



Instructions for Form CT-651

Recovery Tax Credit

General information

For tax years beginning on or after January 1, 2020; the Recovery Tax Credit (RTC) is available to employers with a formal working relationship with a local recovery community organization that are certified by the New York State Office of Alcoholism and Substance Abuse Services (NYS OASAS) and employ eligible individuals in recovery from a substance use disorder in part-time and full-time positions in New York State.

A completed application must be submitted to NYS OASAS, which administers the program, by January 15 of the current calendar year to claim the credit for individuals employed during the previous year. NYS OASAS will issue a certificate detailing the amount of tax credit available to be claimed by the taxpayer.

For more information about the program and application process, visit the NYS OASAS website at www.oasas.ny.gov.

Eligibility

To be eligible for this credit, you must meet all the following requirements:

- you are subject to tax under Tax Law Article 9-A, 22, 33;
- you are a certified employer, or the owner of a certified employer as defined by NYS OASAS under Mental Hygiene Law § 32.38; **and**
- you have received, or are the owner of a business entity that has received a certificate of tax credit issued by NYS OASAS.

Definitions

A *certified employer* is an employer that has received a certificate of tax credit after the Commissioner of NYS OASAS has determined that the employer:

- provides a recovery supportive work environment;
- has a formal relationship with a local recovery community organization; **and**
- fulfills the eligibility criteria set forth by the commissioner.

Credit details

The RTC is based on the hours worked by an eligible individual beginning with date of hire through the end of the tax year in which the hiring occurred **or** the tax year immediately succeeding the hiring year. To claim the RTC, **all** the following conditions must be met:

- the eligible individual must work a minimum of 500 hours for you;
- the credit is equal to \$1 for each hour worked by the eligible individual;
- the credit cannot exceed \$2,000, no matter the total number of hours worked;
- the credit may only be claimed one time per individual; **and**
- hours worked by multiple eligible individuals may not be combined to meet any of the RTC requirements.

The credit claimed may be claimed for the tax year shown on the certificate of tax credit. If the certified employer's tax year is a fiscal year, the credit may be claimed on the return for the fiscal year that includes the last day of the calendar year covered by the certificate of tax credit.

The credit allowed cannot be greater than the amount of credit listed on the certificate of tax credit issued by NYS OASAS, or in the case of a partner in a partnership or a member of a limited

liability company (LLC), its pro rata share of the amount of credit listed on the certificate of tax credit issued to the partnership or LLC.

The amount of credit allowed cannot reduce the tax due to less than the fixed dollar minimum tax under Article 9-A, or the minimum tax under Article 33.

Any unused amount of credit for the current tax year will be treated as a refund or overpayment of tax to be credited to the 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 and 33.

New York S corporations: New York S corporations will calculate the 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. Complete lines B through D, and Schedules A and B (line 3).

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

Line instructions

Line A – Mark an **X** in the appropriate box to determine the parts of this form that 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-651.

Additional sheets – If you have more entries than will fit on the lines provided in Schedule B, 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-651 to your return.

Schedule A – Computation of credit

Line 1 – Enter the total amount from the certificate of tax credit issued by NYS OASAS and attach a copy of the certificate. The amount entered cannot exceed the amount shown on your certificate of tax credit. If not claiming an additional tax credit from a partnership, skip line 2 and enter line 1 amount on line 3.

Schedule B – Partnership information

If you were a partner in a partnership and received a share of the Recovery tax credit from that entity, complete this schedule. Enter the name, employer identification number (EIN), certificate number from the certificate of tax credit issued to the partnership, and credit amount passed through to you from each partnership. Obtain this information from the partnership(s) allocating the credit to you.

Line 3

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 Form IT-651, *Recovery Tax Credit*, to claim this credit on their New York State personal income tax returns.

Schedule C – Computation of 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 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 4 – Enter your tax due before credits using the *Lines 4 and 7 entries table* above.

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**. Tax credits must be applied in a certain order.

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.

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.

If filing as a member of a combined group, include any amount of tax credit(s), including the Recovery tax credit, claimed by other members of the combined group that you want to apply before this credit.

Line 7 – Enter the fixed dollar minimum tax using the *Lines 4 and 7 entries table* above.

Need help? and Privacy notification

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