

Instructions for Form IT-655 Restaurant Return-to-Work Credit

General Information

For tax years that include December 31, 2021; the Restaurant Return-to-Work (RRTW) credit is available to small business entities who operate predominately in the food services sector and have suffered economic harm as a result of the COVID-19 emergency.

A completed application must be electronically submitted to New York State Empire State Development (ESD), which administers the program, to claim the credit. If approved, ESD will issue a certificate detailing the amount of tax credit available to be claimed by the entity. All determinations regarding eligibility are made by ESD.

For more information about the program and application process, visit the ESD website at www.esd.ny.gov.

Eligibility

To be eligible for this credit:

- · you are subject to tax under Tax Law Article 9-A or 22;
- · have demonstrated a net employee increase during 2021; and
- you have received, or are the owner of a business entity that has received, a certificate of tax credit issued by ESD.

Credit Details

The RRTW credit is equal to \$5,000 per each full-time equivalent net employee increase, up to a maximum of \$50,000 per entity.

How to claim the credit

File Form IT-655 if you are an individual, a beneficiary or fiduciary of an estate or trust, a partner in a partnership (including members of an LLC treated as a partnership for federal tax purposes), or a shareholder of an S corporation, and you are claiming the RRTW credit.

An estate or trust that divides the credit among itself and its beneficiaries must submit Form IT-655 with Form IT-205, *Fiduciary Income Tax Return*, showing each beneficiary's share of the credit.

A partnership must file Form IT-655 with Form IT-204, Partnership Return, showing the total credit.

A New York S corporation does not file Form IT-655. It must file Form CT-655, *Restaurant Return-to-Work Credit*. If you are a shareholder of an S corporation, obtain your share of the RRTW credit from the S corporation and follow the instructions on this form for claiming the credit on your personal income tax return.

If you received an RRTW certificate from the ESD, use the information from the certificate to complete Form IT-655. Retain a copy of your certificate of tax credit and be prepared to produce a copy in the case of an audit.

The RRTW credit cannot reduce the tax due to less than **zero**; any unused RRTW credit may 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.

Line instructions

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

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 an individual (sole proprietor), partnership, or fiduciary of an estate or trust that earned the credit **and** as a partner, shareholder, or beneficiary receiving a share of the credit, mark an **X** in the Yes box and complete all appropriate schedules on one Form IT-655.

Individuals (including sole proprietors): Complete Schedules A, D, E and F if applicable.

Partnerships: Complete Schedules A, D, and F if applicable.

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 as if you were filing one federal Schedule C for the business. Complete Schedules A, D, E and F if applicable.

Fiduciary: Complete Schedules A, C through E, and F if applicable.

Partner in a partnership, shareholder of a New York S corporation, and beneficiary of an estate or trust: Complete Schedules B, D, and F if applicable.

Note: If more than one set of instructions applies to you, complete all the appropriate parts of the form on one Form IT-655.

Additional forms – If you have more entries than will fit on the lines provided in Schedule(s) A, B, C, or F, submit additional Forms IT-655, completing only the necessary schedules. Include your name and taxpayer identification number on each form, and include the totals from all additional Forms IT-655 on the indicated lines. Place the additional forms behind the first Form IT-655 and submit them with your return.

Schedule A – Individual (including sole proprietor), partnership, and estate or trust

Enter the information from the certificate(s) of tax credit issued by ESD in columns A through E. The amount(s) entered cannot exceed the amount(s) shown on your certificate(s) of tax credit. If needed, see *Additional forms* above.

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

Enter the appropriate information for each partnership, New York S corporation, or estate or trust from which you received a share of the RRTW credit. Obtain your share of the credit and certificate information from your partnership(s), S corporation, estate or trust. If needed, see *Additional forms* above.

Schedule C – Beneficiary's and fiduciary's share of credit

An estate or trust must complete Schedule C. If an estate or trust allocates or assigns the credit to its beneficiaries, it must base the division on each beneficiary's proportionate share of the income of the estate or trust. Provide the beneficiaries with their share of the credit. If needed, see *Additional forms* above.

Schedule D – Computation of credit

Complete lines 6, 7, and 8 (whichever apply to you).

Fiduciaries: Do not enter any amounts on line 6 or 7.

Line 9

Partnerships: Enter the line 9 amount and code **655** on Form IT-204 line 147.

All others: Complete Schedule E.

Schedule E – Reconciliation of advance payments

Line 11 – If you requested and received one or more RRTW advance payments, enter the total amount of all payments received. Enter zero (0) if you did not receive an advance payment.

Line 12 – If line 10 is greater than line 11, subtract line 11 from line 10 and enter the result. This your RRTW credit amount. Enter this amount and code **655** on:

- Form IT-201-ATT, line 12;
- · Form IT-203-ATT, line 12; or
- Form IT-205, line 33.

If line 10 is equal to line 11, enter zero (0) on line 12 and **do not** carry this amount to another form.

If line 11 is greater than line 10, skip line 12 and go to line 13.

Line 13 – If line 11 is greater than line 10, subtract line 10 from line 11 and enter the result. This is the amount of the RRTW credit that you were over advanced. Enter this amount and code **655** on:

- Form IT-201-ATT, line 20;
- Form IT-203-ATT, line 19; or
- Form IT-205, line 12.

Note: If you have amounts on both lines 13 and 14, combine the two amounts. Carry this amount to the form and line as listed above.

Schedule F - Recapture of RRTW credit

If ESD has adjusted or revoked a previously claimed RRTW credit that you earned directly or from a partnership; enter the certificate number in column A, and the amount of credit that was adjusted or revoked in column B. If needed, see *Additional forms* above.