

New York State Department of Taxation and Finance  
**Taxpayer Services Division**  
**Technical Services Bureau**

TSB-M-81(7)C (Revised)  
Corporation Tax  
December 25, 1981

This memorandum supersedes memorandum TSB-M-81(7)C, dated July 29, 1981, which should be destroyed. The new material has been underlined for quick reference.

1981 Legislation

Investment Tax Credit for Retail Enterprises  
On Qualified Rehabilitated Building

Section 23 of Chapter 103, as amended by Chapter 1043, of the Laws of 1981 added a new Section 210.12(k) to Article 9-A of the New York State Tax Law.

This new section allows certain retail enterprises the New York State Investment Tax Credit. The new law defines a "retail enterprise" as a taxpayer which is:

1. a registered vendor under Article 28 (Sales and Compensating Use Tax) of the New York State Tax Law.
2. primarily engaged in the retail sale as the term "retail sale" is defined in Section 1101(b)(4)(i) of Article 28.
3. eligible for the investment tax credit allowed by Section 38 (Qualified Investment) of the Internal Revenue Code pursuant solely to the provisions of section 48(a)(1)(E) of such code.

The amount of the credit shall be the percentage as indicated below for the taxable period described therein for the amount of qualified rehabilitation expenditures, as defined in Section 48(g) of the Internal Revenue Code, paid or incurred with respect to a qualified rehabilitated building, as defined in Section 48(g) of such code, located in New York State and such expenditures shall further be limited to only the portion thereof paid or incurred with respect to that part of a qualified rehabilitated building employed by such taxpayer in the retail sales activity of such retail enterprises.

The percentage to be used to compute this investment tax credit is indicated below.

<u>Investments made on</u>	<u>Percentage</u>
After May 31, 1981 and prior to July 1, 1982	5%
After June 30, 1982	6%

The new law effects investments made on or after June 1, 1981.