



# Instructions for Form IT-634

## Empire State Jobs Retention Program Credit

### General information

The Tax Law provides a credit to taxpayers who are participants in the Empire State Jobs Retention Program. Individuals (including sole proprietors), estate and trusts, shareholders of an S corporation, partners in a partnership (including a member of a limited liability company [LLC] that is treated as a partnership for federal tax purposes), and beneficiaries of an estate or trust may claim the credit.

A business entity must submit a completed application to Empire State Development (ESD). If ESD determines that a business entity will be a participant in the program, it will issue the entity a certificate of eligibility, a preliminary schedule of benefits, and a certificate of tax credit. For more information about the Empire State Jobs Retention Program application and approval process, visit ESD's website at [esd.ny.gov](http://esd.ny.gov).

A taxpayer that has been issued a certificate of tax credit by ESD will be allowed to claim the Empire State jobs retention program credit. The certificate of tax credit will indicate the amount of credit that may be claimed for the tax year. A taxpayer will be allowed to claim only the amount listed on the certificate of tax credit for that tax year. A copy of the certificate of tax credit must be submitted with the taxpayer's return.

A business accepted into the Empire State Jobs Retention Program must agree to be permanently disqualified for Empire Zone benefits at any location that qualifies for Empire State Jobs Retention Program benefits.

### Credit details

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

Any cost or expense paid or incurred that is included as part of the calculation of this credit may not be used as the basis for any other tax credit.

If a certificate of eligibility or a certificate of tax credit is revoked because you do not meet the eligibility requirements, you must recapture the amount of credit previously claimed prior to that revocation. The amount of credit to be recaptured must be added back to tax for the tax year in which the revocation becomes final.

### Who must file

File Form IT-634 if you are an individual, a beneficiary or fiduciary of an estate or trust, a partner in a partnership, or a shareholder of an S corporation, and:

- you are claiming the credit; **or**
- you are required to recapture any previous credit due to a certificate of eligibility or certificate of tax credit being revoked.

An estate or trust that divides the credit or addback of credit among itself and its beneficiaries must file Form IT-634 with Form IT-205, *Fiduciary Income Tax Return*, showing each beneficiary's share of the credit or recapture of the credit.

A partnership must file Form IT-634 with Form IT-204, *Partnership Return*, showing the total of each credit component of the partnership and any recapture of credit.

An S corporation does not file Form IT-634. It must file Form CT-634, *Empire State Jobs Retention Program Credit*. If you are a shareholder of an S corporation that has made the election under Tax Law section 660, obtain your share of the corporation's credit or recapture of credit from the S corporation.

### Specific instructions

A **separate** Form IT-634 **must** be completed for each certificate you receive, whether it is as the entity that earned the credit or as a partner, shareholder or beneficiary in an entity that earned the credit. **Submit** a copy of each certificate with your return.

**Note:** If you received multiple copies of the same certificate from different entities, complete a separate Form IT-634 to report your share of credit from each entity, even though the certificate number is the same.

**Individuals (including sole proprietors):** Complete Schedule A. If applicable, also complete Schedule D.

**Partnerships:** Complete Schedule A. If applicable, also complete Schedule D.

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 amount as if you were filing one federal Schedule C for the business. If applicable, also complete Schedule D.

**Fiduciaries:** Complete Schedules A and C. If applicable, also complete Schedule D.

**Partners in a partnership, shareholders of an S corporation, and beneficiaries of an estate or trust:** Complete Schedules A and B. If applicable, also complete Schedule D.

**Note:** If more than one of the above applies to you, complete all appropriate schedules on one Form IT-634.

### Line A – Certificate number

Enter your Empire State Jobs Retention Program certificate number from your certificate of tax credit issued by ESD.

**Additional forms:** If you have more entries than will fit on the lines provided in Schedule C, or if you are required to file more than one Form IT-634, or both, submit additional Forms IT-634, completing only the necessary schedules. Include your name and taxpayer identification number on each form. On the indicated lines of the first Form IT-634, include the totals from all additional Forms IT-634. Place the extra forms behind the first Form IT-634 and submit them with your return.

### Schedule A – Credit computation

**Individuals (including sole proprietors), partnerships and fiduciaries:** Enter the credit, which can be obtained from your certificate of tax credit issued by ESD, on line 1.

**Partners, S corporation shareholders, or beneficiaries:** Enter the applicable share of *credit* amount, from *Schedule B - Partnership, S corporation, estate and trust information*, on the appropriate line.

### Line 5

**Partnerships:** Enter the line 5 amount and code **634** on Form IT-204, line 147.

**Fiduciaries:** Complete Schedule C. Include the line 5 amount on the *Total* line of Schedule C, column C.

**All others:** Enter the line 5 amount and code **634** on Form IT-201-ATT, line 12, or Form IT-203-ATT, line 12.

### Schedule B – Partnership, S corporation, estate and trust information

If you were a partner in a partnership, a shareholder of a New York S corporation, or a beneficiary of an estate or trust and received a share of the credit from that entity, enter the entity's name, type,

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employer ID number, and share of the credit you received. Carry your share of the credit to the appropriate line in *Schedule A – Credit computation*. If needed, see *Additional forms*.

**Schedule C – Beneficiary’s and fiduciary’s share of credit and recapture of credit**

An estate or trust must complete Schedule C. Enter the amount from line 5 on the *Total* line, column C. Enter recapture amounts on the *Total* line, column D. If an estate or trust allocates or assigns the credits to its beneficiaries, base the division on each beneficiary’s proportionate share of the income of the estate or trust. Provide the beneficiaries with their share of the credit and recapture. Include the amount from the *Fiduciary* line, column C on Form IT-205, line 33. If needed, see *Additional forms*.

**Schedule D – Summary of recapture of credit**

If a certificate of eligibility or a certificate of tax credit issued by ESD is revoked because you do not meet the eligibility requirements of the credit, the amount of all credits previously allowed and claimed by you under Tax Law section 36 prior to that revocation must be added back to your tax for the tax year in which the revocation becomes final.

S corporations, partnerships, and fiduciaries must notify their shareholders, partners, and beneficiaries of the revocation.

Complete lines 6 through 11 as applicable.

**Fiduciaries:** Do not enter any amounts on lines 6 through 9. Include any flow through of credit recapture from partnerships, S corporations, estates, or trusts on the *Total* line of Schedule C, column D. Enter your share of recapture from Schedule C, column D, *Fiduciary* line on line 10.

**Line 7 Beneficiaries:** Enter on line 7 your share of recapture of credit from estates or trusts.

**Line 8 Partners:** Enter on line 8 your share of the total recapture of credit from partnerships.

**Line 9 S corporation shareholders:** Enter on line 9 your share of the recapture of credit from S corporations.

**Line 11**

**Fiduciaries:** Enter the amount from line 10.

**All others:** Add lines 6 through 9.

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