



Instructions for Form CT-644

Workers with Disabilities Tax Credit

CT-644-I

General information

For tax years beginning on or after January 1, 2015, the workers with disabilities tax credit is available to qualified employers subject to tax under Article 9-A or 22, who are approved to participate in the Workers with Disabilities Tax Credit Program.

This program provides a tax credit to qualified employers for employing individuals with disabilities within New York State (NYS) and is administered by the NYS Department of Labor (DOL). Taxpayers must submit an application to DOL to participate in the program, and if eligible will receive a final *Certificate of Eligibility* annually specifying the maximum amount of the credit allowed for that tax year. Use the information provided on the final *Certificate of Eligibility* to complete this form. For more information on this program, visit DOL's website at www.labor.ny.gov.

The credit is equal to 15% of the qualified wages paid during the tax year to a qualified full-time employee who works at least six months for at least 30 hours per week and 10% of the qualified wages paid during the tax year to a qualified part-time employee who works at least six months for at least eight hours per week.

The maximum amount of credit allowed per qualified employee for any tax year is \$5,000 for a full-time employee and \$2,500 for a part-time employee.

The credit cannot exceed the amount of the credit listed on the final *Certificate of Eligibility*.

The credit is **not** refundable and cannot reduce the tax due to less than the fixed dollar minimum tax. However, any amount of credit or carryover of credit not deductible in the tax year may be carried over to be deducted for a maximum of three years.

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

Eligibility

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

- you or your business is a participant in the Workers with Disabilities Tax Credit Program;
- you or your business paid qualified wages to a qualified employee; and
- you or your business has received the final *Certificate of Eligibility* from DOL.

A copy of the final *Certificate of Eligibility* issued to you by DOL must be attached to your return for each tax year that the credit is claimed.

If you claim the employment of persons with disabilities credit by filing Form CT-41, *Claim for Credit for Employment of Persons with Disabilities*, you are not eligible to claim the workers with disabilities tax credit.

Definitions

A *qualified employer* is an employer that has been certified by DOL to participate in the Workers with Disabilities Tax Credit Program and employs one or more qualified employees.

A *qualified employee* is an employee who:

- is deemed to have a developmental disability as defined in Mental Hygiene Law and is certified by the State Education Department or Office for People With Developmental

Disabilities as a person with a disability that constitutes or results in a substantial handicap to employment;

- is a current employee of a sheltered workshop (segregated from others) **or** who was unemployed for at least three months prior to January 1, 2015;
- has worked for the qualified employer in a full-time or part-time capacity that paid wages that are equivalent to wages paid for similar jobs, with appropriate adjustments for experience and training and for which no other employee has been terminated, or where the employer has not otherwise reduced its workforce by involuntary terminations with the intention of filling the vacancy by creating a new hire;
- has not worked for another entity related to the qualified employer within the past 24 months; and
- is employed at a location in NYS.

Qualified wages means wages paid or incurred by the qualified employer during the tax year to a qualified employee which are attributable, with respect to such employee, to services rendered by the qualified employee.

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-644.

Line E – Enter the allocation year shown on the final *Certificate of Eligibility* issued by DOL.

Additional sheets – If you have more entries than will fit on the lines provided in Schedule A, B, or E, 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-644 to your return.

Schedule A – Computation of credit for qualified full-time employees

Complete Schedule A for the qualified full-time employee who worked at least six months for at least 30 hours per week.

Enter the qualified employee's name, Social Security number, hire date, and termination date (if applicable) as shown on your final *Certificate of Eligibility* received from DOL.

Column E – Enter the qualified wages paid during this tax year, to the qualified employee.

Schedule B – Computation of credit for qualified part-time employees

Complete Schedule B for the qualified part-time employee who worked at least six months for at least eight hours per week.

Enter the qualified employee's name, Social Security number, hire date, and termination date (if applicable) as shown on your final *Certificate of Eligibility* received from DOL.

Column E – Enter the qualified wages paid during this tax year, to the qualified employee.

Schedule C – Computation of credit

Line 6 – 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 this line. The shareholder will enter their share on Form IT-644, *Workers with Disabilities Tax Credit* to claim the credit on their New York State personal income tax returns.

Schedule D – Computation of credit used or carried forward (New York S corporations do not complete this schedule.)

Lines 7 and 10 entries table

If you filed	Enter on line 7 any net recapture of other tax credits, plus the amount from	Enter on line 10 the fixed dollar 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 7 – Enter your tax due before credits using the *Lines 7 and 10 entries table* above.

Line 8 – 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 filing as a member of a combined group, include any amount of tax credit(s), including the workers with disabilities tax credit, being claimed by other members of the combined group that you want to apply before this credit.

Line 10 – Enter the fixed dollar minimum tax using the *Lines 7 and 10 entries table* above.

Line 14 – Enter any unused tax credit included on line 13 that has expired during this tax year and is no longer available to be carried forward.

Note: Any portion of the workers with disabilities tax credit earned in previous tax years that was not deducted can be carried forward for up to three tax years.

Schedule E – 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.

Obtain this information from the partnership(s) allocating this credit to you. You must attach a copy of the partnership's final *Certificate of Eligibility* to Form CT-644.

Need help? and Privacy notification

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