



CT-604

New York State Department of Taxation and Finance

Claim for QEZE Credit for Real Property Taxes and QEZE Tax Reduction Credit
Tax Law - Sections 15 and 16

2002 calendar-yr. filers, check box: []

Other filers, enter tax period: beginning [] ending []

Name of corporation, Employer identification number, Name of empire zone(s), Date of first certification by Empire State Development

File this form with your corporation franchise tax return Form CT-3, CT-3-A, CT-3-S, CT-3-S-A, CT-32, CT-32-A, CT-32-S, CT-33, or CT-33-A. Important notice: The rules for the computation of empire zone (EZ) employees have changed.

Schedule A - Eligibility requirements - You must meet an annual employment test to qualify for the qualified empire zone enterprise (QEZE) credits covered by this form.

Part 1 - EZ employees - Computation of average number of full-time employees within all empire zones (EZs) for the current tax year and the five-year base period.

Table with 6 columns: Current tax year, March 31, June 30, September 30, December 31, Total. Row 1: Number of full-time employees within all EZs

1 Average number of full-time employees within all EZs for the current tax year (see instructions) • 1.

Table with 6 columns: Base period number of full-time employees in EZs, March 31, June 30, September 30, December 31, Total. Rows: Number in base year one through five, Total full-time employees within all EZs in the base period

2 Average number of full-time employees within all EZs in the base period (see instructions) • 2.

3 Does the amount on line 1 equal or exceed line 2? (see instructions) Yes [] No [] If the average number of full-time employees within all EZs for the current year does not equal or exceed the average number of full-time employees within all EZs in the base period, stop. You are not eligible for the QEZE credits covered by this form.

Part 2 - New York State employment outside EZs - Computation of the average number of full-time employees working within New York State and outside EZs (whether or not you are certified in all of those EZs) for the current tax year and the five-year base period (see instructions).

Table with 6 columns: Current tax year, March 31, June 30, September 30, December 31, Total. Row 1: Number of full-time employees inside New York State and outside EZs

4 Average number of full-time employees inside New York State outside EZs for the current tax year • 4.

Table with 6 columns: Base period number of full-time employees inside New York State and outside EZs, March 31, June 30, September 30, December 31, Total. Rows: Number in base year one through five, Total full-time employees inside New York State located outside EZs during the base period

5 Average number of full-time employees inside New York State and outside all EZs in the base period • 5.

6 Does the amount on line 4 equal or exceed the amount on line 5? (see instructions) Yes [] No [] If the average number of full-time employees inside New York State and outside EZs for the current year does not equal or exceed the average number of full-time employees inside New York State and outside EZs for the base period, stop. You are not eligible for the QEZE credits covered by this form.

Schedule B - Computation of average number of full-time employees in the EZs in which you are certified for the test year

Test year _____ to _____ (mm/yyyy)	March 31	June 30	September 30	December 31	Total
Number of full-time employees within the EZ					
7 Average number of full-time employees within the EZs in which you are certified for the test year (see instructions)					7.

Schedule C - Employment increase factor (see instructions)

8 Average number of full-time employees in the EZs in which you are certified for the current tax year (see instructions)	8.	
9 Average number of full-time employees in the EZs for the test year from line 7	9.	
10 Subtract line 9 from line 8	10.	
11 Divide line 10 by line 9 (if line 9 is 0 and line 8 is greater than 0, enter "1" here)	11.	
12 Divide line 10 by 100 (carry result to four decimal places)	12.	
13 Employment increase factor (enter the greater of line 11 or 12; also enter on lines 21 and 38)	13.	

Schedule D - Zone allocation factor (see instructions)

	A EZ	B New York State
14 Average value of property (see instructions)	14.	
15 EZ property factor (divide line 14, column A, by line 14, column B; enter as a decimal)		15.
16 Wages and other compensation of employees (except general executive officers)	16.	
17 EZ payroll factor (divide line 16, column A, by line 16, column B)		17.
18 Total EZ factors (add lines 15 and 17)		18.
19 Zone allocation factor (divide line 18 by two; enter here and on line 39)		19.

Schedule E, Part 1 - QEZE credit for real property taxes computation

20 Tax year of the business tax benefit period _____; benefit period factor (from table on page 3)	20.	
21 Employment increase factor (from line 13)	21.	
22 Eligible real property taxes (see instructions)	22.	
23 QEZE credit for real property taxes (multiply line 20 x line 21 x line 22)	23.	
24 Recapture of QEZE credit for real property taxes (from Worksheet A on page 5 of instructions)	24.	
25 QEZE credit for real property taxes after recapture (subtract line 24 from line 23)	25.	
26 Limitation of QEZE credit for real property taxes (see instructions)	26.	
27 QEZE real property tax credit allowed (enter the lesser of line 25 or 26)	27.	

Schedule E, Part 2 - QEZE credit for real property taxes - application (New York S corporations do not complete Schedule E, Part 2)

28 Enter your franchise tax from Form CT-3, line 78; Form CT-3-A, line 77; Form CT-32, line 5; Form CT-32-A, line 5; Form CT-33, line 11; or Form CT-33-A, line 17	28.	
29 Tax credits claimed before the QEZE credit for real property taxes (if you are applying multiple credits on your franchise return, see instructions)	29.	
30 Subtract line 29 from line 28	30.	
31 Article 9-A filers – Enter the higher of the tax on the minimum taxable income base or the fixed dollar minimum; Article 32 or 33 filers – Enter \$250	31.	
32 Subtract line 31 from line 30 (if less than 0, enter "0"; this is your credit limitation)	32.	
33 Credit to be used this period (enter the smaller of line 32 or line 27; transfer this amount to your franchise tax return)	33.	
34 Unused credit for real property taxes (subtract line 33 from line 27)	34.	
35 Amount of unused credit to be refunded	35.	
36 Amount of unused, non-refunded credit to be applied as an overpayment to the next tax period (see instructions)	36.	

Schedule F, Part 1 - QEZE tax reduction credit computation (New York S corporations do not complete Schedule F, Part 1)

37 Tax year of the business tax benefit period _____; benefit period factor (from table below)	37.	
38 Employment increase factor (from line 13)	38.	
39 Zone allocation factor (from line 19)	39.	
40 Tax factor (see instructions)	40.	
41 Tax reduction credit (multiply line 37 x line 38 x line 39 x line 40)	41.	

Schedule F, Part 2 - QEZE tax reduction credit application (New York S corporations do not complete Schedule F, Part 2)

42 Enter your franchise tax from Form CT-3, line 78; Form CT-3A, line 77; Form CT-32, line 5; Form CT-32-A, line 5; Form CT-33, line 11; or Form CT-33-A, line 17	42.	
43 Tax credits claimed before the QEZE tax reduction credit (if you are applying multiple credits on your franchise return, see instructions)	43.	
44 Subtract line 43 from line 42	44.	
45 Article 9-A filers – If the percentage on line 19 equals 100%, enter "0." If line 19 is less than 100%, enter your fixed dollar minimum tax; Article 32 and 33 filers – Enter \$250	45.	
46 Subtract line 45 from line 44 (this is your credit limitation)	46.	
47 Enter the smaller of line 46 or line 41; transfer this amount to your franchise tax return	47.	

Benefit period factor table*	
Tax year of the benefit period	Benefit period factor
1 - 10	1.0
11	.8
12	.6
13	.4
14	.2
15	0

*The QEZE credit for real property taxes and the QEZE tax reduction credit are generally available for up to 14 years for taxpayers that continue to qualify.

Find the tax year of your business tax benefit period. Enter the benefit period factor for that year (from the table above) on lines 20 and 37.