General information

Tax Law sections 31 and 210-B.32 provide for a tax credit for the film and television post-production industry. The Empire State film post-production credit (also referred to as the post-production credit) is available to taxpayers subject to tax under Article 9-A or Article 22. This form is for taxpayers subject to tax under Article 9-A. Those subject to tax under Article 22, complete Form IT-261, Claim for Empire State Film Post-Production Credit.

The amount of credit allowed for the current tax year is allocated by the New York State Governor’s Office of Motion Picture & Television Development. Attach a copy of your certificate from this office for the credit allowed. You are required to submit a separate Form CT-261 for each individual certificate issued to you by the Governor’s Office of Motion Picture & Television Development. Failure to do so may delay the processing of your credit(s). For rules and regulations regarding the contact, the New York State Governor’s Office of Motion Picture & Television Development at filmcredits@esd.ny.gov or call 212-803-2328.

The credit is allowed for qualified post-production costs paid or incurred in the production of a qualified film at a post-production facility in New York State. For tax years beginning on or after January 1, 2015, and before January 1, 2027, there is an additional credit available equal to 10% of the wages or salaries paid to qualified individuals for services performed by those individuals in the post-production work on a qualified film in certain counties. The credit is allowed for the tax year in which the production of the qualified film is completed.

If the amount of credit shown on your certificate of tax credit received from the New York State Governor’s Office of Motion Picture & Television Development is at least $1 million but less than $5 million, the credit must be claimed over a two-year period. If the amount of credit allocated is $5 million or more, the credit must be claimed over a three-year period.

The credit may not reduce the tax due below the fixed dollar minimum tax. Any amount not used in the current tax year may be refunded or credited as an overpayment to next year’s tax. The refund is limited to 50% of the excess credit in the current year; the balance may be carried forward to the following tax year and may be deducted from the tax in that year. All remaining excess after application in the succeeding year may also be refunded or credited as an overpayment to the succeeding tax year. No interest will be paid on the refund. Post-production costs used as the basis for allowance of this credit or used in the calculation of this credit cannot be used to claim any other credit.

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

Corporate partners

If you are a corporate partner who has any post-production credits passed through to you from partnerships, enter in Part 3 each partnership’s name and employer identification number, and your pro rata share of the post-production credit each passed to you. Enter the total of these credits on lines 18 and 2. Enter on line 1a only the amount of post-production credit allocated to your corporation by the New York State Governor’s Office of Motion Picture & Television Development.

New York S corporations

New York S corporations will calculate an amount of post-production credit. However, the S corporation may not use the post-production credit against its own tax liability; instead, the credit is passed through to the shareholders to use against their personal income tax liabilities on their New York State tax returns.
Line 2 – Obtain this amount from the partnership(s) allocating this credit to you. Complete Part 3, Partnership information, and mark an X in box A at the bottom of the form.

Line 3 – New York S corporations include this amount on Form CT-34-SH, line 51.

Line 4 – Obtain this amount from the previous tax year’s Form CT-261, line 14.

Part 2 – Computation of post-production credit used, refunded, and carried forward (New York S corporations do not complete this part)

Line 6 – Enter the amount from Form CT-3 or CT-3-A, Part 2, line 2, plus any net recaptured tax credits.

Line 7 – You must apply certain credits before the post-production credit. Refer to Form CT-600-I, Instructions for Form CT-600, Ordering of Corporation Tax Credits, for the proper ordering of your credits. If you are claiming more than one credit, enter the total amount of credits applied against the current year’s corporation franchise tax before the post-production credit. If the post-production credit is the only credit that is being applied against the current year’s corporation franchise tax, enter 0. If filing as a member of a combined group, include any amount of tax credit(s), including the post-production credit(s), being claimed by other members of the combined group that you want to apply before the post-production credit claimed on this form.

Line 9 – Enter your fixed dollar minimum tax from Form CT-3 or the designated agent’s fixed dollar minimum tax from Form CT-3-A.

Lines 11, 16, and 17 – On line 11, enter the lesser of line 5 or line 10. Transfer the amounts from lines 11, 16, and 17 to your franchise tax return.

Part 3 – Partnership information

Enter any current year (2021) credit amount allocated to you by a partnership in this section. Include any second year (2022) credit amounts allocated to you on line 19, and include any third year (2023) credit amounts on line 20.

The credit amounts can be found on Form IT-204-CP. The 2021 credit amount is reported using code 356, the 2022 credit amount is reported using code B56, and the 2023 credit amount is reported using code C56.

Part 4 – Amount of credit to be claimed in succeeding tax years

Line 19 – This is your Empire State film post-production credit allowed for 2022.

C corporations: Enter the total of the following amounts:
• the amount from Worksheet A, line B, or Worksheet B, line B (whichever applies); plus
• any amount from line 20 of your 2020 Form CT-261; plus
• any amounts allocated to you from a partnership (from Form IT-204-CP, code B56) to be claimed on your 2022 return.

New York S corporations: Enter the total of the following amounts:
• the amount from Worksheet A, line B, or Worksheet B, line B (whichever applies); plus
• any amounts allocated to you from a partnership (from Form IT-204-CP, code B56) to be claimed on your 2022 return.

Transfer this amount to your 2021 Form CT-34-SH, line 52 (credit for the second year), and provide your shareholders with their pro rata share of this amount to claim on their 2022 personal income tax returns. (If you completed Worksheet B, also transfer the line 20 amount as instructed below.)

Line 20 – Enter the amount from Worksheet B, line B, plus any amounts allocated to you from a partnership (from Form IT-204-CP, code C56) to be claimed on your 2023 return.

C corporations: This amount will be entered on your 2022 Form CT-261, line 19.

New York S corporations: Transfer this amount to your 2021 Form CT-34-SH, line 53 (credit for the third year), and provide your shareholders with their pro rata share of this amount to claim on their 2023 personal income tax returns.

Need help? and Privacy notification
See Form CT-1, Supplement to Corporation Tax Instructions.