Department of Taxation and Finance

Instructions for Form CT-248

Claim for Empire State Film Production Credit

CT-248-I

General information

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

- is subject to tax under Tax Law Article 9-A (franchise tax on general business corporations),
- paid or incurred qualified production costs in the production of qualified films and television shows, **and**
- received a certificate of tax credit from the Governor's Office of Motion Picture & Television Development.

The New York State Governor's Office of Motion Picture & Television Development allocates the amount of the credit. For more information, including how to apply, visit Empire State Development New York State Film Tax Credit Program (Production) at *www.esd.ny.gov.*

Credit calculation

The credit is based on the qualified production costs paid or incurred in the production of qualified films and television shows.

If the initial application was filed **before** January 1, 2025 and the amount of film production credit shown on your certificate of tax credit is:

- at least $1 million but less than $5 million, you must claim the credit over a two-year period.
- $5 million or more, you must claim the credit over a three-year period.

You **cannot**:

- use this credit to reduce the tax due to less than the fixed dollar minimum tax,
- use any production costs used in calculating this credit in the calculation of any other credit, **or**
- apply this credit 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.

You are required to recapture any previous credit due to a revocation of a certification of tax credit.

How to claim the credit

Complete a **separate** Form CT-248 for each certificate of tax credit issued. **Submit** a copy of your certificate.

In the case of a qualified film where the initial application was filed **before** April 1, 2023, you cannot claim a credit before the later of the tax year:

- the production of the qualified film is complete, **or**
- immediately following the allocation year for which the film has been allocated the credit.

In the case of a qualified film where the initial application was filed **on or after** April 1, 2023, and **before** January 1, 2025, you cannot claim a credit before the later of the tax year:

- the production of the qualified film is complete, **or**
- that includes the last day of the allocation year for which the film has been allocated the credit.

In the case of a qualified film where the initial application was filed **on or after** January 1, 2025, the credit is claimed in the tax year that includes the last day of the allocation year for which the film has been allocated the credit.

Corporate partners: If you are a corporate partner who has any film production credits passed through to you from partnerships, enter in Part 3 the partnership's name, employer identification number, and your share of the film production credit passed to you. Enter the total of these credits on lines 15 and 4. If your partnership allocated credit amounts to you for the following two years, include those amounts on lines 16 and 17 respectively. Enter on lines 1 or 2 only the amount of film production credit allocated to your corporation.

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 to the shareholders to use against their personal income tax liabilities on their New York State tax returns.

Complete Parts 1 and 4. If you are receiving the credit from a partnership, you must also complete Part 3. Include the lines 4a and 5 amounts and, if applicable, amounts from lines 16 and 17 on Form CT-34-SH, *New York S Corporation Shareholders' Information Schedule*, which is filed with your New York State corporation tax return. File Form CT-248 with your Form CT-3-S, *New York S Corporation Franchise Tax Return*.

Provide all shareholders with the amount of their share of the credit calculated for the current tax year and, if applicable, for the following tax year(s) (from Form CT-34-SH). The shareholders will file their own Form IT-248 to claim the credit on their New York State personal income 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: The Governor's Office of Motion Picture & Television Development is required to list an allocation year on your certificate of tax credit. Report the allocation year on line A.

Additional forms: If you have multiple credit amounts to enter on lines 1, 1a, or 2, or more entries than will fit on the line provided in Part 3, submit additional Forms CT-248, completing only the necessary parts. Include your name and taxpayer identification number on each form. On the indicated lines of the first Form CT-248, include the totals from all additional Forms CT-248. Place the extra forms behind the first Form CT-248 and submit them with your return.

Part 1: Calculation of credit

Line 1: For initial applications filed **before** January 1, 2025, enter the amount of the credit listed on the certificate from the New York State Governor's Office of Motion Picture & Television Development. Complete a **separate** Form CT-248 for each certificate of tax credit. **Submit** a copy of the certificate. If needed see *Additional forms*.

Line 1a: If the amount on line 1 is:

- **less** than $1 million, enter the amount from line 1 on line 1a.
- at **least** $1 million but **less** than $5 million, the credit must be claimed over a two-year period; complete Worksheet A.

- is at **least** $5 million, the credit must be claimed over a three-year period; complete Worksheet B.

Worksheet A

A Enter the amount from Form CT-248, line 1 ..... A _____

B Divide line A by two *(see instructions below)*..... B _____

Line B: Enter this amount on Form CT-248, line 1a and include it on line 16.

Worksheet B

A Enter the amount from Form CT-248, line 1 ..... A _____

B Divide line A by three *(see instructions below)*..... B _____

Line B: Enter this amount on Form CT-248, line 1a and include it on line 16 and 17.

Line 2: For initial applications filed **on or after** January 1, 2025, enter the amount from the certificate of tax credit issued by the Governor's Office of Motion Picture & Television Development.

Line 3: Enter the amount from line 16 of your last year's Form CT-248.

New York S corporations, do not complete this line.

Line 4: Complete Part 3, *Partnership information*, and check box B at the top of the form. Obtain the amount from each partnership allocating this credit to you. Enter the amount from line 15 on line 4.

Line 5: If the New York State Governor's Office of Motion Picture & Television Development has revoked a previously claimed Empire State film production credit that you earned directly or as a corporate partner, the amount revoked must be added back to your tax in the tax year the revocation becomes final.

New York S corporations: Transfer the amounts from lines 4a and 5 to the applicable line of Form CT-34-SH.

Line 5a:

Subtract line 5 from line 4a:

- If the amount is positive, enter here and complete Part 2.
- If the amount is negative, enter here with a minus sign (-), **do not** complete Part 2; instead enter the amount in the appropriate box of the *Summary of tax credits* on your franchise tax return.

Part 2: Calculation of credit used, refunded, and credited as an overpayment to next year's tax

(New York S corporations do not complete this part)

Line 6: Enter the amount from Form CT-3 or CT-3-A, Part 2, line 2, **plus** any net recaptured tax credits.

Line 7: If you are claiming more than one tax credit for this year, enter the total amount of the credits you claimed before 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 Empire State film production credit—that you want to apply before you apply this credit.

Line 9: Enter your fixed dollar minimum tax from Form CT-3 or the designated agent's fixed dollar minimum tax from Form CT-3-A.

Part 3: Partnership information

Enter any current year credit amount allocated to you by a partnership in this section. If needed, see *Additional forms*. Include any amounts for the following two years, if applicable, on line 16 and 17 respectively.

The credit amounts can be found on Form IT-204-CP, line 78, using codes:

- **248** (include on line 15)
- **B48** (include on line 16)
- **C48** (include on line 17)

Part 4: Amount of credit to be claimed in following tax years

Line 16: This is your credit for next year.

C corporations: Enter the total of the following amounts:

- the amount from Worksheet A, line B, or Worksheet B, line B (whichever applies); **plus**
- any amount from line 17 of your last year's Form CT-248; **plus**
- any amounts allocated to you from a partnership to be claimed on your next year's return.

This amount will be entered on your next year's Form CT-248, line 3.

New York S corporations: Enter the total of the following amounts:

- the amount from Worksheet A, line B, or Worksheet B, line B (whichever applies); **plus**
- any amounts allocated to you from a partnership to be claimed on your next year's return.

Transfer this amount to your Form CT-34-SH, line 47 (credit for the second year), and provide your shareholders with their share of this amount to claim on their next year's personal income tax returns. (If you completed Worksheet B, also transfer the line 17 amount as instructed below.)

Line 17: Enter the amount from Worksheet B, line B, **plus** any amounts allocated to you from a partnership to be claimed for credit year three.

C corporations: This amount will be entered on your next year's Form CT-248, line 16.

New York S corporations: Transfer this amount to your Form CT-34-SH, line 48 (credit for the third year), and provide your shareholders with their share of this amount to claim on their personal income tax returns.