



Instructions for Form CT-635

New York Youth Jobs Program Tax Credit

Tax Law – Article 9-A, Section 210-B.36

General information

The Tax Law provides a credit to taxpayers who are participants in the New York Youth Jobs Program. There are ten independent annual credit programs. To participate in one of the programs, an employer must submit an application to the New York State (NYS) Department of Labor on or after January 1 but no later than November 30 of that program year. To qualify for a program credit, an employee must start employment on or after January 1 but no later than December 31 of that program year.

The programs are as follows:

Program	Year	Total allocation cap	Employee hiring dates
1	2012	\$25 million	1/1/12 through 12/31/12
2	2014	\$10 million	1/1/14 through 12/31/14
3	2015	\$20 million	1/1/15 through 12/31/15
4	2016	\$50 million	1/1/16 through 12/31/16
5	2017	\$50 million	1/1/17 through 12/31/17
6	2018	\$40 million	1/1/18 through 12/31/18
7	2019	\$40 million	1/1/19 through 12/31/19
8	2020	\$40 million	1/1/20 through 12/31/20
9	2021	\$40 million	1/1/21 through 12/31/21
10	2022	\$40 million	1/1/22 through 12/31/22

The New York youth jobs program credit is available to taxpayers subject to tax under Articles 9-A and 22.

Complete 2018 Form CT-635 to:

- claim the credit for the first six months of employment if any part of the first six months of employment occurred in a tax year that began on or after January 1, 2018; or
- claim the additional credit for employees retained for an additional six consecutive months if the 12 month period ended in a tax year beginning on or after January 1, 2018; or
- claim the additional credit for employees retained for an additional year after the first year of employment if the additional year ended in a tax year beginning on or after January 1, 2018.

Eligibility

To be eligible for this credit, **all** of the following requirements must be met:

- The taxpayer is a participant in the New York Youth Jobs Program.
- The business has received a certificate of tax credit from the NYS Department of Labor. Attach a copy of the certificate of tax credit to Form CT-635.
- The business employs one or more certified youths.

Program 4

To participate in this program, an employer **must** have submitted an application to the NYS Department of Labor on or after January 1, 2016, but no later than November 30, 2016. The certified youths **must** have started their employment on or after January 1, 2016, but no later than December 31, 2016.

Program 5

To participate in this program, an employer **must** have submitted an application to the NYS Department of Labor on or after

January 1, 2017, but no later than November 30, 2017. The certified youths **must** have started their employment on or after January 1, 2017, but no later than December 31, 2017.

Program 6

To participate in this program, an employer **must** have submitted an application to the NYS Department of Labor on or after January 1, 2018, but no later than November 30, 2018. The certified youths **must** have started their employment on or after January 1, 2018, but no later than December 31, 2018.

For more information about these programs, see the NYS Department of Labor's website (at www.labor.ny.gov).

Credit information

The credit is equal to \$750 per month for up to six months for each certified youth employed in a full-time job, and \$375 per month for up to six months for each certified youth employed in a part-time job of at least 20 hours per week (or 10 hours per week when the certified youth is enrolled in high school full-time). This portion of the credit is allowed for the tax year in which the wages are paid to the certified youth.

An additional credit of \$1,500 is available for each certified youth employed for at least an additional **six consecutive months** in a full-time job, or \$750 for each certified youth employed for at least an additional six consecutive months in a part-time job of at least 20 hours per week (or 10 hours per week when the certified youth is enrolled in high school full-time). The additional credit is allowed for the tax year in which the additional six-month period ends.

Another additional credit of \$1,500 is available for each certified youth employed for at least an additional **year** after the completion of the first two time periods and all the employment conditions were met for those time periods in a full-time job or \$750 for each certified youth employed for at least an additional year after the completion of the first two time periods and all the employment conditions were met for those time periods in a part-time job of at least 20 hours per week (or 10 hours per week when the certified youth is enrolled in high school full-time). This credit is available for employees hired on or after January 1, 2014, and can be claimed for the tax year that the second year of employment ends.

The NYS Department of Labor will provide the employer with a certificate of tax credit that will show the maximum amount of tax credit the employer is eligible for and a list of the youths who are eligible. Use the information provided by them to complete this credit claim form.

The credit may not reduce the tax below the fixed dollar minimum tax. Any unused amount of credit for the current tax year will be treated as a refund or overpayment of tax to be credited to next year's tax. Interest will not be paid on the refund or overpayment.

The credit is not allowed against the metropolitan transportation business tax (MTA surcharge) under Article 9-A.

New York S corporations

New York S corporations will calculate a credit. However, the S corporation may not use the credit against its own tax liability; instead, the credit is passed through to the shareholders to use against their personal income tax liabilities on their New York State tax returns.

Combined filers

A taxpayer filing a combined return as a member of a combined group is allowed to claim the credit. The credit is computed on a separate basis, but is applied against the combined tax.

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-635.

Schedule A – Credit for certified youths

Line 1 – Enter the amount from line 18 **plus** any line 18 amount(s) from additional Schedule D(s). This amount(s) cannot exceed the amount shown on your certificate of tax credit issued by NYS Department of Labor.

Line 3 – Add lines 1 and 2.

New York S corporations: Transfer this amount to Form CT-34-SH, *New York S Corporation Shareholders' Information Schedule*, and provide your shareholders with their pro rata share of line 3. The shareholder will enter that amount on Form IT-635.

All others: Complete Schedule B.

Schedule B – Computation of tax credit used, refunded, or credited as an overpayment to the next tax year

New York S corporations: Do not complete this schedule.

Lines 4 and 7 entries table

If you filed	Enter on line 4 any net recapture of other tax credits, plus the amount from	Enter on line 7 the minimum tax below
Form CT-3	Part 2, line 2	Part 2, line 1c
Form CT-3-A	Part 2, line 2	Part 2, line 1c

Line 4 – Enter your tax due before credits using the *Lines 4 and 7 entries table*.

Line 5 – 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. Refer to 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 tax credit(s) being claimed by other members of the combined group, including the New York youth jobs program tax credit, that you wish to apply before the credit claimed on this form.

Line 7 – Enter your minimum tax using the *Lines 4 and 7 entries table*.

Lines 9, 11, and 12 – Enter on line 9 the lesser of line 3 or line 8. Transfer the amounts from lines 9, 11, and 12 to your franchise tax return.

Schedule C – Partnership information

Complete this section only if you were a partner in a partnership and received a share of the credit from that entity. Enter the name, employer identification number (EIN), and credit amount passed through to you from each partnership. If you need more space, attach a separate schedule. Include your name and

identification number on any separate sheets you file with your return.

Obtain this information from the partnership(s) allocating this credit to you. You must attach a copy of the partnership's certificate of tax credit to Form CT-635.

Schedule D – Employee information and computation of credit

Complete a Schedule D for each certified youth you employed from the list provided by the NYS Department of Labor. **If you employed more than one certified youth, complete a separate Schedule D for each employee.** Attach all Schedule(s) D to your return.

Enter the name, social security number, hire date (*mm-dd-yy*), and last date of employment during the current tax year (*mm-dd-yy*) for each employee.

Calendar-year filers: Complete Part 1 **only** for the first six months of employment.

Fiscal-year filers: Complete Part 1 and, if applicable, Part 2 for the first six months of employment.

All filers: Complete Part 3, line 16 to claim the credit for the second six months of employment.

Complete Part 3, line 17 to claim the credit for the additional year of employment.

Part 1 – 2018 hours worked and monthly factors for full-time or part-time work

Number of hours worked – Enter the number of hours the employee worked for each of the first six months employed. Fiscal-year filers may also need to complete Part 2 using 2019 monthly factors. If an employee had no hours worked for a month, leave blank.

Full-time or part-time factors for the first six months of employment – Based on the criteria listed below for each month, enter either 1.0 or 0.5.

2018	Full-time	Part-time (20 hours)		Part-time (10 hours)	
	Enter 1.0 if hours worked are at least:	Enter 0.5 if hours worked are:		Enter 0.5 if hours worked are:	
		at least	but less than	at least	but less than
January	155	88	155	45	155
February	140	80	140	40	140
March	150	83	150	43	150
April	140	80	140	40	140
May	155	88	155	45	155
June	140	80	140	40	140
July	150	86	150	43	150
August	155	88	155	45	155
September	140	80	140	40	140
October	155	88	155	45	155
November	150	86	150	43	150
December	140	80	140	40	140

If an employee started work on a day other than the first of the month, prorate the hours required to meet full-time and part-time status for only that first month.

Example: *An employee's first day of employment is April 11, 2018, so for the month of April they were employed for 20 out of 30 days. The percentage of days worked equals 67% (20/30 = .67)*

Prorate the hours as follows to determine full-time or part-time status for the month of April;

April	140 (.67) = 94	80 (.67) = 54	140 (.67) = 94	40 (.67) = 27	140 (.67) = 94
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The employee worked 60 hours during April, meeting the part-time status for the month. Enter 60 for the number of hours worked and a part-time factor of .5 for the month of April.

Part 2 – 2019 hours worked and monthly factors for full-time or part-time work (for fiscal year filers only)

Number of hours worked – Enter the number of hours the employee worked for the months listed during 2019. If the employee had no hours worked for a month, leave blank.

Full-time or part-time factors for the first six months of employment – Based on the criteria listed below for each month enter either 1.0 or 0.5.

2019	Full-time	Part-time (20 hours)		Part-time (10 hours)	
	Enter 1.0 if hours worked are at least:	Enter 0.5 if hours worked are:		Enter 0.5 if hours worked are:	
		at least	but less than	at least	but less than
January	155	90	155	44	155
February	140	80	140	40	140
March	140	86	140	43	140
April	150	86	150	43	150
May	155	91	155	46	155
June	140	80	140	40	140
July	155	88	155	45	155
August	155	88	155	44	155
September	140	86	140	43	140
October	155	90	155	44	155
November	150	86	150	43	150
December	155	88	155	44	155

If an employee started work on a day other than the first of the month, prorate the hours required to meet full-time and part-time status for only that first month.

Example: *An employee's first day of employment is June 11, 2019, so for the month of June they were employed for 20 out of 30 days. The percentage of days worked equals 67% (20/30 = .67)*

Prorate the hours as follows to determine full-time or part-time status for the month of June;

June	140 (.67) = 94	80 (.67) = 54	140 (.67) = 94	40 (.67) = 27	140 (.67) = 94
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The employee worked 60 hours during June, meeting the part-time status for the month. Enter 60 for the number of hours worked and a part-time factor of .5 for the month of June.

Part 3 – Computation of credit

Line 14 Total monthly factors for first six months – Enter the total full-time or part-time factors for the first six months of employment during the tax year.

Line 15 Six-month employment credit – Multiply the amount from line 14 by 750 and enter the result. The maximum total allowed is \$4,500.

Line 16 Additional six-month credit – If the employee was retained for an additional six consecutive months full-time, enter **1500**. If the employee was retained for an additional six consecutive months part-time, enter **750**.

Line 17 Additional year credit – If the employee was retained for an additional 12 consecutive months full-time after the first year of employment, enter **1500**. If the employee was retained for an additional 12 consecutive months part-time after the first year of employment, enter **750**.

Need help? and Privacy notification

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