

New York State Department of Taxation and Finance
Taxpayer Services Division
Technical Services Bureau

TSB-M-78 (14.1) C
Corporation Tax
May 1, 1995

Tax Credits
Notice of Obsolescence

TSB-M-78(14)C, issued September 8, 1978, is obsolete and is replaced by this memorandum. Many of the Article 9-A credits described in TSB-M-78(14)C have been repealed or information about them has changed.

The Eligible Business Facility Credit was amended in 1983 to eliminate the Job Incentive Board. (See TSB-M-83(11)C) . The effect of this amendment was that corporations which did not receive initial approval from the Board prior to July 1, 1983 will not be eligible for the Eligible Business Facility Credit under Articles 9-A, 32 or 33 of the Tax Law. However, any corporation which had previously qualified for this credit will be allowed to compute and deduct such credit for any taxable year beginning prior to January 1, 2000. (See TSB-M-88(6)C).

The Credit for Sales or Compensating Use Taxes on Catalytic, Purifying or Bleaching Chemical Agents (Section 210.15) was repealed effective July 20, 1987.

The Credit for Sales or Compensating Use Taxes on Property Used in Waste Treatment or Air, Water or Noise Pollution Abatement Facilities (Section 210.16) was repealed effective July 31, 1992.

The Investment Tax Credit (Section 210.12) has changed substantially. For more current information on the Investment Tax Credit, see TSB-M-87(20)C.

The Employment Incentive Tax Credit, also referred to as the Additional Investment Tax Credit (Section 210.12-A) was replaced by a new Employment Incentive Credit (Section 210.12-D) . For more current information on the Employment Incentive Credit, see TSB-M87(20)C.

The DISC Export Credit (Section 210.13) was repealed in 1987, effective for taxable periods beginning on or after January 1, 1987.

The remaining information as outlined in TSB-M-78(14)c remains in effect and is restated below:

Credit for Tax on Certain Fire Insurance Premiums (Article 33, Section 1511(a))-

This credit is allowed to insurance corporations for the amount of taxes paid or accrued, during the taxable period covered by the report, on premiums for any insurance against loss or damage by fire under Sections 9104 and 9105 of the Insurance Laws or under the charter of the cities of Buffalo or New York. The credit is limited to the amount of tax and may not be carried over to another taxable year.

Retaliatory Tax Credit (Article 33, Section 1511(c))- This credit is allowed to insurance corporations organized in this state. The credit is for 90% of the retaliatory taxes paid to other states and is allowed for the taxable period for which the retaliatory taxes were paid. The credit may not exceed the tax payable during the taxable period for which the retaliatory tax credit was claimed. If in any taxable period excess retaliatory credit results, the excess credit may be refunded without interest.

Credit for Servicing Mortgages (Article 32, Section 1456(a)) - A bank, as defined by Section 2402 of the Public Authorities Law, may claim a credit for servicing mortgages acquired by the State of New York Mortgage Agency.

The credit for servicing mortgages on dwellings of four families or less is 2.93% of total principal (exclusive of curtailment and discharge payments) and interest collected. The credit for servicing mortgages of less than \$1 million on dwellings of more than four families is .125% of the interest collected divided by the mortgage interest rate. The credit for servicing mortgages of \$1 million or more on dwellings of more than four families is .1% of the interest collected divided by the mortgage interest rate.

Therefore, TSB-M-78(14)C is obsolete and should no longer be relied upon.