



Analysis of Article 9-A General Business Corporation Franchise Tax Credits for 2000

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Introduction

This report provides an accounting of credit activity under the General Business Corporation Franchise Tax (Article 9-A). Section 109 (a) of the Business Tax Reform and Rate Reduction Act of 1987 mandated an annual study of tax credits available to Article 9-A taxpayers. The report does not include credit activity attributable to banks, insurance companies, or utilities, because such entities are taxable under other articles of the Tax Law. The data used to generate this report come from an annual study conducted by the Office of Tax Policy Analysis (OTPA). The study is based on the latest available data drawn from New York State corporation tax returns. These data pertain to corporations whose taxable year began on or after January 1, 2000, and ended on or before November 30, 2001 (hereinafter referred to as the 2000 tax liability year).

The appendices contain comprehensive information on corporate tax credits available in New York State. Appendices A and B provide descriptions of credit available during the 2000 liability year and subsequent periods, respectively. Appendix C lists the form numbers for every credit and the ordering rules applicable when claiming multiple credits. Appendix D recounts budget actions since 1996 that effected Article 9-A credits. Finally, Appendix E contains the legislative mandate for this report.

Highlights for 2000

- Corporate taxpayers earned a total of \$382.5 million in credits, claimed a total of \$2006.3 million in credits, and used a total of \$165.9 million in credits against their Article 9-A liability.
- Between 1999 and 2000, the total amount of credit earned increased by 14.4 percent and the amount of credit claimed increased by 1.0 percent, but the amount of credit used decreased by 24.8 percent.
- The number of taxpayers earning credits was nearly unchanged between 1999 and 2000. Regardless, the number of taxpayers claiming credits increased 5.9 percent, and the number of taxpayers using credits increased 5.1 percent from 1999 to 2000.
- The investment tax credit (ITC) continued to be the predominately used credit, accounting for 66.8 percent of all credits used. After experiencing a 21.9 percent decline in the share of all credits used from 1998 to 1999, the ITC's share of all credits used increased by 20.8 percent from 1999 to 2000.

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- After growing from 1998 to 1999, both the amount and the share of the ITC for the financial services industry used declined in 2000. The amount declined from \$56.7 million in 1999 to \$30.8 million in 2000. Its share of all credit used declined from 25.7 percent in 1999 to 18.6 percent in 2000.
 - Taken together, the ITC and the ITC for the financial services industry accounted for 85.4 percent of all credits used in 2000. This is a 13.7 percent increase over 1999, due entirely to the growth in the share of the traditional ITC.
 - Approximately 81.8 percent of the amount of traditional ITC used was in amounts greater than \$100,000. This is an increase from 77.1 percent in 1999.
 - Approximately 89.7 percent of the amount of ITC for the financial services industry used was in amounts greater than \$500,000. This is a decrease from 95.7 percent in 1999.
 - The number of taxpayers utilizing Empire Zone (EZ) credits continued to grow between 1999 and 2000. The number earning EZ credits increased 13.3 percent, the number claiming EZ credits increased 17.9 percent, and the number using EZ credits increased 16.6 percent.
 - In its second year, the growth of the industrial or manufacturing business (IMB) tax credit was significant. The number of taxpayers earning the IMB credit increased from 52 in 1999 to 891 in 2000. The number of taxpayers using the IMB credit increased from 49 in 1999 to 579 in 2000.
 - The amount of IMB credit earned grew from approximately \$380,000 in 1999 to \$15.4 million in 2000. The amount of credit used grew from approximately \$350,000 in 1999 to \$5.5 million in 2000.

Analysis of Statistical Data

Description of Tables

The following tables present information for Article 9-A corporate tax credits.

The tables contain data on the number of taxpayers taking the credit, the total amount of credit, the average (mean) amount of credit, and the median amount of credit¹ for the following components²:

Credit Earned

The amount of credit generated in the current tax year.

Credit Claimed

The amount of credit which taxpayers have available during the taxable year. Taxpayers determine the amount of credit claimed by adding the amount of credit earned in the current year to the amount of unused credit from the prior year and subtracting any applicable credit recapture.

Credit Used

The amount of credit which taxpayers actually apply to their tax liability.³

Credit Carried Forward

Any unused amount of credit which is allowed to be used to offset tax liability in future years. The amount of credit carried forward is determined by subtracting the amount of credit used or refunded in the current year from the amount of credit claimed.⁴

A series of tables presents profiles of the credits distributed by different subgroupings. These include: basis of taxation after credits, major industry group, size of entire net income, and size of credit used. Secrecy provisions preclude providing all subgroupings for all credits,

and the tables do not present detailed information about refundable credits.

The basis of taxation tables reflect credits used by taxpayers whose tax is based on either the entire net income (ENI) base, the capital base, the alternative minimum tax (AMT) base or the fixed dollar minimum tax. The ENI and capital bases represent taxpayers who began under these bases, used credits and remained under these bases (despite the use of credits). The fixed dollar minimum and AMT bases represent two different classes of taxpayers. The bases could include taxpayers who started under one of the other bases such as ENI, but because of credits, ended up either paying the fixed dollar minimum tax or the AMT. These bases could also include taxpayers who used credits to strictly offset their subsidiary capital tax.

The major industry group category is based on the North American Industry Classification System (NAICS). Taxpayers report their principal business activity using NAICS codes from their federal tax returns. These codes identify the general type of business activity in which the entity is engaged. The major industry groups presented in this report consist of: agriculture; mining; construction; manufacturing; transportation, communications, public utility services; wholesale trade; retail trade; finance, insurance, and real estate; and services. Taxpayers who fail to provide NAICS information, or who may report outdated codes, become unidentifiable by industry group and are classified as such in this report.

Data Considerations

The data contained in these tables come directly from the returns of corporations claiming the credits.⁵ Due to disclosure provisions relating to the limited number of claims for the alternative fuels credit, only the totals for each credit component are displayed. For the same reason, totals for the qualified emerging technology company (QETC) employment credit and the QETC capital tax credit have been combined.

The Tax Law limits some credits to a percentage of tax due or allows only a percentage of the credit to be used. For tax years beginning in 1994 and ending in 1998, a taxpayer may only use up to 20 percent of the “pre-1994 NOL” component of the AMT credit. The Empire Zone/Zone Equivalent Area (EZ/ZEA) wage tax credit (in the aggregate) cannot exceed 50 percent of the business corporation franchise tax that is calculated prior to applying any other credits.

Taxpayers permitted to take the investment tax credit (ITC), the employment incentive credit (EIC), the rehabilitation credit for historic barns, and the credit on research and development property report amounts earned during the tax year on separate lines on tax form CT-46-*Claim for Investment Tax Credit*. However, when computing the credit claimed, used, and carried forward, taxpayers combine the credits on the CT-46. This study presents these combined amounts for each of the credit components.

Several credits allow a refund of excess credit to new businesses only. The ITC, the ITC for the financial services industry, and the QETC employment credit allow a full refund to new businesses. The EZ/ZEA wage tax credit, the EZ-ITC, and the EZ-ITC for the financial services industry allow 50 percent of excess credit to be refunded by new businesses.

The alternative fuels credit allows excess credit to be transferred to affiliates of the taxpayer.

The industrial or manufacturing business (IMB) tax credit does not allow any carryforward of excess credit.

(For more detail on these credits, see Appendix A.)

Summary of Credit Activity

The tables in this report summarize tax credit activity by component and type of credit. The totals in the tables may not match the detail tables due to rounding and disclosure requirements.

In all tables, ‘--’ indicates that the component does not apply to the credit or that the data for that component are not available. A ‘0’ means that the credit was available but not utilized by any taxpayers, or that the amount was less than \$100,000. The letter ‘d’ indicates that the data cannot be presented due to the confidentiality restrictions of the Tax Law. Total values for number of taxpayers, amount of credit, and mean and median credit were computed using all taxpayers in the study. The available data for all tables do not reflect changes made on audit or amended filings.

Overview of Credits Available During the 2000 Tax Liability Year

This section provides an overview of the credits available to taxpayers during the period covered by this report. The credits are discussed in detail in Appendix A.

Investment Tax Credit (ITC)

The ITC is available for property that is used primarily for the production of goods or for pollution control, waste treatment, or acid rain control facilities. The rate for the ITC equals 5 percent of the first \$350 million in investment, and 4 percent for investment over that amount.

Employment Incentive Credit (EIC)

Taxpayers allowed an ITC may be eligible for the EIC. This credit is a two-year credit determined by the original ITC base. The rate equals 1.5 percent of the ITC base if employment equals at least 101 percent, but less than 102 percent of base year employment. The rate equals 2 percent if employment equals at least 102 percent, but less than 103 percent of base year employment. The rate equals 2.5 percent if employment equals at least 103 percent of base year employment.

Rehabilitation Credit for Historic Barns

Taxpayers may claim a corporate franchise tax credit for the rehabilitation of historic barns in New York State. The credit equals 25 percent of qualified rehabilitation expenditures. A taxpayer may not claim both the regular ITC and the ITC for rehabilitation of historic barns on the same property.

Credit on Research and Development Property Under the ITC

Research and development (R&D) property qualifies for the ITC at a higher rate. Taxpayers may either choose the R&D rate of 9 percent or the lower ITC rate. By electing the lower rate, taxpayers also become eligible for the EIC in subsequent years based on increased employment.

(Because of the consolidation of the above four credits on the tax return, separate data for each does not appear in this report.)

ITC for the Financial Services Industry

Corporations, banks and personal income taxpayers that are brokers or dealers in securities can receive the ITC for equipment or buildings used in the broker/dealer activity and in activities connected with broker/dealer operations such as the provision of investment advice, and lending activities associated with the purchase and sale of securities. The credit allowances are the same as the traditional ITC.

Special Additional Mortgage Recording Tax Credit	A corporation may claim a credit equal in amount to the special additional recording tax paid on mortgages recorded on property located within New York State.
Empire Zone Credits/ Zone Equivalent Area Wage Tax Credit	EZ credits include an ITC, a financial services ITC, a wage credit (for targeted and non-targeted employees in such zones), and a capital tax credit (for the purchase of original issue stock issued by a certified Empire Zone capital corporation). A wage tax credit is available for employment in a ZEA.
Alternative Minimum Tax Credit	In certain instances, taxpayers could be subject to double taxation on the same transaction under the regular tax system and the AMT. To eliminate this double-tax result, the law provides a credit mechanism. The AMT credit equals the taxpayer's adjusted minimum tax, minus any amount used as a minimum tax credit in prior years.
Farmers' School Tax Credit	Eligible farmers may claim a tax credit equal to 100 percent of the school property taxes paid on up to 250 acres of qualified agricultural property, and 50 percent of taxes paid on excess acreage.
Credit for Employment of Persons with Disabilities	Employers hiring individuals with disabilities may claim a credit for a portion of wages paid to such individuals.
Alternative Fuels Credit	A tax credit is allowed for electric vehicles, clean fuel vehicles, hybrid vehicles, and clean fuel refueling facility property. The credit also applies to electric vehicles and clean fuel vehicle property sold or leased to governmental agencies if the vehicle is manufactured in New York State.
Qualified Emerging Technology Company Tax Credits	Two QETC credits are available to taxpayers. The employment credit equals \$1,000 for each employee hired by a QETC over a base year level. The capital tax credit is for companies investing in QETCs, and the amount of the credit varies depending upon how long the investment is held.
Industrial or Manufacturing Business (IMB) Tax Credit	Industrial or manufacturing businesses, defined as businesses that also qualify for the ITC, are allowed a credit equal to the taxes paid under Article 9 of the Tax Law for gas, electricity, steam, water, or refrigeration, or the services of providing such, which are used or consumed in New York State.

Endnotes

1. As used in this report, “mean amount of credit” is defined as the average amount of credit in a given category. “Median amount of credit” is defined as the central value representing an equal number of credit values above and below it.
2. There are only data available for the “credit used” component for the job incentive credit for 1999 tax year figures. Also, 1999 was the final year that any carryforwards of the credit could be utilized.
3. Taxpayers may use credits to reduce their tax liabilities computed under the entire net income base, capital base, or subsidiary capital base. Generally, credits may not be used to reduce tax liability below the amount computed under the alternative minimum tax base or the fixed dollar minimum base, whichever is higher.
4. The computation for credit carried forward does not apply to the IMB credit or the alternative fuels credit. The IMB credit does not allow a credit carryforward since it is fully refundable and the alternative fuels credit allows for a transfer of excess credits to affiliates of the taxpayer in addition to a credit carryforward.
5. Historical data presented in this report may differ from that presented in previous reports. This can occur as a result of changes made to the data collection process and minor adjustments made to the original data files. In certain limited instances, errors made on either prior year or 2000 tax liability year credit claim forms may also result in discrepancies.

Table 1: Comparison of Article 9-A Tax Credit Activity - 1999 and 2000

	1999 (\$ millions)							
	Total Credit Earned	Unused Credit from the Prior Year	Total Credit Available	Recaptured Credit	Credit Claimed	Credit Used	Refundable Credit	Credit Carried Forward
	Investment Tax Credit	\$176.2	\$1,492.7	\$1,668.8	\$9.8	\$1,659.0	\$101.5	\$12.0
Investment Tax Credit for the Financial Services Industry	69.5	16.9	86.3	0.2	86.1	56.7	0.2	29.3
Special Additional Mortgage Recording Tax Credit	2.9	2.9	5.7	0.0	5.7	0.7	2.9	2.1
Job Incentive Credit*	--	--	--	--	--	0.0	--	--
Empire Zone Credits	75.9	108.9	184.9	1.5	183.4	51.0	4.2	128.3
Alternative Minimum Tax Credit	7.9	52.0	52.0	0.0	52.0	10.1	--	41.9
Mortgage Servicing Tax Credit	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Farmers' School Tax Credit	0.5	0.0	0.5	0.0	0.5	0.0	0.4	0.1
Credit for Employment of Persons with Disabilities	0.2	0.0	0.2	0.0	0.2	0.2	0.0	0.1
Alternative Fuels Credit**	0.5	0.6	1.2	0.0	1.2	0.1	0.0	0.9
QETC Credits	0.4	0.0	0.4	0.0	0.4	0.0	0.1	0.3
IMB Credit***	0.4	--	0.4	--	0.4	0.4	0.0	--
Total 1/	\$334.4	\$1,674.0	\$2,000.4	\$11.5	\$1,988.9	\$220.7	\$19.8	\$1,748.5

	2000 (\$ millions)							
	Total Credit Earned	Unused Credit from the Prior Year	Total Credit Available	Recaptured Credit	Credit Claimed	Credit Used	Refundable Credit	Credit Carried Forward
	Investment Tax Credit	\$206.9	\$1,444.1	\$1,651.1	\$11.4	\$1,639.6	\$110.9	\$51.7
Investment Tax Credit for the Financial Services Industry	92.7	32.4	125.2	2.9	122.2	30.8	11.6	79.8
Special Additional Mortgage Recording Tax Credit	2.2	2.6	4.8	0.0	4.8	0.8	1.6	2.5
Empire Zone Credits	58.7	109.6	168.3	0.8	167.5	14.2	4.8	148.5
Alternative Minimum Tax Credit	4.8	52.4	52.4	0.0	52.4	3.3	--	49.1
Mortgage Servicing Tax Credit	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Farmers' School Tax Credit	0.6	0.0	0.6	0.0	0.6	0.0	0.5	0.1
Credit for Employment of Persons with Disabilities	0.3	0.1	0.4	0.0	0.4	0.2	0.0	0.1
Alternative Fuels Credit**	0.1	2.2	2.3	0.0	2.3	0.1	1.9	0.3
QETC Credits	0.8	0.3	1.1	0.0	1.1	0.1	0.3	0.7
IMB Credit***	15.4	--	15.4	--	15.4	5.5	8.5	--
Total 1/	\$382.5	\$1,643.7	\$2,021.6	\$15.1	\$2,006.3	\$165.9	\$80.9	\$1,758.2

*1999 is the final year taxpayers could claim Job Incentive Credit carried forward from prior periods.

**The provisions of this credit allow for the transfer of excess credit to affiliates of the taxpayer. In 1999, corporations transferred \$0.2 million to affiliates. In 2000, corporations transferred \$1.9 million to affiliates.

***The provisions of this credit do not allow a carryforward of excess credit.

1/Total row reflects the vertical summation of the individual credit components. Horizontal calculations within the column are not valid.

Table 2: Profile of Total New York State Tax Credits - 1999 and 2000

Credits Earned By Year and Credit Type

Credit	1999		2000	
	Number of Taxpayers	Amount of Credit Earned	Number of Taxpayers	Amount of Credit Earned
Investment Tax Credit	2,319	\$176,153,565	2,213	\$206,936,069
Investment Tax Credit for the Financial Services Industry	44	69,475,366	63	92,703,321
Special Additional Mortgage Recording Tax Credit	69	2,863,210	42	2,189,882
Job Incentive Credit	--	--	--	--
EZ Wage Tax Credit	184	8,324,080	194	13,578,047
EZ Capital Tax Credit	15	136,115	31	185,942
EZ Investment Tax Credit	187	64,091,721	207	42,794,680
EZ Investment Tax Credit for the Financial Services Industry	d/	d/	4	90,842
ZEA Wage Tax Credit	11	3,425,600	16	2,098,272
Alternative Minimum Tax Credit	4,060	7,898,565	3,270	4,763,491
Mortgage Servicing Tax Credit	0	0.0	0	0.0
Farmers' School Tax Credit	100	518,939	105	608,385
Credit for Employment of Persons with Disabilities	61	207,164	58	273,725
Alternative Fuels Credit	3	539,025	3	50,149
QETC Credits	16	448,034	27	824,897
IMB Credit	52	379,146	891	15,406,195

Credits Claimed By Year and Credit Type

Credit	1999		2000	
	Number of Taxpayers	Amount of Credit Claimed	Number of Taxpayers	Amount of Credit Claimed
Investment Tax Credit	3,205	\$1,658,996,045	3,270	\$1,639,649,989
Investment Tax Credit for the Financial Services Industry	44	\$86,130,610	67	\$122,215,379
Special Additional Mortgage Recording Tax Credit	121	5,691,533	82	4,833,946
Job Incentive Credit	--	--	--	--
EZ Wage Tax Credit	223	16,785,939	258	25,164,350
EZ Capital Tax Credit	18	196,563	31	187,192
EZ Investment Tax Credit	210	162,883,554	237	139,275,869
EZ Investment Tax Credit for the Financial Services Industry	d/	d/	4	95,356
ZEA Wage Tax Credit	17	3,523,691	24	2,820,439
Alternative Minimum Tax Credit	3,156	52,026,401	2,587	52,449,183
Mortgage Servicing Tax Credit	0	0.0	0	0.0
Farmers' School Tax Credit	101	551,847	106	606,953
Credit for Employment of Persons with Disabilities	63	240,294	70	362,204
Alternative Fuels Credit	5	1,153,394	5	2,281,556
QETC Credits	16	448,034	28	1,080,269
IMB Credit	52	379,146	891	15,406,195

Table 2: Profile of Total New York State Tax Credits – 1999 and 2000 (Cont'd)**Credits Used By Year and Credit Type**

Credit	1999		2000	
	Number of Taxpayers	Amount of Credit Used	Number of Taxpayers	Amount of Credit Used
Investment Tax Credit	2,626	\$101,488,613	2,456	\$110,871,786
Investment Tax Credit for the Financial Services Industry	43	56,699,355	64	30,784,712
Special Additional Mortgage Recording Tax Credit	112	727,322	77	799,383
Job Incentive Credit	0	0.0	-	-
EZ Wage Tax Credit	196	4,623,058	212	6,874,360
EZ Capital Tax Credit	16	136,108	27	61,568
EZ Investment Tax Credit	137	42,982,741	160	5,905,414
EZ Investment Tax Credit for the Financial Services Industry	d/	d/	3	88,494
ZEA Wage Tax Credit	12	3,207,595	20	1,279,109
Alternative Minimum Tax Credit	807	10,102,591	587	3,302,993
Mortgage Servicing Tax Credit	0	0.0	0	0.0
Farmers' School Tax Credit	15	35,925	20	30,226
Credit for Employment of Persons with Disabilities	50	165,718	58	233,505
Alternative Fuels Credit	3	51,431	3	55,303
QETC Credits	8	46,517	16	78,055
IMB Credit	49	351,598	579	5,465,980

Credits Carried Forward By Year and Credit Type

Credit	1999		2000	
	Number of Taxpayers	Amount of Credit Carried Forward	Number of Taxpayers	Amount of Credit Carried Forward
Investment Tax Credit	2,549	\$1,545,468,759	2,689	\$1,477,059,363
Investment Tax Credit for the Financial Services Industry	8	29,253,617	30	79,798,391
Special Additional Mortgage Recording Tax Credit	55	2,113,182	48	2,452,936
Job Incentive Credit	--	--	--	--
EZ Wage Tax Credit	182	11,501,441	208	17,230,889
EZ Capital Tax Credit	4	60,455	9	125,622
EZ Investment Tax Credit	180	116,437,932	210	129,655,876
EZ Investment Tax Credit for the Financial Services Industry	0	0.0	d/	6,862
ZEA Wage Tax Credit	15	250,424	18	1,517,328
Alternative Minimum Tax Credit	2,666	41,923,839	2,235	49,146,181
Mortgage Servicing Tax Credit	0	0.0	0	0.0
Farmers' School Tax Credit	29	135,378	17	63,156
Credit for Employment of Persons with Disabilities	35	74,576	32	128,699
Alternative Fuels Credit	3	900,895	d/	339,047
QETC Credits	11	347,017	18	723,684
IMB Credit	--	--	--	--

Table 3: New York State Investment Tax Credit by Basis of Taxation - 2000 Liability Year**Credit Earned**

Basis of Taxation	Number of Taxpayers	Amount of Credit Earned	% of Credit Earned	Median Credit Earned	Mean Credit Earned
Entire Net Income	422	\$17,792,316	8.60	\$5,207	\$42,162
Fixed Dollar Minimum Tax	814	62,623,862	30.26	4,384	76,933
Capital Base	83	5,454,061	2.64	3,683	65,712
Alternative Minimum Tax	894	121,065,830	58.50	8,748	135,420
Total	2,213	\$206,936,069	100.00	\$6,375	\$93,509

Credit Claimed

Basis of Taxation	Number of Taxpayers	Amount of Credit Claimed	% of Credit Claimed	Median Credit Claimed	Mean Credit Claimed
Entire Net Income	500	\$30,640,406	1.87	\$5,384	\$61,281
Fixed Dollar Minimum Tax	1,431	577,746,863	35.24	24,785	403,736
Capital Base	130	23,481,744	1.43	5,184	180,629
Alternative Minimum Tax	1,209	1,007,780,976	61.46	42,294	833,566
Total	3,270	\$1,639,649,989	100.00	\$24,412	\$501,422

Credit Used

Basis of Taxation	Number of Taxpayers	Amount of Credit Used	% of Credit Used	Median Credit Used	Mean Credit Used
Entire Net Income	480	\$22,476,326	20.27	\$4,755	\$46,826
Fixed Dollar Minimum Tax	838	7,700,824	6.95	744	9,190
Capital Base	89	2,540,834	2.29	1,954	28,549
Alternative Minimum Tax	1,049	78,153,802	70.49	3,809	74,503
Total	2,456	\$110,871,786	100.00	\$2,619	\$45,143

Credit Carried Forward

Basis of Taxation	Number of Taxpayers	Amount of Credit Carried Forward	% of Credit Carried Forward	Median Credit Carried Forward	Mean Credit Carried Forward
Entire Net Income	55	\$8,164,364	0.55	\$24,414	\$148,443
Fixed Dollar Minimum Tax	1,398	554,217,382	37.52	23,879	396,436
Capital Base	59	20,294,552	1.37	15,784	343,975
Alternative Minimum Tax	1,177	894,383,065	60.55	35,250	759,884
Total	2,689	\$1,477,059,363	100.00	\$29,002	\$549,297

Table 4: New York State Investment Tax Credit by Major Industry Group - 2000 Liability Year**Credit Earned**

Major Industry Group	Number of Taxpayers	Amount of Credit Earned	% of Credit Earned	Median Credit Earned	Mean Credit Earned
Unidentifiable	0	\$0	0.00	\$0	\$0
Agriculture	184	1,418,189	0.69	2,335	7,708
Mining	30	864,613	0.42	17,097	28,820
Construction	44	847,626	0.41	6,182	19,264
Manufacturing	1,529	172,046,097	83.14	7,319	112,522
Trans., Comm., Pub.					
Utilities Services	62	3,617,324	1.75	9,872	58,344
Wholesale Trade	122	3,001,335	1.45	2,563	24,601
Retail Trade	51	1,335,253	0.65	5,697	26,181
Finance, Insurance, and Real Estate	58	13,134,987	6.35	21,335	226,465
Services	133	10,670,645	5.16	5,829	80,230
Total	2,213	\$206,936,069	100.00	\$6,375	\$93,509

Credit Claimed

Major Industry Group	Number of Taxpayers	Amount of Credit Claimed	% of Credit Claimed	Median Credit Claimed	Mean Credit Claimed
Unidentifiable	0	\$0	0.00	\$0	\$0
Agriculture	263	13,811,462	0.84	15,830	52,515
Mining	45	11,568,455	0.71	47,084	257,077
Construction	71	2,661,667	0.16	13,485	37,488
Manufacturing	2,218	1,467,726,454	89.51	29,935	661,734
Trans., Comm., Pub.					
Utilities Services	101	21,128,390	1.29	31,834	209,192
Wholesale Trade	191	13,870,364	0.85	8,340	72,620
Retail Trade	73	4,385,852	0.27	6,321	60,080
Finance, Insurance, and Real Estate	86	74,817,566	4.56	129,129	869,972
Services	222	29,679,779	1.81	11,927	133,693
Total	3,270	\$1,639,649,989	100.00	\$24,412	\$501,422

Table 4: New York State Investment Tax Credit by Major Industry Group - 2000 Liability Year (Cont'd)

Credit Used

Major Industry Group	Number of Taxpayers	Amount of Credit Used	% of Credit Used	Median Credit Used	Mean Credit Used
Unidentifiable	0	\$0	0.00	\$0	\$0
Agriculture	190	527,747	0.48	835	2,778
Mining	36	775,978	0.70	5,193	21,555
Construction	57	657,776	0.59	1,647	11,540
Manufacturing	1,690	89,713,397	80.92	3,031	53,085
Trans., Comm., Pub.					
Utilities Services	85	5,659,375	5.10	3,785	66,581
Wholesale Trade	150	2,146,802	1.94	1,685	14,312
Retail Trade	54	1,159,027	1.05	1,280	21,463
Finance, Insurance, and Real Estate	64	7,197,586	6.49	7,930	112,462
Services	130	3,034,098	2.74	2,414	23,339
Total	2,456	\$110,871,786	100.00	\$2,619	\$45,143

Credit Carried Forward

Major Industry Group	Number of Taxpayers	Amount of Credit Carried Forward	% of Credit Carried Forward	Median Credit Carried Forward	Mean Credit Carried Forward
Unidentifiable	0	\$0	0.00	\$0	\$0
Agriculture	248	13,281,721	0.90	17,826	53,555
Mining	39	10,792,477	0.73	52,587	276,730
Construction	58	2,002,625	0.14	15,216	34,528
Manufacturing	1,838	1,326,581,604	89.81	34,289	721,753
Trans., Comm., Pub.					
Utilities Services	69	15,459,894	1.05	32,242	224,056
Wholesale Trade	140	11,712,985	0.79	9,949	83,664
Retail Trade	50	3,219,760	0.22	5,136	64,395
Finance, Insurance, and Real Estate	69	67,619,980	4.58	162,128	980,000
Services	178	26,388,317	1.79	14,690	148,249
Total	2,689	\$1,477,059,363	100.00	\$29,002	\$549,297

Table 5: New York State Investment Tax Credit by Size of Entire Net Income - 2000 Liability Year

Credit Earned

Size of Entire Net Income	Number of Taxpayers	Amount of Credit Earned	% of Credit Earned	Median Credit Earned	Mean Credit Earned
Zero or Net Loss	770	\$103,772,531	50.15	\$6,055	\$134,770
\$ 1 - \$ 99,999	619	6,317,220	3.05	2,361	10,206
100,000 - 499,999	300	5,052,912	2.44	5,868	16,843
500,000 - 999,999	93	2,166,710	1.05	8,401	23,298
1,000,000 - 24,999,999	333	22,354,803	10.80	23,644	67,132
25,000,000 - 49,999,999	31	7,753,717	3.75	97,126	250,120
50,000,000 - 99,999,999	25	8,742,070	4.22	167,570	349,683
100,000,000 - 499,999,999	29	22,631,108	10.94	88,802	780,383
500,000,000 - and over	13	28,144,998	13.60	1,214,336	2,165,000
Total	2,213	\$206,936,069	100.00	\$6,375	\$93,509

Credit Claimed

Size of Entire Net Income	Number of Taxpayers	Amount of Credit Claimed	% of Credit Claimed	Median Credit Claimed	Mean Credit Claimed
Zero or Net Loss	1,283	\$649,223,061	39.60	\$31,248	\$506,020
\$ 1 - \$ 99,999	1,015	42,840,960	2.61	11,763	42,208
100,000 - 499,999	375	41,467,960	2.53	25,222	110,581
500,000 - 999,999	106	10,561,100	0.64	23,142	99,633
1,000,000 - 24,999,999	379	143,784,191	8.77	83,414	379,378
25,000,000 - 49,999,999	35	38,764,677	2.36	190,904	1,107,562
50,000,000 - 99,999,999	30	66,675,903	4.07	251,755	2,222,530
100,000,000 - 499,999,999	34	94,476,701	5.76	213,752	2,778,727
500,000,000 - and over	13	551,855,436	33.66	1,412,184	42,450,418
Total	3,270	\$1,639,649,989	100.00	\$24,412	\$501,422

**Table 5: New York State Investment Tax Credit by Size of Entire Net Income - 2000 Liability Year
(Cont'd)**

Credit Used

Size of Entire Net Income	Number of Taxpayers	Amount of Credit Used	% of Credit Used	Median Credit Used	Mean Credit Used
Zero or Net Loss	732	\$9,885,583	8.92	\$1,170	\$13,505
\$ 1 - \$ 99,999	790	1,457,265	1.31	1,005	1,845
100,000 - 499,999	359	2,216,038	2.00	5,053	6,173
500,000 - 999,999	103	1,546,385	1.39	13,735	15,013
1,000,000 - 24,999,999	365	18,105,540	16.33	29,100	49,604
25,000,000 - 49,999,999	35	7,252,932	6.54	100,224	207,227
50,000,000 - 99,999,999	26	7,076,246	6.38	188,543	272,163
100,000,000 - 499,999,999	33	16,943,792	15.28	116,567	513,448
500,000,000 - and over	13	46,388,005	41.84	1,054,012	3,568,308
Total	2,456	\$110,871,786	100.00	\$2,619	\$45,143

Credit Carried Forward

Size of Entire Net Income	Number of Taxpayers	Amount of Credit Carried Forward	% of Credit Carried Forward	Median Credit Carried Forward	Mean Credit Carried Forward
Zero or Net Loss	1,194	\$605,853,009	41.02	\$32,349	\$507,415
\$ 1 - \$ 99,999	902	40,912,448	2.77	14,118	45,357
100,000 - 499,999	275	39,238,918	2.66	37,610	142,687
500,000 - 999,999	56	9,014,715	0.61	83,531	160,977
1,000,000 - 24,999,999	209	125,216,461	8.48	205,720	599,122
25,000,000 - 49,999,999	18	31,511,745	2.13	286,998	1,750,653
50,000,000 - 99,999,999	14	57,527,317	3.89	1,654,948	4,109,094
100,000,000 - 499,999,999	14	62,317,319	4.22	2,221,388	4,451,237
500,000,000 - and over	7	505,467,431	34.22	7,480,021	72,209,633
Total	2,689	\$1,477,059,363	100.00	\$29,002	\$549,297

Table 6: New York State Investment Tax Credit by Size of Credit Used - 2000 Liability Year**Credit Earned**

Size of Credit Used	Number of Taxpayers	Amount of Credit Earned	% of Credit Earned	Median Credit Earned	Mean Credit Earned
Negative*	4	(\$9,327)	(0.00)	(\$1,970)	(\$2,332)
Zero	399	63,483,578	30.68	3,229	159,107
\$ 1 - \$ 499	277	1,786,100	0.86	765	6,448
500 - 999	182	1,521,915	0.74	1,847	8,362
1,000 - 4,999	569	7,232,741	3.50	3,573	12,711
5,000 - 9,999	210	6,208,301	3.00	8,281	29,563
10,000 - 24,999	226	15,908,381	7.69	17,945	70,391
25,000 - 49,999	130	14,441,915	6.98	39,823	111,092
50,000 - 99,999	85	13,520,072	6.53	70,981	159,060
100,000 - 499,999	107	36,211,756	17.50	167,211	338,428
500,000 - and over	24	46,611,983	22.52	774,939	1,942,166
Total	2,213	\$206,936,069	100.00	\$6,375	\$93,509

Credit Claimed

Size of Credit Used	Number of Taxpayers	Amount of Credit Claimed	% of Credit Claimed	Median Credit Claimed	Mean Credit Claimed
Negative*	12	(\$235,908)	(0.01)	(\$9,124)	(\$19,659)
Zero	814	326,788,939	19.93	16,108	401,461
\$ 1 - \$ 499	512	15,369,906	0.94	6,423	30,019
500 - 999	279	13,628,362	0.83	12,008	48,847
1,000 - 4,999	750	56,077,264	3.42	19,548	74,770
5,000 - 9,999	252	74,822,022	4.56	41,467	296,913
10,000 - 24,999	261	77,148,958	4.71	44,924	295,590
25,000 - 49,999	152	161,742,443	9.86	128,417	1,064,095
50,000 - 99,999	94	78,475,061	4.79	174,926	834,841
100,000 - 499,999	118	200,510,444	12.23	439,252	1,699,241
500,000 - and over	26	635,322,498	38.75	1,898,350	24,435,481
Total	3,270	\$1,639,649,989	100.00	\$24,412	\$501,422

* "Negative" means recapture exceeds amount of available credit.

Table 6: New York State Investment Tax Credit by Size of Credit Used - 2000 Liability Year (Cont'd)**Credit Used**

Size of Credit Used	Number of Taxpayers	Amount of Credit Used	% of Credit Used	Median Credit Used	Mean Credit Used
Negative*	12	(\$236,829)	(0.21)	(\$9,124)	(\$19,736)
Zero	0	0	0.00	0	0
\$ 1 - \$ 499	512	110,515	0.10	198	216
500 - 999	279	205,026	0.18	723	735
1,000 - 4,999	750	1,907,781	1.72	2,389	2,544
5,000 - 9,999	252	1,755,393	1.58	6,865	6,966
10,000 - 24,999	261	4,228,815	3.81	15,918	16,202
25,000 - 49,999	152	5,418,059	4.89	34,366	35,645
50,000 - 99,999	94	6,781,308	6.12	72,907	72,142
100,000 - 499,999	118	23,854,592	21.52	188,886	202,158
500,000 - and over	26	66,847,126	60.29	972,742	2,571,043
Total	2,456	\$110,871,786	100.00	\$2,619	\$45,143

Credit Carried Forward

Size of Credit Used	Number of Taxpayers	Amount of Credit Carried Forward	% of Credit Carried Forward	Median Credit Carried Forward	Mean Credit Carried Forward
Negative*	d/	d/	d/	d/	d/
Zero	795	\$308,095,835	20.86	\$16,222	\$387,542
\$ 1 - \$ 499	426	14,987,497	1.01	10,386	35,182
500 - 999	d/	d/	d/	d/	d/
1,000 - 4,999	589	53,723,154	3.64	31,814	91,211
5,000 - 9,999	190	73,027,615	4.94	64,993	384,356
10,000 - 24,999	174	70,644,792	4.78	107,601	406,005
25,000 - 49,999	112	155,932,232	10.56	296,544	1,392,252
50,000 - 99,999	67	57,458,389	3.89	228,723	857,588
100,000 - 499,999	86	176,544,724	11.95	642,706	2,052,846
500,000 - and over	17	553,259,782	37.46	2,240,189	32,544,693
Total	2,689	\$1,477,059,363	100.00	\$29,002	\$549,297

* "Negative" means recapture exceeds amount of available credit.

Table 7: New York State Investment Tax Credit for the Financial Services Industry by Basis of Taxation - 2000 Liability Year

Credit Earned	Number of Taxpayers	Amount of Credit Earned	% of Credit Earned	Median Credit Earned	Mean Credit Earned
Entire Net Income	32	\$19,259,180	20.78	\$13,721	\$601,849
Fixed Dollar Minimum Tax	10	2,525,387	2.72	47,414	252,539
Capital Base	6	7,105,200	7.66	144,779	1,184,200
Alternative Minimum Tax	15	63,813,554	68.84	136,488	4,254,237
Total	63	\$92,703,321	100.00	\$38,989	\$1,471,481

Credit Claimed	Number of Taxpayers	Amount of Credit Claimed	% of Credit Claimed	Median Credit Claimed	Mean Credit Claimed
Entire Net Income	33	\$34,112,373	27.91	\$13,229	\$1,033,708
Fixed Dollar Minimum Tax	12	17,345,849	14.19	47,414	1,445,487
Capital Base	7	9,020,222	7.38	91,145	1,288,603
Alternative Minimum Tax	15	61,736,935	50.51	278,057	4,115,796
Total	67	\$122,215,379	100.00	\$36,325	\$1,824,110

Credit Used	Number of Taxpayers	Amount of Credit Used	% of Credit Used	Median Credit Used	Mean Credit Used
Entire Net Income	33	\$4,681,781	15.21	\$13,229	\$141,872
Fixed Dollar Minimum Tax	10	414,679	1.35	5,575	41,468
Capital Base	6	698,180	2.27	65,067	116,363
Alternative Minimum Tax	15	24,990,072	81.18	35,474	1,666,005
Total	64	\$30,784,712	100.00	\$13,721	\$481,011

Credit Carried Forward	Number of Taxpayers	Amount of Credit Carried Forward	% of Credit Carried Forward	Median Credit Carried Forward	Mean Credit Carried Forward
Entire Net Income	4	\$23,324,296	29.23	\$421,529	\$5,831,074
Fixed Dollar Minimum Tax	d/	d/	d/	d/	d/
Capital Base	d/	d/	d/	d/	d/
Alternative Minimum Tax	14	36,739,239	46.04	115,864	2,624,231
Total	30	\$79,798,391	100.00	\$83,244	\$2,659,946

Table 8: New York State Special Additional Mortgage Recording Tax Credit by Basis of Taxation - 2000 Liability Year

Credit Earned

Basis of Taxation	Number of Taxpayers	Amount of Credit Earned	% of Credit Earned	Median Credit Earned	Mean Credit Earned
Entire Net Income	d/	d/	d/	d/	d/
Fixed Dollar Minimum Tax	18	\$1,333,146	60.88	\$2,980	\$74,064
Capital Base	d/	d/	d/	d/	d/
Alternative Minimum Tax	9	803,254	36.68	84,312	89,250
Total	42	\$2,189,882	100.00	\$2,730	\$52,140

Credit Claimed

Basis of Taxation	Number of Taxpayers	Amount of Credit Claimed	% of Credit Claimed	Median Credit Claimed	Mean Credit Claimed
Entire Net Income	d/	d/	d/	d/	d/
Fixed Dollar Minimum Tax	45	1,934,005	40.01	\$3,000	\$42,978
Capital Base	d/	d/	d/	d/	d/
Alternative Minimum Tax	15	2,844,680	58.85	21,225	189,645
Total	82	\$4,833,946	100.00	\$2,262	\$58,951

Credit Used

Basis of Taxation	Number of Taxpayers	Amount of Credit Used	% of Credit Used	Median Credit Used	Mean Credit Used
Entire Net Income	d/	d/	d/	d/	d/
Fixed Dollar Minimum Tax	42	\$276,022	34.53	\$458	\$6,572
Capital Base	d/	d/	d/	d/	d/
Alternative Minimum Tax	13	468,120	58.56	3,120	36,009
Total	77	\$799,383	100.00	\$543	\$10,382

Credit Carried Forward

Basis of Taxation	Number of Taxpayers	Amount of Credit Carried Forward	% of Credit Carried Forward	Median Credit Carried Forward	Mean Credit Carried Forward
Entire Net Income	d/	d/	d/	d/	d/
Fixed Dollar Minimum Tax	36	\$613,407	25.01	\$1,701	\$17,039
Capital Base	d/	d/	d/	d/	d/
Alternative Minimum Tax	11	1,839,509	74.99	5,613	167,228
Total	48	\$2,452,936	100.00	\$2,223	\$51,103

Table 9: New York State EZ Wage Tax Credit by Basis of Taxation - 2000 Liability Year**Credit Earned**

Basis of Taxation	Number of Taxpayers	Amount of Credit Earned	% of Credit Earned	Median Credit Earned	Mean Credit Earned
Entire Net Income	58	\$2,351,249	17.32	\$9,469	\$40,539
Fixed Dollar Minimum Tax	53	2,482,594	18.28	9,750	46,841
Capital Base	19	468,578	3.45	7,312	24,662
Alternative Minimum Tax	64	8,275,626	60.95	16,032	129,307
Total	194	\$13,578,047	100.00	\$11,250	\$69,990

Credit Claimed

Basis of Taxation	Number of Taxpayers	Amount of Credit Claimed	% of Credit Claimed	Median Credit Claimed	Mean Credit Claimed
Entire Net Income	68	\$3,338,682	13.27	\$16,441	\$49,098
Fixed Dollar Minimum Tax	75	5,774,044	22.95	20,650	76,987
Capital Base	24	1,310,156	5.21	18,656	54,590
Alternative Minimum Tax	91	14,741,468	58.58	28,638	161,994
Total	258	\$25,164,350	100.00	\$21,170	\$97,536

Credit Used

Basis of Taxation	Number of Taxpayers	Amount of Credit Used	% of Credit Used	Median Credit Used	Mean Credit Used
Entire Net Income	66	\$1,781,572	25.92	\$4,007	\$26,994
Fixed Dollar Minimum Tax	43	210,497	3.06	790	4,895
Capital Base	20	108,440	1.58	943	5,422
Alternative Minimum Tax	83	4,773,851	69.44	4,550	57,516
Total	212	\$6,874,360	100.00	\$2,578	\$32,426

Credit Carried Forward

Basis of Taxation	Number of Taxpayers	Amount of Credit Carried Forward	% of Credit Carried Forward	Median Credit Carried Forward	Mean Credit Carried Forward
Entire Net Income	44	\$1,546,884	8.98	\$15,928	\$35,156
Fixed Dollar Minimum Tax	72	5,126,167	29.75	14,101	71,197
Capital Base	18	1,110,699	6.45	23,501	61,706
Alternative Minimum Tax	74	9,447,139	54.83	24,213	127,664
Total	208	\$17,230,889	100.00	\$19,923	\$82,841

Table 10: New York State EZ Wage Tax Credit by Major Industry Group - 2000 Liability Year

Credit Earned

Major Industry Group	Number of Taxpayers	Amount of Credit Earned	% of Credit Earned	Median Credit Earned	Mean Credit Earned
Unidentifiable	0	\$0	0.00	\$0	\$0
Agriculture	0	0	0.00	0	0
Mining	0	0	0.00	0	0
Construction	8	93,664	0.69	9,375	11,708
Manufacturing	81	9,572,319	70.50	14,250	118,177
Trans., Comm., Pub.					
Utilities Services	15	887,437	6.54	19,500	59,162
Wholesale Trade	33	981,501	7.23	10,500	29,742
Retail Trade	17	1,197,722	8.82	10,500	70,454
Finance, Insurance, and Real Estate	8	432,596	3.19	16,788	54,075
Services	32	412,808	3.04	5,250	12,900
Total	194	\$13,578,047	100.00	\$11,250	\$69,990

Credit Claimed

Major Industry Group	Number of Taxpayers	Amount of Credit Claimed	% of Credit Claimed	Median Credit Claimed	Mean Credit Claimed
Unidentifiable	0	\$0	0.00	\$0	\$0
Agriculture	d/	d/	d/	d/	d/
Mining	d/	d/	d/	d/	d/
Construction	13	313,848	1.25	20,431	24,142
Manufacturing	115	16,542,410	65.74	28,638	143,847
Trans., Comm., Pub.					
Utilities Services	17	1,610,740	6.40	42,000	94,749
Wholesale Trade	44	2,594,584	10.31	19,654	58,968
Retail Trade	20	1,456,993	5.79	13,066	72,850
Finance, Insurance, and Real Estate	11	1,326,272	5.27	23,638	120,570
Services	37	1,269,911	5.05	9,000	34,322
Total	258	\$25,164,350	100.00	\$21,170	\$97,536

Table 10: New York State EZ Wage Tax Credit by Major Industry Group - 2000 Liability Year (Cont'd)

Credit Used

Major Industry Group	Number of Taxpayers	Amount of Credit Used	% of Credit Used	Median Credit Used	Mean Credit Used
Unidentifiable	0	\$0	0.00	\$0	\$0
Agriculture	d/	d/	d/	d/	d/
Mining	d/	d/	d/	d/	d/
Construction	8	42,910	0.62	2,171	5,364
Manufacturing	95	4,208,161	61.22	2,250	44,296
Trans., Comm., Pub. Utilities Services	10	100,884	1.47	1,284	10,088
Wholesale Trade	41	1,004,944	14.62	4,500	24,511
Retail Trade	18	1,022,867	14.88	3,762	56,826
Finance, Insurance, and Real Estate	8	361,664	5.26	7,840	45,208
Services	31	130,716	1.90	1,065	4,217
Total	212	\$6,874,360	100.00	\$2,578	\$32,426

Credit Carried Forward

Major Industry Group	Number of Taxpayers	Amount of Credit Carried Forward	% of Credit Carried Forward	Median Credit Carried Forward	Mean Credit Carried Forward
Unidentifiable	0	\$0	0.00	\$0	\$0
Agriculture	d/	d/	d/	d/	d/
Mining	d/	d/	d/	d/	d/
Construction	13	263,063	1.53	11,719	20,236
Manufacturing	95	11,559,557	67.09	30,260	121,680
Trans., Comm., Pub. Utilities Services	15	1,296,121	7.52	31,934	86,408
Wholesale Trade	33	1,577,170	9.15	14,590	47,793
Retail Trade	14	414,179	2.40	8,912	29,584
Finance, Insurance, and Real Estate	7	963,566	5.59	21,366	137,652
Services	30	1,109,855	6.44	6,541	36,995
Total	208	\$17,230,889	100.00	\$19,923	\$82,841

Table 11: New York State EZ Wage Tax Credit by Size of Entire Net Income - 2000 Liability Year

Credit Earned

Size of Entire Net Income	Number of Taxpayers	Amount of Credit Earned	% of Credit Earned	Median Credit Earned	Mean Credit Earned
Zero or Net Loss	61	\$3,658,045	26.94	\$10,500	\$59,968
\$ 1 - \$ 99,999	61	1,070,696	7.89	7,312	17,552
100,000 - 499,999	37	837,776	6.17	12,750	22,643
500,000 - 999,999	10	299,626	2.21	14,532	29,963
1,000,000 - 24,999,999	13	1,480,312	10.90	56,812	113,870
25,000,000 - 49,999,999	3	300,592	2.21	d/	100,197
50,000,000 - 99,999,999	d/	d/	d/	d/	d/
100,000,000 - 499,999,999	d/	d/	d/	d/	d/
500,000,000 - and over	4	5,520,750	40.66	338,625	1,380,188
Total	194	\$13,578,047	100.00	\$11,250	\$69,990

Credit Claimed

Size of Entire Net Income	Number of Taxpayers	Amount of Credit Claimed	% of Credit Claimed	Median Credit Claimed	Mean Credit Claimed
Zero or Net Loss	80	\$7,200,868	28.62	\$26,063	\$90,011
\$ 1 - \$ 99,999	85	3,292,750	13.09	13,500	38,738
100,000 - 499,999	47	2,018,578	8.02	17,250	42,948
500,000 - 999,999	13	772,685	3.07	24,750	59,437
1,000,000 - 24,999,999	21	4,400,913	17.49	94,090	209,567
25,000,000 - 49,999,999	3	627,021	2.49	d/	209,007
50,000,000 - 99,999,999	d/	d/	d/	d/	d/
100,000,000 - 499,999,999	d/	d/	d/	d/	d/
500,000,000 - and over	4	6,425,968	25.54	338,625	1,606,492
Total	258	\$25,164,350	100.00	\$21,170	\$97,536

Table 11: New York State EZ Wage Tax Credit by Size of Entire Net Income - 2000 Liability Year (Cont'd)

Credit Used

Size of Entire Net Income	Number of Taxpayers	Amount of Credit Used	% of Credit Used	Median Credit Used	Mean Credit Used
Zero or Net Loss	52	\$564,342	8.21	\$1,280	\$10,853
\$ 1 - \$ 99,999	71	105,529	1.54	863	1,486
100,000 - 499,999	44	304,178	4.42	6,402	6,913
500,000 - 999,999	12	194,239	2.83	13,376	16,187
1,000,000 - 24,999,999	21	1,806,571	26.28	47,936	86,027
25,000,000 - 49,999,999	d/	d/	d/	d/	d/
50,000,000 - 99,999,999	3	234,249	3.41	d/	78,083
100,000,000 - 499,999,999	d/	d/	d/	d/	d/
500,000,000 - and over	4	3,311,583	48.17	338,625	827,896
Total	212	\$6,874,360	100.00	\$2,578	\$32,426

Credit Carried Forward

Size of Entire Net Income	Number of Taxpayers	Amount of Credit Carried Forward	% of Credit Carried Forward	Median Credit Carried Forward	Mean Credit Carried Forward
Zero or Net Loss	72	\$5,871,832	34.08	\$22,611	\$81,553
\$ 1 - \$ 99,999	76	2,938,566	17.05	15,844	38,665
100,000 - 499,999	37	1,668,649	9.68	22,500	45,099
500,000 - 999,999	9	578,445	3.36	17,602	64,272
1,000,000 - 24,999,999	10	2,594,342	15.06	142,366	259,434
25,000,000 - 49,999,999	d/	d/	d/	d/	d/
50,000,000 - 99,999,999	d/	d/	d/	d/	d/
100,000,000 - 499,999,999	d/	d/	d/	d/	d/
500,000,000 - and over	d/	d/	d/	d/	d/
Total	208	\$17,230,889	100.00	\$19,923	\$82,841

Table 12: New York State EZ Wage Tax Credit by Size of Credit Used - 2000 Liability Year

Credit Earned

Size of Credit Used	Number of Taxpayers	Amount of Credit Earned	% of Credit Earned	Median Credit Earned	Mean Credit Earned
Zero	37	\$1,340,184	9.87	\$9,750	\$36,221
\$ 1 - \$ 499	22	118,810	0.88	3,750	5,400
500 - 999	30	402,910	2.97	5,250	13,430
1,000 - 4,999	43	965,765	7.11	8,250	22,460
5,000 - 9,999	18	521,501	3.84	9,844	28,972
10,000 - 24,999	20	1,004,627	7.40	24,844	50,231
25,000 - 49,999	7	1,433,625	10.56	45,000	204,804
50,000 - 99,999	d/	d/	d/	d/	d/
100,000 - 499,999	10	2,446,688	18.02	192,563	244,669
500,000 - and over	d/	d/	d/	d/	d/
Total	194	\$13,578,047	100.00	\$11,250	\$69,990

Credit Claimed

Size of Credit Used	Number of Taxpayers	Amount of Credit Claimed	% of Credit Claimed	Median Credit Claimed	Mean Credit Claimed
Zero	46	\$3,083,832	12.25	\$15,375	\$67,040
\$ 1 - \$ 499	32	522,865	2.08	5,813	16,340
500 - 999	37	1,347,995	5.36	9,985	36,432
1,000 - 4,999	62	2,683,642	10.66	15,936	43,285
5,000 - 9,999	23	1,850,545	7.35	17,250	80,458
10,000 - 24,999	27	2,832,635	11.26	28,159	104,912
25,000 - 49,999	11	1,770,331	7.04	48,750	160,939
50,000 - 99,999	d/	d/	d/	d/	d/
100,000 - 499,999	12	4,314,779	17.15	197,625	359,565
500,000 - and over	d/	d/	d/	d/	d/
Total	258	\$25,164,350	100.00	\$21,170	\$97,536

Table 12: New York State EZ Wage Tax Credit by Size of Credit Used - 2000 Liability Year (Cont'd)

Credit Used

Size of Credit Used	Number of Taxpayers	Amount of Credit Used	% of Credit Used	Median Credit Used	Mean Credit Used
Zero	0	\$0	0.00	\$0	\$0
\$ 1 - \$ 499	32	8,366	0.12	265	261
500 - 999	37	27,752	0.40	758	750
1,000 - 4,999	62	158,687	2.31	2,279	2,559
5,000 - 9,999	23	173,219	2.52	7,940	7,531
10,000 - 24,999	27	414,756	6.03	12,863	15,361
25,000 - 49,999	d/	d/	d/	d/	d/
50,000 - 99,999	7	534,756	7.78	78,776	76,394
100,000 - 499,999	12	2,562,240	37.27	191,937	213,520
500,000 - and over	d/	d/	d/	d/	d/
Total	212	\$6,874,360	100.00	\$2,578	\$32,426

Credit Carried Forward

Size of Credit Used	Number of Taxpayers	Amount of Credit Carried Forward	% of Credit Carried Forward	Median Credit Carried Forward	Mean Credit Carried Forward
Zero	46	\$2,846,445	16.52	\$13,500	\$61,879
\$ 1 - \$ 499	27	483,984	2.81	7,778	17,925
500 - 999	31	1,293,589	7.51	18,598	41,729
1,000 - 4,999	49	2,367,839	13.74	21,366	48,323
5,000 - 9,999	18	1,677,326	9.73	20,402	93,185
10,000 - 24,999	20	2,146,680	12.46	21,265	107,334
25,000 - 49,999	7	1,031,850	5.99	63,066	147,407
50,000 - 99,999	d/	d/	d/	d/	d/
100,000 - 499,999	6	1,752,539	10.17	142,366	292,090
500,000 - and over	d/	d/	d/	d/	d/
Total	208	\$17,230,889	100.00	\$19,923	\$82,841

Table 13: New York State EZ Capital Tax Credit by Basis of Taxation - 2000 Liability Year**Credit Earned**

Basis of Taxation	Number of Taxpayers	Amount of Credit Earned	% of Credit Earned	Median Credit Earned	Mean Credit Earned
Entire Net Income	19	\$65,608	35.28	\$833	\$3,453
Fixed Dollar Minimum Tax	d/	d/	d/	d/	d/
Capital Base	6	102,875	55.33	625	17,146
Alternative Minimum Tax	d/	d/	d/	d/	d/
Total	31	\$185,942	100.00	\$833	\$5,998

Credit Claimed

Basis of Taxation	Number of Taxpayers	Amount of Credit Claimed	% of Credit Claimed	Median Credit Claimed	Mean Credit Claimed
Entire Net Income	19	\$65,608	35.05	\$833	\$3,453
Fixed Dollar Minimum Tax	d/	d/	d/	d/	d/
Capital Base	6	102,875	54.96	625	17,146
Alternative Minimum Tax	d/	d/	d/	d/	d/
Total	31	\$187,192	100.00	\$833	\$6,038

Credit Used

Basis of Taxation	Number of Taxpayers	Amount of Credit Used	% of Credit Used	Median Credit Used	Mean Credit Used
Entire Net Income	19	\$23,482	38.14	\$724	\$1,236
Fixed Dollar Minimum Tax	d/	d/	d/	d/	d/
Capital Base	6	35,477	57.62	394	5,913
Alternative Minimum Tax	d/	d/	d/	d/	d/
Total	27	\$61,568	100.00	\$500	\$2,280

Credit Carried Forward

Basis of Taxation	Number of Taxpayers	Amount of Credit Carried Forward	% of Credit Carried Forward	Median Credit Carried Forward	Mean Credit Carried Forward
Entire Net Income	d/	d/	d/	d/	d/
Fixed Dollar Minimum Tax	4	\$15,850	12.62	\$2,875	\$3,963
Capital Base	3	67,396	53.65	d/	22,465
Alternative Minimum Tax	d/	d/	d/	d/	d/
Total	9	\$125,622	100.00	\$2,000	\$13,958

Table 14: New York State EZ Investment Tax Credit by Basis of Taxation - 2000 Liability Year**Credit Earned**

Basis of Taxation	Number of Taxpayers	Amount of Credit Earned	% of Credit Earned	Median Credit Earned	Mean Credit Earned
Entire Net Income	25	\$669,522	1.56	\$4,681	\$26,781
Fixed Dollar Minimum Tax	58	9,207,280	21.52	22,377	158,746
Capital Base	4	124,081	0.29	6,838	31,020
Alternative Minimum Tax	120	32,793,797	76.63	22,245	273,282
Total	207	\$42,794,680	100.00	\$18,885	\$206,738

Credit Claimed

Basis of Taxation	Number of Taxpayers	Amount of Credit Claimed	% of Credit Claimed	Median Credit Claimed	Mean Credit Claimed
Entire Net Income	27	\$1,723,282	1.24	\$9,090	\$63,825
Fixed Dollar Minimum Tax	73	33,988,528	24.40	79,826	465,596
Capital Base	6	1,440,825	1.03	93,632	240,138
Alternative Minimum Tax	131	102,123,234	73.32	68,780	779,567
Total	237	\$139,275,869	100.00	\$61,342	\$587,662

Credit Used

Basis of Taxation	Number of Taxpayers	Amount of Credit Used	% of Credit Used	Median Credit Used	Mean Credit Used
Entire Net Income	24	\$513,950	8.70	\$4,078	\$21,415
Fixed Dollar Minimum Tax	39	519,268	8.79	1,871	13,315
Capital Base	4	18,396	0.31	660	4,599
Alternative Minimum Tax	93	4,853,800	82.19	4,603	52,191
Total	160	\$5,905,414	100.00	\$3,877	\$36,909

Credit Carried Forward

Basis of Taxation	Number of Taxpayers	Amount of Credit Carried Forward	% of Credit Carried Forward	Median Credit Carried Forward	Mean Credit Carried Forward
Entire Net Income	6	\$1,209,332	0.93	\$96,988	\$201,555
Fixed Dollar Minimum Tax	73	32,995,375	25.45	79,826	451,991
Capital Base	4	1,422,429	1.10	353,554	355,607
Alternative Minimum Tax	127	94,028,740	72.52	60,554	740,384
Total	210	\$129,655,876	100.00	\$68,997	\$617,409

Table 15: New York State EZ Investment Tax Credit by Size of Entire Net Income - 2000 Liability Year

Credit Earned

Size of Entire Net Income	Number of Taxpayers	Amount of Credit Earned	% of Credit Earned	Median Credit Earned	Mean Credit Earned
Zero or Net Loss	61	\$9,112,947	21.29	\$23,221	\$149,393
\$ 1 - \$ 99,999	53	1,226,467	2.87	5,378	23,141
100,000 - 499,999	35	817,652	1.91	14,968	23,361
500,000 - 999,999	11	335,632	0.78	23,538	30,512
1,000,000 - 24,999,999	33	5,944,239	13.89	58,636	180,128
25,000,000 - 49,999,999	6	4,772,787	11.15	204,236	795,465
50,000,000 - 99,999,999	d/	d/	d/	d/	d/
100,000,000 - 499,999,999	4	12,845,510	30.02	972,099	3,211,378
500,000,000 - and over	d/	d/	d/	d/	d/
Total	207	\$42,794,680	100.00	\$18,885	\$206,738

Credit Claimed

Size of Entire Net Income	Number of Taxpayers	Amount of Credit Claimed	% of Credit Claimed	Median Credit Claimed	Mean Credit Claimed
Zero or Net Loss	72	\$35,846,927	25.74	\$79,486	\$497,874
\$ 1 - \$ 99,999	67	4,531,765	3.25	17,113	67,638
100,000 - 499,999	38	3,863,821	2.77	37,376	101,680
500,000 - 999,999	12	1,076,851	0.77	65,294	89,738
1,000,000 - 24,999,999	34	34,999,840	25.13	217,357	1,029,407
25,000,000 - 49,999,999	6	15,021,390	10.79	391,732	2,503,565
50,000,000 - 99,999,999	d/	d/	d/	d/	d/
100,000,000 - 499,999,999	4	21,389,415	15.36	3,507,225	5,347,354
500,000,000 - and over	d/	d/	d/	d/	d/
Total	237	\$139,275,869	100.00	\$61,342	\$587,662

Table 15: New York State EZ Investment Tax Credit by Size of Entire Net Income - 2000 Liability Year (Cont'd)

Credit Used

Size of Entire Net Income	Number of Taxpayers	Amount of Credit Used	% of Credit Used	Median Credit Used	Mean Credit Used
Zero or Net Loss	37	\$513,452	8.69	\$1,871	\$13,877
\$ 1 - \$ 99,999	41	70,496	1.19	725	1,719
100,000 - 499,999	30	144,856	2.45	3,268	4,829
500,000 - 999,999	11	123,169	2.09	8,336	11,197
1,000,000 - 24,999,999	32	2,502,880	42.38	35,588	78,215
25,000,000 - 49,999,999	4	405,812	6.87	119,062	101,453
50,000,000 - 99,999,999	d/	d/	d/	d/	d/
100,000,000 - 499,999,999	3	562,464	9.52	d/	187,488
500,000,000 - and over	d/	d/	d/	d/	d/
Total	160	\$5,905,414	100.00	\$3,877	\$36,909

Credit Carried Forward

Size of Entire Net Income	Number of Taxpayers	Amount of Credit Carried Forward	% of Credit Carried Forward	Median Credit Carried Forward	Mean Credit Carried Forward
Zero or Net Loss	71	\$35,094,310	27.07	\$79,826	\$494,286
\$ 1 - \$ 99,999	60	4,049,682	3.12	26,440	67,495
100,000 - 499,999	33	3,718,965	2.87	41,137	112,696
500,000 - 999,999	10	953,682	0.74	59,393	95,368
1,000,000 - 24,999,999	25	32,430,094	25.01	299,939	1,297,204
25,000,000 - 49,999,999	5	14,615,578	11.27	260,417	2,923,116
50,000,000 - 99,999,999	3	17,966,614	13.86	d/	5,988,871
100,000,000 - 499,999,999	3	20,826,951	16.06	d/	6,942,317
500,000,000 - and over	0	0	0.00	0	0
Total	210	\$129,655,876	100.00	\$68,997	\$617,409

Table 16: New York State EZ Investment Tax Credit by Size of Credit Used - 2000 Liability Year

Credit Earned

Size of Credit Used	Number of Taxpayers	Amount of Credit Earned	% of Credit Earned	Median Credit Earned	Mean Credit Earned
Zero	68	\$14,794,875	34.57	\$14,939	\$217,572
\$ 1 - \$ 499	19	247,985	0.58	2,563	13,052
500 - 999	17	371,261	0.87	3,623	21,839
1,000 - 4,999	38	2,481,538	5.80	11,100	65,304
5,000 - 9,999	13	2,294,047	5.36	27,541	176,465
10,000 - 24,999	18	758,484	1.77	22,903	42,138
25,000 - 49,999	12	2,832,192	6.62	34,104	236,016
50,000 - 99,999	d/	d/	d/	d/	d/
100,000 - 499,999	13	15,512,727	36.25	372,150	1,193,287
500,000 - and over	d/	d/	d/	d/	d/
Total	207	\$42,794,680	100.00	\$18,885	\$206,738

Credit Claimed

Size of Credit Used	Number of Taxpayers	Amount of Credit Claimed	% of Credit Claimed	Median Credit Claimed	Mean Credit Claimed
Zero	77	\$62,371,381	44.78	\$72,089	\$810,018
\$ 1 - \$ 499	24	797,803	0.57	18,117	33,242
500 - 999	23	1,683,712	1.21	10,356	73,205
1,000 - 4,999	42	5,331,088	3.83	36,789	126,931
5,000 - 9,999	16	11,402,738	8.19	55,772	712,671
10,000 - 24,999	21	3,123,507	2.24	51,958	148,738
25,000 - 49,999	12	7,254,354	5.21	144,107	604,530
50,000 - 99,999	d/	d/	d/	d/	d/
100,000 - 499,999	13	37,461,674	26.90	509,766	2,881,667
500,000 - and over	d/	d/	d/	d/	d/
Total	237	\$139,275,869	100.00	\$61,342	\$587,662

Table 16: New York State EZ Investment Tax Credit by Size of Credit Used - 2000 Liability Year (Cont'd)

Credit Used

Size of Credit Used	Number of Taxpayers	Amount of Credit Used	% of Credit Used	Median Credit Used	Mean Credit Used
Zero	0	\$0	0.00	\$0	\$0
\$ 1 - 499	24	6,293	0.11	286	262
500 - 999	23	15,961	0.27	694	694
1,000 - 4,999	42	116,676	1.98	2,700	2,778
5,000 - 9,999	16	124,129	2.10	8,143	7,758
10,000 - 24,999	21	374,621	6.34	18,231	17,839
25,000 - 49,999	12	421,355	7.14	33,835	35,113
50,000 - 99,999	d/	d/	d/	d/	d/
100,000 - 499,999	13	2,719,950	46.06	163,139	209,227
500,000 - and over	d/	d/	d/	d/	d/
Total	160	\$5,905,414	100.00	\$3,877	\$36,909

Credit Carried Forward

Size of Credit Used	Number of Taxpayers	Amount of Credit Carried Forward	% of Credit Carried Forward	Median Credit Carried Forward	Mean Credit Carried Forward
Zero	77	\$59,320,303	45.75	\$72,089	\$770,394
\$ 1 - 499	20	791,373	0.61	31,168	39,569
500 - 999	18	1,657,247	1.28	14,513	92,069
1,000 - 4,999	35	5,023,285	3.87	69,818	143,522
5,000 - 9,999	14	11,091,253	8.55	97,737	792,232
10,000 - 24,999	15	2,669,952	2.06	48,967	177,997
25,000 - 49,999	10	6,832,999	5.27	164,425	683,300
50,000 - 99,999	8	7,527,740	5.81	522,141	940,968
100,000 - 499,999	13	34,741,724	26.80	400,645	2,672,440
500,000 - and over	0	0	0.00	0	0
Total	210	\$129,655,876	100.00	\$68,997	\$617,409

Table 17: New York State ZEA Wage Tax Credit by Basis of Taxation - 2000 Liability Year

Credit Earned

Basis of Taxation	Number of Taxpayers	Amount of Credit Earned	% of Credit Earned	Median Credit Earned	Mean Credit Earned
Entire Net Income	7	\$649,833	30.97	\$45,000	\$92,833
Fixed Dollar Minimum Tax	d/	d/	d/	d/	d/
Capital Base	d/	d/	d/	d/	d/
Alternative Minimum Tax	5	1,143,564	54.50	25,125	228,713
Total	16	\$2,098,272	100.00	\$41,250	\$131,142

Credit Claimed

Basis of Taxation	Number of Taxpayers	Amount of Credit Claimed	% of Credit Claimed	Median Credit Claimed	Mean Credit Claimed
Entire Net Income	9	\$682,062	24.18	\$37,500	\$75,785
Fixed Dollar Minimum Tax	5	597,558	21.19	49,500	119,512
Capital Base	3	242,354	8.59	d/	80,785
Alternative Minimum Tax	7	1,298,465	46.04	45,435	185,495
Total	24	\$2,820,439	100.00	\$45,218	\$117,518

Credit Used

Basis of Taxation	Number of Taxpayers	Amount of Credit Used	% of Credit Used	Median Credit Used	Mean Credit Used
Entire Net Income	9	\$400,671	31.32	\$37,500	\$44,519
Fixed Dollar Minimum Tax	3	51,247	4.01	d/	17,082
Capital Base	3	38,353	3.00	d/	12,784
Alternative Minimum Tax	5	788,838	61.67	2,633	157,768
Total	20	\$1,279,109	100.00	\$13,028	\$63,955

Credit Carried Forward

Basis of Taxation	Number of Taxpayers	Amount of Credit Carried Forward	% of Credit Carried Forward	Median Credit Carried Forward	Mean Credit Carried Forward
Entire Net Income	4	\$281,391	18.55	\$30,568	\$70,348
Fixed Dollar Minimum Tax	4	\$546,311	36.00	\$66,368	\$136,578
Capital Base	3	199,313	13.14	d/	66,438
Alternative Minimum Tax	7	490,313	32.31	21,035	70,045
Total	18	\$1,517,328	100.00	\$32,805	\$84,296

Table 18: New York State Alternative Minimum Tax Credit by Major Industry Group - 2000 Liability Year

Credit Earned

Major Industry Group	Number of Taxpayers	Amount of Credit Earned	% of Credit Earned	Median Credit Earned	Mean Credit Earned
Unidentifiable	d/	d/	d/	d/	d/
Agriculture	32	\$37,099	0.78	\$151	\$1,159
Mining	d/	d/	d/	d/	d/
Construction	352	419,020	8.80	218	1,190
Manufacturing	274	482,579	10.13	333	1,761
Trans., Comm., Pub.					
Utilities Services	218	246,499	5.17	184	1,131
Wholesale Trade	339	902,599	18.95	201	2,663
Retail Trade	341	284,594	5.97	127	835
Finance, Insurance, and Real Estate	743	1,852,247	38.88	293	2,493
Services	960	523,951	11.00	148	546
Total	3,270	\$4,763,491	100.00	\$201	\$1,457

Credit Claimed

Major Industry Group	Number of Taxpayers	Amount of Credit Claimed	% of Credit Claimed	Median Credit Claimed	Mean Credit Claimed
Unidentifiable	d/	d/	d/	d/	d/
Agriculture	42	112,974	0.22	846	2,690
Mining	d/	d/	d/	d/	d/
Construction	300	903,831	1.72	892	3,013
Manufacturing	350	11,165,399	21.29	1,609	31,901
Trans., Comm., Pub.					
Utilities Services	144	834,341	1.59	834	5,794
Wholesale Trade	274	9,541,697	18.19	597	34,824
Retail Trade	268	1,000,023	1.91	503	3,731
Finance, Insurance, and Real Estate	469	22,837,155	43.54	749	48,693
Services	733	5,877,214	11.21	512	8,018
Total	2,587	\$52,449,183	100.00	\$694	\$20,274

Table 18: New York State Alternative Minimum Tax Credit by Major Industry Group - 2000 Liability Year (Cont'd)

Credit Used

Major Industry Group	Number of Taxpayers	Amount of Credit Used	% of Credit Used	Median Credit Used	Mean Credit Used
Unidentifiable	0	\$0	0.00	\$0	\$0
Agriculture	3	\$3,048	0.09	d/	\$1,016
Mining	0	0	0.00	0	0
Construction	98	226,228	6.85	\$570	2,308
Manufacturing	49	236,996	7.18	1,243	4,837
Trans., Comm., Pub.					
Utilities Services	37	136,656	4.14	553	3,693
Wholesale Trade	66	769,953	23.31	379	11,666
Retail Trade	57	93,355	2.83	251	1,638
Finance, Insurance, and Real Estate	109	1,698,077	51.41	443	15,579
Services	168	138,680	4.20	222	825
Total	587	\$3,302,993	100.00	\$383	\$5,627

Credit Carried Forward

Major Industry Group	Number of Taxpayers	Amount of Credit Carried Forward	% of Credit Carried Forward	Median Credit Carried Forward	Mean Credit Carried Forward
Unidentifiable	d/	d/	d/	d/	d/
Agriculture	41	109,926	0	843	2,681
Mining	d/	d/	d/	d/	d/
Construction	242	677,603	1.38	917	2,800
Manufacturing	318	10,928,393	22.24	1,593	34,366
Trans., Comm., Pub.					
Utilities Services	122	697,685	1.42	849	5,719
Wholesale Trade	233	8,771,745	17.85	598	37,647
Retail Trade	230	906,668	1.84	507	3,942
Finance, Insurance, and Real Estate	404	21,139,078	43.01	733	52,324
Services	638	5,738,534	11.68	544	8,995
Total	2,235	\$49,146,181	100.00	\$698	\$21,989

Table 19: New York State Alternative Minimum Tax Credit by Size of Entire Net Income - 2000 Liability Year

Credit Earned

Size of Entire Net Income	Number of Taxpayers	Amount of Credit Earned	% of Credit Earned	Median Credit Earned	Mean Credit Earned
Zero or Net Loss	950	\$1,840,098	38.63	\$260	\$1,937
\$ 1 - \$ 99,999	2,234	1,395,930	29.30	173	625
100,000 - 499,999	53	190,078	3.99	779	3,586
500,000 - 999,999	7	149,477	3.14	1,262	21,354
1,000,000 - 24,999,999	24	1,070,775	22.48	2,347	44,616
25,000,000 - 49,999,999	d/	d/	d/	d/	d/
50,000,000 - 99,999,999	0	0	0.00	0	0
100,000,000 - 499,999,999	d/	d/	d/	d/	d/
500,000,000 - and over	0	0	0.00	0	0
Total	3,270	\$4,763,491	100.00	\$201	\$1,457

Credit Claimed

Size of Entire Net Income	Number of Taxpayers	Amount of Credit Claimed	% of Credit Claimed	Median Credit Claimed	Mean Credit Claimed
Zero or Net Loss	1,145	\$11,752,142	22.41	\$766	\$10,264
\$ 1 - \$ 99,999	1,205	9,856,307	18.79	538	8,180
100,000 - 499,999	124	1,092,106	2.08	1,987	8,807
500,000 - 999,999	d/	d/	d/	d/	d/
1,000,000 - 24,999,999	62	2,562,485	4.89	6,597	41,330
25,000,000 - 49,999,999	7	1,039,763	1.98	57,541	148,538
50,000,000 - 99,999,999	4	8,037,550	15.32	1,559,650	2,009,388
100,000,000 - 499,999,999	4	14,710,324	28.05	43,335	3,677,581
500,000,000 - and over	d/	d/	d/	d/	d/
Total	2,587	\$52,449,183	100.00	\$694	\$20,274

Table 19: New York State Alternative Minimum Tax Credit by Size of Entire Net Income - 2000 Liability Year (Cont'd)

Credit Used

Size of Entire Net Income	Number of Taxpayers	Amount of Credit Used	% of Credit Used	Median Credit Used	Mean Credit Used
Zero or Net Loss	0	\$0	0.00	\$0	\$0
\$ 1 - \$ 99,999	440	230,679	6.98	261	524
100,000 - 499,999	81	209,226	6.33	1,720	2,583
500,000 - 999,999	18	99,107	3.00	2,268	5,506
1,000,000 - 24,999,999	36	370,013	11.20	3,547	10,278
25,000,000 - 49,999,999	6	343,583	10.40	41,689	57,264
50,000,000 - 99,999,999	3	1,350,065	40.87	d/	450,022
100,000,000 - 499,999,999	d/	d/	d/	d/	d/
500,000,000 - and over	d/	d/	d/	d/	d/
Total	587	\$3,302,993	100.00	\$383	\$5,627

Credit Carried Forward

Size of Entire Net Income	Number of Taxpayers	Amount of Credit Carried Forward	% of Credit Carried Forward	Median Credit Carried Forward	Mean Credit Carried Forward
Zero or Net Loss	1,145	\$11,752,142	23.91	\$766	\$10,264
\$ 1 - \$ 99,999	972	9,625,619	19.59	574	9,903
100,000 - 499,999	60	882,880	1.80	2,756	14,715
500,000 - 999,999	19	877,138	1.78	3,961	46,165
1,000,000 - 24,999,999	32	2,192,472	4.46	21,469	68,515
25,000,000 - 49,999,999	d/	d/	d/	d/	d/
50,000,000 - 99,999,999	d/	d/	d/	d/	d/
100,000,000 - 499,999,999	d/	d/	d/	d/	d/
500,000,000 - and over	d/	d/	d/	d/	d/
Total	2,235	\$49,146,181	100.00	\$698	\$21,989

Table 20: New York State Alternative Minimum Tax Credit by Size of Credit Used - 2000 Liability Year

Credit Earned

Size of Credit Used	Number of Taxpayers	Amount of Credit Earned	% of Credit Earned	Median Credit Earned	Mean Credit Earned
Zero	3,270	\$4,763,491	100.00	\$201	\$1,457

Credit Claimed

Size of Credit Used	Number of Taxpayers	Amount of Credit Claimed	% of Credit Claimed	Median Credit Claimed	Mean Credit Claimed
Negative	0	\$0	0.00	\$0	\$0
Zero	2,000	43,353,872	82.66	698	21,677
\$ 1 - \$ 499	334	205,460	0.39	295	615
500 - 999	86	175,829	0.34	829	2,045
1,000 - 4,999	128	953,976	1.82	2,477	7,453
5,000 - 9,999	14	100,118	0.19	6,306	7,151
10,000 - 24,999	12	658,444	1.26	19,606	54,870
25,000 - 49,999	5	198,055	0.38	39,582	39,611
50,000 - 99,999	d/	d/	d/	d/	d/
100,000 - 499,999	3	950,685	1.81	d/	316,895
500,000 - and over	d/	d/	d/	d/	d/
Total	2,587	\$52,449,183	100.00	\$694	\$20,274

Table 20: New York State Alternative Minimum Tax Credit by Size of Credit Used - 2000 Liability Year (Cont'd)

Credit Used

Size of Credit Used	Number of Taxpayers	Amount of Credit Used	% of Credit Used	Median Credit Used	Mean Credit Used
Negative	0	\$0	0.00	\$0	\$0
Zero	0	0	0.00	0	0
\$ 1 - 499	334	60,940	1.85	155	182
500 - 999	86	61,836	1.87	706	719
1,000 - 4,999	128	288,021	8.72	1,972	2,250
5,000 - 9,999	14	92,509	2.80	5,983	6,608
10,000 - 24,999	12	200,275	6.06	15,734	16,690
25,000 - 49,999	5	188,606	5.71	39,582	37,721
50,000 - 99,999	d/	d/	d/	d/	d/
100,000 - 499,999	3	343,895	10.41	d/	114,632
500,000 - and over	d/	d/	d/	d/	d/
Total	587	\$3,302,993	100.00	\$383	\$5,627

Credit Carried Forward

Size of Credit Used	Number of Taxpayers	Amount of Credit Carried Forward	% of Credit Carried Forward	Median Credit Carried Forward	Mean Credit Carried Forward
Negative	0	\$0	0.00	\$0	\$0
Zero	2,000	43,353,862	88.21	698	21,677
\$ 1 - 499	145	144,521	0.29	376	997
500 - 999	31	113,993	0.23	1,031	3,677
1,000 - 4,999	46	665,955	1.36	2,665	14,477
5,000 - 9,999	3	7,609	0.02	d/	2,536
10,000 - 24,999	6	458,169	0.93	49,600	76,362
25,000 - 49,999	d/	d/	d/	d/	d/
50,000 - 99,999	d/	d/	d/	d/	d/
100,000 - 499,999	d/	d/	d/	d/	d/
500,000 - and over	d/	d/	d/	d/	d/
Total	2,235	\$49,146,181	100.00	\$698	\$21,989

Table 21: New York State Farmers' School Tax Credit by Basis of Taxation - 2000 Liability Year**Credit Earned**

Basis of Taxation	Number of Taxpayers	Amount of Credit Earned	% of Credit Earned	Median Credit Earned	Mean Credit Earned
Entire Net Income	d/	d/	d/	d/	d/
Fixed Dollar Minimum Tax	52	\$297,848	48.96	\$5,219	\$5,728
Capital Base	d/	d/	d/	d/	d/
Alternative Minimum Tax	49	300,694	49.43	4,962	6,137
Total	105	\$608,385	100.00	\$4,962	\$5,794

Credit Claimed

Basis of Taxation	Number of Taxpayers	Amount of Credit Claimed	% of Credit Claimed	Median Credit Claimed	Mean Credit Claimed
Entire Net Income	d/	d/	d/	d/	d/
Fixed Dollar Minimum Tax	52	\$297,848	49.07	\$5,219	\$5,728
Capital Base	d/	d/	d/	d/	d/
Alternative Minimum Tax	49	294,914	48.59	4,962	6,019
Total	106	\$606,953	100.00	\$4,910	\$5,726

Credit Used

Basis of Taxation	Number of Taxpayers	Amount of Credit Used	% of Credit Used	Median Credit Used	Mean Credit Used
Entire Net Income	3	\$6,623	21.91	d/	\$2,208
Fixed Dollar Minimum Tax	7	15,562	51.49	1,899	2,223
Capital Base	0	0	0.00	0	0
Alternative Minimum Tax	10	8,041	26.60	582	804
Total	20	\$30,226	100.00	\$736	\$1,511

Credit Carried Forward

Basis of Taxation	Number of Taxpayers	Amount of Credit Carried Forward	% of Credit Carried Forward	Median Credit Carried Forward	Mean Credit Carried Forward
Entire Net Income	0	\$0	0.00	\$0	\$0
Fixed Dollar Minimum Tax	8	\$20,935	33.15	\$2,907	\$2,617
Capital Base	0	0	0.00	0	0
Alternative Minimum Tax	9	42,221	66.85	3,959	4,691
Total	17	\$63,156	100.00	\$3,720	\$3,715

Table 22: New York State Credit for Employment of Persons with Disabilities by Basis of Taxation - 2000 Liability Year

Credit Earned

Basis of Taxation	Number of Taxpayers	Amount of Credit Earned	% of Credit Earned	Median Credit Earned	Mean Credit Earned
Entire Net Income	23	\$172,748	63.11	\$2,100	\$7,511
Fixed Dollar Minimum Tax	19	56,587	20.67	2,100	2,978
Capital Base	9	26,330	9.62	2,100	2,926
Alternative Minimum Tax	7	18,060	6.60	1,730	2,580
Total	58	\$273,725	100.00	\$2,100	\$4,719

Credit Claimed

Basis of Taxation	Number of Taxpayers	Amount of Credit Claimed	% of Credit Claimed	Median Credit Claimed	Mean Credit Claimed
Entire Net Income	27	\$184,019	50.81	\$2,100	\$6,816
Fixed Dollar Minimum Tax	27	130,128	35.93	2,066	4,820
Capital Base	9	29,997	8.28	2,100	3,333
Alternative Minimum Tax	7	18,060	4.99	1,730	2,580
Total	70	\$362,204	100.00	\$2,100	\$5,174

Credit Used

Basis of Taxation	Number of Taxpayers	Amount of Credit Used	% of Credit Used	Median Credit Used	Mean Credit Used
Entire Net Income	27	\$184,019	78.81	\$2,100	\$6,816
Fixed Dollar Minimum Tax	17	14,987	6.42	425	882
Capital Base	9	28,428	12.17	2,100	3,159
Alternative Minimum Tax	5	6,071	2.60	1,424	1,214
Total	58	\$233,505	100.00	\$1,498	\$4,026

Credit Carried Forward

Basis of Taxation	Number of Taxpayers	Amount of Credit Carried Forward	% of Credit Carried Forward	Median Credit Carried Forward	Mean Credit Carried Forward
Entire Net Income	d/	d/	d/	d/	d/
Fixed Dollar Minimum Tax	26	\$115,141	89.47	\$1,702	\$4,429
Capital Base	d/	d/	d/	d/	d/
Alternative Minimum Tax	5	11,989	9.32	932	2,398
Total	32	\$128,699	100.00	\$1,607	\$4,022

Table 23: New York State Alternative Fuels Credit* - 2000 Liability Year

Alternative Fuels Credit	Credit Component	Number of Taxpayers	Amount of Credit	Median Credit Amount	Mean Credit Amount
	Credit Earned	3	\$50,149	d/	\$16,716
	Credit Claimed	5	\$2,281,556	\$54,201	\$456,311
	Credit Used	3	\$55,303	d/	\$18,434
	Credit Carried Forward	d/	d/	d/	d/

*The provisions of this credit allow for the transfer of excess credit to affiliates of the taxpayer.
In 2000, corporations transferred \$1.9 million to affiliates.

Table 24: New York State Qualified Emerging Technology Company Tax Credits by Basis of Taxation - 2000 Liability Year

Credit Earned

Basis of Taxation	Number of Taxpayers	Amount of Credit Earned	% of Credit Earned	Median Credit Earned	Mean Credit Earned
Entire Net Income	d/	d/	d/	d/	d/
Fixed Dollar Minimum Tax	20	\$759,005	92.01	\$20,500	\$37,950
Capital Base	d/	d/	d/	d/	d/
Alternative Minimum Tax	5	55,892	6.78	7,000	11,178
Total	27	\$824,897	100.00	\$13,750	\$30,552

Credit Claimed

Basis of Taxation	Number of Taxpayers	Amount of Credit Claimed	% of Credit Claimed	Median Credit Claimed	Mean Credit Claimed
Entire Net Income	d/	d/	d/	d/	d/
Fixed Dollar Minimum Tax	21	\$1,008,397	93.35	\$25,000	\$48,019
Capital Base	d/	d/	d/	d/	d/
Alternative Minimum Tax	5	61,872	5.73	8,372	12,374
Total	28	\$1,080,269	100.00	\$16,362	\$38,581

Credit Used

Basis of Taxation	Number of Taxpayers	Amount of Credit Used	% of Credit Used	Median Credit Used	Mean Credit Used
Entire Net Income	d/	d/	d/	d/	d/
Fixed Dollar Minimum Tax	10	\$47,833	61.28	\$2,808	\$4,783
Capital Base	d/	d/	d/	d/	d/
Alternative Minimum Tax	4	20,222	25.91	4,553	5,056
Total	16	\$78,055	100.00	\$4,294	\$4,878

Credit Carried Forward

Basis of Taxation	Number of Taxpayers	Amount of Credit Carried Forward	% of Credit Carried Forward	Median Credit Carried Forward	Mean Credit Carried Forward
Entire Net Income	0	\$0	0.00	\$0	\$0
Fixed Dollar Minimum Tax	15	709,736	98.07	18,000	47,316
Capital Base	0	0	0.00	0	0
Alternative Minimum Tax	3	13,948	1.93	d/	4,649
Total	18	\$723,684	100.00	\$15,237	\$40,205

Table 25: New York State Industrial or Manufacturing Business Tax Credit* by Basis of Taxation - 2000 Liability Year

Credit Earned	Basis of Taxation	Number of Taxpayers	Amount of Credit Earned	% of Credit Earned	Median Credit Earned	Mean Credit Earned
		Entire Net Income	205	\$1,152,554	7.48	\$1,317
	Fixed Dollar Minimum Tax	294	7,426,431	48.20	2,434	25,260
	Capital Base	58	220,894	1.43	921	3,809
	Alternative Minimum Tax	334	6,606,316	42.88	2,260	19,779
	Total	891	\$15,406,195	100.00	\$1,973	\$17,291

Credit Used	Basis of Taxation	Number of Taxpayers	Amount of Credit Used	% of Credit Used	Median Credit Used	Mean Credit Used
		Entire Net Income	201	\$1,143,464	20.92	\$1,361
	Fixed Dollar Minimum Tax	135	1,063,425	19.46	1,489	7,877
	Capital Base	50	146,701	2.68	810	2,934
	Alternative Minimum Tax	193	3,112,390	56.94	1,849	16,126
	Total	579	\$5,465,980	100.00	\$1,465	\$9,440

*The provisions of this credit do not allow a carryforward of excess credit. Therefore, credit earned is the same as credit claimed.

Table 26: New York State Industrial or Manufacturing Business Tax Credit* by Major Industry Group - 2000 Liability Year

Credit Earned

Major Industry Group	Number of Taxpayers	Amount of Credit Earned	% of Credit Earned	Median Credit Earned	Mean Credit Earned
Unidentifiable	0	\$0	0.00	\$0	\$0
Agriculture	65	64,020	0.42	310	985
Mining	10	57,358	0.37	2,237	5,736
Construction	17	60,713	0.39	931	3,571
Manufacturing	674	13,563,683	88.04	2,412	20,124
Trans., Comm., Pub.					
Utilities Services	11	57,176	0.37	2,456	5,198
Wholesale Trade	57	196,576	1.28	1,300	3,449
Retail Trade	16	22,860	0.15	690	1,429
Finance, Insurance, and Real Estate	18	1,259,548	8.18	19,345	69,975
Services	23	124,261	0.81	2,405	5,403
Total	891	\$15,406,195	100.00	\$1,973	\$17,291

Credit Used

Major Industry Group	Number of Taxpayers	Amount of Credit Used	% of Credit Used	Median Credit Used	Mean Credit Used
Unidentifiable	0	\$0	0.00	\$0	\$0
Agriculture	45	41,370	0.76	246	919
Mining	8	22,982	0.42	590	2,873
Construction	12	45,992	0.84	854	3,833
Manufacturing	424	4,591,626	84.00	1,915	10,829
Trans., Comm., Pub.					
Utilities Services	6	35,575	0.65	1,751	5,929
Wholesale Trade	40	134,195	2.46	629	3,355
Retail Trade	12	15,710	0.29	812	1,309
Finance, Insurance, and Real Estate	14	493,984	9.04	5,488	35,285
Services	18	84,546	1.55	2,008	4,697
Total	579	\$5,465,980	100.00	\$1,465	\$9,440

* The provisions of this credit do not allow a carryforward of excess credit. Therefore, credit earned is the same as credit claimed.

** The NAICS codes in this report are based upon the taxpayer's principal activity in the State. Qualification for this credit is predicated upon principal business activity of the whole business. If a business has facilities, branches, or divisions both within and outside of New York State, the test applies to the activities of the entire business. Consequently, in some instances, the New York presence may not be principally engaged in industrial or manufacturing business activity, resulting in the appearance of the qualifying taxpayer in non-industrial or manufacturing NAICS groups.

Table 27: New York State Industrial or Manufacturing Business Tax Credit* by Size of Entire Net Income- 2000 Liability Year

Credit Earned

Size of Entire Net Income	Number of Taxpayers	Amount of Credit Earned	% of Credit Earned	Median Credit Earned	Mean Credit Earned
Zero or Net Loss	300	\$7,610,843	49.40	\$2,876	\$25,369
\$ 1 - \$ 99,999	226	286,062	1.86	523	1,266
100,000 - 499,999	133	371,036	2.41	1,350	2,790
500,000 - 999,999	34	221,802	1.44	2,488	6,524
1,000,000 - 24,999,999	153	2,131,122	13.83	6,865	13,929
25,000,000 - 49,999,999	14	560,219	3.64	20,602	40,016
50,000,000 - 99,999,999	10	706,563	4.59	15,424	70,656
100,000,000 - 499,999,999	15	2,340,016	15.19	37,638	156,001
500,000,000 - and over	6	1,178,532	7.65	122,683	196,422
Total	891	\$15,406,195	100.00	\$1,973	\$17,291

Credit Used

Size of Entire Net Income	Number of Taxpayers	Amount of Credit Used	% of Credit Used	Median Credit Used	Mean Credit Used
Zero or Net Loss	156	\$1,176,918	21.53	\$1,378	\$7,544
\$ 1 - \$ 99,999	143	96,540	1.77	395	675
100,000 - 499,999	102	193,398	3.54	1,133	1,896
500,000 - 999,999	23	84,333	1.54	2,456	3,667
1,000,000 - 24,999,999	120	1,251,360	22.89	6,182	10,428
25,000,000 - 49,999,999	9	239,345	4.38	20,192	26,594
50,000,000 - 99,999,999	8	316,181	5.78	10,770	39,523
100,000,000 - 499,999,999	13	1,530,365	28.00	34,946	117,720
500,000,000 - and over	5	577,540	10.57	59,996	115,508
Total	579	\$5,465,980	100.00	\$1,465	\$9,440

*The provisions of this credit do not allow a carryforward of excess credit. Therefore, credit earned is the same as credit claimed.

Table 28: New York State Industrial or Manufacturing Business Tax Credit* by Size of Credit Used - 2000 Liability Year

Credit Earned

Size of Credit Used	Number of Taxpayers	Amount of Credit Earned	% of Credit Earned	Median Credit Earned	Mean Credit Earned
Zero	312	\$8,177,719	53.08	\$2,015	\$26,211
\$ 1 - \$ 499	164	89,549	0.58	232	546
500 - 999	77	82,489	0.54	775	1,071
1,000 - 4,999	194	1,577,265	10.24	2,488	8,130
5,000 - 9,999	51	484,693	3.15	7,515	9,504
10,000 - 24,999	59	1,089,556	7.07	16,569	18,467
25,000 - 49,999	16	611,738	3.97	36,292	38,234
50,000 - 99,999	d/	d/	d/	d/	d/
100,000 - 499,999	6	1,938,075	12.58	248,231	323,013
500,000 - and over	d/	d/	d/	d/	d/
Total	891	\$15,406,195	100.00	\$1,973	\$17,291

Credit Used

Size of Credit Used	Number of Taxpayers	Amount of Credit Used	% of Credit Used	Median Credit Used	Mean Credit Used
Zero	0	\$0	0.00	\$0	\$0
\$ 1 - \$ 499	164	33,575	0.61	191	205
500 - 999	77	57,118	1.05	748	742
1,000 - 4,999	194	454,030	8.31	2,055	2,340
5,000 - 9,999	51	369,633	6.76	6,868	7,248
10,000 - 24,999	59	969,294	17.73	15,926	16,429
25,000 - 49,999	16	568,367	10.40	34,643	35,523
50,000 - 99,999	d/	d/	d/	d/	d/
100,000 - 499,999	6	1,662,909	30.42	248,231	277,152
500,000 - and over	d/	d/	d/	d/	d/
Total	579	\$5,465,980	100.00	\$1,465	\$9,440

*The provisions of this credit do not allow a carryforward of excess credit. Therefore, credit earned is the same as credit claimed.

Appendix A: Credit Provisions Effective for Tax Years Beginning Prior to January 1, 2001

Investment Tax Credit

For tax years beginning on or after December 31, 1968, the investment tax credit (ITC) equaled 1 percent of the cost of new or expanded manufacturing production facilities located in New York State. By 1982, the rate had grown to 6 percent.

For tax years beginning in 1987, 1988, and 1989, the rate dropped to 5 percent of the first \$500 million investment, and 4 percent for investment over that amount. For tax years beginning in 1990, the \$500 million threshold dropped to \$425 million, and then to \$350 million for subsequent tax years.

Unused ITC can be carried forward for fifteen years. If a taxpayer qualifies as a new business, they can elect to receive a refund of unused ITC during its first five taxable years. A new business is defined as any corporation except:

- A corporation in which over 50 percent of the number of shares of stock entitling their holders to vote for the election of directors or trustees is owned or controlled, directly or indirectly, by a taxpayer subject to the tax under Article 9-A; sections 183, 184, 185, or 186 of Article 9; Article 32; or Article 33 of the Tax Law.
- A corporation that is substantially similar in operation and in ownership to a business entity or entities taxable or previously taxable under Article 9-A; section 183, 184, 185, or 186 of Article 9; Article 32; or Article 33; or that would have been subject to the tax under Article 23 as it was in effect on January 1, 1980; or the income (or losses) of which is (or was) includable under Article 22 of the Tax Law.
- A corporation that has been subject to tax under Article 9-A for more than five taxable years (excluding short periods).

Investment Tax Credit – History of Tax Rates

Investment Year	Rate and Applicable Investment Tax Credit Base
1969 - 1973	1% Optional one-year depreciation write-off for research and development property. Industrial waste treatment and air pollution facilities qualify for elective deductions.
1974 - 1977	2% Optional one-year depreciation write-off for research and development property. Industrial waste treatment and air pollution facilities qualify for elective deductions.
1978	3% Optional one-year depreciation write-off for research and development property. Industrial waste treatment and air pollution facilities qualify for elective deductions.
1/1/79 - 5/31/81	4% Optional one-year depreciation write-off for research and development property. Industrial waste treatment and air pollution control facilities qualify for elective deductions.
6/1/81 - 6/30/82	5% 10% rate on research and development property acquired after 6/30/82. Industrial waste treatment and air pollution control facilities qualify for elective deductions.
7/1/82 - 1986	6% 10% rate on research and development property. Industrial waste treatment and air pollution control facilities qualify for elective deductions.
Beginning in 1987, 1988, and 1989	5% of the first \$500 million. 4% of the amount above \$500 million. 10% rate on research and development property repealed – An optional 9% rate on research and development property becomes effective in 1987 as a component of ITC. Investments in industrial waste treatment property, air pollution control facilities no longer qualify for elective deductions, but remain eligible for ITC. Credit carryforward limited to 7 years.
Beginning in 1990	5% of the first \$425 million. 4% of the amount above \$425 million. An optional 9% rate on research and development property. Credit carryforward remained limited to 7 years.
Beginning after 1990	5% of the first \$350 million. 4% of the amount above \$350 million. An optional 9% rate on research and development property. 1994 law increased carryforward from 7 to 10 years. 1994 law extended pre-1987 ITC cutoff date from 1994 to 1997. 1997 law extended credit carryforward from 10 to 15 years. 1997 law extended pre-1987 ITC cutoff date from 1997 to 2002. ITC extended to broker/dealers (Property placed in service on or after October 1, 1998 and before October 1, 2003). 2002 law extended ITC for financial services to October 1, 2008.

In addition, taxpayers who met certain employment tests could qualify for the employment incentive credit (EIC). Prior to 1987, this credit equaled one-half of the ITC base and was available for up to three years. However, employment in such years must have equaled at least 101 percent of the employment in the year immediately before the ITC was first claimed.

The 1997-1998 budget extended the ITC and EIC carryforward period from ten to fifteen years. Any unused pre-1987 credits were made available until 2002 to provide relief for businesses. Post-1986 credits will have a fifteen year carryforward.

For investments made on or after January 1, 1987, the EIC is a two-year credit described in the following table:

History of Tax Rates of the Employment Incentive Credit

Year Property is Placed in Service	Average Number of Employees During the Tax Year Expressed as a Percentage of Those in the Employment Base Year	Additional Credit as a Percentage of the Investment Credit Base
Tax Years Beginning in 1987, 1988 or 1989	At least 101%	2% of the first \$500 million 2.5% in excess of \$500 million
Tax Years Beginning in 1990	At least 101%, but less than 101.5%	2% of the applicable ITC base
	In excess of 101.5%	2.5% of the applicable ITC base
Tax Years Beginning After 1990	At least 101%, but less than 102%	1.5% of the applicable ITC base
	At least 102%, but less than 103%	2% of the applicable ITC base
	At least 103%	2.5% of the applicable ITC base

Rehabilitation Credit for Historic Barns

Taxpayers may claim a tax credit for the rehabilitation of historic barns in New York State. The credit equals 25 percent of qualified rehabilitation expenditures. The definition of a qualified rehabilitated barn has the same meaning as a “qualified rehabilitated building” for purposes of the federal rehabilitation credit under Section 47 of the Internal Revenue Code. In accordance with federal law for rehabilitation of historic buildings, the barn must be first placed in service before 1936 and would only qualify for the credit based on substantial rehabilitation. Generally, a building will have been considered substantially rehabilitated only if the expenditures exceed the greater of the adjusted basis of the barn or \$5,000. A taxpayer may not claim both the regular investment tax credit on manufacturing property and the investment tax credit for rehabilitation of historic barns on the same property.

Credit for Research and Development Property Under the ITC

Research and development (R&D) property acquired on or after January 1, 1987 qualifies for the ITC. Taxpayers may elect the regular ITC rate including the EIC, or an optional rate on R&D property of 9 percent for taxable years beginning in 1990. If taxpayers elect the higher rate, they cannot claim the EIC on the same investment.

ITC for the Financial Services Industry

An investment credit is allowed for qualified property used in the financial services industry. Brokers or dealers in securities can receive the ITC for equipment or buildings used in the broker/dealer activity and in activities connected with broker/dealer operations, such as the provision of investment advice, and lending activities associated with the purchase and sale of securities. The rate of credit, maximum amounts, carryforward provisions, and recapture rules are generally the same as for the regular investment credit.

Property eligible for this credit includes property used in the course of the taxpayer's business: as a broker or dealer in connection with the purchase or sale of stocks, bonds, commodities, or other securities; as a provider of lending, loan arrangement or loan origination services to customers in connection with the purchase or sale of securities; or as a provider of investment advisory services for a regulated investment company. In addition, qualified property includes property used in a course of the taxpayer's business as an exchange registered as a national securities exchange (such as the New York stock exchange) or a board of trade, or an entity wholly owned by one or more national security exchanges or boards of trade that provides automation or technical services to the national security exchanges or boards of trade.

Eligibility for the credit requires all or substantially all of the taxpayer's or affiliate's employees performing the administrative and support functions resulting from or relating to the qualifying uses of the property to be located in New York State. Taxpayers that lease property to an affiliated broker/dealer or exchange are also eligible for credit.

Special Additional Mortgage Recording Tax Credit

A credit is allowed equal to the State special additional mortgage recording tax paid on mortgages recorded after December 31, 1978. The special additional mortgage recording tax is imposed at the rate of 25 cents per \$100 on the indebtedness secured by a mortgage recorded on or after July 1, 1969. The credit is not allowed for such taxes paid on residential mortgages recorded after May 1, 1987, where the real property is located in Erie County or one or more of the counties comprising the Metropolitan Commuter Transportation District.

For periods beginning on or after January 1, 1994, taxpayers may elect to treat the unused portion of the special additional mortgage recording tax credit as an overpayment to be credited or refunded.

Job Incentive (Eligible Business Facility) Credit

Enacted in 1968, the job incentive credit applied to manufacturing and wholesaling firms. To claim the credit, the firm must have located, expanded or improved their facilities in core areas of the State's six largest cities.

They must also have provided employment and training to residents of these areas. Subsequent legislation expanded the program to cover all of New York State. Legislation enacted in 1983 terminated the program. However, applications approved before July 1, 1983 continued in effect. This credit sunset for tax years beginning on January 1, 2000.

The amount of credit equaled a percentage, based on eligible wages and property in the core area, applied to pre-credit liability. A taxpayer could not have claimed both the job incentive credit and another credit for the same investment.

**Empire Zone/
Zone Equivalent
Area Tax Credits**

In 1986, New York State enacted legislation to stimulate growth in economically distressed communities. The program provided a package of tax incentives for businesses that invest or provide jobs in designated economic development zones. Credits included a wage tax credit, a capital tax credit, and an investment tax credit.

In 1993 and 1994, New York State expanded and modified the program, effective for tax years beginning on or after January 1, 1994. In 1993, the changes included simplifying the wage tax credit and the capital tax credit. The computation of the wage tax credit was changed from a complex, percentage of wages method to a flat dollar amount per newly hired employee. This change and the expansion of the capital tax credit were intended to increase participation in the program.

In 1994, the program was expanded again to also provide a wage tax credit for businesses that increased employment in areas eligible for zone designation, but not so designated. These areas are called zone equivalent areas (ZEAs).

In 2000, the “Empire Zones Program Act” modified the program again to change the designation of “economic development zones” to “Empire Zones”, and established several new credits. Businesses that become certified as Qualified Empire Zone Enterprises (QEZE) and pass an annual employment test can receive a real property tax credit and a tax reduction credit (see Appendix B).

**EZ Wage Tax Credit/
ZEA Wage Tax Credit**

Eligible taxpayers may claim a wage tax credit for up to five years for doing business and creating jobs in an Empire Zone (EZ). The credit amounts differ for targeted and nontargeted employees. A higher credit amount applies to targeted employees (i.e., those with low incomes or on public assistance).

As originally implemented, the credit equaled 25 percent of targeted eligible wages for the first tax year, declining by 5 percent per year for each of the following five years.

The corresponding credit for non-targeted employees equaled one-half of these amounts. The total credit could not exceed 50 percent of pre-credit tax liability.

To qualify for the credit, taxpayers must have filled 20 percent of new zone jobs with zone residents, or with residents of census tracts bordering the zone. In addition, the employer must have shown a statewide and zonewide net employment gain. Ceilings limited the credits.

Beginning on or after January 1, 1994, the wage tax credit was simplified. The wage tax credit was based on the average number of newly hired employees. The first component of the credit equaled the product of the average number of newly hired targeted employees multiplied by \$1,500. The corresponding credit amount for other employees equaled the average number of newly hired nontargeted employees receiving zone wages multiplied by \$750. Beginning on or after January 1, 2001, the credit amounts increased to \$3,000 for each targeted employee and \$1,500 for each nontargeted employee. Both credits became available for five years.

For tax years beginning on or after January 1, 1994, a similar credit was provided for eligible businesses located in ZEAs. Taxpayers employing individuals in ZEAs could claim a two-year wage tax credit for wages paid to full-time employees in a ZEA. In year one, the credit equaled \$1,000 multiplied by the average number of newly hired targeted employees and \$500 multiplied by the average number of newly hired nontargeted employees. In year two, the credit decreased to \$500 per targeted employee and \$250 per nontargeted employee.

Beginning on January 1, 2001, the credits became available for five years and the amounts were increased to \$3,000 for each targeted employee and \$1,500 for each nontargeted employee. The credit amounts remain the same throughout the five years.

The total EZ or ZEA wage tax credit cannot exceed 50 percent of tax due before credits. Taxpayers may carry forward unused credits indefinitely. In lieu of a carryforward, "new business" taxpayers may elect to have 50 percent of unused credit refunded.

EZ Capital Tax Credit

A credit applied to the consideration paid for original issue stock purchased from a zone capital corporation. These are corporations designed to raise money for investment in zone businesses. The credit equaled 25 percent of the amount paid for the stock, up to a lifetime maximum of \$100,000. In any tax year, the credit could not exceed 50 percent of the taxpayer's pre-credit liability. Taxpayers could carry forward unused amounts indefinitely. A recapture provision applied if the taxpayer disposed of the investment within 36 months of acquisition.

For tax years beginning on or after January 1, 1994, the law was amended to allow the EZ capital tax credit for investments in capital corporations, direct equity investments in certified zone businesses, and contributions to community development projects. The new credit equals 25 percent of the sum of each type of investment. The lifetime maximum credit per taxpayer equals \$100,000 in each category for an aggregate limit of \$300,000.

EZ Investment Tax Credit

Production property acquired or built in an EZ may qualify for an EZ-ITC of 10 percent. Like the regular ITC, this credit cannot reduce the tax due for any year to less than the higher of the tax on the minimum income base or the fixed dollar minimum. However, corporations may carry forward any unused EZ-ITC indefinitely.

An additional 3 percent credit rate (30 percent of the EZ-ITC) applies in the three years following the year in which the corporation claims the EZ-ITC. To qualify for this second credit, the taxpayer's employment in the EZ (excluding general executive officers) must equal at least 101 percent of its average employment in the year prior to earning the EZ-ITC.

Effective January 1, 1994, the EZ-ITC was amended to allow new businesses to elect a 50 percent refund of the unused credit in lieu of a carryforward. Remaining provisions of the EZ-ITC did not change.

EZ Investment Tax Credit for the Financial Services Industry

Brokers or dealers in securities that are located in an Empire Zone can receive the EZ-ITC for equipment or buildings used in the broker/dealer activity and in activities connected with broker/dealer operations. Qualifying activity includes the provision of investment advice and lending activities associated with the purchase and sale of securities. The credit allowances are the same as the EZ-ITC.

Alternative Minimum Tax Credit

Taxpayers began to accumulate the alternative minimum tax (AMT) credit in 1990. Beginning in 1991, taxpayers could claim the AMT credit against their regular tax (entire net income base) for a portion of AMT paid in 1990 and subsequent years. A taxpayer can use the AMT credit to reduce their regular tax liability to the fixed dollar minimum, the capital base, or the minimum taxable income base, whichever is highest. The credit cannot be used against the subsidiary capital base.

The calculation of the minimum tax credit involves a two-step process. The taxpayer calculates a "tentative" minimum tax by subtracting from the minimum tax the highest of the tax on entire net income, the tax on business and investment capital, or the fixed dollar minimum tax.

In the second step, corporations recalculate the minimum tax they would have paid, accounting for only two specific tax preferences. The first is the preference related to depletion under IRC Section 57(a)(1). The second is the preference related to the appreciated property charitable deduction under IRC Section 57(a)(6)(b). In addition, prior to 1994, both minimum tax calculations disallowed the net operating loss deduction, and required single weighting of the receipts factor. Corporations reduce this recalculated minimum tax by the highest of the tax on entire net income, the tax on business and investment capital, or the fixed dollar minimum tax. The result of subtracting the recalculated minimum tax credit from the “tentative” minimum tax credit equals the minimum tax credit available for subsequent years.

Effective for taxable years beginning in 1994, taxpayers may claim an AMT credit against regular (ENI-based) tax liability for part of the net operating loss deduction not used in computing the AMT. Taxpayers may calculate the AMT credit retroactively for taxable years after 1989 and carry forward the credit indefinitely. The pre-1994 net operating loss component is subject to a five-year transition rule, beginning in taxable years after 1993 and ending before 1999. Under the transition rule, a taxpayer may use up to 20 percent of the credit in each of the five years beginning with the 1994 tax year. The taxpayer will have available the remainder of any unused credit for tax years after 1999.

Farmers' School Tax Credit

Eligible farmers may claim a refundable real property tax credit against the corporate franchise tax. The credit is available to an eligible farmer, defined as a taxpayer whose gross income from farming is at least 2/3 of total gross income. Eligible farmers also include those who paid school district property taxes on qualified agricultural property pursuant to a land contract. The credit equals the total school property taxes paid on qualified agricultural property in the State up to the acreage limitation, and 50 percent of the school taxes paid on acres in excess of the limitation. The acreage limitation equaled 100 acres in 1997 and 250 acres after 1997. The credit is phased out for taxpayers with New York adjusted gross income (entire net income) in excess of \$100,000. Recapture provisions provide for an addback of the credit if the taxpayer converts the property to a nonqualified use in the two years subsequent to the first year of the credit.

Credit for Employment of Persons with Disabilities

Employers who employ individuals with disabilities may claim a credit for a portion of wages paid to such individuals. The credit equals 35 percent of the first \$6,000 of first year wages paid to the disabled employee (a maximum of \$2,100 per employee).

However, if the first year's wages qualify for the federal work opportunity tax credit, the New York credit will apply to second year wages. The credit may be applied against the AMT, and unused credits are not refundable but may be carried forward indefinitely. To become eligible for the State credit, the disabled employee must work for the employer on a full time basis for at least 180 days or 400 hours, and must be certified as disabled by the State Education Department. Visually handicapped individuals may receive certification from the appropriate agency responsible for vocational rehabilitation of the blind and visually impaired.

Alternative Fuels Credit

A tax credit is allowed for electric vehicles, clean fuel vehicles using natural gas, methanol and other alternative fuels, qualified hybrid vehicles, and clean fuel refueling facility property. For corporate franchise taxpayers, the credits may be transferred to affiliates. The tax credits equal: 50 percent of the incremental cost of new electric vehicles registered in New York (capped at \$5,000 per vehicle); 60 percent of the cost of new clean-fuel components for alternative fuel vehicles registered in New York (capped at \$5,000 per vehicle with a gross vehicle weight rating of 14,000 pounds or less, and \$10,000 for those over 14,000 pounds); \$2,000 for qualified hybrid vehicles; and 50 percent of the cost of new clean-fuel refueling property used in a trade or business. For tax years beginning on or after January 1, 2000, the credits applied to electric vehicles and clean fuel vehicle property sold or leased to governmental agencies. The vehicles must be manufactured in New York State. In addition, the manufacturing and processing activities relating to the vehicles must create at least 25 full time jobs in New York. Any excess credit generated by sales or leases to governmental agencies is refundable.

Qualified Emerging Technology Company Tax Credits

The New York State Emerging Industry Jobs Act provides franchise tax credits for qualified emerging technology companies that create new jobs, or for corporate taxpayers that invest in emerging technology companies. A qualified emerging technology company is one that is located in New York State, has total annual sales of \$10 million or less, and either: has a ratio of research and development funds to net sales that equals or exceeds the average ratio for typical research and development companies; or has products or services classified as emerging technologies. Emerging technologies are explicitly defined in the instructions for the credit forms.

The employment tax credit equals \$1,000 for each individual employed over a base year level and is allowed for three years. Excess credit may be carried forward indefinitely or be refunded by new QETCs. The capital tax credit varies in amount depending on how long the investment is held. Investments held for four years from the close of the tax year in which the QETC capital tax credit is first claimed qualify for a 10 percent credit. Investments held for nine years qualify for a 20 percent credit.

The total amount of credit allowable to a taxpayer for all years may not exceed \$150,000 for credit computed at the 10 percent rate, and \$300,000 for credit computed at the 20 percent rate. Also, the credit and any carryforwards may not exceed 50 percent of the tax due prior to the application of any other tax credits.

**Industrial or
Manufacturing
Business Credit**

Industrial or manufacturing businesses (IMBs) are allowed a credit to be taken against taxes due under Article 9-A. The credit is the sum of taxes paid during the taxable year, due under the provisions of Tax Law Sections 186-a, 186-c, 189 and 189-a of Article 9 for gas, electricity, steam, water, or refrigeration; or the services of providing such, which are used or consumed in New York. Energy providers will provide taxpayers, on request, information on the amounts due and paid for these taxes during the taxpayer's liability year.

To qualify for the IMB credit, a taxpayer must be a business which during the taxable year is principally engaged in: manufacturing, processing, assembling, refining, mining, extracting, farming, agriculture, horticulture, floriculture, viticulture, commercial fishing, or research and development; or is an industrial waste treatment facility or an air pollution control facility; or is principally engaged in a combination of such activities.

**Mortgage Servicing
Tax Credit¹**

Mortgage bankers, registered under Article 12-D of the Banking Law and meeting certain regulatory requirements established by the State of New York Mortgage Agency (SONYMA), may claim a credit against their franchise tax. The credit equals 2.93 percent of the total principal and interest collected by the bank for each SONYMA mortgage secured by a one-to-four family residence. In addition, mortgage bankers may receive an amount equal to the interest collected during their taxable year on each SONYMA mortgage, secured by a five or more family residence, multiplied by a fraction. The fraction depends on the types of properties which secure the serviced mortgage loans. The credit may be applied against the mortgage banker's liability to reduce their liability to zero. There is no carryforward of excess credit.

**Low Income
Housing Credit²**

The "New York State Low Income Housing Tax Credit Program," based on the existing federal program, requires an agreement between the taxpayer and the commissioner of the New York State Division of Housing and Community Renewal for a long-term commitment to low-income housing. The amount of the credit depends on the applicable percentage of the qualified basis of each low-income building. The credit amount allocated is allowed as a credit against tax for ten tax years. Unused credits may be carried forward indefinitely. The total amount of credit available is \$20 million, or \$2 million each year.³

Fixed Dollar Minimum Tax

Many of New York's tax credits cannot reduce a taxpayer's liability below the alternative minimum tax or the fixed dollar minimum tax. The fixed dollar minimum tax varies according to a taxpayer's gross payroll.

Gross Payroll Amount	Fixed Dollar Amount
\$6,250,000 or more	\$1,500
\$1,000,001 to \$6,249,999	\$ 425
\$500,001 to \$1,000,000	\$ 325
\$250,001 to \$500,000	\$ 225
\$250,000 or less	\$ 100

A fixed dollar minimum of \$800 applies to essentially inactive (i.e., shelf) corporations that meet certain conditions, including:

- gross payroll of \$1,000 or less;
- total gross (i.e., everywhere) receipts of \$1,000 or less; and
- gross assets with an average value of \$1,000 or less.

Endnote

1. The mortgage servicing tax credit was available to taxpayers during the 2000 tax liability year but was not claimed.
2. The low income housing credit was available to taxpayers during the 2000 tax liability year but was not claimed.
3. Subsequent budget actions changed the amount of credit allocated per year. See Appendix D for more detail.

Appendix B: Credit Provisions Effective for Tax Years Beginning After the 2000 Tax Liability Year

Appendix B describes the tax credits that were available to taxpayers for periods following the 2000 tax year. Although these tax credits are available in the year in which this report was produced, final data is not yet available due to filing extensions, fiscal year considerations, and verification and processing procedures.

Data for credits effective for tax years beginning on or after January 1, 2001, will be available in 2004, while data for credits effective for tax years beginning on or after January 1, 2002, will be available in 2005.

Credits Available for Tax Years Beginning On or After January 1, 2001

Qualified Empire Zone Enterprise Credits

In 2000, the “Empire Zones Program Act” established two new Empire Zone credits. Businesses that become certified as Qualified Empire Zone Enterprises (QEZEs) can receive a credit against property taxes paid and a tax reduction credit in addition to the other Empire Zone credits.

In order to qualify for the QEZE credits, a taxpayer must first satisfy an annual employment test.

QEZE Real Property Tax Credit

The credit for real property taxes paid is the product of three factors:

1. a benefit period factor which is based on the number of years the taxpayer has been certified as a QEZE;
2. an employment increase factor which varies depending upon the number of jobs created by the QEZE; and
3. eligible real property taxes paid by the QEZE.

The credit is fully refundable.

QEZE Tax Reduction
Credit

The tax reduction credit is the product of four factors:

1. a benefit period factor which is based on the number of years the taxpayer has been certified as a QEZE;
2. an employment increase factor which varies depending upon the number of jobs created by the QEZE;
3. a zone allocation factor which measures the economic presence of the QEZE in the Empire Zone and in New York State; and
4. a tax factor which is the larger of the tax on the entire net income base or the minimum taxable income base.

Green Building
Credit

The green building credit provides incentives for the construction, rehabilitation, and maintenance of buildings with high environmental standards and energy efficiency. The credit rewards the use of environmentally preferable building materials and renewable and clean energy technologies.

There are six different credit components for which a taxpayer might be allowed a credit. Each credit component has its own requirements, formula for calculating the amount of the credit, and cap. A taxpayer might be allowed one or more of these components, with certain restrictions. The components are:

- whole building credit component (owner or tenant) - where base building and all tenant space are green;
- base building credit component (owner) - applies to areas not intended for occupancy by either a tenant or owner;
- tenant space credit component (owner or tenant);
- fuel cell credit component;
- photovoltaic module credit component; and
- green refrigerant credit component.

To obtain eligibility for the green building credit, the taxpayer must first apply to the Department of Environmental Conservation for an "initial credit component certificate." The certificate will set forth the first taxable year for which the credit may be claimed and the maximum credit amount allowable to the taxpayer. The credit may be claimed for five taxable years beginning with the first taxable year allowed pursuant to the initial credit component certificate. The green building credit program applies to taxable years from 2001 through 2009. In addition, for each taxable year that a credit is claimed, a taxpayer will have to obtain an eligibility certificate issued by a licensed architect or engineer certifying that the project meets the standards for green buildings.

Where a credit has been allowed to an owner who sells a building or to a tenant who terminates his or her tenancy within the period for allowance of the credit, the successor owner or successor tenant will be allowed the credit for the remainder of the period, as long as the property continues to meet the applicable environmental standards.

**Automated External
Defibrillator Credit**

Taxpayers may claim a credit for the purchase of an automated external defibrillator. The amount of the credit is equal to the cost of the defibrillator, but is capped at \$500 per unit. There is no limit on the number of units for which the credit may be taken. The credit is nonrefundable, and excess credit may not be carried forward.

Credits Available for Tax Years Beginning On or After January 1, 2002

**Long-Term Care
Insurance Credit**

A credit is available for corporations that pay premiums for qualifying long-term care insurance policies. The credit is equal to 10 percent of the premiums paid during the tax year for the purchase of, or continuing coverage under, a long-term care insurance policy that qualifies for the credit pursuant to section 1117 of the Insurance Law.

Appendix C: Article 9-A Tax Credit Forms and Credit Ordering Rules

Forms for Credits Available to Taxpayers During the 2000 Tax Year ^{1,2}	
<i>Form Number</i>	<i>Form Name</i>
CT-40	<i>Claim for Alternative Fuels Credit (instructions)</i>
CT-41	<i>Claim for Credit for Employment of Persons with Disabilities (instructions)</i>
CT-43	<i>Claim for Special Additional Mortgage Recording Tax Credit</i>
CT-44	<i>Claim for Investment Tax Credit for the Financial Services Industry (instructions)</i>
CT-46	<i>Claim For Investment Tax Credit and Employment Incentive Credit (instructions)</i>
CT-46-ATT	<i>Credit for Rehabilitation Expenses for Retail Enterprises and Historic Barns</i>
CT-47	<i>Claim for Farmers' School Tax Credit (instructions)</i>
DTF-601	<i>Claim for EDZ Wage Tax Credit³ (instructions)</i>
DTF-601.1	<i>Claim for ZEA Wage Tax Credit³ (instructions)</i>
DTF-602	<i>Claim for EDZ Capital Tax Credit³ (instructions)</i>
DTF-603	<i>Claim for EDZ Investment Tax Credit and EDZ Employment Incentive Tax Credit³ (instructions)</i>
DTF-605	<i>Claim for EDZ Investment Tax Credit and EDZ Employment Incentive Tax Credit for the Financial Services Industry³ (instructions)</i>
DTF-620	<i>Application for Certification of a Qualified Emerging Technology Company (instructions)</i>
DTF-621	<i>Claim for QETC Employment Credit (instructions)</i>
DTF-622	<i>Claim for QETC Capital Tax Credit (instructions)</i>
DTF-623	<i>Claim for Industrial or Manufacturing Business (IMB) Credit</i>

Forms for Additional Credits Available to Taxpayers for Tax Years After 2000	
<i>Form Number</i>	<i>Form Name</i>
CT-249	<i>Claim for Long-Term Care Insurance Credit</i>
CT-250	<i>Credit for Purchase of an Automated External Defibrillator</i>
CT-604	<i>Claim for QEZE Credit for Real Property Taxes and QEZE Tax Reduction Credit (instructions)</i>
CT-604-CP	<i>Claim for QEZE Credit for Real Property Taxes and QEZE Tax Reduction Credit for Corporate Partners (instructions)</i>
DTF-624	<i>Claim for Low-Income Housing Credit (instructions)</i>
DTF-625	<i>Low-Income Housing Credit Allocation Certification (instructions)</i>
DTF-625-ATT	<i>Low-Income Housing Credit Annual Statement (instructions)</i>
DTF-630	<i>Claim for Green Building Credit (instructions)</i>

Tax Credit Ordering Rules

Taxpayers are instructed to apply tax credits in the following order:

- non-carryover, non-refundable credits;
- Empire Zone/Zone Equivalent Area Wage Tax Credits;
- carryovers of limited duration;
- carryovers of unlimited duration;
- refundable credits.

The appropriate application of multiple credits is illustrated in the following table. Credits that were available after the 2000 tax liability year, and therefore not covered by this report, are shaded.

Noncarryover Credits
Mortgage servicing tax credit
Automated external defibrillator credit (available for tax years beginning on or after 1/1/01)
Qualified Empire Zone Enterprise (QEZE) tax reduction credit (available for tax years beginning on or after 1/1/01)
Empire Zone (EZ) and Zone Equivalent Area (ZEA) Wage Tax Credits
EZ wage tax credit
EZ wage tax credit for new businesses only ⁴
ZEA wage tax credit
ZEA wage tax credit for new businesses only ⁴
Carryover Credits of Limited Duration
Investment tax credit (ITC) for financial services
Employment incentive credit (EIC) for the financial services industry
ITC, including retail enterprises and historic barns credit
EIC
Carryover Credits of Unlimited Duration
Alternative minimum tax credit
Alternative fuels vehicle tax credit
Credit for employing individuals with disabilities
Special additional mortgage recording tax credit
Long-term care insurance credit (available for tax years beginning on or after 1/1/02)
EZ capital corporation tax credit
EZ-ITC
EZ-EIC
EZ-ITC for financial services
EZ-EIC for financial services
Qualified emerging technology company (QETC) employment credit
QETC capital tax credit
Low income housing credit
Green buildings tax credit (available for tax years beginning on or after 1/1/01)
Credits That Are Refundable
Alternative fuels vehicle credit for qualified taxpayers only
Special additional mortgage recording tax credit for residential mortgages only
ITC for financial services for new businesses only
ITC, including retail enterprises and historic barns credit, for new businesses only
Agricultural property tax credit
EZ-ITC for new businesses only
QEZE real property tax credit (available for tax years beginning on or after 1/1/01)
EZ-ITC for financial services for new businesses only
QETC employment credit for new businesses only
Industrial or manufacturing business credit

Endnotes

1. The alternative minimum tax credit is calculated on Schedule B, Part II of Attachment CT-3-ATT, *Schedules B, C, D, and E - Attachment to Form CT-3*.
2. The amount of the credit for servicing certain mortgages, which is available only to mortgage bankers, is reported on a letter from the New York State Mortgage Association to the taxpayer.
3. In 2000, the Empire Zones Program Act changed the designation of economic development zones to Empire Zones. This change from EDZs to EZs is reflected in the titles for credit forms starting in 2001. The forms were also renumbered, changing the DTF prefix to CT.
4. Despite the fact that the EZ/ZEA wage tax credit is refundable to new businesses, the Tax Law requires the credits to be applied prior to carryover-eligible credits or other refundable credits.

Appendix D: History of Budget Actions Impacting Article 9-A Tax Credits

This appendix provides a brief summary of changes to tax credits that were contained in state budgets. Each year, the Office of Tax Policy Analysis publishes a *Summary of Tax Provisions* which offers a more detailed discussion of budget and tax credit provisions.

Changes in 1996-97 State Budget

- *Credit for Rehabilitation of Historic Barns*

Effective for taxable years beginning on or after January 1, 1997, the investment tax credit (ITC) was expanded to allow a corporate franchise tax credit for the rehabilitation of historic barns in New York State.

- *Farmers' School Tax Credit*

The Farmers' School tax credit was enacted, effective for taxable years beginning in 1997.

Changes in 1997-98 State Budget

- *Alternative Fuels Credit*

The alternative fuels credit was enacted, available for property placed in service in taxable years beginning on or after January 1, 1998.

- *Credit for Employment of Persons with Disabilities*

The credit for employment of persons with disabilities was enacted, effective for tax years beginning on or after January 1, 1998, with respect to workers who begin work on or after January 1, 1997.

- *Investment Tax Credit Carryover*

The budget extended the ITC carryforward from ten to 15 years. Any unused pre-1987 credits will be available until 2002 and post-1986 credits will have a 15-year carryforward.

Changes in 1998-99 State Budget

- *Investment Tax Credit for Broker/Dealers in the Financial Securities Sector*

The ITC available to corporations for manufacturing operations, was extended to corporations, banks and personal income taxpayers that are brokers or dealers in securities. The credit is available for property placed in service for the five year period between October 1, 1998, and September 30, 2003.

- *“New York State Emerging Industry Jobs Act”*

The “New York State Emerging Industry Jobs Act” provided Article 9-A tax credits for qualified emerging technology companies (QETCs) that invest in research and development in New York State.

The provisions include an employment tax credit equal to \$1,000 for each individual employed full time over a base year level. The law also established capital credits that vary depending on how long the investment is held. The credit provisions apply to tax years beginning on or after January 1, 1999.

Changes in 1999-00 State Budget

- *Expansion of Qualified Emerging Technology Company Credit to the Remanufacturing of Certain Commodities*

The existing definition of qualified emerging technologies for purposes of the QETC employment tax credit and capital investment tax credits was broadened. The new definition includes companies that use remanufacturing processes to restore eligible commodities. The expanded definition provision took effect for taxable years beginning on or after January 1, 2001.

- *Automated External Defibrillator Tax Credit*

The automated external defibrillator tax credit was enacted, effective for taxable years beginning on or after January 1, 2001.

- *Merger and Acquisition Provisions Relating to the Investment Tax Credit*

The budget legislation repealed provisions relating to mergers, acquisitions, and consolidations, and as a result prevented the elimination of ITC for these companies. The provisions took effect for taxable years beginning on or after January 1, 2000.

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- *Economic Development Zone, Zone Equivalent Area Wage Tax Credit Expansion*

The budget legislation doubled the existing wage tax credit for wages paid in Economic Development (EDZs) and Zone Equivalent Areas (ZEAs). The credit increased from \$1,500 to \$3,000 for targeted employees and from \$750 to \$1,500 for other individuals. In addition, the legislation increased, from two to five years, the period in which taxpayers may claim the ZEA wage credit. The provisions took effect for taxable years beginning on or after January 1, 2001.

- *Alternative Fuels Credit Expansion*

The availability of existing alternative fuels credits for electric vehicles and clean fuel vehicle property was expanded. The credits apply to such vehicles sold or leased to governmental entities in taxable years beginning on or after January 1, 2000. The credit was capped at \$2.5 million for the total amount allowed, and sunset on December 31, 2001.

Changes in 2000-01 State Budget

- *“Empire Zones Program Act”*

The “Empire Zones Program Act” changed the term, “Economic Development Zone” to “Empire Zone” and created two new credits. Businesses that meet an annual employment test can become certified as Qualified Empire Zone Enterprises (QEZEs) and receive a credit for real property taxes and a tax reduction credit. The credits apply to taxable years beginning on or after January 1, 2001.

- *Empire Zone Employment Incentive Credit and the Alternative Minimum Tax*

The budget amended the EZ employment incentive credit, allowing it to be used against the alternative minimum tax base. The change is effective for tax years beginning on or after January 1, 2001.

- *Green Building Credit*

The green building credit was enacted. The total credit pool available is \$25 million over 10 years, and the Department of Environmental Conservation determines the amount of credit available to individual taxpayers. The credits apply to costs incurred on or after June 1, 1999, for property placed in service or that has received a final certificate of occupancy in tax years beginning on or after January 1, 2001.

- *Industrial or Manufacturing Business Credit*

The industrial or manufacturing business (IMB) credit was enacted, effective for taxable years ending on or after January 1, 2000.

- *Merger and Acquisition Retroactive Investment Tax Credit*

The budget provided for the law preventing the unfair elimination of ITC for companies involved in mergers and acquisitions to apply retroactively to tax years beginning on or after January 1, 1997. Amended returns could not be filed prior to April 1, 2001.

- *Alternative Fuels Credit Extension*

Special provisions under Article 9-A relating to the sale or lease of electric vehicles or clean fuel vehicle property installed in motor vehicles to governmental entities were extended to include taxable years beginning in 2002 and 2003.

- *Low-Income Housing Credit*

The budget established the “New York State Low-Income Housing Tax Credit Program.” The credit is administered by the New York State Division of Housing and Community Renewal (DHCR) and is effective for tax years beginning on or after January 1, 2000, with respect to commitments for construction agreed upon on or after May 15, 2000.

- *Investment Tax Credit Transfer*

This provision allowed taxpayers to transfer their ITC to a transferee corporation in a qualified, stock-for-assets spinoff transaction. The credit transfer is allowed for ITC property transferred as part of the spinoff, where recapture or limitation of the ITC would otherwise be required. If both parties jointly elect, the transferor would not be required to recapture its ITC on the transferred property. The transferee would then acquire the transferor’s unused ITC. If they do not jointly elect the first option, the transferor would be required to recapture its ITC. The transferee would obtain the recaptured amount as its credit. Under either option, the transferee would treat the transferor’s holding period and original cost as if it were its own for purposes of possible recapture. If the transferred credit exceeds the transferee’s tax, the transferee would be entitled to a refund in the year of the credit. The credit allowed to the transferee is available in four equal portions beginning in the second succeeding taxable year following the transaction year. This provision applies to transfers of

property occurring on or after January 1, 1999, in connection with qualified transactions completed prior to June 1, 1999, where the transfers occur in a taxable year of the transferee of the property which began in 1999.

- *Long-term care insurance credit*

The long-term care insurance credit was enacted, effective for tax years beginning on or after January 1, 2002.

Changes in 2001-02 State Budget

- *Empire Zone program expansion*

Eight new Empire Zones were authorized.

Changes in 2002-03 State Budget

- *Special Investment Tax Credit Provisions*

Special provisions were enacted for dealing with property damaged or destroyed in the September 11th terrorist attacks. Ordinarily, a taxpayer would be required to recapture the ITC in the year in which such property ceases to be in qualified use, but in this instance, such recapture may be deferred to the next taxable year. If, in that year, a taxpayer retains a significant number of employees, no recapture is required. Also, no recapture is required if a taxpayer lost more than 50 percent of its employees. If a taxpayer elects not to defer recapture and purchases replacement property, the ITC base is determined without regard to the normal required basis reduction.

- *Investment Tax Credit for the Financial Services Industry Extended*

The sunset date for the ITC for the financial services industry was extended from October 1, 2003 to October 1, 2008. This provision applies to property placed in service on or after January 1, 2002 and before October 1, 2008.

- *Low-Income Housing Credit Doubled*

The Statewide aggregate credit limit for the low-income housing tax credit was doubled from \$2 million to \$4 million.

- *Empire Zone Technical Corrections*

The EZ program was amended to clarify certain provisions and implement new components for several credit calculations. The changes fall into three main categories:

New Business Definition

The five-year new business period concept was clarified and simplified for the purpose of claiming refunds of credits. The new language clarified that a new business can receive an EZ-ITC refund in each of its first five years.

QEZE Technical Corrections

Technical issues were addressed regarding: the interplay of the effective date of the QEZE program with the General Municipal Law (GML) statutory provisions; the real property tax credit calculation; the treatment of payments in lieu of taxes; the employment test; and the definition of "employment number."

The effective date correction allows a certified QEZE to continue to receive QEZE benefits for the full term to which they are entitled, even in the event that the GML provisions authorizing the QEZE program are not extended past their expiration date of July 31, 2004.

The real property tax credit calculation was amended to include a limitation which is the greater of the employment increase limitation or the capital investment limitation. It also incorporated a recapture provision for instances where the amount of property taxes used in the property tax factor are reduced.

The corrections also codified Tax Department policy that the term *eligible real property taxes* included certain payments in lieu of taxes (PILOT payments). However, the amendment included a requirement that the PILOT payments be made pursuant to a written agreement approved by both the New York State Department of Economic Development and Office of Real Property Services as satisfying generally accepted and recognized standards of real property tax appraisals.

The employment test was modified so that: if a QEZE is certified in at least one EZ, all qualified employees working in any EZ will be considered employees for purposes of the employment test, regardless of whether the QEZE is certified in all of the EZs; for QEZEs that have a base period of zero years and an employment number in EZs greater than zero, the employment test will be met only if the QEZE is a new business; a taxpayer located in an EZ as a result of a boundary revision or in a newly designated EZ, will calculate the test as if they were always in that location and as if that location was always included in that EZ; and when a business enterprise relocates to an EZ from a business incubator facility, the test will be calculated as if the business enterprise was located in the EZ during its base period.

The term “employment number” was modified to exclude any individual who was employed in the preceding sixty months by a related person to the QEZE (as related person is defined in IRC section 465(b)(3)(c)).

EZ Wage Tax Credit Amendments

The new language specified that, in order for a related business to claim a wage tax credit, the employee for which the credit is being claimed must not have been employed by the related business within the preceding 60 months. This requirement can be waived if the individual had never previously generated a wage tax credit. The budget also clarified that the wage tax credit allowance period is five years from the date of original certification.

- *Empire Zone Expansion*

Ten new EZs were authorized, bringing the total number of EZs across the State to 72. Four zones were previously approved but not designated, while of the six new zones, four will contain two square miles, and two will contain one square mile. Also, this provision required that 75 percent of all unused zone acreage designated after January 1, 2003, must be limited to three primary non-contiguous areas. The remaining 25 percent of "floater" acreage can only be designated outside of three primary areas if certain specific job creation criteria are met.

Changes in 2003-04
State Budget

- *Brownfields Tax Credit Program*

The brownfields tax credit program consists of three components:

Brownfield Redevelopment Tax Credit

The refundable credit equals 12 percent of the expenses related to site remediation, tangible personal property (i.e. structures) development, and groundwater remediation. A two percent bonus rate applies if the cleanup achieves a “Track 1” standard, established by the Department of Environmental Conservation (DEC). An eight percent bonus rate applies if the project is in an “En-Zone,” defined as an area with a poverty rate of at least 20 percent and an unemployment rate of at least 1.25 times the statewide rate.

Remediated Brownfield Credit for Real Property Taxes

The refundable credit is based on the number of full-time employees hired and property taxes paid. To qualify, the taxpayer must hire at least 25 employees. The credit is capped at 25 percent of property taxes, but if the property is located in an En-Zone, the cap is removed.

Remediation Insurance Credit

The refundable credit is available only in the year in which the certificate of remediation is issued by DEC. The credit equals the lesser of \$30,000 or 50 percent of the premiums paid by the taxpayer for environmental remediation insurance.

Index of Budget
Changes by
Tax Credit

The following table lists budget changes by tax credit.

Credit	Budget	Object of Change
Farmers' School Tax Credit	1996-97	credit enacted
Alternative Fuels Credit	1997-98	credit enacted
	1999-00	credit expanded to cover sales/leases to governmental entities
	2000-01	sunset date extended
Automated External Defibrillator Tax Credit	1999-00	credit enacted
Brownsfields Tax Credit Program	2002-03	credit enacted
Credit for Employment of Persons with Disabilities	1997-98	credit enacted
Empire Zone Credits	1999-00	EZ/ZEA wage tax credit amounts doubled, period lengthened
	2000-01	QEZE tax reduction credit and real property tax credit enacted
		EZ employment incentive credit allowed against alternative minimum tax
	2001-02	creation of additional zones authorized
	2002-03	EZ technical corrections enacted
		creation of additional zones authorized
Green Building Credit	2000-01	credit enacted
Industrial or Manufacturing Business Credit	2000-01	credit enacted
Investment Tax Credit	1996-97	allowed for historic barns
	1997-98	carryover period extended
	1998-99	allowed for broker/dealer activity
	1999-00	merger and acquisition technical fix
	2000-01	merger and acquisition retroactive technical fix
		allowed transfer of ITC in limited cases
	2002-03	recapture rules amended regarding property damaged on 9/11/01
		broker/dealer activity sunset date extended
Long-Term Care Insurance Credit	2000-01	credit enacted
Low-Income Housing Credit	2000-01	credit enacted
	2002-03	aggregate statewide credit amount doubled
Qualified Emerging Technology Company Credits	1998-99	employment and capital credits enacted
	1999-00	credits expanded to cover re-manufacturers of certain commodities

Appendix E: Legislative Mandate

Section 109(a) of the Business Tax Reform and Rate Reduction Act of 1987 (Chapter 817 of the Laws of 1987) requires the Commissioner of Taxation and Finance to conduct a study regarding corporate tax credits. The legislative mandate follows.

On or before December first, nineteen hundred eighty-eight and on or before December first of each year thereafter, the commissioner of taxation and finance shall submit a written report and such data and supporting documentation as are available and meaningful regarding the number of taxpayers claiming, using, and carrying forward tax credits and the total amount of such credits claimed, used and carried forward and the median, mean and distribution of such credits for taxable years beginning during nineteen hundred eighty- four, and each subsequent year, to the extent that such information is available. Such reports shall present the latest information available reflecting amended returns filed by taxpayers and adjustments upon audit by taxpayer liability period as well as the impact of such credits upon state fiscal year revenues.

Copies of these reports shall be submitted by the commissioner of taxation and finance to the governor, the temporary president of the senate, the speaker of the assembly, the chairman of the senate finance committee and the chairman of the assembly ways and means committee. Such reports shall contain, but need not be limited to, information by industrial classification, by basis of taxation, by size of credit and taxpayer income ranges. In preparing such reports, the commissioner of taxation and finance shall ensure that the statistics are classified in a manner consistent with the secrecy requirements of tax law.

For more information concerning the data provided in this publication, please contact:

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