General information

Use Form DTF-624 to claim the low-income housing credit.

The New York State low-income housing tax credit program coordinates with the federal low-income housing credit program, provided for in Internal Revenue Code (IRC) section 42. This credit is taken over a 10-year period so that the present value of the 10 annual credit amounts, determined as of the last day of the first year of the credit period, equals 70% (or 30%) of the building’s qualified basis.

The low-income housing credit is available for eligible low-income buildings for which an eligibility statement has been issued by the Commissioner of the New York State Division of Housing and Community Renewal (DHCR), as proclaimed by New York State Public Housing Law Article 2-A.

This credit is not refundable. However, any amount of credit not deductible in the current tax year may be carried over to the following year or years.

Who is eligible

You may claim this credit if you are:

• a corporation subject to tax under Article 9-A (including former Article 32 taxpayers);
• an individual or estate or trust subject to tax under Article 22;
• a partner in a partnership (including a member of a limited liability company (LLC) that is treated as a partnership for federal income tax purposes);
• a shareholder of a New York S corporation;
• a beneficiary of an estate or trust; or
• an insurance corporation subject to tax under Article 33.

Owner of the building: You must have a properly signed and completed Form DTF-625, Low-Income Housing Credit Allocation and Certification, from DHCR for each building for which you are claiming a credit. In 2006, the procedure for filing Form DTF-625 changed. You now make a one-time submission of Form DTF-625 to the Tax Department rather than submitting the form with your return. If you have already made the one-time submission, do not send in Form DTF-625 with your return. If you have already made the one-time submission, do not send in Form DTF-625 with your return. If you have already made the one-time submission, do not send in Form DTF-625 with your return. If you have already made the one-time submission, do not send in Form DTF-625 with your return. If you have already made the one-time submission, do not send in Form DTF-625 with your return.

Record keeping requirements

Keep a copy of Form DTF-624 with Form DTF-625, Form DTF-625-ATT, and Form(s) DTF-626, if applicable, for three years after the 15-year compliance period ends.

Line instructions

See the instructions for your tax return for the Privacy notification or if you need help contacting the Tax Department.

Individuals (including sole proprietors): Complete Parts 1 and 6.
Part 1 – Current-year credit

If the only credit you are claiming is from a flow-through entity (partnership, New York S corporation, estate or trust), skip Part 1, lines 1, 2, and 3.

Line 1 – If any Forms DTF-625-ATT are for buildings that are part of a multiple building project (defined in Form DTF-625-I, line 6b), use a separate schedule listing the following:
1. name and address of the project and each building in the project,
2. the BIN of each building in the project,
3. the aggregate credit dollar amount for the project, and
4. the credit allocated to each building in the project.

Line 2 – A decrease in qualified basis will result in recapture if the qualified basis at the close of the tax year is less than the qualified basis at the close of the first year of the credit period. If the reduction in qualified basis at the close of the tax year also results in a violation of the minimum set-aside requirement, then no credit is allowed for the year. (See Recapture of credit on the front page.)

Line 3 – Enter on line 3 the credit from all Form(s) DTF-625-ATT, line 19.

Line 3 is to be completed by taxpayers that own the building for which a low-income housing credit is claimed. Do not include on line 3 a low-income housing credit carried over from a previous tax year or received from a flow-through entity (see line 5 instructions).

If you are a partnership or New York S corporation with a line 3 credit attributable to more than one building, complete Part 4.

Line 4 – Enter the amount of available carryover of unused New York State low-income housing credit. If you have a carryover of low-income housing credit attributable to more than one building, include on line 4 the total carryover attributable to all buildings.

Note: If you are required to recapture any low-income housing credit you claimed in previous years, the amount of available carryover of credit attributable to that building is the amount from your Form DTF-626, line 15.

Line 5 – If you have a low-income housing credit from a flow-through entity such as a partnership, New York S corporation, or estate or trust, you must complete Part 5 of this form and enter the total on line 5. This information should be provided to you by the partnership, New York S corporation, or estate or trust.

If you have no low-income housing credit from a flow-through entity, leave line 5 blank.

Line 7 – Fiduciaries enter the amount of credit that was allocated to beneficiaries in Part 3, column D. All others leave line 7 blank.

Part 2 – Computation of credit

Enter the appropriate information in Part 2 if you are taxable under Article 9-A or an insurance corporation taxable under Article 33 and you have a low-income housing credit from a residential rental building in a low-income housing project that you own or received a flow-through credit from a flow-through entity.

New York S corporations: Do not complete Part 2. You cannot apply the low-income housing credit that originates in a New York S corporation year against the New York State corporation franchise tax under Article 9-A.

Line 11 – Subtract line 10 from 9. Enter the resulting value; show any negative amount with a minus (-) sign. If line 11 is a negative amount, you have a net recaptured credit. Enter this negative amount using a minus sign (-) in the appropriate box of the summary of tax credits claimed section of your franchise tax return, and do not complete the rest of Part 2.

Line 12 – Enter the sum of your franchise tax, before credits, from the following forms:
• Form CT-3, Part 2, line 2
• Form CT-3-A, Part 2, line 2
• Form CT-33, line 11
• Form CT-3, Part 2, line 2
• Form CT-33-A, line 15
• Form CT-33-NL, line 5
plus any other net recaptured credits (other than recapture of the low-income housing credit).

Line 13 – If you are claiming more than one tax credit for this year, enter the amount of credits claimed before applying this credit. Otherwise leave line 13 blank. You must apply certain credits before the low-income housing credit. Refer to the instructions of your franchise tax return to determine the order of credits that applies. Article 9-A taxpayers, refer to Form CT-600-I, Instructions for Form CT-600, Ordering of Corporation Tax Credits.

If filing as a member of a combined return, include any amount of tax credit(s), including low-income housing credit(s), being claimed by other members of the combined group that you want to apply before your low-income housing credit.

CT-33 and CT-33-A filers, including unauthorized insurance corporations: Do not enter any amount of EZ wage tax credits, ZEA wage tax credits, or EZ capital tax credits being claimed.

Line 15 – Article 33 combined filers: Multiply the number of taxpayers in the combined group by $250 and enter the result here.

Line 17 – Transfer this amount to your franchise tax return.

Part 3 – Beneficiary’s and fiduciary’s share of credit

An estate or trust must complete Part 3.

Total line – Add the amounts from lines 3 and 5 and enter in column D.
Column D — If an estate or trust allocates or assigns the low-income housing credit to its beneficiaries, the total credit is allocated between the estate or trust and its beneficiaries on the same basis as the income of the estate or trust is allocated. Provide the beneficiaries with their share of the credit.

Part 4 — Partner’s and shareholder’s share of credit attributable to multiple buildings

A partnership or New York S corporation with a line 3 credit attributable to more than one building must complete Part 4.

Enter the following information for each partner or shareholder: name, taxpayer identification number (for example, EIN or SSN), share of low-income housing credit, and the BIN of the building for which the credit was claimed.

Part 5 — Partnership, New York S corporation, and estate and trust information

If you have a low-income housing credit from a flow-through entity such as a partnership, New York S corporation, or estate or trust, enter the appropriate information for each partnership, New York S corporation, or estate or trust. Include in the total of column E amounts from any additional sheets (be sure to include your name and identification number). Transfer the total of column E to line 5.

Part 6 — Application of credit and computation of carryover

Line 19
Form IT-201 filers: Enter the tax from Form IT-201, line 39, plus any amount from Form IT-201-ATT, line 21.

Form IT-203 filers: Enter the tax from Form IT-203, line 46, plus any amount from Form IT-203-ATT, line 20.

Form IT-205 filers: Enter the tax from Form IT-205, line 8 (for residents) or line 9 (for nonresidents), plus any credits shown on line 1 of the Addbacks worksheet, in the instructions for Form IT-205, line 12.

Line 20 — If you are applying any credits against the tax before this credit, enter those amounts here.

When applying credits, use the following rules:

• First apply any credits that cannot be carried over or refunded.
• Next apply any credits that can be carried over for a limited duration.
• Then apply any credits that can be carried over for an unlimited duration.
• Apply refundable credits last.

Line 22 — Enter the amount from line 22 and code 624 on Form IT-201-ATT, line 6, or Form IT-203-ATT, line 7, or include it on Form IT-205, line 10.