



Department of Taxation and Finance

# START-UP NY Tax Elimination Credit

# CT-638

Tax Law – Article 1, Section 40 and Article 9-A, Section 210-B.41

All filers must enter tax period:

beginning  ending

Legal name of corporation  Employer identification number (EIN)

File this form with Form CT-3, CT-3-A, or CT-3-S.

All filers **must** complete line A.

**A** Are you claiming this credit as a corporation that **earned** the credit (not as a corporate partner that received a share of the credit from a partnership)? (mark an **X** in the appropriate box) ..... Yes •  No

**C corporations**

If **Yes**, complete lines B, C, and D and Schedules A, C (Part 1), D and E.

If **No**, and you are claiming this credit as a corporate partner, complete lines B, C, and D and Schedules C (Part 2), D and E.

**New York S corporations**

If **Yes**, complete lines B, C, and D and Schedules A and B.

If **No**, and you are claiming this credit as a corporate partner, do **not** complete this form. Instead use Form CT-34-SH, *New York S Corporation Shareholders' Information Schedule*, to report the allocation factor of the partnership (see instructions).

**B** Certificate number from Form DTF-74, *Certificate of Eligibility*, issued to the approved START-UP NY business (see instructions) .....

**C** Are you certified by multiple sponsors? (mark an **X** in the appropriate box) ..... Yes •  No   
Enter the sponsor(s) name(s) below from Form DTF-74 (see instructions).

Sponsor(s) names(s)

**D** Year of START-UP NY business tax benefit period (enter a number from 1 to 10; see instructions) .....

### Schedule A – Allocation factor (see instructions)

	A Tax-free NY area	B New York State
<b>1</b> Average value of property (see instructions) .....	<input type="text"/>	<input type="text"/>
<b>2</b> Property factor (divide line 1, column A, by line 1, column B; round the result to the fourth decimal place) .....	<input type="text"/>	<input type="text"/>
<b>3</b> Wages, salaries, and other compensation of employees (see instructions)....	<input type="text"/>	<input type="text"/>
<b>4</b> Wage factor (divide line 3, column A, by line 3, column B; round the result to the fourth decimal place).....	<input type="text"/>	<input type="text"/>
<b>5</b> Total factors (add lines 2 and 4).....	<input type="text"/>	<input type="text"/>
<b>6</b> Allocation factor (divide line 5 by two; round the result to the fourth decimal place; enter here and on line 24).....	<input type="text"/>	<input type="text"/>

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**Schedule B – New York S corporation business allocation factor** (*C corporations do not complete this schedule*)

	A New York State	B Everywhere
7 Average value of property (see instructions) .....	7	
8 Property factor (divide line 7, column A, by line 7, column B; round the result to the fourth decimal place) .....	8	
9 Wages, salaries, and other compensation of employees (see instructions) ..	9	
10 Wage factor (divide line 9, column A, by line 9, column B; round the result to the fourth decimal place) .....	10	
11 Apportionment factor (from Form CT-3-S, line C) .....	11	
12 Total factors (add lines 8, 10, and 11) .....	12	
13 Business allocation factor (divide line 12 by three; round the result to the fourth decimal place) .....	13	

**Schedule C – Tax factor** (complete Part 1 or Part 2; see instructions; New York S corporations do not complete this schedule)

**Part 1 – Corporations computing their own credit** (see instructions)

14 Enter your tax .....	14	
15 All other credits applied against your tax .....	15	
16 Tax factor .....	16	

**Part 2 – Corporate partners** (see instructions)

17 Tax from your franchise tax return (see instructions) .....	17	
18 All other credits applied against your tax (see instructions) .....	18	
19 Tax factor before partnership allocation (see instructions) .....	19	
20 Your share of partnership income allocated to New York State (see instructions) .....	20	
21 Partners business income allocated to New York State .....	21	
22 Divide line 20 by line 21 (cannot exceed 1.0; round the result to the fourth decimal place) .....	22	
23 Corporate partners tax factor (multiply line 19 by line 22; enter here and on line 25) .....	23	

**Schedule D – Computation of credit**

24 Allocation factor (from line 6; corporate partners see instructions) .....	24	
25 Tax factor (from line 16 or line 23) .....	25	
26 Total credit (multiply line 24 by line 25) .....	26	

**Schedule E – Computation of tax credit used, refunded, or credited as an overpayment to the next year** (New York S corporations do not complete this schedule)

27 Tax due before credits (see instructions) .....	27	
28 Tax credits claimed before this credit (see instructions) .....	28	
29 Subtract line 28 from line 27 .....	29	
30 If line 24 equals 1.0, enter 0. If line 24 is less than 1.0, see instructions .....	30	
31 Credit limitation (subtract line 30 from line 29) .....	31	
32 Credit used this year (enter the lesser of line 26 or line 31, here and on your franchise tax return) .....	32	
33 Unused credit available as a refund or as an overpayment (subtract line 32 from line 26) .....	33	
34 Amount of credit to be refunded (limited to the amount on line 33; enter here and on your franchise tax return) .....	34	
35 Amount of credit to be applied as an overpayment to next year's tax (subtract line 34 from line 33; enter here and on your franchise tax return) .....	35	

