of commodities

Purchase or sale of stocks, bonds, or other securities, or of commodities means, but is not limited to, issuance, entering into, assumption, offset, assignment, termination, or transfer of stocks, bonds, or other securities (as defined in § 475(c)(2) of the IRC), or of commodities (as defined in § 475(e) of the IRC).

Research and development property¹⁰

Property used for purposes of research and development in the experimental or laboratory sense. This does not include the ordinary testing or inspection of materials or products for quality control, efficiency surveys, management studies, consumer surveys, advertising, promotions, or research in connection with literary, historical or similar projects.

*Targeted employee*¹¹

A New York resident who receives EZ wages and who meets one or more of the following conditions:

1. is an eligible individual under the provisions of the Work Opportunity Tax Credit (§ 51 of the IRC) at the time of initial employment in the job for which the EZ wage tax credit is claimed,
2. is eligible for benefits under the provisions of the Job Training Partnership Act (P.L. 97-300), as amended, at the time of initial employment in the job for which the EZ wage tax credit is claimed,
3. is a recipient of public assistance benefits at the time of initial employment in the job for which the EZ wage tax credit is claimed or any time within the previous two years of employment in that job,
4. is an individual whose income is below the most recently established poverty rate promulgated by the United States Department of Commerce, Bureau of the Census, at the time of initial employment in the job for which the EZ wage tax credit is claimed, **or**
5. is a member of a family whose family income is below the most recently established poverty rate promulgated by the United States Department of Commerce, Bureau of the Census, at the time of initial employment in the job for which the EZ wage tax credit is claimed.

The New York State Department of Labor (DOL) is required to provide a certificate verifying the targeted status of an individual for use by an employer seeking wage tax credits under the EZ program. The Tax Department will only recognize Form ES 450, issued by the DOL, and signed by a DOL representative as proof of targeted status under the EZ wage tax credit program.

ENDNOTES

1. See Technical Services Bureau memorandum numbered TSB-M-86(13)(C) Corporation Tax Revised, TSB-M-86(5)(I) Income Tax Revised, TSB-M-86(20)(S) Sales Tax Revised for information about the original EDZ credit program.
2. See §§ 210.12(b)(ii)(d) and 606(a)(2)(b)(iv) of the Tax Law.
3. See Technical Service Bureau memorandum numbered TSB-M-98(08)(C) Corporation Tax, TSB-M-98(06)I Income Tax.
4. See §§ 210.19(b)(1), 606(k)(2)(A), 1456(e)(2)(A) and 1511(g)(2)(A) of the Tax Law.
5. See Title 20 NYCRR § 4-5.2(b).
6. See Title 20 NYCRR § 5-9.3(a)(2).
7. See §§ 210.12(b)(ii)(c) and 606(a)(2)(B)(iii) of the Tax Law.
8. See § 210.12(j) of the Tax Law.
9. See §§ 601(f), 606(a)(10) and 606(i)(1) of the Tax Law.
10. See §§ 210.12(b)(ii)(B) and 606(a)(2)(B)(ii) of the Tax Law.
11. See §§ 210.19(b)(2), 606(k)(2)(B), 1456(e)(2)(B) and 1511(g)(2)(B) of the Tax Law.

NEED HELP?



Telephone Assistance is available from 8:30 a.m. to 4:25 p.m.(eastern time), Monday through Friday.

For business tax information, call the New York State Business Tax Information Center:

1 800 972-1233

For general information:

1 800 225-5829

To order forms and publications:

1 800 462-8100

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(518) 485-6800



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Hotline for the Hearing and Speech Impaired -

1 800 634-2110 from 8:30 a.m. to 4:25 p.m(eastern time), Monday through Friday. If you do not own a telecommunications device for the deaf (TDD), check with independent living centers or community action programs to find out where machines are available for public use.



Persons with Disabilities - In compliance with the Americans with Disabilities Act, we will ensure that our lobbies, offices, meeting rooms and other facilities are accessible to persons with disabilities. If you have questions about special accommodations for persons with disabilities, please call 1 800 225-5829.



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TAXPAYER ASSISTANCE BUREAU
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