



Instructions for Form IT-607

Claim for Excelsior Jobs Program Tax Credit

IT-607-I

General information

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

- operating predominantly in New York State in certain industries;
- a regionally significant project or creates a minimum number of net new jobs;
- an approved participant in the Excelsior Jobs Program; **and**
- issued a certificate of eligibility, a preliminary schedule of benefits, and a certificate of tax credit by Empire State Development (ESD). (To receive a certificate of tax credit for subsequent tax years, the participant must demonstrate that the entity continues to satisfy the eligibility criteria.)

ESD allocates the amount of credit for each credit component on the certificate of tax credit for the tax year. For additional information about the application and approval process, visit *Excelsior Jobs Program* or Empire State Development at www.esd.ny.gov.

Note: If you are not eligible or choose not to participate in the Excelsior Jobs Program, you may be eligible to participate in the Life Sciences Research and Development Tax Credit Program. For more information, visit *Life Sciences Research and Development Tax Credit Program* or search the Empire State Development website at www.esd.ny.gov.

Credit calculation

The credit is equal to the sum of the following components:

- excelsior jobs tax credit;
- excelsior investment tax credit;
- excelsior research and development tax credit;
- excelsior real property tax credit; **and**
- excelsior child care services tax credit.

For more information on these components, see the instructions for *Schedule A, Parts 1 through 5*.

In addition:

- You may claim the credit for 10 consecutive tax years commencing with the first tax year for which you receive a certificate of tax credit or the first tax year listed on its preliminary schedule of benefits, whichever is later. If you fail to satisfy the eligibility criteria in any one year, you will lose the ability to claim the tax credit for that year. Such failure does not extend the original 10-year eligibility period.
- If a certificate of eligibility or a certificate of tax credit is revoked because you do not meet the eligibility requirements, you must recapture the amount of credit previously claimed prior to that revocation. The amount of credit to be recaptured must be added back to tax for the tax year in which the revocation becomes final.
- 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. However, the Tax Department will not pay interest on the refund or overpayment.

You cannot:

- use any cost or expense paid or incurred as the basis for more than one component of this credit, with one exception: a participant may claim both the excelsior investment tax credit component and the investment tax credit for research and development property.

- claim the credit if you are a:

- not-for-profit entity;
- business entity whose primary function is the provision of services, including personal services, business services, or the provision of utilities;
- business entity engaged predominantly in the retail or entertainment industry, other than a business operating as an entertainment company or a business entity engaged in music production; **or**
- company engaged in the generation or distribution of electricity, the distribution of natural gas, or the production of steam associated with the generation of electricity.

Definitions

Certificate of eligibility means the document issued by ESD to an applicant that has completed an application to be admitted into the Excelsior Jobs Program and has been accepted into the program by ESD. Possession of a certificate of eligibility does not by itself guarantee the eligibility to claim the tax credit.

Certificate of tax credit means the document issued to a participant by ESD, after ESD has verified that the participant has met all applicable credit eligibility criteria. The certificate will be issued annually if such criteria are met and will specify the exact amount of each of the credit components that a participant may claim, and will specify the tax year for which those tax credit components may be claimed.

Participant means a business entity that has completed an application to be admitted into the Excelsior Jobs Program, has been issued a certificate of eligibility by ESD, has demonstrated that it meets the eligibility requirements of the Excelsior Jobs Program, and has been certified as a participant by ESD.

Line instructions

Individual (including sole proprietor): Complete lines A, A1, and B and Schedules A and D. If applicable, also complete line B1 and Schedule E.

Partnership: Complete lines A, A1, and B and Schedule A. If applicable, also complete line B1 and Schedule E.

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, calculate 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, A1, and B and Schedules A and D. If applicable, also complete line B1 and Schedule E.

Fiduciary: Complete lines A, A1, and B and Schedules A, C, and D. If applicable, also complete line B1 and Schedule E.

Partner in a partnership, shareholder of an S corporation, and beneficiary of an estate or trust: Complete lines A, A1, and B and Schedules A, B, and D. If applicable, also complete line B1 and Schedule E.

Note: If more than one of the above applies to you, complete all appropriate schedules on one Form IT-607.

Lines A and A1: Complete lines A and A1 using the information from your certificate of tax credit issued by ESD. If you do not enter the correct information, your credit may be denied.

Partners must get this information from their partnership. Submit a copy of your certificate of tax credit with Form IT-607.

Line B: You may claim the credit for 10 consecutive tax years, starting with the first tax year for which you receive a certificate of tax credit, **or** the first tax year listed on your preliminary schedule of benefits, whichever is later. Enter a number from 1 to 10. Failure to qualify for credits in any of those years, does not extend the 10-year benefit period.

Line B1: You must submit a **separate form for each Green CHIPS project certificate** issued by ESD. Mark an **X** in the box for the project phase indicated on your certificate of tax credit. Only Green CHIPS projects have a phase 2. All others complete line B only.

Additional forms: If you have more entries than will fit on the lines provided in Schedules B or C, submit additional Forms IT-607, completing only the necessary schedules. Include your name and taxpayer identification number on each form. On the indicated lines of the first Form IT-607, include the totals from all additional Forms IT-607. Place the extra forms behind the first Form IT-607 and submit them with your return.

Schedule A: Credit components

Individual (including sole proprietor), partnership and fiduciary: Enter the components of your credit, from your certificate of tax credit issued by ESD, on lines 1, 6, 11, 16, and 21.

Partner: Obtain the amounts to enter on lines 2, 7, 12, 17, and 22 from the partnership. If you are a partner in more than one partnership, enter the total of all your shares of each credit component received on the appropriate line.

S corporation shareholder: Obtain the amounts to enter on lines 3, 8, 13, 18, and 23 from the S corporation. If you are a shareholder of more than one S corporation, enter the total of all your shares of each credit component received on the appropriate line.

Beneficiary: Obtain the amounts to enter on lines 4, 9, 14, 19, and 24 from the estate or trust. If you are a beneficiary of more than one estate or trust, enter the total of all your shares of each credit component received on the appropriate line.

Note: The amount of each credit component for Parts 1 through 5 is shown on your certificate of tax credit, or is the amount allocated to you by your partnership, S corporation, estate or trust.

Part 1: Excelsior jobs tax credit component

You may be eligible to claim a tax credit for each net new job that you create in New York State if you are a participant in the Excelsior Jobs Program.

Line 5

Partnership: Enter the line 5 amount on Form IT-204, line 136, and continue with Part 2.

Fiduciary: Include the line 5 amount on line 27, column A, and continue with Part 2.

All others: Continue with Part 2.

Part 2: Excelsior investment tax credit component

You may be eligible to claim a credit on qualified investments and may be eligible for an enhanced investment tax credit on projects for child care services if you are a participant in the Excelsior Jobs Program.

You may claim both the excelsior investment tax credit component and the investment tax credit for research and development property.

You may **not** claim:

- both the excelsior investment tax credit component and the brownfield tangible property credit component regarding a particular piece of property.
- both the excelsior investment tax credit component and the investment tax for the same property for any tax year.

The election to claim the excelsior investment tax credit component, the investment tax credit, or the brownfield tangible property credit component, is irrevocable.

Line 10

Partnership: Enter the line 10 amount on Form IT-204, line 137, and continue with Part 3.

Fiduciary: Include the line 10 amount on line 27, column B, and continue with Part 3.

All others: Continue with Part 3.

Part 3: Excelsior research and development tax credit component

If you are a participant in the Excelsior Jobs Program, you may be eligible to claim an excelsior research and development tax credit for research and development expenditures in New York State.

Line 15

Partnership: Enter the line 15 amount on Form IT-204, line 138, and continue with Part 4.

Fiduciary: Include the line 15 amount on line 27, column C, and continue with Part 4.

All others: Continue with Part 4.

Part 4: Excelsior real property tax credit component

If you are a participant in the Excelsior Jobs Program that is qualified as a regionally significant project or is located in an investment zone you may be eligible to claim an excelsior real property tax credit.

The credit is a percentage of the eligible real property taxes on the real property comprising the regionally significant project or located in the investment zone.

Line 20

Partnership: Enter the line 20 amount on Form IT-204, line 139, and continue with Part 5.

Fiduciary: Include the line 20 amount on line 27, column D, and continue with Part 5.

All others: Continue with Part 5.

Part 5: Excelsior child care services tax credit component

If you are a participant in the Excelsior Jobs Program you may be eligible to claim a child care services tax credit for child care services expenditures in New York State.

The credit is a percentage of child care services expenditures for the operation, sponsorship, or direct financial support of a child care services program.

Line 25

Partnership: Enter the line 25 amount on Form IT-204, line 139a, and continue with line 26.

Fiduciary: Include the line 25 amount on line 27, column E, and continue with line 26.

All others: Continue with line 26.

Schedule B: Partnership, S corporation, estate and trust information

Enter the requested information for each partnership, New York S corporation, or estate or trust from which you received a share of the credit. If needed, see *Additional forms*.

Schedule C: Beneficiary's and fiduciary's share of credit components and recapture 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 share of the income of the estate or trust. Provide the beneficiaries with their share of the credit and recapture. Include any recapture from partnerships, S corporations, estates, or trusts on line 27 in column F. If needed, see *Additional forms*.

Schedule D: Calculation of credit

Individuals: Enter the line 36 amount and code **607** on:

- Form IT-201-ATT, line 12, or
- Form IT-203-ATT, line 12.

Fiduciaries: Do not enter any amount on line 30. Include the line 36 amount on Form IT-205, line 33.

Schedule E: Summary of recapture of credit

If ESD revokes a certificate of eligibility or a certificate of tax credit because you do not meet the eligibility requirements of the credit, you **must** add back the amount of all credits previously allowed and claimed by you prior to that revocation to your tax for the tax year in which the revocation becomes final.

S corporations, partnerships, and fiduciaries must notify their shareholders, partners, and beneficiaries of the revocation.

Complete lines 37 through 42 as applicable.

Fiduciaries: Do not enter any amounts on lines 37 through 40. Include any flow through of credit recapture from partnerships, S corporations, estates, or trusts on line 27, column F.

Line 38: Beneficiaries: Enter on line 38 your share of recapture of credit from the estates or trusts.

Line 39: Partners: Enter on line 39 your share of the total recapture of credit from partnerships.

Line 40: S corporation shareholders: Enter on line 40 your share of the recapture of credit from S corporations.
