



Instructions for Form IT-648

Life Sciences Research and Development Tax Credit

IT-648-I

General information

You may be eligible for this credit if you or your business:

- is a new business certified by Economic Development as a qualified life sciences company, **and**
- paid or incurred qualified research and development expenses in New York State, **and**
- received a certificate of tax credit issued by Empire State Development (ESD).

For information regarding the Life Sciences Research and Development Tax Credit Program, including the application process, visit Life Sciences Research and Development Tax Credit Program or search the Empire State Development website at www.esd.ny.gov.

Credit calculation

The credit is equal to:

- 15% of the research and development expenditures in New York State for a company that employs **10 or more persons** during the tax year, or
- 20% of the research and development expenditures in New York State for a company that employs **fewer than 10 persons** during the tax year.

In addition:

- ESD will allocate the amount of credit you may claim for the current tax year. Each year, ESD will issue a certificate of tax credit showing the amount of tax credit and the tax year the credit may be claimed.
- The total amount of the credit may not exceed \$500,000 in any tax year (the limit is calculated at the entity level in the case of a partnership or S corporation).
- The credit is allowed for up to three consecutive years—as long as the qualified life sciences company meets the eligible criteria. Subsequent certifications will not extend the three-year limitation.
- 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. No interest will be paid on the refund or overpayment.
- You may not use any qualified research and development expenses used in calculating this credit in the calculation of any other credits.
- If you are not eligible, or do not choose to participate in the Life Sciences Research and Development Tax Credit Program, you may be eligible to participate in the Excelsior Jobs Program. For more information about the Excelsior Jobs Program application and approval process, visit Empire State Development: Excelsior Jobs Program or visit www.esd.ny.gov.

Line instructions

Use the information provided on the certificate of tax credit issued by ESD to complete this form:

1. Submit a copy of your certificate of tax credit with your tax return.
2. Claim the credit in the tax year specified on the certificate of tax credit issued by ESD.
3. File a separate Form IT-648 for each certificate of tax credit issued to you by ESD.

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 an individual (sole proprietor), partnership, or estate or trust that earned the credit and received a certificate of tax credit from ESD **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-648.

Lines B through D: 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, or estate or trust. Submit a copy of the certificate with this form.

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, calculate your credit amount as if you were filing one federal Schedule C for the business. Complete lines A through E, 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 Schedules B or C, submit additional Forms IT-648, completing only the necessary schedules. Include your name and taxpayer identification number on each form. On the indicated lines of the first Form IT-648, include the totals from all additional Forms IT-648. Place the extra forms behind the first Form IT-648 and submit them with your return.

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

Line 1

Enter the amount of credit listed on your certificate of tax credit issued by ESD. This amount may not exceed \$500,000.

Complete a **separate** Form IT-648 for each certificate of tax credit. **Submit** a copy of each certificate.

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

Enter the requested information for each partnership, S corporation, estate or trust from which you received a share of the credit. If needed, see *Additional forms*.

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

An estate or trust must complete this schedule. 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 **648** on:

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

Partnerships: Enter the amount from line 9 and code **648** 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 **648** on Form IT-205, line 33.