



Instructions for Form IT-635

New York Youth Jobs Program Tax Credit

IT-635-I

General information

To participate in a New York Youth Jobs Program, an employer must apply to the New York State Department of Labor on or after January 1, but no later than November 30 of that program year.

To qualify for a program credit, an employee must start employment on or after January 1, but no later than December 31 of that program year.

For more information about the application and approval process, visit *Youth Jobs Program for Young New Yorkers* or visit the New York State Department of Labor at www.dol.ny.gov.

For additional information about the credit, see *New York Youth Jobs Program tax credit* or visit www.tax.ny.gov (search: *youth*).

Eligibility

You are eligible for this credit if you:

- are a participant or the owner of a participant in the New York Youth Jobs Program, **and**
- received a certificate of tax credit from the New York State Department of Labor or received a share of the credit from a partnership, S corporation, or estate or trust. The certificate of tax credit includes:
 - the name and employer identification number (EIN) of the qualified employer;
 - the program year for the corresponding credit award;
 - the actual amount of credit to which the qualified employer is entitled for that calendar year or the fiscal year in which the certificate of tax credit is issued; **and**
 - a unique certificate number.

Credit details

The credit amount allowed for each employed certified youth may be up to \$7,500.

	Full-time	Part-time (at least 20 hours per week)	Part-time (at least 10 hours per week if enrolled in high school full-time)
Monthly amount for up to 6 months	\$750	\$375	\$375
6 additional consecutive months after first 6 months	\$1,500	\$750	\$750
Additional year after completion of above two periods	\$1,500	\$750	\$750

In addition:

- Each year, the New York State Department of Labor will issue a certificate of tax credit showing the amount of the credit and the tax year the credit may be claimed. Calendar year filers claim the credit in the year noted on the certificate; fiscal year filers claim the credit on the fiscal year tax return that includes the date noted on the certificate of tax credit.

- If you do not use the full amount of the credit against your tax liability this year, you may request a refund or apply the overpayment to next year's tax. The Tax Department will not pay interest on the refund or overpayment.

How to claim the credit

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 New York youth jobs program tax credit, file Form IT-635.

An **estate or trust** that divides the credit among itself and its beneficiaries must file Form IT-635 with Form IT-205, *Fiduciary Income Tax Return*, showing each beneficiary's share of the credit.

A **partnership** must file Form IT-635 with Form IT-204, *Partnership Return*, showing the total credit.

A **New York S corporation** does not file Form IT-635. It must file Form CT-635.

If you are a **shareholder of an S corporation** that has made the election under Tax Law section 660, obtain your share of the S corporation's credit from the S corporation and follow the instructions on this form for claiming your credit on your personal income tax return.

Line instructions

Complete a **separate** Form IT-635 for each certificate of tax credit issued by the New York State Department of Labor.

Line A: Mark an **X** in the appropriate box to determine the parts of this form you need to complete.

Lines B through D and G: If you do not enter the correct information, your credit may be denied. Partners, shareholders, or beneficiaries **must** get this information from their partnership, S corporation, estate or trust. **Submit** a copy of the certificate with this form.

Lines E and F: Find the numbers to report on these lines in the letter attached to your certificate.

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, calculate your credit 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 lines A through G, and Schedules A and D.

Additional forms: If you have multiple credit amounts to enter on line 1, or more entries than will fit on the lines provided in Schedule B or C, submit additional Forms IT-635, completing only the necessary schedules. Include your name and taxpayer identification number on each form. On the indicated lines of the first Form IT-635, include the totals from all additional Forms IT-635. Place the extra forms behind the first Form IT-635 and submit them with your return.

Schedule A: Credit for certified youths

Line 1: Enter the total credit amount from your certificate of tax credit issued by the New York State Department of Labor. Complete a separate Form IT-635 for each certificate of tax credit.

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 credit. Obtain your share of the credit from any partnership, S corporation, estate or trust. If needed, see *Additional forms*.

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 share of the income of the estate or trust. Provide the beneficiaries with their share of the credit. If needed, see *Additional forms*.

Schedule D: Calculation of credit

Individuals: Enter the amount from line 9 and code **635** on:

- Form IT-201-ATT, line 12, or
- Form IT-203-ATT, line 12.

Partnerships: Enter the amount from line 9 and code **635** on Form IT-204, line 147.

Fiduciaries: Do not enter any amounts on lines 6 and 7. Include the amount from line 9 and code **635** on Form IT-205, line 33.
