



# Instructions for Form IT-637

## Alternative Fuels and Electric Vehicle Recharging Property Credit

Tax Law - Article 22, Section 606(p)

**IT-637-I**

### General information

For tax years beginning on or after January 1, 2013, and before January 1, 2023, Chapter 59 of the Laws of 2013 enacted an alternative fuels vehicle refueling and electric vehicle recharging property credit. For any tax year beginning on or after January 1, 2013, taxpayers must use Form IT-637 to claim this credit for property placed in service on or after that date.

For any tax year beginning before January 1, 2011, Form IT-253, *Claim for Alternative Fuels Credit*, must be used to claim a credit carryover or to calculate any recapture of the alternative fuels credit.

The Tax Law allows a credit to certain taxpayers who invest in alternative fuels vehicle refueling property or electric vehicle recharging property. The credit for alternative fuels vehicle refueling property and electric vehicle recharging property is available only when the property is used in a trade or business located in New York State. This credit is not refundable, but any unused credit may be carried forward indefinitely.

### Who is eligible

- individuals, estates, and trusts
- partners in a partnership (including members of a limited liability company (LLC) treated as a partnership for federal tax purposes)
- shareholders of a New York S corporation
- beneficiaries of an estate or trust

### Who must file

File Form IT-637 if you are an individual, a partnership, or an estate or trust, and you qualify for the credit. In addition, if you are a partner in a partnership (including members of an LLC treated as a partnership for federal tax purposes), a shareholder of a New York S corporation, or a beneficiary of an estate or trust, file Form IT-637 to claim your share of the credit from your entity.

A partnership must file Form IT-637 with Form IT-204, *Partnership Return*, showing the partnership's total credit.

An S corporation cannot file Form IT-637. It must file Form CT-637, *Alternative Fuels and Electric Vehicle Recharging Property Credit*. If you are a shareholder of an S corporation that has made the election under Tax Law section 660 (to be a New York S corporation), obtain your share of the S corporation's credit from the S corporation.

### Definitions

*Alternative fuels vehicle refueling property* includes all of the equipment needed to dispense any fuel at least 85% of the volume of which consists of one or more of the following: natural gas, liquefied natural gas, liquefied petroleum, or hydrogen.

*Electric vehicle recharging property* includes all of the equipment needed to convey electric power from the electric grid or another power source to an onboard vehicle energy storage system.

### Specific 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 Schedule A, Schedule E, Schedule G, and, if applicable, Schedule F.

**Fiduciaries:** Complete Schedule A, Schedule D, Schedule E, Schedule G, and, if applicable, Schedule F.

**Partnerships:** Complete Schedule A, Schedule E, and, if applicable, Schedule F.

**A married couple in a business enterprise that made an IRC 761(f) election to file two federal Schedule C forms instead of a partnership return:** If you file jointly, compute your credit amount as if you were filing one federal Schedule C for the business (enter the total of all applicable amounts from both federal Schedule C forms). Complete Schedule A, Schedule E, Schedule G, and, if applicable, Schedule F.

**Partners in a partnership, shareholders of an S corporation, and beneficiaries of an estate or trust:** Complete Schedule B, Schedule C, Schedule E, Schedule G, and, if applicable, Schedule F.

**Note:** If more than one of the above applies to you, complete all appropriate schedules on one Form IT-637.

### Amount of credit

The credit for each installation of property is equal to the lesser of \$5,000 or 50% of the cost of property less any cost paid from the proceeds of grants. To qualify for the credit, the property must:

- be located in New York State;
- be used 50% or more during the tax year in a trade or business carried on in this state;
- constitute alternative fuel vehicle refueling property or electric vehicle recharging property; and
- not have been paid for from the proceeds of grants awarded before January 1, 2015, including grants from the New York State Energy Research and Development Authority or the New York Power Authority.

**Note:** The cost of the property includes the labor necessary for each installation.

### Credit recapture

If you have claimed the credit on alternative fuels vehicle refueling property or electric vehicle recharging property and that property ceases to qualify at any time before the end of the recovery period, you may be required to recapture all or part of the credit you claimed. For more information, see the instructions for Schedule F, *Recapture of credit*.

### Line instructions

#### Schedule A – Individuals (including sole proprietorships), partnerships, estates, and trusts

If you are claiming a credit for more than ten alternative fuels vehicle refueling or electric vehicle recharging properties, complete as many Form(s) IT-637 (name, identification number, and Schedule A only) as necessary. On the first Form IT-637, complete Schedules A through G, as applicable. Include on line 1 of the first Form IT-637 the total of column F amounts from all additional Form(s) IT-637. Place any additional Form(s) IT-637 behind the first Form IT-637 that has an entry on line 1. Enter on line 2 the total credit computed.

Complete this schedule for alternative fuels vehicle refueling and electric vehicle recharging property placed in service during the tax year.

Do not complete this schedule for any property that, by the end of your tax year, met at least one of the following conditions:

- The property no longer qualifies as alternative fuels vehicle refueling property or electric vehicle recharging property.
- 50% or more of the property's use during the tax year was other than in a trade or business carried on in New York.
- You sold or disposed of the property and you know, or have reason to know, that the property will meet one of the two conditions previously stated above.

**Calculation of credit**

In the case of a taxpayer installing alternative fuels vehicle refueling property, the credit is computed separately for each fuel dispensing pump, based on the cost of the pump and all the necessary equipment associated with it (such as compression equipment and storage tanks). If more than one pump is being installed in the same location at the same time, the cost for each pump is determined by dividing the total cost for all the pumps and necessary equipment by the number of pumps installed. The amount of the credit allowed per pump by location is the **lesser** of:

- $\frac{\text{total cost of all pumps and necessary equipment}}{\text{number of pumps}} \times 50\% (.5), \text{ or}$
- **\$5,000.**

In the case of a taxpayer installing electric vehicle recharging property, the credit is computed separately for each charging station, based on the cost of the charging station and all the necessary equipment associated with it. If more than one charging station is being installed in the same location at the same time, the cost for each charging station is determined by dividing the total cost for all the charging stations and necessary equipment by the number of charging stations installed. The amount of the credit allowed per charging station by location is the **lesser** of:

- $\frac{\text{total cost of all charging stations and necessary equipment}}{\text{number of charging stations}} \times 50\% (.5), \text{ or}$
- **\$5,000.**

**Example 1:** A taxpayer installs alternative fuels vehicle refueling property during 2018 that consists of one fuel dispensing pump and the equipment necessary to operate that pump. The cost of the fuel dispensing pump is \$12,000 and the cost of the equipment is \$50,000. The amount of credit allowed per pump is the **lesser** of:

- $\frac{(\$12,000 + \$50,000)}{1 \text{ pump}} \times 50\% (.5) = \mathbf{\$31,000, \text{ or}}$
- **\$5,000.**

The taxpayer's total credit for 2018 is \$5,000 (\$5,000 × 1).

In 2019, the taxpayer adds two additional fuel dispensing pumps at the same time at the above location. The total cost for the two fuel dispensing pumps is \$24,000 and the cost of additional equipment is \$10,000. The amount of credit allowed per pump is the **lesser** of:

- $\frac{(\$24,000 + \$10,000)}{2 \text{ pumps}} \times 50\% (.5) = \mathbf{\$8,500, \text{ or}}$
- **\$5,000.**

The taxpayer's total credit for 2019 is \$10,000 (\$5,000 × 2).

**Example 2:** A taxpayer installs electric vehicle recharging equipment during 2018 that consists of four charging stations and the equipment necessary to operate the charging stations, all of which are installed at the same location and at the same

time. The total cost of the four charging stations is \$32,000 and the cost of the equipment is \$20,000. The amount of credit allowed per charging station is the **lesser** of:

- $\frac{(\$32,000 + \$20,000)}{4 \text{ charging stations}} \times 50\% (.5) = \mathbf{\$6,500, \text{ or}}$
- **\$5,000.**

The taxpayer's total credit for 2018 is \$20,000 (\$5,000 × 4).

In 2019, the taxpayer adds four additional charging stations at the same time to the above location. The total cost of the four charging stations is \$28,000 and the cost of the additional equipment is \$4,000. The amount of credit allowed per charging station is the **lesser** of:

- $\frac{(\$28,000 + \$4,000)}{4 \text{ charging stations}} \times 50\% (.5) = \mathbf{\$4,000, \text{ or}}$
- **\$5,000.**

The taxpayer's total credit for 2019 is \$16,000 (\$4,000 × 4).

**Column B** – Enter the cost of the alternative fuels vehicle refueling property or electric vehicle recharging property. The cost of the property includes the labor necessary for each installation. Do not include any costs paid for from the proceeds of grants.

**Schedule B – Partnership, S corporation, estate, and trust information**

Enter the appropriate information for each partnership, S corporation, or estate or trust from which you received a share of the alternative fuels vehicle refueling and electric vehicle recharging property credit. If you need more space, submit a separate schedule.

**Schedule C – Partner's, shareholder's, or beneficiary's share of credit**

Enter your share of the total credit received from a partnership, a New York S corporation, or an estate or trust. If you belong to more than one partnership, New York S corporation, or estate or trust, enter the total of all your shares on the appropriate line.

**Line 3 – Partner:** Enter your share of the total credit from your partnership. This information should be provided to you by your partnership.

**Line 4 – S corporation shareholder:** Enter your share of the total credit from your S corporation. This information should be provided to you by your S corporation.

**Line 5 – Beneficiary:** Enter your share of the total credit from estates and trusts. This information should be provided to you by your fiduciary.

**Schedule D – Beneficiary's and fiduciary's share of credit and recapture of credit**

An estate or trust must complete Schedule D. If an estate or trust allocates or assigns the credit or recapture of credit to its beneficiaries, base the division on each beneficiary's proportionate share of the income of the estate or trust. If you need more space, submit a separate schedule.

**Schedule F – Recapture of credit**

If you are claiming a recapture for more than three alternative fuels vehicle properties or electric vehicle recharging properties, complete as many Form(s) IT-637 (name, identification number, and Schedule F only) as necessary. On the first Form IT-637, complete Schedules A through G as applicable. Include on line 12 of the first Form IT-637 the total of column G amounts from all additional Form(s) IT-637. Place the additional Form(s) IT-637 behind the first Form IT-637 that has an entry on line 12. Enter on line 15 the total recaptured credit computed.

If alternative fuels vehicle refueling property or electric vehicle recharging property ceases to be qualified at any time before the end of its recovery period (depreciable life), a portion of the credit that was previously allowed must be recaptured.

Alternative fuels vehicle refueling property or electric vehicle recharging property ceases to be qualified if **one or more** of the following applies:

1. The property no longer qualifies as alternative fuels vehicle refueling property or electric vehicle recharging property.
2. 50% or more of the use of the property in a tax year is other than in a trade or business in New York.
3. The taxpayer receiving the credit sells or disposes of the property and knows, or has reason to know, that the property will be used in a manner described in 1 or 2 above.

If a recapture is required, enter in column A the tax year the credit was originally allowed. Column B is the total recovery period (depreciable life) of the property for federal tax purposes. In column C, enter the number of years the property was in service prior to the recapture year.

To compute the recapture percentage in column E, divide column D by column B. To compute the recapture in column G, enter the original credit allowed in column F, and multiply it by the column E recapture percentage.

The amount to be recaptured is equal to the credit allowed multiplied by a fraction. The numerator of the fraction is the total recovery years of the property minus the years the property was in service (not including the recapture year), and the denominator is the total recovery years.

**Example:** *In year one, a taxpayer claims a credit of \$4,000 on alternate fuels vehicle refueling property that had a total recovery period of ten years. The taxpayer uses the property for three years and disposes of it in year four. The recapture is computed as follows:*

Total recovery period less number of years prior to recapture year (10-3).....	seven years
Total recovery period .....	ten years
Recapture % (7/10) .....	70%
Credit originally allowed .....	\$4,000
Recaptured credit .....	\$2,800

**Line 14 – Partner in a partnership, shareholder of an S corporation, or beneficiary of an estate or trust:** Enter your share of the credit recapture. You can get this information from your partnership, S corporation, or estate or trust.

**Schedule G – Application of credit and computation of carryover**

**Line 16**

**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 17 –** If you are applying any credits against the tax before this credit, enter the total amount here.

When applying credits, use the following rules:

- First apply any household credit.
- Next apply any credits that cannot be carried over or refunded.
- Then 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 19 –** Enter this amount and code **637** on Form IT-201-ATT, line 6; or Form IT-203-ATT, line 7; or include it on Form IT-205, line 10.

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