



Instructions for Form CT-635

New York Youth Jobs Program Tax Credit

General information

To participate in a New York Youth Jobs Program, an employer must apply to the New York State Department of Labor on or after January 1, but no later than November 30 of that program year.

To qualify for a program credit, an employee must start employment on or after January 1, but no later than December 31 of that program year.

For more information about the application and approval process, visit *Youth Jobs Program for Young New Yorkers* or visit the New York State Department of Labor at www.dol.ny.gov.

For additional information about the credit, see *New York Youth Jobs Program tax credit* or visit www.tax.ny.gov (search: *youth*).

Eligibility

You are eligible for this credit if you:

- are subject to tax under Tax Law Article 9-A,
- are a participant or the owner of a participant in the New York Youth Jobs Program, **and**
- received a certificate of tax credit from the New York State Department of Labor which includes:
 - the name and employer identification number (EIN) of the qualified employer;
 - the program year for the corresponding credit award;
 - the actual amount of credit to which the qualified employer is entitled for that calendar year or the fiscal year in which the certificate of tax credit is issued; **and**
 - a unique certificate number.

Credit details

The credit amount allowed for each employed certified youth may be up to \$7,500.

	Full-time	Part-time (at least 20 hours per week)	Part-time (at least 10 hours per week if enrolled in high school full-time)
Monthly amount for up to 6 months	\$750	\$375	\$375
6 additional consecutive months after first 6 months	\$1,500	\$750	\$750
Additional year after completion of above two periods	\$1,500	\$750	\$750

In addition:

- Each year, the New York State Department of Labor will issue a certificate of tax credit showing the amount of the credit and the tax year the credit may be claimed. Calendar year filers claim the credit in the year noted on the certificate; fiscal year filers claim the credit on the fiscal year tax return that includes the date noted on the certificate of tax credit.

- The credit may not reduce the tax below the fixed dollar minimum tax.
- The credit is not allowed against the metropolitan transportation business tax (MTA surcharge).
- 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.
- New York S corporations calculate the credit and pass it through to the shareholders to use against their personal income tax liabilities on their New York State tax returns. The S corporation **may not** use the credit against its own tax liability.
- A taxpayer filing a combined return as a member of a combined group is allowed to claim the credit. The taxpayer calculates the credit on a separate basis, but the credit is applied against the combined tax.

Line instructions

Complete a **separate** Form CT-635 for each certificate of tax credit issued by the New York State Department of Labor.

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 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-635.

Lines B through D and G: 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.

Lines E and F: Find the numbers to report on these lines in the letter attached to your certificate.

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 C, submit additional Forms CT-635, completing only the necessary schedule. Include your name and taxpayer identification number on each form. On the indicated lines of the first Form CT-635, include the totals from all additional Forms CT-635. Place the extra forms behind the first Form CT-635 and submit them with your return.

Schedule A: Credit for certified youths

Line 1: Enter the amount from the certificate of tax credit issued by the New York State Department of Labor.

Line 3: Add lines 1, 1a, and 2.

New York S corporations: Transfer this amount to Form CT-34-SH, *New York S Corporation Shareholders' Information Schedule*, and provide your shareholders with their share of line 3. The shareholder will enter that amount on Form IT-635.

All others: Complete Schedule B.

Schedule B: Calculation of tax 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 claimed before applying this credit. Otherwise, enter **0**. You must apply tax credits in a specific order. 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 all tax credits you **and** other members of the combined group are claiming—including the New York youth jobs program tax credit—that you want to apply before this credit.

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

Schedule C: Partnership information

Complete this section only if you were a partner in a partnership and received a share of the credit from that entity. Enter the name, EIN, and credit amount passed through to you from each partnership. If needed, see *Additional forms*.

Obtain this information from the partnership allocating this credit to you. You must submit a copy of each partnership's certificate of tax credit with Form CT-635.
