



Instructions for Form IT-635 New York Youth Jobs Program Tax Credit

General information

The Tax Law provides a credit to taxpayers who are participants in the New York Youth Jobs Program. There are 15 independent annual credit programs. To participate in one of the programs, an employer must submit an application to the New York State (NYS) 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.

The programs are as follows:

Program	Year	Total allocation cap	Employee hiring dates
1	2012	\$25 million	1/1/12 through 12/31/12
2	2014	\$10 million	1/1/14 through 12/31/14
3	2015	\$20 million	1/1/15 through 12/31/15
4	2016	\$50 million	1/1/16 through 12/31/16
5	2017	\$50 million	1/1/17 through 12/31/17
6	2018	\$40 million	1/1/18 through 12/31/18
7	2019	\$40 million	1/1/19 through 12/31/19
8	2020	\$40 million	1/1/20 through 12/31/20
9	2021	\$40 million	1/1/21 through 12/31/21
10	2022	\$40 million	1/1/22 through 12/31/22
11	2023	\$40 million	1/1/23 through 12/31/23
12	2024	\$40 million	1/1/24 through 12/31/24
13	2025	\$40 million	1/1/25 through 12/31/25
14	2026	\$40 million	1/1/26 through 12/31/26
15	2027	\$40 million	1/1/27 through 12/31/27

For more information about these programs, see the NYS Department of Labor's website at www.dol.ny.gov.

Eligibility

To be eligible for this credit, you must meet **all** of the following requirements:

- You are subject to tax under Tax Law Article 9-A or 22.
- You or your business must be a participant or the owner of a participant in the New York Youth Jobs Program.
- You or your business must have received an annual final certificate of tax credit from the NYS Department of Labor. Submit a copy of the annual final certificate of tax credit with Form IT-635.

Credit information

The credit is equal to \$750 per month for up to six months for each certified youth employed in a full-time job, and \$375 per month for up to six months for each certified youth employed in a part-time job of at least 20 hours per week (or 10 hours per week when the certified youth is enrolled in high school full-time). This portion of the credit is allowed for the tax year in which the wages are paid to the certified youth.

An additional credit of \$1,500 is available for each certified youth employed for at least an additional **six consecutive months** in a full-time job, or \$750 for each certified youth employed for at least an additional six consecutive months in a part-time job of at least 20 hours per week (or 10 hours per week when the certified youth is enrolled in high school full-time). The additional

credit is allowed for the tax year in which the additional six-month period ends.

Another additional credit of \$1,500 is available for each certified youth employed for at least an additional **year** after the completion of the first two time periods and all the employment conditions were met for those time periods in a full-time job or \$750 for each certified youth employed for at least an additional year after the completion of the first two time periods and all the employment conditions were met for those time periods in a part-time job of at least 20 hours per week (or 10 hours per week when the certified youth is enrolled in high school full-time). This credit is available for employees hired on or after January 1, 2014, and can be claimed for the tax year that the second year of employment ends.

The NYS Department of Labor will provide the employer with an annual final certificate of tax credit.

The annual final certificate of tax credit must include:

- 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 annual final certificate of tax credit is issued; **and**
- A unique certificate number.

If the qualified employer's tax year is a calendar year, the employer shall claim the credit on the calendar year tax return for which the annual final certificate of tax credit was issued.

If the qualified employer's tax year is a fiscal year, the employer shall claim the credit on the fiscal year tax return that includes the date on which the annual final certificate of tax credit was issued.

Any unused amount of credit for the current tax year will be treated as a refund or overpayment of tax to be credited to next year's tax. Interest will not be paid on the refund or overpayment.

Who must file

File Form IT-635 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 youth jobs program tax credit.

An estate or trust that divides the credit among itself and its beneficiaries must file Form IT-635 with Form IT-205, *Fiduciary Income Tax Return*, showing each beneficiary's share of the credit.

A partnership must file Form IT-635 with Form IT-204, *Partnership Return*, showing the total credit.

An S corporation does not file Form IT-635. It must file Form CT-635. If you are a shareholder of an S corporation that has made the election under Tax Law section 660, obtain your share of the S corporation's credit from the S corporation and follow the instructions on this form for claiming your credit on your personal income tax return.

Specific instructions

See the instructions for your tax return for the *Privacy notification* or if you need help contacting the Tax Department.

Line A – Mark an **X** in the appropriate box to determine the parts of this form you need to complete.

Individuals (sole proprietors) and partnerships: Complete lines A through F, and Schedules A and D.

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, compute your credit as if you were filing one federal Schedule C for the business (enter the total of all applicable amounts from both federal Schedule C forms). Complete lines A through F, and Schedules A and D.

Fiduciaries: Complete lines A through F, and Schedules A, C, and D.

Partners in a partnership, shareholders of a New York S corporation, and beneficiaries of an estate or trust: Complete Schedules B and D.

Note: If more than one of the above applies to you complete all appropriate parts of the form on one Form IT-635.

Schedule A – Credit for certified youths

Line 1 – Enter the total credit amount from your annual final certificate of tax credit issued by the NYS Department of Labor.

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 partnership(s), S corporation, estate or trust. If you need more space, submit a separate schedule (be sure to include your name and taxpayer identification number).

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 proportionate share of the income of the estate or trust. Provide the beneficiaries with their share of the credit.

Schedule D – Computation of credit

Complete lines 6, 7, and 8 (whichever apply to you).

Fiduciaries: Do not enter any amounts on lines 6 or 7.

Line 9 – Enter the amount and code **635** on Form IT-201-ATT, line 12, Form IT-203-ATT, line 12 or Form IT-204, line 147; or include it on Form IT-205, line 33.
