



# Instructions for Form IT-637

## Alternative Fuels and Electric Vehicle Recharging Property Credit

**IT-637-I**

### General information

You may claim this credit if you invest in qualifying *alternative fuels vehicle refueling property* or *electric vehicle recharging property*.

**Note:** The former alternative fuels credit expired on December 31, 2010. To claim a credit carryover, or to calculate any recapture of the former alternative fuels credit, see Form IT-253, *Claim for Alternative Fuels Credit*.

### Credit calculation

The credit amount for each installation of *qualifying property* is limited to the **lesser** of:

- 50% of the price you paid for the property including the labor needed for each installation, minus any cost paid from the proceeds of grants; or
- \$5,000.

In addition:

- You cannot request a refund for any unused portion of this credit; however, you may carry it forward to future tax years indefinitely.
- If you claimed the credit on alternative fuels vehicle refueling property or electric vehicle recharging property and that property ceases to be qualifying property at any time before the end of the recovery period, you may be required to recapture all or part of the credit you claimed.

### 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.

*Qualifying 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.

### Line instructions

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

**Individual (including sole proprietor):** Complete Schedules A, E, G, and, if applicable, Schedule F.

**Partnership:** Complete Schedules A, E, and, if applicable, Schedule F. File Form IT-637 with Form IT-204, *Partnership Return*, even though your partners are claiming the credit, not the partnership.

**Married couples** 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 Schedules A, E, G, and, if applicable, Schedule F.

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

**Partner** in a partnership (including members of an LLC treated as a partnership for federal tax purposes), **shareholder** of an S corporation, and **beneficiary** of an estate or trust: Complete Schedules B, C, E, G, and, if applicable, Schedule F.

**S corporation:** Do not file Form IT-637. You must file Form CT-637, *Alternative Fuels and Electric Vehicle Recharging Property Credit*.

**Additional forms:** If you have more entries than will fit on the lines provided in Schedule A, B, D, or F, submit additional Forms IT-637, completing only the necessary schedules. Include your name and taxpayer identification number on each form. On the indicated lines of the first Form IT-637, include the totals from all additional Forms IT-637. Place the extra forms behind the first Form IT-637 and submit them with your return.

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

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.

**Column A:** Enter the actual physical street address where the vehicle refueling, or recharging property is located. Do not enter a PO Box number.

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

If needed, see *Additional forms*.

### Calculating the credit for installation of alternative fuels vehicle refueling property

Calculate the credit 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, determine the cost for each pump 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:

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

**Example:** A taxpayer installs alternative fuels vehicle refueling property during Tax Year 1 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:

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

**Total credit for Tax Year 1:** \$5,000 (\$5,000 × 1).

In Tax Year 2, 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:

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

**Total credit for Tax Year 2:** \$10,000 (\$5,000 × 2).

**Calculating the credit for installation of electric vehicle recharging property**

Calculate the credit 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 is the **lesser** of:

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

**Example:** A taxpayer installs electric vehicle recharging equipment during Tax Year 1 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:

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

**Total credit for Tax Year 1:** \$20,000 (\$5,000 × 4).

In Tax Year 2, 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:

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

**Total credit for Tax Year 2:** \$16,000 (\$4,000 × 4).

**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 or a share of the recapture of the credit. If needed, see *Additional forms*.

**Schedule C: Partner’s, shareholder’s, or beneficiary’s share of credit**

Enter your share of the total credit you received from a partnership, a New York S corporation, or 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.

**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 share of the income of the estate or trust. If needed, see *Additional forms*.

**Schedule F: Recapture of credit**

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.

Complete columns A through G for each piece of qualifying property a recapture is required for. If needed, see *Additional forms*.

**Column B:** Enter the total recovery period (depreciable life) of the property for federal tax purposes.

The amount to be recaptured is equal to the credit allowed multiplied by a fraction. The numerator (the top number) 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 (the bottom number) 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 minus the 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 those amounts here.

Apply credits in the following order:

1. household credit
2. any credits that cannot be carried over or refunded
3. any credits that can be carried over for a limited duration
4. any credits that can be carried over for an unlimited duration
5. refundable credits

For more information, see *Ordering of personal income tax credits*, or visit [www.tax.ny.gov](http://www.tax.ny.gov) (search: *ordering*).

### Line 19

**Individuals:** Enter the amount from line 19 and code **637** on:

- Form IT-201-ATT, line 6, or
- Form IT-203-ATT, line 7.

**Fiduciaries:** Include the amount from line 19 and code **637** on Form IT-205, line 10.

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