



Instructions for Form CT-655

Restaurant Return-to-Work Credit

CT-655-I

General Information

For tax years that include December 31, 2021; the Restaurant Return-to-Work (RRTW) credit is available to small business entities who operate predominately in the food services sector and have suffered economic harm as a result of the COVID-19 emergency.

A completed application must be electronically submitted to New York State Empire State Development (ESD), which administers the program, to claim the credit. If approved, ESD will issue a certificate detailing the amount of tax credit available to be claimed by the entity. All determinations regarding eligibility are made by ESD.

For more information about the program and application process, visit the ESD website at www.esd.ny.gov.

Eligibility

To be eligible for this credit:

- you are subject to tax under Tax Law Article 9-A or 22;
- have demonstrated a net employee increase during 2021; **and**
- you have received, or are the owner of a business entity that has received, a certificate of tax credit issued by ESD.

Credit Details

The RRTW credit is equal to \$5,000 per each full-time equivalent net employee increase, up to a maximum of \$50,000 per entity.

The credit may not reduce the tax below the fixed dollar minimum tax.

Any unused amount of credit for the current tax year will be treated as a refund or overpayment of tax to be credited to the next year's tax. Interest will not be paid on the refund or overpayment.

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

New York S corporations: New York S corporations will calculate the credit; however, the S corporation may not use the 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. Complete only Schedules A and B.

Combined filers: A taxpayer filing as a member of a combined group is allowed to claim the credit, which is computed on a separate basis but applied against the combined tax.

Line instructions

Line A – Mark an **X** in the appropriate box to determine the parts of this form that 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-655.

Additional forms – If you have more entries than will fit on the lines provided in Schedule(s) A, B, or E, submit additional Forms CT-655, completing only the necessary schedules. Include your name and taxpayer identification number on each

form, and include the totals from all additional Forms CT-655 on the indicated lines. Place the additional forms behind the first Form CT-655 and submit them with your return.

Schedule A – Computation of credit

Enter the information from the certificate(s) of tax credit issued by ESD in columns A through E. The amount(s) entered cannot exceed the amount(s) shown on your certificate(s) of tax credit.

Retain a copy of your certificate of tax credit and be prepared to produce a copy in the case of an audit.

Line 1 – Total the amount(s) from column E. If not claiming an additional tax credit from a partnership, skip line 2 and enter line 1 amount on line 3.

Schedule B – Partnership information

If you were a partner in a partnership and received a share of the RRTW credit from that entity, complete this schedule. Enter the name, employer identification number (EIN), certificate number from the certificate of tax credit issued to the partnership, and credit amount passed through to you from each partnership. Obtain this information from the partnership(s) allocating the credit to you.

Line 3

New York S corporations – Transfer this amount to the applicable line of Form CT-34-SH, *New York S Corporation Shareholders' Information Schedule*, and provide your shareholders with their pro rata share of this line. The shareholders will file Form IT-655, *Restaurant Return-to-Work Credit*, to claim this credit on their New York State personal income tax returns.

Schedule C – Reconciliation of advance payments

Line 5 – If you requested and received one or more RRTW advance payments, enter the total amount of all payments received. Enter zero (0) if you did not receive an advance payment.

Line 6 – Subtract line 5 from line 4. Enter the resulting value; show any negative amount with a minus sign (-).

If the line 6 amount is:

- **Greater than zero** – Complete Schedule D. You will determine how to claim your remaining RRTW credit.
- **Zero** – Do **not** complete Schedule D. You have received the full amount of your RRTW credit.
- **Less than zero** – Do **not** complete Schedule D. You received more RRTW credit than you earned. Enter this negative amount, using a minus sign (-), in the appropriate box of the summary of tax credits claimed sections of your franchise tax return.

Schedule D – Computation of credit used, refunded, or credited as an overpayment to the next tax year

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 minimum tax below
Form CT-3	Part 2, line 2	Part 2, line 1c amount
Form CT-3-A	Part 2, line 2	Part 2, line 1c amount

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**. Tax credits must be applied in a certain order.

Article 9-A filers: See 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 RRTW credit, 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.

Schedule E – Recapture of RRTW credit

If ESD has adjusted or revoked a previously claimed RRTW credit that you earned directly or from a partnership; enter the certificate number in column A, and the amount of credit that was adjusted or revoked in column B.

Line 16

C corporations – Enter this amount as a negative number using a minus sign (-), in the appropriate box of the summary of tax credits claimed sections of your franchise tax return.

New York S corporation – Enter this amount on Form CT-34-SH and provide your shareholders with their pro rata share of this amount. The shareholder will enter this amount on Form IT-655, *Restaurant Return-to-Work Credit*.

Need help? and Privacy notification

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