NEW YORK STATE 2016

Department of Taxation and Finance

Instructions for Form CT-643
Hire a Veteran Credit
Tax Law – Article 9-A, Section 210-B.29 and Article 33, Section 1511(g-1)

CT-643-I

General information

For tax years beginning on or after January 1, 2015, and before January 1, 2019, eligible taxpayers may claim the hire a veteran credit for hiring and employing qualified veterans.

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, 22 or 33;
- you hire a qualified veteran who begins his or her employment on or after January 1, 2014, but before January 1, 2018; and
- you employ the qualified veteran in New York State for one year or more for at least 35 hours each week.

You must claim the credit in the tax year in which a qualified veteran completes one year of employment.

Employee affidavit

To claim the credit, you must have the qualified veteran complete and sign Form DTF-75, *Employee Affidavit for the Hire a Veteran Credit*, on or before the date he or she begins employment. Form DTF-75 is available on the Tax Department Web site. You **must** keep the completed Form DTF-75 in your records and make it available to the Tax Department upon request. Do **not** send it to the Tax Department.

Credit information

The credit is equal to 10% of the total amount of wages paid to the qualified veteran during the veteran's first full year of employment, but not more than $5,000.

If the qualified veteran is a disabled veteran, the credit is equal to 15% of the total amount of wages paid to the qualified veteran during the veteran's first full year of employment, but not more than $15,000.

Note: This credit is based on the wages paid to the qualified veteran during his or her first year of employment, and, therefore, may only be claimed once for each qualified veteran.

A taxpayer who uses the hiring of a qualified veteran as the basis for this credit may not use this same hiring as the basis for any other credit allowed under Article 9-A, 22, or 33 of the Tax Law.

A taxpayer who discharges an employee and hires a qualified veteran solely for the purpose of qualifying for this credit is not eligible to claim the credit for any qualified veteran.

The amount of credit allowed cannot reduce the tax due to less than the fixed dollar minimum under Article 9-A or the minimum tax due under Article 33. The credit is not allowed against the metropolitan transportation business tax (MTA surcharge) under Article 9-A or 33.

This credit is not refundable. However, any amount of the credit not used in the current tax year may be carried forward to the following three years.

Definitions

A *qualified veteran* is an individual who:

- served on active duty or in the reserves of the United States Army, Navy, Air Force, Marine Corps, or Coast Guard, or who served in active military service of the United States as a member of the Army National Guard, Air National Guard, New York Guard, or New York Naval Militia and who was released from active duty by general or honorable discharge after September 11, 2001;
- is hired in New York State by a qualified taxpayer and begins his or her employment on or after January 1, 2014, but before January 1, 2018; and
- certifies by signed affidavit, under penalty of perjury, that he or she has not been employed for 35 or more hours during any week in the 180 day period immediately prior to his or her employment by the taxpayer (see *Employee affidavit*).

A *disabled veteran* is an individual who meets the above definition of a qualified veteran and also meets the following qualifications of a disabled veteran as defined in New York State Civil Service Law section 85.1(b):

- the veteran is certified by the United States Department of Veterans Affairs or a military department as entitled to receive disability payments upon the certification by the Department of Veterans Affairs or military department for a disability incurred by the veteran in time of war and in existence at the time of hiring; and
- the certificate of the Department of Veterans Affairs states that:
  - the veteran has been examined by a medical officer of the Department of Veterans Affairs within one year of the date of hiring, and at the time of the examination, the war-incurred disability described in the certificate was found to exist and the disability is rated 10% or more; or
  - whether or not the veteran has been examined by a medical officer of the Department of Veterans Affairs within one year of the date of hiring, a permanent stabilized condition of disability exists to an extent of 10% or more.

Time of war includes the wars and hostilities participated in by the military forces of the United States for the following periods:

- Korean Conflict – June 27, 1950, through January 31, 1955;
- Vietnam Conflict – February 28, 1961, through May 7, 1975;
- Hostilities in Lebanon – June 1, 1983, through December 1, 1987, as established by receipt of the Armed Forces Expeditionary Medal, the Navy Expeditionary Medal, or the Marines Corps Expeditionary Medal;
- Hostilities in Grenada – October 23, 1983, through November 21, 1983, as established by receipt of the Armed Forces Expeditionary Medal, the Navy Expeditionary Medal, or the Marine Corps Expeditionary Medal;
- Hostilities in Panama – December 20, 1989, through January 31, 1990, as established by receipt of the Armed Forces Expeditionary Medal, the Navy Expeditionary Medal, or the Marine Corps Expeditionary Medal; and
- Persian Gulf Conflict – August 2, 1990, to the end of such hostilities. (At the time these instructions were printed, no termination date had been established).

A veteran does not have to have served in an actual combat zone during the specified periods set out above in order to meet the time of war requirement. In addition, if a veteran served his or her duty partly in a time of war and partly during peacetime, the veteran meets the time of war requirement.

Line instructions

Line A – Mark an *X* in the appropriate box to determine the parts of this form you need to complete. If you are claiming this credit **both** as a corporation that earned the credit and as a corporate partner receiving a share of the credit, mark an *X* in the *Yes* box and complete all appropriate schedules on one Form CT-643.

Additional sheets – If you have more entries than will fit on the lines provided in Schedule A, B, or C, attach additional sheets in the same format as the schedule. Include your name and taxpayer identification number on each sheet and attach them and Form CT-643 with your return.

Schedule A – Computation of credit for qualified veterans

Enter the information for each qualified veteran who has completed one year of employment. Do **not** include veterans listed in Schedule B.

Column C – Enter the beginning and ending dates of the qualified veteran's first full year of employment. You must claim the credit for the tax year in which the qualified veteran completes one year of employment.

Column D – Enter the amount of wages paid to the qualified veteran during his or her first full year of employment entered in column C.

Schedule B – Computation of credit for qualified disabled veterans

Enter the information for each qualified disabled veteran who has completed one year of employment. Do **not** include veterans listed in Schedule A.

Column C – Enter the beginning and ending dates of the qualified veteran's first full year of employment. You must claim the credit for the tax year in which the qualified veteran completes one year of employment.

Column D – Enter the amount of wages paid to the qualified disabled veteran during his or her first full year of employment entered in column C.

Schedule C – Partnership information

Complete this schedule only if you were a partner in a partnership and received a share of the hire a veteran credit from that entity. Enter the name, employer identification number (EIN), and credit amount passed through to you from each partnership. Obtain this information from the partnership(s) allocating the credit to you.

Line 5 – New York S corporations: Transfer this amount to the applicable line of Form CT-34-SH, *New York S Corporation Shareholders' Information Schedule*, and provide your shareholders with their pro rata share of this line. The shareholders will file their own Form IT-643, *Hire a Veteran Credit*, to claim this credit on their New York State personal income tax returns.

Schedule D – Computation of credit used or carried forward *(S corporations do not complete this schedule)*

Lines 6 and 9 entries table		
If you filed	**Enter on line 6 any net recapture of other tax credits, plus the amount from**	**Enter on line 9 the minimum tax below**
Form CT-3	Part 2, line 2	Part 2, line 1c amount
Form CT-3-A	Part 2, line 2	Part 2, line 1c amount
Form CT-33	Line 11	*250*
Form CT-33-A	Line 15	Line 4 **plus** line 12
Form CT-33-NL	Line 5	*250*

Line 6 – Enter your tax due before credits using the *Lines 6 and 9 entries table* above.

Line 7 – If you are claiming more than one tax credit for this year, enter the total amount of credits claimed before applying this credit. Otherwise, enter *0*. You must apply certain credits before this credit. See the instructions for your franchise tax return to determine the order that applies.

Article 9-A filers: See Form CT-600-I, *Instructions for Form CT-600*, *Ordering of Corporation Tax Credits*, for the correct order of credits.

If you are included in a combined return, include any amount of the tax credit(s) being claimed by other members of the combined group, including the hire a veteran credit, that you wish to apply before the credit claimed on this form.

CT-33 and CT-33-A filers, including unauthorized insurance corporations: Do not enter on this line any empire zone (EZ) wage tax credit, zone equivalent area (ZEA) wage tax credit, or EZ capital tax credit you may be claiming. If you are included in a combined return, do not include any amount of these credits being claimed by other members of the combined group.

Line 9 – Enter your minimum tax using the *Lines 6 and 9 entries table* above.

Need help? and Privacy notification

See Form CT-1, *Supplement to Corporation Tax Instructions*.