



Claim for QEZE Tax Reduction Credit

IT-604

Tax Law - Section 16

Note: You must file all pages (1 through 8) with your return. All taxpayers must complete the information below and then complete either Section 1 (pages 1 through 4) or Section 2 (pages 5 through 8). Do not complete both sections.

All filers enter tax period: beginning ending

File this claim with your Form IT-201, IT-203, IT-204, or IT-205. See Form IT-604-I, Instructions for Form IT-604, for assistance.

Name(s) as shown on your return	Taxpayer identification number
Name of empire zone (EZ)	<input type="text"/>
Name of qualified empire zone enterprise (QEZE) business	EIN of QEZE
	<input type="text"/>

Mark an **X** in the box if you are a Clean Energy Enterprise (CEE) (see instructions)

Mark an **X** in the box if you are a QEZE first certified between August 1, 2002, and March 31, 2005, that conducts its operations on real property it owns or leases, that is located in an empire zone (EZ) and that is subject to a brownfield site cleanup agreement executed prior to January 1, 2006.

Mark an **X** in the box if you are claiming this credit as a partner in a partnership, shareholder of a New York S corporation, or beneficiary of an estate or trust.

Section 1 — For QEZEs first certified prior to April 1, 2005 (see Important information in the instructions)

Date (mm-dd-yyyy) of first certification by Empire State Development (attach copies of all certificates of eligibility and EZ retention certificates)

Schedule A — Employment test for QEZEs first certified prior to April 1, 2005

Part 1 — Empire zone (EZ) employment — Computation of the employment number within all EZs for the current tax year and the five-year base period. Include employees within all EZs, even if you are not certified in all of those zones (see instructions).

Current tax year employment number	March 31	June 30	September 30	December 31	Total
Number of full-time employees within all EZs					

1 Current tax year employment number within all EZs (do not round; see instructions) **1.**

Base period employment number	Tax year ending (mm-yyyy)	March 31	June 30	September 30	December 31	Total
Number in base year one						
Number in base year two						
Number in base year three						
Number in base year four						
Number in base year five						
Total number of full-time employees within all EZs in the base period						

2 Base period employment number within all EZs (do not round; see instructions) **2.**

3 Does the amount on line 1 equal or exceed line 2? (see instr.) Yes No

If **No**, stop; you are not eligible for the QEZE tax reduction credit.

You must file all eight pages of this original scannable form with the Tax Department.

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Part 2 — New York State employment outside all EZs — Computation of the employment number inside New York State and outside all 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).

Current tax year employment number	March 31	June 30	September 30	December 31	Total
Number of full-time employees inside NYS and outside all EZs					

4 Current tax year employment number inside NYS and outside all EZs (do not round) **4.**

Base period employment number	Tax year ending (mm-yyyy)	March 31	June 30	September 30	December 31	Total
Number in base year one						
Number in base year two						
Number in base year three						
Number in base year four						
Number in base year five						
Total number of full-time employees inside NYS and outside EZs in the base period						

5 Base period employment number inside NYS and outside all EZs (do not round) **5.**

6 Does the amount on line 4 equal or exceed the amount on line 5? (see instructions)..... Yes No
 If **No, stop**; you are not eligible for the QEZE tax reduction credit.

Schedule B — Computation of test year employment number within the EZs in which you are certified

Test year (mm-yyyy) _____ to _____	March 31	June 30	September 30	December 31	Total
Number of full-time employees within the EZs					

7 Test year employment number within the EZs in which you are certified (see instructions) **7.**

Schedule C — Employment increase factor (see instructions)

- 8** Current tax year employment number within the EZs in which you are certified (see instructions) **8.**
- 9** Test year employment number within the EZs in which you are certified (from line 7) **9.**
- 10** Subtract line 9 from line 8 **10.**
- 11** Divide line 10 by line 9 (round the result to the fourth decimal place; if line 9 is zero and line 8 is greater than zero, enter 1 here) **11.** .
- 12** Divide line 10 by 100 (round the result to the fourth decimal place) **12.** .
- 13** Employment increase factor (enter the greater of line 11 or 12, but not more than 1.0) **13.** .

Partnerships — Enter the line 13 amount on Form IT-204, line 133.
All others — Enter the line 13 amount on line 26.

Schedule D – Zone allocation factor (see instructions)

A – EZ

B – New York State

14	Average value of property (see instructions)	14.	<input type="text"/>	.	<input type="text"/>	14.	<input type="text"/>	.	<input type="text"/>
15	EZ property factor (divide line 14, column A, by line 14, column B; round the result to the fourth decimal place)	15.	<input type="text"/>	.	<input type="text"/>	15.	<input type="text"/>	.	<input type="text"/>
16	Wages and other compensation of employees (see instr.)	16.	<input type="text"/>	.	<input type="text"/>	16.	<input type="text"/>	.	<input type="text"/>
17	EZ payroll factor (divide line 16, column A, by line 16, column B; round the result to the fourth decimal place)	17.	<input type="text"/>	.	<input type="text"/>	17.	<input type="text"/>	.	<input type="text"/>
18	Total EZ factors (add lines 15 and 17)	18.	<input type="text"/>	.	<input type="text"/>	18.	<input type="text"/>	.	<input type="text"/>
19	Zone allocation factor (divide line 18 by two; round the result to the fourth decimal place)	19.	<input type="text"/>	.	<input type="text"/>	19.	<input type="text"/>	.	<input type="text"/>

Partnerships – Enter the line 19 amount on Form IT-204, line 134 and enter the benefit period factor from the *Benefit period factor table* below on Form IT-204, line 135.
All others – Enter the line 19 amount on line 27.

Schedule E – Tax factor

20	Enter your tax from Form IT-201, line 39; Form IT-203, line 38; Form IT-205, line 6 (full-year resident estate or trust); or Form IT-205-A, line 11 (nonresident estate or trust or part-year resident trust)	20.	<input type="text"/>	.	<input type="text"/>	20.	<input type="text"/>	.	<input type="text"/>
21	Enter the amount of your income from the QEZE allocated within NYS (see instructions)	21.	<input type="text"/>	.	<input type="text"/>	21.	<input type="text"/>	.	<input type="text"/>
22	New York adjusted gross income (see instructions)	22.	<input type="text"/>	.	<input type="text"/>	22.	<input type="text"/>	.	<input type="text"/>
23	Divide line 21 by line 22 (the result cannot exceed one; round the result to the fourth decimal place) ...	23.	<input type="text"/>	.	<input type="text"/>	23.	<input type="text"/>	.	<input type="text"/>
24	Multiply line 20 by line 23; this is your tax factor (enter here and on line 28)	24.	<input type="text"/>	.	<input type="text"/>	24.	<input type="text"/>	.	<input type="text"/>

Schedule F – QEZE tax reduction credit

25	Tax year of the business benefit period <input type="text"/> ; benefit period factor (from table below)	25.	<input type="text"/>	.	<input type="text"/>	25.	<input type="text"/>	.	<input type="text"/>
26	Employment increase factor (from line 13)	26.	<input type="text"/>	.	<input type="text"/>	26.	<input type="text"/>	.	<input type="text"/>
27	Zone allocation factor (from line 19)	27.	<input type="text"/>	.	<input type="text"/>	27.	<input type="text"/>	.	<input type="text"/>
28	Tax factor (from line 24)	28.	<input type="text"/>	.	<input type="text"/>	28.	<input type="text"/>	.	<input type="text"/>
29	Multiply line 25 × line 26 × line 27 × line 28	29.	<input type="text"/>	.	<input type="text"/>	29.	<input type="text"/>	.	<input type="text"/>
30	Beneficiaries of estates or trusts share (see instructions)	30.	<input type="text"/>	.	<input type="text"/>	30.	<input type="text"/>	.	<input type="text"/>
31	QEZE tax reduction credit available for use (add lines 29 and 30; see instructions)	31.	<input type="text"/>	.	<input type="text"/>	31.	<input type="text"/>	.	<input type="text"/>
32	Tax due before credits (see instructions)	32.	<input type="text"/>	.	<input type="text"/>	32.	<input type="text"/>	.	<input type="text"/>
33	Credits applied against the tax before this credit (see instructions)	33.	<input type="text"/>	.	<input type="text"/>	33.	<input type="text"/>	.	<input type="text"/>
34	Net tax due (subtract line 33 from line 32)	34.	<input type="text"/>	.	<input type="text"/>	34.	<input type="text"/>	.	<input type="text"/>
35	QEZE tax reduction credit used for the current tax year (see instructions)	35.	<input type="text"/>	.	<input type="text"/>	35.	<input type="text"/>	.	<input type="text"/>

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

Sole proprietors and fiduciaries – Find the tax year of your benefit period. Enter the benefit period factor for that tax year on line 25.

All others – See instructions.

* For taxpayers first certified prior to April 1, 2005, the QEZE tax reduction credit is generally available for up to 14 years for taxpayers that continue to qualify.

Schedule G – Beneficiary's and fiduciary's share of credit

A Beneficiary's name <i>(same as on Form IT-205, Schedule C)</i>	B Identifying number	C Share of QEZE tax reduction credit
Total		<input type="text"/> . <input type="text"/>
	<input type="text"/>	<input type="text"/> . <input type="text"/>
	<input type="text"/>	<input type="text"/> . <input type="text"/>
Fiduciary	<input type="text"/>	<input type="text"/> . <input type="text"/>

Schedule H – Related entities

List the names and employer identification numbers of any related business entities. Attach additional sheets if necessary. Use the definition of *related persons* in the instructions to determine if an entity is related.

Name	Employer identification number
	<input type="text"/>
	<input type="text"/>
	<input type="text"/>
	<input type="text"/>
	<input type="text"/>
	<input type="text"/>

Schedule I – Valid business purpose for QEZE's first certified prior to August 1, 2002 *(see instructions)*

If you are claiming that the QEZE was formed for a valid business purpose, mark an **X** in the box and attach a notarized statement describing in detail how your QEZE meets the valid business purpose test

Claim for QEZE Tax Reduction Credit

Section 2 – For QEZEs first certified on or after April 1, 2005 (see Important information in the instructions)

All filers enter tax period: beginning ending

Note: You must file all pages (1 through 8) with your return. All taxpayers must complete the information above Section 1 on page 1 and then complete either Section 1 (pages 1 through 4) or Section 2 (pages 5 through 8). Do not complete both sections.

Name(s) as shown on your return	Taxpayer identification number <input style="width:100%;" type="text"/>
Name of empire zone (EZ)	
Name of qualified empire zone enterprise (QEZE) business	EIN of QEZE <input style="width:100%;" type="text"/>

Date (mm-dd-yyyy) of first certification by Empire State Development (attach copies of all certificates of eligibility and EZ retention certificates)

Schedule J – Employment test for QEZEs first certified on or after April 1, 2005

Part 1 – Empire zone (EZ) employment – Computation of the employment number within all EZs for the current tax year and the four-year base period. Include employees within all EZs, even if you are not certified in all of those zones (see instructions).

Current tax year employment number	March 31	June 30	September 30	December 31	Total
Number of full-time employees within all EZs					

36 Current tax year employment number within all EZs (do not round; see instructions) **36.**

Base period employment number	Tax year ending (mm-yyyy)	March 31	June 30	September 30	December 31	Total
Number in base year one						
Number in base year two						
Number in base year three						
Number in base year four						
Total number of full-time employees within all EZs in the base period						

37 Base period employment number within all EZs (do not round; see instructions) **37.**

38 Does the amount on line 36 exceed line 37? (see instructions) Yes No

If **No**, stop; you are not eligible for the QEZE tax reduction credit.

(continued)

Part 2 – New York State employment – Computation of the employment number in New York State for the current tax year and the four-year base period (see instructions).

Current tax year employment number	March 31	June 30	September 30	December 31	Total
Number of full-time employees inside New York State					

39 Current tax year employment number in New York State (do not round) **39.**

Base period employment number	Tax year ending (mm-yyyy)	March 31	June 30	September 30	December 31	Total
Number in base year one						
Number in base year two						
Number in base year three						
Number in base year four						
Total number of full-time employees in New York State for the base period						

40 Base period employment number in New York State (do not round) **40.**

41 Does the amount on line 39 **exceed** the amount on line 40? (see instructions) Yes No

If **No, stop**; you are not eligible for the QEZE tax reduction credit.

Schedule K – Computation of test year employment number within the EZs in which you are certified

Test year (mm-yyyy) _____ to _____	March 31	June 30	September 30	December 31	Total
Number of full-time employees within the EZs.....					

42 Test year employment number within the EZs in which you are certified (see instructions) **42.**

Schedule L – Employment increase factor (see instructions)

43 Current year employment number within the EZs in which you are certified (see instructions) **43.**

44 Test year employment number within the EZs in which you are certified (from line 42) **44.**

45 Subtract line 44 from line 43 **45.**

46 Divide line 45 by line 44 (round the result to the fourth decimal place; if line 44 is zero and line 43 is greater than zero, enter 1 here) **46.** .

47 Divide line 45 by 100 (round the result to the fourth decimal place) **47.** .

48 Employment increase factor (enter the greater of line 46 or 47, but not more than 1.0) **48.** .

Partnerships – Enter the line 48 amount on Form IT-204, line 133.

All others – Enter the line 48 amount on line 61.

Schedule M – Zone allocation factor (see instructions)

A – EZ

B – New York State

49	Average value of property (see instructions)	49.		.		49.		.	
50	EZ property factor (divide line 49, column A, by line 49, column B; round the result to the fourth decimal place)	50.		.		50.		.	
51	Wages and other compensation of employees (see instr.)	51.		.		51.		.	
52	EZ payroll factor (divide line 51, column A, by line 51, column B; round the result to the fourth decimal place)	52.		.		52.		.	
53	Total EZ factors (add lines 50 and 52)	53.		.		53.		.	
54	Zone allocation factor (divide line 53 by two; round the result to the fourth decimal place)	54.		.		54.		.	

Partnerships – Enter the line 54 amount on Form IT-204, line 134 and enter a benefit period factor of **1.0** on Form IT-204, line 135.
All others – Enter the line 54 amount on line 62.

Schedule N – Tax factor

55	Enter your tax from Form IT-201, line 39; Form IT-203, line 38; Form IT-205, line 6 (full-year resident estate or trust); or Form IT-205-A, line 11 (nonresident estate or trust or part-year resident trust)	55.		.	
56	Enter the amount of your income from the QEZE allocated within NYS (see instructions)	56.		.	
57	New York adjusted gross income (see instructions)	57.		.	
58	Divide line 56 by line 57 (the result cannot exceed one; round the result to the fourth decimal place) ...	58.		.	
59	Multiply line 55 by line 58; this is your tax factor (enter here and on line 63)	59.		.	

Schedule O – QEZE tax reduction credit

60	Tax year of the business benefit period <input type="text"/> ; benefit period factor	60.		.	1	.	0
61	Employment increase factor (from line 48)	61.		.			
62	Zone allocation factor (from line 54)	62.		.			
63	Tax factor (from line 59)	63.		.			
64	Multiply line 60 × line 61 × line 62 × line 63	64.		.			
65	Beneficiaries of estates or trusts share (see instructions)	65.		.			
66	QEZE tax reduction credit (add lines 64 and 65; see instructions)	66.		.			
67	Tax due before credits (see instructions)	67.		.			
68	Credits applied against the tax before this credit (see instructions)	68.		.			
69	Net tax due (subtract line 68 from line 67)	69.		.			
70	QEZE tax reduction credit used for the current tax year (see instructions)	70.		.			

Schedule P – Beneficiary’s and fiduciary’s share of credit

A Beneficiary’s name <i>(same as on Form IT-205, Schedule C)</i>	B Identifying number	C Share of QEZE tax reduction credit
Total		<input type="text"/> . <input type="text"/>
	<input type="text"/>	<input type="text"/> . <input type="text"/>
	<input type="text"/>	<input type="text"/> . <input type="text"/>
Fiduciary	<input type="text"/>	<input type="text"/> . <input type="text"/>

Schedule Q – Related entities

List the names and employer identification numbers of any related business entities. Attach additional sheets if necessary. Use the definition of related persons in the instructions to determine if an entity is related.

Name	Employer identification number
	<input type="text"/>
	<input type="text"/>
	<input type="text"/>
	<input type="text"/>
	<input type="text"/>
	<input type="text"/>