



Analysis of Article 9-A General Business Corporation Franchise Tax Credits for 2004

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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 during the 2004 calendar year (hereinafter referred to as the 2004 tax liability year).

The appendices contain comprehensive information on corporate tax credits available in New York State. Appendices A and B provide descriptions of credits available during the 2004 liability year and subsequent periods, respectively. Appendix C lists the form numbers for each credit and the ordering rules applicable when claiming multiple credits. Appendix D recounts legislative actions since 1996 that impacted Article 9-A credits. Finally, Appendix E contains the legislative mandate for this report.

Highlights for 2004

- Corporate taxpayers earned a total of \$490.0 million in credits, claimed a total of \$2,646.5 million in credits, used a total of \$186.2 million in credits against their Article 9-A liability, and refunded a total of \$118.8 million in credits.
- The amount of credit earned decreased for the second straight year, declining by \$59.5 million between 2003 and 2004.
- After decreasing for three straight years, the amount of credit used increased between 2003 and 2004, growing by \$41.0 million.
- 2004 was the fourth consecutive increase in the amount of credit refunded. The amount refunded grew by \$2.4 million between 2003 and 2004.

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- The amount of credit used and refunded in 2004 reached nearly \$300 million. This was an increase of \$43.4 million over 2003.
 - The Empire Zone/Qualified Empire Zone Enterprise (EZ/QEZE) credits continue to increase their share of all credits used and refunded.
 - In 2002, the EZ/QEZE credits comprised 48.8 percent of all credits used and refunded. In 2003, they became the majority, with 50.7 percent of the total. In 2004, their share increased dramatically to 62.3 percent.
 - The investment tax credit (ITC), including the ITC for the financial services industry comprised 34.2 percent of all credits used and refunded in 2004.
 - In 2000, the year before the QEZE credits became effective, the ITC accounted for 83.1 percent of all credits used and refunded.
 - The other 15 credits tax credits available in 2004 accounted for the remaining 3.5 percent of all credits used and refunded.

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 mean amount of credit, and the median amount of credit¹ for the following components:

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. ²
Credit Refunded	Unused credit amounts requested as a refund or applied against the next liability period. These are requested amounts from the tax return, not necessarily amounts actually paid. Refund requests are subject to audit and adjustment by the Tax Department and the Office of the State Comptroller.
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. ³

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. 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.⁴ 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, profiles of the EZ-ITC for the financial services industry, the mortgage servicing tax credit, the qualified emerging technology company (QETC) capital tax credit, the low-income housing credit, and the Empire State Film Production Credit are unavailable, as is zone-level data for the ZEA wage tax credit⁵.

The Tax Law limits some credits to a percentage of tax due or allows only a percentage of the credit to be used. The Empire Zone/Zone Equivalent Area (EZ/ZEA) wage tax credit and the EZ capital tax credit, respectively, 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. Similarly, data for the EZ-ITC and the EZ-EIC are presented as combined amounts.

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.⁶ 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 Empire State Film Production Credit allows 50 percent of excess credit to be refunded in the first year with the remainder refundable in the second year.

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

The QEZE credit for real property taxes, the QEZE tax reduction credit, the mortgage servicing tax credit, the industrial or manufacturing business (IMB) tax credit, and the credit for purchase of an automated external defibrillator do not allow any carryforward of excess credit.

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

Summary of Credit Activity

Tables in this report summarize tax credit activity by component and credit. The totals in the summary 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 2004 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 credit form, 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 broker/dealer activity and in activities connected with broker/dealer operations such as the provision of investment advisory services for a regulated investment company, 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 certain areas of New York State.
Empire Zone (EZ) 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), and a capital tax credit. A corresponding wage tax credit is available for employment in areas designated as Zone Equivalent Areas (ZEAs) ⁵ .
Qualified Empire Zone Enterprise (QEZE) Credits	Businesses that become certified as Qualified Empire Zone Enterprises can receive a credit based on 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.
Alternative Minimum Tax (AMT) 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 ⁷ 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 ⁸	A tax credit is allowed for electric vehicles, clean fuel vehicles, hybrid vehicles, and clean fuel refueling 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 (QETC) Tax Credits	Credits are available to taxpayers that qualify as QETCs or to investors in such businesses. 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 by their suppliers for gas, electricity, steam, water, or refrigeration, or the services of providing such, which are used or consumed in New York State.
Credit for Purchase of an Automated External Defibrillator	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.
Green Building Credit	<p>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.</p> <p>The Department of Environmental Conservation determines eligibility for the credit and the maximum credit amount allowable to the taxpayer.</p>
Low-Income Housing Credit	The New York State low-income housing tax credit program coordinates with the federal low-income housing credit program. The state credit is administered by the New York State Division of Housing and Community Renewal (DHCR) and is allocated for an eligible low income building for which an eligibility statement has been issued by the New York State Commissioner of Housing and Community Renewal.
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 ⁹ 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.
Empire State Film Production Credit	<p>Taxpayers meeting certain threshold levels of film and television production activity in New York State can apply for a tax credit equal to ten percent of qualified costs. The credit can be applied against the alternative minimum tax and is 50 percent refundable. Any amounts carried forward are fully refundable the following year.</p> <p>The credit is administered by the Governor's Office for Motion Picture and Television Development.</p>

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. 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. However, the law does allow some specific credits to be applied against those bases. Where applicable, this is noted in the descriptions of the particular credit.
3. The computation for credit carried forward does not apply to some credits. The IMB credit and the QEZE credit for real property taxes do not allow a credit carryforward since they are fully refundable. The QEZE tax reduction credit, the mortgage servicing tax credit, and the credit for purchase of an automated external defibrillator do not allow any carryforward. The alternative fuels credit allows for a transfer of excess credits to affiliates of the taxpayer in addition to a credit carryforward.

Amounts carried forward from one year may not match amounts reported as carried in the following year for several reasons. Audit adjustments in one year will change the utilization of credit in future years. Changes in the filing composition of a taxpayer, due to mergers, acquisitions, or divestitures, may impact the amount of credit reported, and some taxpayers may go out of business altogether. Finally, a change was made in this year's study file - credit carry forwards were not perpetuated in the absence of a credit form. If a taxpayer failed to file a credit form, the amount of credit carried forward was eliminated from the file. In previous years, OTPA would report a credit carry forward on behalf of the taxpayer even in the absence of a credit form based on the amount reported in the last credit form filed.

4. 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 2003 tax liability year credit claim forms may also result in discrepancies. Starting with the 2002 liability year, the studyfile is comprised of taxpayers whose filing period beginning date is within the corresponding calendar year. Previous data files were comprised of taxpayers whose file period end date was between December of one year and November of the following year.
5. ZEAs expired effective June 13, 2004. The 2002 report was the first year for which zone-level data was available. In that report, ZEA wage tax credit was added to EZ wage tax credit for the zone-level table. However, in light of the expiration of the ZEA portion of the wage tax credit, and in order to provide a consistent table for future analysis, only EZ wage tax credit data was included in the zone-level table in this report.

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6. Legislation enacted as part of the 2005-2006 State budget allowed the QETC employment credit to be refundable to all businesses, starting in 2005.
 7. Chapter 62 of the Laws of 2006 increased the base acreage from 250 to 350 acres, effective for taxable years beginning on or after January 1, 2006.
 8. The credit for vehicles expired after 2004. Starting in 2005, the credit is available for alternative fuel vehicle refueling property only.
 9. Legislation enacted as part of the 2004-2005 State budget increased the credit percentage to 20 percent of premiums paid for tax years beginning on or after January 1, 2004.

Table 1: Comparison of Article 9-A Tax Credit Activity - 2003 and 2004

	2003 (\$ in millions)							
	Total	Unused	Total	Recaptured	Credit	Credit	Refundable	Credit
	Credit	Credit	Credit	Credit	Claimed	Used	Credit ¹	Carried
Earned	from the	Available					Forward	
	Prior Year							
Investment Tax Credit	\$125.9	\$1,570.8	\$1,696.7	\$7.9	\$1,688.8	\$70.3	\$16.3	\$1,602.2
Investment Tax Credit for the Financial Services Industry	72.3	186.2	258.4	2.6	255.8	17.8	4	234.2
Special Additional Mortgage Recording Tax Credit	7.7	2.0	9.7	0.0	9.7	2.2	4.3	3.2
Empire Zone Credits	329.3	705.1	1,034.4	1.8	1,032.0	51.3	77.8	902.0
Alternative Minimum Tax Credit	2.7	1.5	1.5	0.0	1.5	0.7	0.0	0.8
Mortgage Servicing Tax Credit	d/	d/	d/	d/	d/	d/	d/	d/
Farmers' School Tax Credit	1.0	0.0	1.0	0.0	1.0	0.0	0.9	0.1
Credit for Employment of Persons with Disabilities	0.1	0.1	0.3	0.0	0.3	0.1	0.0	0.1
Alternative Fuels Credit ²	2.5	0.5	3.0	0.0	3.0	1.1	0.0	1.8
QETC Employment Credit	0.2	1.2	1.4	0.0	1.4	0.1	0.1	1.2
QETC Capital Tax Credit	d/	d/	d/	d/	d/	d/	d/	d/
IMB Credit	7.7	0.0	7.7	0.0	7.7	1.5	6.2	0.0
Credit for Purchase of an Automated External Defibrillator	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Green Building Credit ³	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Low-Income Housing Credit	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Long-Term Care Insurance Credit	0.1	0.0	0.1	0.0	0.1	0.0	0.0	0.0
Total⁴	\$549.5	\$2,467.5	\$3,014.3	\$12.3	\$3,001.4	\$145.2	\$109.4	\$2,745.8

	2004 (\$ in millions)							
	Total	Unused	Total	Recaptured	Credit	Credit	Refundable	Credit
	Credit	Credit	Credit	Credit	Claimed	Used	Credit ¹	Carried
Earned	from the	Available					Forward	
	Prior Year							
Investment Tax Credit	\$111.2	\$1,264.1	\$1,367.1	\$8.3	\$1,358.8	\$90.8	\$1.6	\$1,266.3
Investment Tax Credit for the Financial Services Industry	38.1	207.8	246.0	1.3	244.7	9.4	d/	235.1
Special Additional Mortgage Recording Tax Credit	4.5	1.0	5.5	0.0	5.5	1.3	1.7	2.4
Empire Zone Credits	329.2	690.4	1,019.5	1.3	1,017.9	81.1	104.5	820.6
Alternative Minimum Tax Credit	1.4	11.8	11.8	0.0	11.8	1.6	0.0	10.1
Mortgage Servicing Tax Credit	d/	d/	d/	d/	d/	d/	d/	d/
Farmers' School Tax Credit	1.0	0.1	1.1	0.0	1.1	0.0	0.9	0.2
Credit for Employment of Persons with Disabilities	0.1	0.1	0.2	0.0	0.2	0.1	0.0	0.1
Alternative Fuels Credit ²	0.3	1.0	1.4	0.0	1.4	0.7	0.0	0.6
QETC Employment Credit	0.1	0.9	1.0	0.0	1.0	0.0	0.1	0.8
QETC Capital Tax Credit	d/	d/	d/	d/	d/	d/	d/	d/
IMB Credit	3.4	0.0	3.4	0.0	3.4	0.5	2.9	0.0
Credit for Purchase of an Automated External Defibrillator	0.1	0.0	0.1	0.0	0.1	0.1	0.0	0.0
Green Building Credit ³	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Low-Income Housing Credit	d/	d/	d/	d/	d/	d/	d/	d/
Long-Term Care Insurance Credit	0.1	0.0	0.2	0.0	0.2	0.1	0.0	0.1
Empire State Film Production Credit ⁵	d/	d/	d/	d/	d/	d/	d/	d/
Total⁴	\$490.0	\$2,177.4	\$2,657.8	\$10.9	\$2,646.5	\$186.2	\$111.8	\$2,336.7

¹ Credit refunded includes amounts eligible for refund, but instead claimed as an overpayment applied against next year's tax liability at the discretion of the taxpayer.

² The provisions of this credit allow for the transfer of excess credit to affiliates of the taxpayer. However, in 2003 and 2004, no corporations transferred credit to affiliates.

³ No credit was claimed in 2003 or 2004.

⁴ Total row reflects the vertical summation of the individual credit components. Horizontal calculations within the column are not valid. Totals may not add due to rounding.

⁵ 2004 was the first year the Empire State Film Production Credit was available.

d/ Tax Law provisions prohibit disclosure of data.

Table 2: Profile of Total New York State Tax Credits – Credits Earned by Type - 2003 and 2004

Credit	2003		2004	
	Number of Taxpayers	Amount of Credit Earned	Number of Taxpayers	Amount of Credit Earned
Investment Tax Credit	1,693	\$125,943,539	1,576	\$111,181,016
Investment Tax Credit for the Financial Services Industry	51	72,264,420	41	38,140,507
Special Additional Mortgage Recording Credit	114	7,712,771	75	4,481,770
EZ Wage Tax Credit	520	36,826,847	545	44,834,275
EZ Capital Tax Credit	50	202,846	52	328,473
EZ Investment Tax Credit	401	161,381,805	409	145,242,550
EZ Investment Tax Credit for the Financial Services Industry	9	1,052,988	8	63,039
ZEA Wage Credit	95	46,046,255	77	17,817,704
QEZE Credit for Real Property Taxes	287	72,762,667	304	87,314,284
QEZE Tax Reduction Credit	276	11,043,546	320	33,589,425
Alternative Minimum Tax Credit	1,911	2,714,048	1,513	1,435,637
Mortgage Servicing Tax Credit	d/	d/	d/	d/
Farmers' School Tax Credit	137	993,042	133	1,039,784
Credit for Employment of Persons with Disabilities	40	144,642	32	146,845
Alternative Fuels Credit	9	2,458,990	6	333,445
QETC Employment Credit	18	179,488	10	109,000
QETC Capital Tax Credit	d/	d/	d/	d/
IMB Credit	1,126	7,666,933	966	3,401,787
Credit for Purchase of an Automated External Defibrillator	19	36,084	23	62,500
Green Building Credit	0	0	0	0
Low-Income Housing Credit	4	10,089	d/	d/
Long-Term Care Insurance Credit	32	52,388	48	68,734
Empire State Film Production Credit	na	na	d/	d/

d/ Tax Law provisions prohibit disclosure of data.

Table 3: Profile of Total New York State Tax Credits – Credits Claimed by Type - 2003 and 2004

Credit	2003		2004	
	Number of Taxpayers	Amount of Credit Claimed	Number of Taxpayers	Amount of Credit Claimed
Investment Tax Credit	2,943	\$1,688,811,083	2,634	\$1,358,757,046
Investment Tax Credit for the Financial Services Industry	65	255,817,791	53	244,652,154
Special Additional Mortgage Recording Credit	142	9,711,159	100	5,513,374
EZ Wage Tax Credit	748	111,958,466	785	130,196,121
EZ Capital Tax Credit	66	422,837	67	587,307
EZ Investment Tax Credit	511	749,529,918	516	706,849,146
EZ Investment Tax Credit for the Financial Services Industry	11	1,412,293	11	504,378
ZEA Wage Credit	125	85,478,210	122	59,244,913
QEZE Credit for Real Property Taxes	287	72,200,618	304	86,957,659
QEZE Tax Reduction Credit	276	11,043,546	320	33,589,425
Alternative Minimum Tax Credit	505	1,526,332	1,905	11,755,883
Mortgage Servicing Tax Credit	d/	d/	d/	d/
Farmers' School Tax Credit	141	1,034,853	134	1,094,030
Credit for Employment of Persons with Disabilities	68	268,617	52	248,799
Alternative Fuels Credit	10	2,951,072	7	1,366,457
QETC Employment Credit	35	1,424,624	21	971,433
QETC Capital Tax Credit	d/	d/	d/	d/
IMB Credit	1,126	7,666,933	966	3,401,787
Credit for Purchase of an Automated External Defibrillator	19	36,084	23	62,500
Green Building Credit	0	0	0	0
Low-Income Housing Credit	4	10,089	d/	d/
Long-Term Care Insurance Credit	33	62,173	50	166,377
Empire State Film Production Credit	na	na	d/	d/

d/ Tax Law provisions prohibit disclosure of data.

Table 4: Profile of Total New York State Tax Credits – Credits Used by Type - 2003 and 2004

Credit	2003		2004	
	Number of Taxpayers	Amount of Credit Used	Number of Taxpayers	Amount of Credit Used
Investment Tax Credit	2,049	\$70,307,675	1,878	\$90,800,124
Investment Tax Credit for the Financial Services Industry	53	17,761,932	43	9,440,088
Special Additional Mortgage Recording Credit	126	2,212,638	90	1,344,929
EZ Wage Tax Credit	435	12,272,024	482	16,581,502
EZ Capital Tax Credit	38	47,960	35	76,036
EZ Investment Tax Credit	261	12,914,371	264	20,896,639
EZ Investment Tax Credit for the Financial Services Industry	8	49,013	7	9,071
ZEA Wage Credit	95	12,912,478	86	17,035,019
QEZE Credit for Real Property Taxes	90	3,016,296	91	4,643,128
QEZE Tax Reduction Credit	249	10,052,363	278	21,820,364
Alternative Minimum Tax Credit	414	692,499	153	1,640,058
Mortgage Servicing Tax Credit	d/	d/	d/	d/
Farmers' School Tax Credit	18	48,239	20	24,225
Credit for Employment of Persons with Disabilities	38	126,467	33	127,599
Alternative Fuels Credit	6	1,125,196	4	725,340
QETC Employment Credit	14	51,008	12	47,471
QETC Capital Tax Credit	d/	d/	d/	d/
IMB Credit	364	1,514,573	309	509,379
Credit for Purchase of an Automated External Defibrillator	19	36,084	22	61,215
Green Building Credit	0	0	0	0
Low-Income Housing Credit	0	0	d/	d/
Long-Term Care Insurance Credit	24	34,259	39	86,687
Empire State Film Production Credit	na	na	d/	d/

d/ Tax Law provisions prohibit disclosure of data.

Table 5: Profile of Total New York State Tax Credits – Credits Refunded by Type - 2003 and 2004

Credit	2003		2004	
	Number of Taxpayers	Amount of Credit Refunded	Number of Taxpayers	Amount of Credit Refunded
Investment Tax Credit	71	\$16,322,112	50	\$1,625,174
Investment Tax Credit for the Financial Services Industry	3	3,875,257	2	87,592
Special Additional Mortgage Recording Credit	17	4,265,618	17	1,689,641
EZ Wage Tax Credit	135	3,874,604	206	8,256,594
EZ Capital Tax Credit	-	-	-	-
EZ Investment Tax Credit	60	3,615,557	57	12,641,502
EZ Investment Tax Credit for the Financial Services Industry	4	618,298	5	17,531
ZEA Wage Credit	7	458,500	14	1,257,797
QEZE Credit for Real Property Taxes	263	69,184,320	268	82,314,542
QEZE Tax Reduction Credit	-	-	-	-
Alternative Minimum Tax Credit	-	-	-	-
Mortgage Servicing Tax Credit	-	-	-	-
Farmers' School Tax Credit	125	901,726	117	897,014
Credit for Employment of Persons with Disabilities	-	-	-	-
Alternative Fuels Credit	0	0	0	0
QETC Employment Credit	11	144,988	8	87,609
QETC Capital Tax Credit	-	-	-	-
IMB Credit	801	6,152,365	683	2,892,416
Credit for Purchase of an Automated External Defibrillator	-	-	-	-
Green Building Credit	-	-	-	-
Low-Income Housing Credit	-	-	-	-
Long-Term Care Insurance Credit	-	-	-	-
Empire State Film Production Credit	na	na	d/	d/

d/ Tax Law provisions prohibit disclosure of data.

Table 6: Profile of Total New York State Tax Credits – Credits Carried Forward by Type - 2003 and 2004

Credit	2003		2004	
	Number of Taxpayers	Amount of Credit Carried Forward	Number of Taxpayers	Amount of Credit Carried Forward
Investment Tax Credit	2,511	\$1,602,181,277	2,225	\$1,266,331,737
Investment Tax Credit for the Financial Services Industry	36	234,180,602	35	235,124,473
Special Additional Mortgage Recording Credit	46	3,222,597	37	2,423,494
EZ Wage Tax Credit	669	95,811,797	698	105,358,006
EZ Capital Tax Credit	35	374,866	44	511,269
EZ Investment Tax Credit	468	732,999,999	475	673,311,014
EZ Investment Tax Credit for the Financial Services Industry	7	744,983	8	477,776
ZEA Wage Credit	93	72,107,231	85	40,952,094
QEZE Credit for Real Property Taxes	-	-	-	-
QEZE Tax Reduction Credit	-	-	-	-
Alternative Minimum Tax Credit	213	833,835	1,822	10,115,837
Mortgage Servicing Tax Credit	d/	d/	d/	d/
Farmers' School Tax Credit	16	84,889	20	172,791
Credit for Employment of Persons with Disabilities	43	142,150	34	121,200
Alternative Fuels Credit	6	1,825,876	3	641,117
QETC Employment Credit	23	1,228,628	11	836,353
QETC Capital Tax Credit	d/	d/	d/	d/
IMB Credit	-	-	-	-
Credit for Purchase of an Automated External Defibrillator	-	-	-	-
Green Building Credit	0	0	0	0
Low-Income Housing Credit	4	10,089	d/	d/
Long-Term Care Insurance Credit	20	27,914	30	79,681
Empire State Film Production Credit	na	na	d/	d/

d/ Tax Law provisions prohibit disclosure of data.

Table 7: New York State Investment Tax Credit by Basis of Taxation - 2004 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	287	\$18,599,352	16.73	\$6,397	\$64,806
Fixed Dollar Minimum Tax	734	48,196,946	43.35	4,741	65,663	
Capital Base	84	13,994,823	12.59	3,196	166,605	
Alternative Minimum Tax	471	30,389,895	27.33	10,606	64,522	
Total	1,576	\$111,181,016	100.00	\$6,500	\$70,546	

Credit Claimed	Basis of Taxation	Number of Taxpayers	Amount of Credit Claimed	% of Credit Claimed	Median Credit Claimed	Mean Credit Claimed
	Entire Net Income	371	\$269,714,904	19.85	\$8,217	\$726,994
Fixed Dollar Minimum Tax	1,407	765,968,958	56.37	27,587	544,399	
Capital Base	131	38,810,371	2.86	6,083	296,262	
Alternative Minimum Tax	725	284,262,813	20.92	43,701	392,087	
Total	2,634	\$1,358,757,046	100.00	\$26,285	\$515,853	

Credit Used	Basis of Taxation	Number of Taxpayers	Amount of Credit Used	% of Credit Used	Median Credit Used	Mean Credit Used
	Entire Net Income	325	\$42,669,850	46.99	\$5,999	\$131,292
Fixed Dollar Minimum Tax	823	10,115,396	11.14	954	12,291	
Capital Base	94	1,271,053	1.40	1,781	13,522	
Alternative Minimum Tax	636	36,743,825	40.47	3,693	57,773	
Total	1,878	\$90,800,124	100.00	\$2,236	\$48,349	

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	76	\$227,041,091	17.93	\$25,531	\$2,987,383
Fixed Dollar Minimum Tax	1,376	754,471,709	59.58	27,063	548,308	
Capital Base	59	37,485,190	2.96	56,733	635,342	
Alternative Minimum Tax	714	247,333,747	19.53	36,128	346,406	
Total	2,225	\$1,266,331,737	100.00	\$29,735	\$569,138	

Table 8: New York State Investment Tax Credit by Major Industry Group - 2004 Liability Year

Credit Earned	Major Industry Group	Number of Taxpayers	Amount of Credit Earned	% of Credit Earned	Median Credit Earned	Mean Credit Earned
	Agriculture, Forestry, Fishing & Hunting	159	\$1,733,885	1.56	\$3,125	\$10,905
	Mining	21	521,508	0.47	10,084	24,834
	Utilities	d/	d/	d/	d/	d/
	Construction	21	203,684	0.18	1,948	9,699
	Manufacturing	1,059	83,472,440	75.08	23,535	266,772
	Wholesale Trade	78	2,134,084	1.92	4,714	27,360
	Retail Trade	27	2,835,102	2.55	10,616	193,931
	Transportation & Warehousing	0	0	0.00	0	0
	Information	57	4,347,552	3.91	14,156	76,273
	Finance and Insurance	4	43,782	0.04	2,779	10,946
	Real Estate, Rental, & Leasing	4	294,006	0.26	2,880	73,502
	Professional, Scientific, & Technical Services	66	8,888,568	7.99	10,638	134,675
	Management of Companies & Enterprises	44	5,825,122	5.24	54,952	132,389
	Administrative & Support & Waste Management & Remediation Services	4	150,079	0.14	7,874	37,520
	Educational Services	0	0	0.00	0	0
	Health Care & Social Assistance	21	689,482	0.62	9,023	32,832
	Arts, Entertainment, & Recreation	3	15,257	0.01	d/	5,086
	Accommodation & Food Services	d/	d/	d/	d/	d/
	Other Services (except Public Administration)	4	4,421	0.00	1,386	1,105
	Public Administration	0	0	0.00	0	0
	Total	1,576	\$111,181,016	100.00	\$6,500	\$70,546
Credit Claimed	Major Industry Group	Number of Taxpayers	Amount of Credit Claimed	% of Credit Claimed	Median Credit Claimed	Mean Credit Claimed
	Agriculture, Forestry, Fishing & Hunting	243	\$16,042,217	1.18	\$19,208	\$66,017
	Mining	31	4,386,609	0.32	53,100	141,504
	Utilities	d/	d/	d/	d/	d/
	Construction	48	2,474,396	0.18	13,239	51,550
	Manufacturing	1,750	985,973,991	72.56	119,276	1,607,640
	Wholesale Trade	142	15,333,294	1.13	9,750	107,981
	Retail Trade	52	9,968,559	0.73	14,703	345,445
	Transportation & Warehousing	d/	d/	d/	d/	d/
	Information	83	13,061,093	0.96	24,783	157,363
	Finance and Insurance	5	3,635,821	0.27	4,926	727,164
	Real Estate, Rental, & Leasing	11	1,042,483	0.08	8,157	94,771
	Professional, Scientific, & Technical Services	114	238,217,780	17.53	13,486	2,089,630
	Management of Companies & Enterprises	72	62,069,704	4.57	202,102	862,079
	Administrative & Support & Waste Management & Remediation Services	9	3,832,954	0.28	38,652	425,884
	Educational Services	d/	d/	d/	d/	d/
	Health Care & Social Assistance	55	2,320,280	0.17	5,879	42,187
	Arts, Entertainment, & Recreation	3	33,447	0.00	d/	11,149
	Accommodation & Food Services	4	110,987	0.01	14,580	27,747
	Other Services (except Public Administration)	8	206,347	0.02	24,735	25,793
	Public Administration	0	0	0.00	0	0
	Total	2,634	\$1,358,757,046	100.00	\$26,285	\$515,853

d/ Tax Law provisions prohibit disclosure of data.

Table 8: New York State Investment Tax Credit by Major Industry Group - 2003 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
	Agriculture, Forestry, Fishing & Hunting	174	\$635,048	0.70	\$893	\$3,650
	Mining	26	491,739	0.54	1,729	18,913
	Utilities	d/	d/	d/	d/	d/
	Construction	34	252,206	0.28	1,498	7,418
	Manufacturing	1,254	48,328,738	53.23	9,130	174,562
	Wholesale Trade	115	2,108,238	2.32	1,634	18,333
	Retail Trade	35	819,992	0.90	3,029	45,324
	Transportation & Warehousing	0	0	0.00	0	0
	Information	59	3,865,476	4.26	5,792	65,517
	Finance and Insurance	4	87297	0.10	2779	21824
	Real Estate, Rental, & Leasing	4	2,840	0.00	543	710
	Professional, Scientific, & Technical Services	77	27,511,470	30.30	2,200	357,292
	Management of Companies & Enterprises	48	6,009,306	6.62	35,138	125,194
	Administrative & Support & Waste Management & Remediation Services	9	546,498	0.60	3,639	60,722
	Educational Services	d/	d/	d/	d/	d/
	Health Care & Social Assistance	28	91,440	0.10	984	3,266
	Arts, Entertainment, & Recreation	3	21,349	0.02	d/	7,116
	Accommodation & Food Services	0	0	0.00	0	0
	Other Services (except Public Administration)	5	12,616	0.01	629	2,523
	Public Administration	0	0	0.00	0	0
	Total	1,878	\$90,800,124	100.00	\$2,236	\$48,349

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
	Agriculture, Forestry, Fishing & Hunting	230	\$15,353,567	1.21	\$20,090	\$66,755
	Mining	24	3,894,870	0.31	78,261	162,286
	Utilities	d/	d/	d/	d/	d/
	Construction	42	2,222,190	0.18	14,786	52,909
	Manufacturing	1,495	936,302,421	73.94	146,262	1,727,128
	Wholesale Trade	101	13,178,161	1.04	12,125	130,477
	Retail Trade	37	9,146,994	0.72	33,891	421,861
	Transportation & Warehousing	d/	d/	d/	d/	d/
	Information	58	9,195,617	0.73	21,085	158,545
	Finance and Insurance	d/	d/	d/	d/	d/
	Real Estate, Rental, & Leasing	10	1039643	0.08	9964	103964
	Professional, Scientific, & Technical Services	92	210,584,458	16.63	17,596	2,288,962
	Management of Companies & Enterprises	57	56,044,530	4.43	277,088	983,237
	Administrative & Support & Waste Management & Remediation Services	9	3,286,456	0.26	33,998	365,162
	Educational Services	d/	d/	d/	d/	d/
	Health Care & Social Assistance	51	2,186,277	0.17	5,879	42,868
	Arts, Entertainment, & Recreation	d/	d/	d/	d/	d/
	Accommodation & Food Services	4	110,987	0.01	14,580	27,747
	Other Services (except Public Administration)	8	193,731	0.02	19,336	24,216
	Public Administration	0	0	0.00	0	0
	Total	2,225	\$1,266,331,737	100.00	\$29,735	\$569,138

d/ Tax Law provisions prohibit disclosure of data.

Table 9: New York State Investment Tax Credit by Size of Entire Net Income - 2004 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			655	\$9,241,656	10.18	\$1,177	\$14,109	
	\$	1	-	\$ 99,999	583	917,237	1.01	950	1,573
		100,000	-	499,999	201	1,470,028	1.62	5,758	7,314
		500,000	-	999,999	84	1,563,942	1.72	17,195	18,618
		1,000,000	-	24,999,999	243	13,461,663	14.83	27,031	55,398
		25,000,000	-	49,999,999	35	7,402,860	8.15	118,936	211,510
		50,000,000	-	99,999,999	20	5,037,718	5.55	179,524	251,886
		100,000,000	-	499,999,999	46	14,796,579	16.30	183,877	321,665
		500,000,000	-	and over	11	36,908,441	40.65	523,536	3,355,313
				Total	1,878	\$90,800,124	100.00	\$2,236	\$48,349

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			1,100	\$676,839,010	53.45	\$30,790	\$615,308	
	\$	1	-	\$ 99,999	682	31,426,638	2.48	14,964	46,080
		100,000	-	499,999	171	29,528,151	2.33	35,564	172,679
		500,000	-	999,999	62	17,429,129	1.38	89,791	281,115
		1,000,000	-	24,999,999	156	191,388,752	15.11	265,731	1,226,851
		25,000,000	-	49,999,999	19	44,831,776	3.54	771,054	2,359,567
		50,000,000	-	99,999,999	12	26,958,916	2.13	963,714	2,246,576
		100,000,000	-	499,999,999	19	43,531,509	3.44	871,882	2,291,132
		500,000,000	-	and over	4	204,397,856	16.14	3,608,472	51,099,464
				Total	2,225	\$1,266,331,737	100.00	\$29,735	\$569,138

Table 10: New York State Investment Tax Credit by Size of Credit Used - 2004 Liability Year

Credit Earned	Size of Credit Used				Number of Taxpayers	Amount of Credit Earned	% of Credit Earned	Median Credit Earned	Mean Credit Earned	
	\$	1	-	\$						
Negative*					3	\$42,662	0.04	d/	\$14,221	
Zero					295	14,436,461	12.98	4,625	48,937	
	\$	1	-	\$	499	199	707,208	0.64	1,037	3,554
		500	-		999	139	553,719	0.50	1,253	3,984
		1,000	-		4,999	387	4,352,220	3.91	3,903	11,246
		5,000	-		9,999	142	3,226,618	2.90	8,460	22,723
		10,000	-		24,999	130	6,300,294	5.67	18,505	48,464
		25,000	-		49,999	100	5,722,361	5.15	32,692	57,224
		50,000	-		99,999	59	5,532,858	4.98	69,784	93,777
		100,000	-		499,999	99	45,628,396	41.04	138,532	460,893
		500,000	-		and over	23	24,678,219	22.20	636,141	1,072,966
					Total	1,576	\$111,181,016	100.00	\$6,500	\$70,546

Credit Claimed	Size of Credit Used				Number of Taxpayers	Amount of Credit Claimed	% of Credit Claimed	Median Credit Claimed	Mean Credit Claimed	
	\$	1	-	\$						
Negative*					8	-\$94,964	-0.01	-\$6,307	-\$11,871	
Zero					756	201,576,942	14.84	20,009	266,636	
	\$	1	-	\$	499	403	13,894,477	1.02	8,029	34,478
		500	-		999	223	7,662,541	0.56	14,038	34,361
		1,000	-		4,999	583	66,967,590	4.93	23,856	114,867
		5,000	-		9,999	187	43,378,457	3.19	28,406	231,970
		10,000	-		24,999	166	60,871,283	4.48	56,733	366,694
		25,000	-		49,999	110	45,150,826	3.32	113,640	410,462
		50,000	-		99,999	66	65,902,926	4.85	223,011	998,529
		100,000	-		499,999	105	433,070,038	31.87	827,224	4,124,477
		500,000	-		and over	27	420,376,930	30.94	1,972,148	15,569,516
					Total	2,634	\$1,358,757,046	100.00	\$26,285	\$515,853

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

Table 10: New York State Investment Tax Credit by Size of Credit Used - 2004 Liability Year (Cont'd)

Credit Used				Number of	Amount of	% of Credit	Median Credit	Mean Credit
Size of Credit Used				Taxpayers	Credit Used	Used	Used	Used
Negative*				8	-\$94,964	-0.10	-\$6,307	-\$11,871
Zero				0	0	0.00	0	0
\$	1	-	\$ 499	403	88,855	0.10	210	220
	500	-	999	223	160,446	0.18	700	719
	1,000	-	4,999	583	1,425,521	1.57	2,182	2,445
	5,000	-	9,999	187	1,314,862	1.45	6,742	7,031
	10,000	-	24,999	166	2,602,378	2.87	15,249	15,677
	25,000	-	49,999	110	3,891,684	4.29	33,795	35,379
	50,000	-	99,999	66	4,844,990	5.34	73,181	73,409
	100,000	-	499,999	105	24,552,438	27.04	206,272	233,833
	500,000	-	and over	27	52,013,914	57.28	690,630	1,926,441
Total				1,878	\$90,800,124	100.00	\$2,236	\$48,349

Credit Carried Forward				Number of	Amount of	% of Credit	Median Credit	Mean Credit
Size of Credit Used				Taxpayers	Credit Carried Forward	Carried Forward	Carried Forward	Carried Forward
Negative*				0	\$0	0.00	\$0	\$0
Zero				744	201,058,092	15.88	20,659	270,239
\$	1	-	\$ 499	342	13,788,021	1.09	12,246	40,316
	500	-	999	188	7,456,624	0.59	19,015	39,663
	1,000	-	4,999	478	65,265,515	5.15	33,490	136,539
	5,000	-	9,999	130	41,982,072	3.32	72,807	322,939
	10,000	-	24,999	119	58,268,905	4.60	135,380	489,655
	25,000	-	49,999	81	41,259,142	3.26	224,675	509,372
	50,000	-	99,999	42	61,057,936	4.82	511,929	1,453,760
	100,000	-	499,999	80	407,832,414	32.21	957,957	5,097,905
	500,000	-	and over	21	368,363,016	29.09	2,680,800	17,541,096
Total				2,225	\$1,266,331,737	100.00	\$29,735	\$569,138

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

d/ Tax Law provisions prohibit disclosure of data.

Table 11: New York State Investment Tax Credit for the Financial Services Industry by Basis of Taxation - 2004 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	15	\$1,783,608	4.68	\$70,286	\$118,907
Fixed Dollar Minimum Tax	11	2,319,425	6.08	6,968	210,857	
Capital Base	8	5,174,945	13.57	26,463	646,868	
Alternative Minimum Tax	7	28,862,529	75.67	803,948	4,123,218	
Total	41	\$38,140,507	100.00	\$65,394	\$930,256	

Credit Claimed	Basis of Taxation	Number of Taxpayers	Amount of Credit Claimed	% of Credit Claimed	Median Credit Claimed	Mean Credit Claimed
	Entire Net Income	17	\$3,935,929	1.61	\$70,286	\$231,525
Fixed Dollar Minimum Tax	17	14,730,343	6.02	18,494	866,491	
Capital Base	8	41,700,856	17.05	49,951	5,212,607	
Alternative Minimum Tax	11	184,285,026	75.33	1,553,580	16,753,184	
Total	53	\$244,652,154	100.00	\$65,394	\$4,616,078	

Credit Used	Basis of Taxation	Number of Taxpayers	Amount of Credit Used	% of Credit Used	Median Credit Used	Mean Credit Used
	Entire Net Income	14	\$3,928,837	41.62	\$115,893	\$280,631
Fixed Dollar Minimum Tax	11	542,152	5.74	5,723	49,287	
Capital Base	7	441,701	4.68	17,407	63,100	
Alternative Minimum Tax	11	4,527,398	47.96	88,598	411,582	
Total	43	\$9,440,088	100.00	\$63,461	\$219,537	

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	3	\$7,092	0.00	d/	\$2,364
Fixed Dollar Minimum Tax	17	14,100,599	6.00	18,406	829,447	
Capital Base	4	41,259,155	17.55	49,429	10,314,789	
Alternative Minimum Tax	11	179,757,627	76.45	1,109,364	16,341,602	
Total	35	\$235,124,473	100.00	\$31,161	\$6,717,842	

d/ Tax Law provisions prohibit disclosure of data.

Table 12: New York State Special Additional Mortgage Recording Tax Credit by Basis of Taxation - 2004 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	8	\$790,522	17.64	\$58,426	\$98,815
Fixed Dollar Minimum Tax	29	894,092	19.95	4,003	30,831	
Capital Base	31	954,090	21.29	1,551	30,777	
Alternative Minimum Tax	7	1,843,066	41.12	281,001	263,295	
Total	75	\$4,481,770	100.00	\$2,673	\$59,757	

Credit Claimed	Basis of Taxation	Number of Taxpayers	Amount of Credit Claimed	% of Credit Claimed	Median Credit Claimed	Mean Credit Claimed
	Entire Net Income	8	\$790,522	14.34	\$58,426	\$98,815
Fixed Dollar Minimum Tax	40	948,455	17.20	4,009	23,711	
Capital Base	44	1,192,048	21.62	1,017	27,092	
Alternative Minimum Tax	8	2,582,349	46.84	151,332	322,794	
Total	100	\$5,513,374	100.00	\$2,500	\$55,134	

Credit Used	Basis of Taxation	Number of Taxpayers	Amount of Credit Used	% of Credit Used	Median Credit Used	Mean Credit Used
	Entire Net Income	7	\$762,881	56.72	\$74,406	\$108,983
Fixed Dollar Minimum Tax	34	74,392	5.53	819	2,188	
Capital Base	42	289,298	21.51	1,011	6,888	
Alternative Minimum Tax	7	218,358	16.24	14,592	31,194	
Total	90	\$1,344,929	100.00	\$1,406	\$14,944	

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	29	581,257	23.98	1,040	20,043	
Capital Base	3	823,767	33.99	d/	274,589	
Alternative Minimum Tax	5	1,018,470	42.02	3,721	203,694	
Total	37	\$2,423,494	100.00	\$1,250	\$65,500	

d/ Tax Law provisions prohibit disclosure of data.

Table 13: New York State EZ Wage Tax Credit by Basis of Taxation - 2004 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	190	\$18,470,420	41.20	\$13,500	\$97,213
Fixed Dollar Minimum Tax	201	13,259,119	29.57	16,500	65,966	
Capital Base	61	3,612,263	8.06	21,375	59,217	
Alternative Minimum Tax	93	9,492,473	21.17	13,125	102,070	
Total	545	\$44,834,275	100.00	\$15,000	\$82,265	

Credit Claimed	Basis of Taxation	Number of Taxpayers	Amount of Credit Claimed	% of Credit Claimed	Median Credit Claimed	Mean Credit Claimed
	Entire Net Income	249	\$51,804,744	39.79	\$21,937	\$208,051
Fixed Dollar Minimum Tax	314	45,775,707	35.16	30,764	145,783	
Capital Base	85	12,523,513	9.62	30,760	147,335	
Alternative Minimum Tax	137	20,092,157	15.43	28,639	146,658	
Total	785	\$130,196,121	100.00	\$27,404	\$165,855	

Credit Used	Basis of Taxation	Number of Taxpayers	Amount of Credit Used	% of Credit Used	Median Credit Used	Mean Credit Used
	Entire Net Income	192	\$12,347,312	74.46	\$2,999	\$64,309
Fixed Dollar Minimum Tax	133	2,546,450	15.36	1,501	19,146	
Capital Base	66	484,136	2.92	883	7,335	
Alternative Minimum Tax	91	1,203,604	7.26	2,067	13,226	
Total	482	\$16,581,502	100.00	\$2,115	\$34,401	

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	191	\$37,642,106	35.73	\$20,084	\$197,079
Fixed Dollar Minimum Tax	302	40,359,040	38.31	25,500	133,639	
Capital Base	81	11,107,124	10.54	23,954	137,125	
Alternative Minimum Tax	124	16,249,736	15.42	28,494	131,046	
Total	698	\$105,358,006	100.00	\$24,881	\$150,943	

Table 14: New York State EZ Wage Tax Credit by Major Industry Group - 2004 Liability Year

Credit Earned	Major Industry Group	Number of Taxpayers	Amount of Credit Earned	% of Credit Earned	Median Credit Earned	Mean Credit Earned
	Agriculture, Forestry, Fishing & Hunting	d/	d/	d/	d/	d/
	Mining	d/	d/	d/	d/	d/
	Utilities	6	\$281,250	0.63	\$33,375	\$46,875
	Construction	28	745,916	1.66	9,188	26,640
	Manufacturing	179	22,780,880	50.81	86,813	322,118
	Wholesale Trade	65	3,751,214	8.37	16,125	57,711
	Retail Trade	62	5,400,405	12.05	31,313	248,733
	Transportation & Warehousing	25	2,446,695	5.46	49,875	274,225
	Information	6	666,255	1.49	60,188	111,043
	Finance and Insurance	15	1,367,820	3.05	3,000	91,188
	Real Estate, Rental, & Leasing	43	227,587	0.51	1,500	5,293
	Professional, Scientific, & Technical Services	33	892,963	1.99	13,875	27,059
	Management of Companies & Enterprises	16	1,953,245	4.36	22,662	122,078
	Administrative & Support & Waste Management & Remediation Services	13	937,782	2.09	28,500	72,137
	Educational Services	d/	d/	d/	d/	d/
	Health Care & Social Assistance	11	1,175,625	2.62	7,875	106,875
	Arts, Entertainment, & Recreation	7	1,150,979	2.57	15,000	164,426
	Accommodation & Food Services	18	291,015	0.65	8,250	16,168
	Other Services (except Public Administration)	14	396,394	0.88	3,000	28,314
	Public Administration	0	0	0.00	0	0
	Total	545	\$44,834,275	100.00	\$15,000	\$82,265

Credit Claimed	Major Industry Group	Number of Taxpayers	Amount of Credit Claimed	% of Credit Claimed	Median Credit Claimed	Mean Credit Claimed
	Agriculture, Forestry, Fishing & Hunting	d/	d/	d/	d/	d/
	Mining	d/	d/	d/	d/	d/
	Utilities	6	\$530,907	0.41	\$56,246	\$88,485
	Construction	35	1,379,304	1.06	17,616	39,409
	Manufacturing	292	68,874,333	52.90	148,107	607,800
	Wholesale Trade	86	8,718,373	6.70	25,069	101,376
	Retail Trade	87	7,327,141	5.63	32,732	224,690
	Transportation & Warehousing	36	8,192,635	6.29	73,832	481,779
	Information	12	2,400,303	1.84	78,250	200,025
	Finance and Insurance	19	5,821,809	4.47	6,805	306,411
	Real Estate, Rental, & Leasing	45	489,806	0.38	2,273	10,885
	Professional, Scientific, & Technical Services	53	10,700,193	8.22	26,819	201,890
	Management of Companies & Enterprises	24	5,659,585	4.35	36,492	235,816
	Administrative & Support & Waste Management & Remediation Services	17	1,990,507	1.53	40,312	117,089
	Educational Services	d/	d/	d/	d/	d/
	Health Care & Social Assistance	14	3,007,326	2.31	13,500	214,809
	Arts, Entertainment, & Recreation	8	1,461,682	1.12	30,491	182,710
	Accommodation & Food Services	21	469,504	0.36	9,000	22,357
	Other Services (except Public Administration)	24	1,778,313	1.37	17,483	74,096
	Public Administration	0	0	0.00	0	0
	Total	785	\$130,196,121	100.00	\$27,404	\$165,855

d/ Tax Law provisions prohibit disclosure of data.

Table 14: New York State EZ Wage Tax Credit by Major Industry Group - 2004 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
	Agriculture, Forestry, Fishing & Hunting	d/	d/	d/	d/	d/
	Mining	d/	d/	d/	d/	d/
	Utilities	4	\$16,004	0.10	\$1,091	\$4,001
	Construction	22	78,435	0.47	1,630	3,565
	Manufacturing	168	6,336,959	38.22	9,402	136,575
	Wholesale Trade	64	1,121,175	6.76	2,875	17,518
	Retail Trade	66	4,310,414	26.00	6,244	187,352
	Transportation & Warehousing	28	1,144,505	6.90	3,548	59,713
	Information	4	181,858	1.10	2726	45,465
	Finance and Insurance	13	505,176	3.05	718	38,860
	Real Estate, Rental, & Leasing	19	36801	0.22	1500	1937
	Professional, Scientific, & Technical Services	31	259,464	1.56	1,421	8,370
	Management of Companies & Enterprises	14	855,634	5.16	16,416	61,117
	Administrative & Support & Waste Management & Remediation Services	11	267,163	1.61	620	24,288
	Educational Services	0	0	0.00	0	0
	Health Care & Social Assistance	6	319,754	1.93	7,840	53,292
	Arts, Entertainment, & Recreation	5	818331	4.94	566	163666
	Accommodation & Food Services	9	22,887	0.14	2003	2,543
	Other Services (except Public Administration)	17	306,739	1.85	625	18,043
	Public Administration	0	0	0.00	0	0
	Total	482	\$16,581,502	100.00	\$2,115	\$34,401
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
	Agriculture, Forestry, Fishing & Hunting	d/	d/	d/	d/	d/
	Mining	d/	d/	d/	d/	d/
	Utilities	5	\$410,115	0.39	\$51,670	\$82,023
	Construction	32	1,224,179	1.16	13,652	38,256
	Manufacturing	270	56,834,604	53.94	133,209	520,597
	Wholesale Trade	73	7,229,282	6.86	23,627	99,031
	Retail Trade	69	2,904,991	2.76	25,741	92,680
	Transportation & Warehousing	32	6,726,005	6.38	71,493	392,046
	Information	11	2,059,504	1.95	57,125	187,228
	Finance and Insurance	15	4,789,320	4.55	6,805	319,288
	Real Estate, Rental, & Leasing	37	380,315	0.36	2,121	10,279
	Professional, Scientific, & Technical Services	50	10,117,109	9.60	22,981	202,342
	Management of Companies & Enterprises	20	4,720,229	4.48	32,622	236,011
	Administrative & Support & Waste Management & Remediation Services	14	1,627,002	1.54	29,250	116,214
	Educational Services	d/	d/	d/	d/	d/
	Health Care & Social Assistance	14	2,663,387	2.53	7,016	190,242
	Arts, Entertainment, & Recreation	7	560,101	0.53	18960	80,014
	Accommodation & Food Services	20	404,613	0.38	6,670	20,231
	Other Services (except Public Administration)	23	1,340,803	1.27	15,829	58,296
	Public Administration	0	0	0.00	0	0
	Total	698	\$105,358,006	100.00	\$24,881	\$150,943

d/ Tax Law provisions prohibit disclosure of data.

Table 15: New York State EZ Wage Tax Credit by Size of Entire Net Income - 2004 Liability Year

Credit Earned	Size of Entire Net Income			Number of	Amount of	% of Credit	Median Credit	Mean Credit
				Taxpayers	Credit Earned	Earned	Earned	Earned
	Zero or Net Loss			188	\$18,110,500	40.39	\$17,625	\$96,332
	\$ 1	-	\$ 99,999	163	3,597,455	8.02	9,000	22,070
	100,000	-	499,999	80	2,696,663	6.01	12,375	33,708
	500,000	-	999,999	19	352,847	0.79	13,500	18,571
	1,000,000	-	24,999,999	62	6,786,402	15.14	66,750	109,458
	25,000,000	-	49,999,999	10	3,514,050	7.84	125,813	351,405
	50,000,000	-	99,999,999	7	1,385,160	3.09	118,935	197,880
	100,000,000	-	499,999,999	7	1,860,708	4.15	233,610	265,815
	500,000,000	-	and over	9	6,530,490	14.57	285,000	725,610
	Total			545	\$44,834,275	100.00	\$15,000	\$82,265

Credit Claimed	Size of Entire Net Income			Number of	Amount of	% of Credit	Median Credit	Mean Credit
				Taxpayers	Credit Claimed	Claimed	Claimed	Claimed
	Zero or Net Loss			272	\$46,860,114	35.99	\$30,000	\$172,280
	\$ 1	-	\$ 99,999	252	12,733,890	9.78	18,600	50,531
	100,000	-	499,999	109	6,705,146	5.15	18,466	61,515
	500,000	-	999,999	29	1,291,498	0.99	20,467	44,534
	1,000,000	-	24,999,999	79	23,613,685	18.14	149,426	298,907
	25,000,000	-	49,999,999	12	8,702,491	6.68	351,318	725,208
	50,000,000	-	99,999,999	10	2,550,520	1.96	124,249	255,052
	100,000,000	-	499,999,999	11	2,797,075	2.15	233,610	254,280
	500,000,000	-	and over	11	24,941,702	19.16	667,305	2,267,427
	Total			785	\$130,196,121	100.00	\$27,404	\$165,855

Credit Used	Size of Entire Net Income			Number of	Amount of	% of Credit	Median Credit	Mean Credit
				Taxpayers	Credit Used	Used	Used	Used
	Zero or Net Loss			112	\$1,125,177	6.79	\$963	\$10,046
	\$ 1	-	\$ 99,999	187	235,688	1.42	1,042	1,260
	100,000	-	499,999	74	387,207	2.34	4,402	5,233
	500,000	-	999,999	22	193,487	1.17	7,455	8,795
	1,000,000	-	24,999,999	54	3,223,091	19.44	37,511	59,687
	25,000,000	-	49,999,999	9	673,066	4.06	34,063	74,785
	50,000,000	-	99,999,999	7	1,279,255	7.72	80,557	182,751
	100,000,000	-	499,999,999	8	2,134,963	12.88	219,300	266,870
	500,000,000	-	and over	9	7,329,568	44.20	667,305	814,396
	Total			482	\$16,581,502	100.00	\$2,115	\$34,401

Credit Carried Forward	Size of Entire Net Income			Number of	Amount of	% of Credit	Median Credit	Mean Credit
				Taxpayers	Credit Carried Forward	Carried Forward	Carried Forward	Carried Forward
	Zero or Net Loss			263	\$39,913,521	37.88	\$23,005	\$151,762
	\$ 1	-	\$ 99,999	242	11,787,605	11.19	19,239	48,709
	100,000	-	499,999	91	5,756,062	5.46	17,087	63,253
	500,000	-	999,999	20	1,068,305	1.01	31,142	53,415
	1,000,000	-	24,999,999	60	19,496,768	18.51	138,174	324,946
	25,000,000	-	49,999,999	7	7,814,737	7.42	592,875	1,116,391
	50,000,000	-	99,999,999	7	1,246,762	1.18	71,964	178,109
	100,000,000	-	499,999,999	5	662,112	0.63	82,875	132,422
	500,000,000	-	and over	3	17,612,134	16.72	d/	5,870,711
	Total			698	\$105,358,006	100.00	\$24,881	\$150,943

d/ Tax Law provisions prohibit disclosure of data.

Table 16: New York State EZ Wage Tax Credit by Size of Credit Used - 2004 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			213	\$18,174,370	40.54	\$16,125
\$ 1 - \$ 499			56	922,970	2.06	8,625	16,482
500 - 999			42	1,120,159	2.50	7,500	26,670
1,000 - 4,999			119	2,481,422	5.53	6,750	20,852
5,000 - 9,999			40	1,778,067	3.97	12,938	44,452
10,000 - 24,999			22	1,085,704	2.42	24,188	49,350
25,000 - 49,999			21	2,173,710	4.85	61,125	103,510
50,000 - 99,999			11	2,842,875	6.34	75,375	258,443
100,000 - 499,999			16	7,414,035	16.54	295,500	463,377
500,000 - and over			5	6,840,963	15.26	1,101,375	1,368,193
Total			545	\$44,834,275	100.00	\$15,000	\$82,265

Credit Claimed	Size of Credit Used		Number of Taxpayers	Amount of Credit Claimed	% of Credit Claimed	Median Credit Claimed	Mean Credit Claimed
	Zero			303	\$46,424,637	35.66	\$31,267
\$ 1 - \$ 499			93	2,720,031	2.09	14,816	29,248
500 - 999			61	4,047,939	3.11	17,711	66,360
1,000 - 4,999			171	8,564,435	6.58	16,690	50,084
5,000 - 9,999			55	4,690,360	3.60	18,466	85,279
10,000 - 24,999			28	2,775,562	2.13	26,140	99,127
25,000 - 49,999			29	7,455,593	5.73	118,935	257,089
50,000 - 99,999			16	11,056,268	8.49	138,282	691,017
100,000 - 499,999			23	23,888,356	18.35	421,276	1,038,624
500,000 - and over			6	18,572,940	14.27	1,113,705	3,095,490
Total			785	\$130,196,121	100.00	\$27,404	\$165,855

Credit Used	Size of Credit Used		Number of Taxpayers	Amount of Credit Used	% of Credit Used	Median Credit Earned	Mean Credit Used
	Zero			0	\$0	0.00	\$0
\$ 1 - \$ 499			93	23,359	0.14	240	251
500 - 999			61	41,823	0.25	666	686
1,000 - 4,999			171	398,348	2.40	2,106	2,330
5,000 - 9,999			55	386,714	2.33	6,688	7,031
10,000 - 24,999			28	466,981	2.82	15,633	16,678
25,000 - 49,999			29	1,093,635	6.60	38,515	37,712
50,000 - 99,999			16	1,152,328	6.95	72,938	72,021
100,000 - 499,999			23	5,374,898	32.42	228,914	233,691
500,000 - and over			6	7,643,416	46.10	1,113,705	1,273,903
Total			482	\$16,581,502	100.00	\$2,115	\$34,401

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			303	\$40,461,601	38.40	\$25,500
\$ 1 - \$ 499			88	2,458,166	2.33	14,690	27,934
500 - 999			57	3,699,988	3.51	16,988	64,912
1,000 - 4,999			139	7,700,213	7.31	19,432	55,397
5,000 - 9,999			44	3,980,522	3.78	27,802	90,466
10,000 - 24,999			d/	d/	d/	d/	d/
25,000 - 49,999			21	5,949,292	5.65	179,012	283,300
50,000 - 99,999			10	9,822,352	9.32	80,062	982,235
100,000 - 499,999			16	18,070,765	17.15	597,585	1,129,423
500,000 - and over			d/	d/	d/	d/	d/
Total			698	\$105,358,006	100.00	\$24,881	\$150,943

Table 17: New York State ZEA Wage Tax Credit by Basis of Taxation - 2004 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	42	\$11,071,184	62.14	\$71,625	\$263,600
Fixed Dollar Minimum Tax	16	1,421,156	7.98	47,190	88,822	
Capital Base	12	3,110,989	17.46	209,813	259,249	
Alternative Minimum Tax	7	2,214,375	12.43	240,000	316,339	
Total	77	\$17,817,704	100.00	\$94,500	\$231,399	

Credit Claimed	Basis of Taxation	Number of Taxpayers	Amount of Credit Claimed	% of Credit Claimed	Median Credit Claimed	Mean Credit Claimed
	Entire Net Income	54	\$16,493,667	27.84	\$80,950	\$305,438
Fixed Dollar Minimum Tax	32	9,708,571	16.39	120,354	303,393	
Capital Base	22	16,777,535	28.32	201,620	762,615	
Alternative Minimum Tax	14	16,265,140	27.45	208,125	1,161,796	
Total	122	\$59,244,913	100.00	\$143,169	\$485,614	

Credit Used	Basis of Taxation	Number of Taxpayers	Amount of Credit Used	% of Credit Used	Median Credit Used	Mean Credit Used
	Entire Net Income	51	\$11,404,317	66.95	\$46,816	\$223,614
Fixed Dollar Minimum Tax	11	203,368	1.19	2,695	18,488	
Capital Base	18	1,089,723	6.40	32,159	60,540	
Alternative Minimum Tax	6	4,337,611	25.46	2,582	722,935	
Total	86	\$17,035,019	100.00	\$29,302	\$198,082	

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	20	\$4,690,653	11.45	\$72,789	\$234,533
Fixed Dollar Minimum Tax	32	9,108,949	22.24	82,646	284,655	
Capital Base	20	15,383,963	37.57	257,649	769,198	
Alternative Minimum Tax	13	11,768,529	28.74	176,250	905,271	
Total	85	\$40,952,094	100.00	\$103,261	\$481,789	

d/ Tax Law provisions prohibit disclosure of data.

Table 18: New York State EZ Wage Tax Credit by Empire Zone* - 2004 Liability Year

Empire Zone	Amount of Credit Earned	Amount of Credit Claimed	Amount of Credit Used	Amount of Credit Refunded	Amount of Credit Carried Forward
Albany (City)	\$150,394	\$459,821	\$42,786	\$53,439	\$363,596
Albany County	321,000	890,107	56,471	82,476	751,158
Amsterdam	d/	d/	d/	d/	d/
Auburn	754,500	2,450,940	150,450	260,500	2,039,990
Brookhaven	d/	d/	d/	d/	d/
Broome County	2,057,250	9,118,203	112,700	35,625	8,969,877
Buffalo	1,268,725	3,592,040	531,887	167,405	2,892,748
Cattaraugus County	66,750	216,309	38,612	333	177,359
Clinton County	247,500	314,458	56,047	68,040	190,370
Columbia County	d/	d/	d/	d/	d/
Cortland County	91,425	122,020	4,377	21,743	95,900
Dunkirk/Sheridan	783,375	1,649,170	5,528	390,000	1,253,642
Dutchess County	231,375	9,191,974	239,474	79,663	8,872,832
East Harlem	d/	d/	d/	d/	d/
East New York	1,085,606	4,479,986	62,721	335,650	4,081,614
Elmira	750,750	2,073,563	26,656	318,376	1,728,531
Essex County/Moriah-Port Henry	d/	d/	d/	d/	d/
Franklin County	d/	d/	d/	d/	d/
Friendship	d/	d/	d/	d/	d/
Fulton	d/	d/	d/	d/	d/
Genesee County	d/	d/	d/	d/	d/
Geneva	d/	d/	d/	d/	d/
Gloversville	d/	d/	d/	d/	d/
Greater Jamestown	212,250	2,052,528	80,181	44,625	1,927,722
Hornell	d/	d/	d/	d/	d/
Hunts Point	84,750	686,747	5,136	3,375	678,236
Islip	d/	d/	d/	d/	d/
Kingston	1,145,055	5,857,135	279,991	504,558	5,072,585
Lackawanna	d/	d/	d/	d/	d/
Lewis County	d/	d/	d/	d/	d/
Madison County	d/	d/	d/	d/	d/
Monroe County	d/	d/	d/	d/	d/
Mount Vernon	d/	d/	d/	d/	d/
Niagara Falls	d/	d/	d/	d/	d/

d/ Tax Law provisions prohibit disclosure of data.

Table 18: New York State EZ Wage Tax Credit by Empire Zone* - 2004 Liability Year (Cont'd)

Empire Zone	Amount of Credit Earned	Amount of Credit Claimed	Amount of Credit Used	Amount of Credit Refunded	Amount of Credit Carried Forward
North Brooklyn Navy Yard	615,150	1,468,691	406,662	0	1,062,029
Norwich	d/	d/	d/	d/	d/
Ogdensburg	d/	d/	d/	d/	d/
Oneida/Herkimer Counties	358,956	1,173,100	15,991	56,572	1,100,537
Onondaga County	11,252,400	23,892,139	1,811,635	2,740,194	19,340,310
Orange County	d/	d/	d/	d/	d/
Orleans County	d/	d/	d/	d/	d/
Oswego	d/	d/	d/	d/	d/
Otsego County	d/	d/	d/	d/	d/
Plattsburgh	241,782	1,120,334	59,288	48,632	1,012,414
Port Morris	1,345,125	5,365,979	382,343	1,125	4,982,511
Potsdam	132,750	322,343	24,260	2,250	295,833
Rensselaer County	d/	d/	d/	d/	d/
Rochester	540,465	3,140,283	367,258	120,191	2,652,834
Rome	d/	d/	d/	d/	d/
Saratoga County	d/	d/	d/	d/	d/
Schenectady	1,344,750	3,229,718	385,030	157,500	2,687,188
Schuyler County	d/	d/	d/	d/	d/
Seneca County	d/	d/	d/	d/	d/
South Jamaica	d/	d/	d/	d/	d/
Southwest Brooklyn	733,875	2,737,818	144,300	85,404	2,508,114
Staten Island - North Shore	d/	d/	d/	d/	d/
Staten Island - West Shore	d/	d/	d/	d/	d/
Suffolk County	d/	d/	d/	d/	d/
Sullivan County	d/	d/	d/	d/	d/
Syracuse	260,156	916,256	43,420	62,599	810,237
Tioga County	d/	d/	d/	d/	d/
Tonawanda	548,175	873,117	100,881	157,941	614,295
Triple Cities	120,750	538,107	121,420	0	416,686
Troy	340,500	898,827	63,543	14,250	821,034
Utica	807,563	1,976,259	37,703	92,250	1,846,305
Warren County	820,125	1,195,965	250,969	6,271	938,725
Washington County	211,725	325,561	26,386	9,563	289,612
Watertown	376,365	763,473	26,627	156,870	579,976
Wayne County	d/	d/	d/	d/	d/
Yonkers	957,000	2,003,711	301,029	78,775	1,623,906
Multiple Zones	6,216,123	9,314,248	5,264,986	69,375	3,979,886
Unidentified	1,818,523	8,709,835	3,291,662	286,988	5,131,185
Total	44,834,275	130,196,121	16,581,502	8,256,594	105,358,006

* Due to disclosure requirements, data is displayed only for zones with more than seven taxpayers as of the 2004 studyfile

d/ Tax Law provisions prohibit disclosure of data.

Table 19: New York State EZ Capital Tax Credit by Basis of Taxation - 2004 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	\$174,204	53.03	\$2,500	\$6,968
Fixed Dollar Minimum Tax	9	17,375	5.29	1,250	1,931	
Capital Base	7	17,770	5.41	1,250	2,539	
Alternative Minimum Tax	11	119,124	36.27	4,166	10,829	
Total	52	\$328,473	100.00	\$2,500	\$6,317	

Credit Claimed	Basis of Taxation	Number of Taxpayers	Amount of Credit Claimed	% of Credit Claimed	Median Credit Claimed	Mean Credit Claimed
	Entire Net Income	31	\$193,781	32.99	\$2,326	\$6,251
Fixed Dollar Minimum Tax	15	141,229	24.05	2,000	9,415	
Capital Base	9	113,626	19.35	1,250	12,625	
Alternative Minimum Tax	12	138,671	23.61	4,583	11,556	
Total	67	\$587,307	100.00	\$2,500	\$8,766	

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	\$55,320	72.76	\$1,250	\$2,305
Fixed Dollar Minimum Tax	d/	d/	d/	d/	d/	
Capital Base	6	4,520	5.94	801	753	
Alternative Minimum Tax	d/	d/	d/	d/	d/	
Total	35	\$76,036	100.00	\$1,250	\$2,172	

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	13	\$138,460	27.08	\$4,625	\$10,651
Fixed Dollar Minimum Tax	14	137,673	26.93	1,875	9,834	
Capital Base	7	109,105	21.34	3,781	15,586	
Alternative Minimum Tax	10	126,031	24.65	4,042	12,603	
Total	44	\$511,269	100.00	\$4,083	\$11,620	

d/ Tax Law provisions prohibit disclosure of data.

Table 20: New York State EZ Investment Tax Credit by Basis of Taxation - 2004 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	83	\$80,769,765	55.61	\$20,258	\$973,130
Fixed Dollar Minimum Tax	236	31,169,436	21.46	21,302	132,074	
Capital Base	20	2,961,771	2.04	18,058	148,089	
Alternative Minimum Tax	70	30,341,578	20.89	20,732	433,451	
Total	409	\$145,242,550	100.00	\$21,210	\$355,116	

Credit Claimed	Basis of Taxation	Number of Taxpayers	Amount of Credit Claimed	% of Credit Claimed	Median Credit Claimed	Mean Credit Claimed
	Entire Net Income	94	\$408,426,056	57.78	\$35,011	\$4,344,958
Fixed Dollar Minimum Tax	296	172,326,001	24.38	105,699	582,182	
Capital Base	25	33,280,707	4.71	81,069	1,331,228	
Alternative Minimum Tax	101	92,816,382	13.13	30,799	918,974	
Total	516	\$706,849,146	100.00	\$76,259	\$1,369,863	

Credit Used	Basis of Taxation	Number of Taxpayers	Amount of Credit Used	% of Credit Used	Median Credit Used	Mean Credit Used
	Entire Net Income	67	\$15,255,212	73.00	\$10,523	\$227,690
Fixed Dollar Minimum Tax	135	3,473,683	16.62	3,386	25,731	
Capital Base	8	62,767	0.30	570	7,846	
Alternative Minimum Tax	54	2,104,977	10.07	3,081	38,981	
Total	264	\$20,896,639	100.00	\$3,841	\$79,154	

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	64	\$392,479,687	58.29	\$55,843	\$6,132,495
Fixed Dollar Minimum Tax	293	166,059,848	24.66	102,925	566,757	
Capital Base	21	33,185,685	4.93	155,905	1,580,271	
Alternative Minimum Tax	97	81,585,794	12.12	29,597	841,091	
Total	475	\$673,311,014	100.00	\$80,797	\$1,417,497	

Table 21: New York State EZ Investment Tax Credit by Size of Entire Net Income - 2004 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		158	\$37,736,349	25.98	\$16,697	\$238,838
	\$ 1	- \$ 99,999	85	3,155,900	2.17	5,834	37,128
	100,000	- 499,999	53	4,366,748	3.01	22,429	82,391
	500,000	- 999,999	19	1,236,491	0.85	34,233	65,078
	1,000,000	- 24,999,999	72	17,322,399	11.93	83,300	240,589
	25,000,000	- 49,999,999	9	7,103,516	4.89	113,795	789,280
	50,000,000	- 99,999,999	3	2,164,605	1.49	d/	721,535
	100,000,000	- 499,999,999	5	2,404,628	1.66	73,293	480,926
	500,000,000	- and over	5	69,751,914	48.02	578,040	13,950,383
	Total		409	\$145,242,550	100.00	\$21,210	\$355,116
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		204	\$140,337,627	19.85	\$84,559	\$687,930
	\$ 1	- \$ 99,999	119	12,714,353	1.80	21,323	106,843
	100,000	- 499,999	68	13,235,440	1.87	52,792	194,639
	500,000	- 999,999	25	7,226,236	1.02	138,020	289,049
	1,000,000	- 24,999,999	76	81,399,044	11.52	324,164	1,071,040
	25,000,000	- 49,999,999	9	42,124,774	5.96	285,998	4,680,530
	50,000,000	- 99,999,999	4	50,041,809	7.08	13,312,954	12,510,452
	100,000,000	- 499,999,999	5	3,967,197	0.56	306,331	793,439
	500,000,000	- and over	6	355,802,666	50.34	877,512	59,300,444
	Total		516	\$706,849,146	100.00	\$76,259	\$1,369,863

d/ Tax Law provisions prohibit disclosure of data.

Table 21: New York State EZ Investment Tax Credit by Size of Entire Net Income - 2004 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		63	\$1,234,398	5.91	\$945	\$19,594
	\$ 1	- \$ 99,999	72	299,793	1.43	1,034	4,164
	100,000	- 499,999	43	307,867	1.47	4,321	7,160
	500,000	- 999,999	14	277,622	1.33	17,723	19,830
	1,000,000	- 24,999,999	54	3,845,717	18.40	26,893	71,217
	25,000,000	- 49,999,999	5	181,075	0.87	32,607	36,215
	50,000,000	- 99,999,999	3	520,523	2.49	d/	173,508
	100,000,000	- 499,999,999	4	1,436,492	6.87	227,219	359,123
	500,000,000	- and over	6	12,793,152	61.22	402,010	2,132,192
	Total		264	\$20,896,639	100.00	\$3,841	\$79,154

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		200	\$128,436,026	19.08	\$79,476	\$642,180
	\$ 1	- \$ 99,999	112	11,761,953	1.75	23,508	105,017
	100,000	- 499,999	62	12,016,505	1.78	53,677	193,815
	500,000	- 999,999	25	6,824,401	1.01	127,625	272,976
	1,000,000	- 24,999,999	59	77,318,654	11.48	578,533	1,310,486
	25,000,000	- 49,999,999	7	41,891,970	6.22	626,070	5,984,567
	50,000,000	- 99,999,999	4	49,521,286	7.35	13,081,953	12,380,322
	100,000,000	- 499,999,999	d/	d/	d/	d/	d/
	500,000,000	- and over	d/	d/	d/	d/	d/
	Total		475	\$673,311,014	100.00	\$80,797	\$1,417,497

d/ Tax Law provisions prohibit disclosure of data.

Table 22: New York State EZ Investment Tax Credit by Size of Credit Used - 2004 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*				0	\$0	0.00	\$0
Zero				193	46,928,780	32.31	20,579	243,154
\$ 1	-	\$ 499	34	1,884,701	1.30	4,345	55,432	
500	-	999	24	307,884	0.21	5,244	12,829	
1,000	-	4,999	51	1,786,822	1.23	7,533	35,036	
5,000	-	9,999	20	587,493	0.40	13,470	29,375	
10,000	-	24,999	27	3,302,662	2.27	23,445	122,321	
25,000	-	49,999	24	4,673,622	3.22	66,077	194,734	
50,000	-	99,999	13	3,777,447	2.60	108,420	290,573	
100,000	-	499,999	19	13,099,066	9.02	201,680	689,425	
500,000	-	and over	4	68,894,073	47.43	3,043,327	17,223,518	
			Total	409	\$145,242,550	100.00	\$21,210	\$355,116

Credit Claimed	Size of Credit Used			Number of Taxpayers	Amount of Credit Claimed	% of Credit Claimed	Median Credit Claimed	Mean Credit Claimed
	Negative*				d/	d/	d/	d/
Zero				252	\$196,807,001	27.84	\$84,102	\$780,980
\$ 1	-	\$ 499	44	5,469,013	0.77	18,543	124,296	
500	-	999	d/	d/	d/	d/	d/	
1,000	-	4,999	69	13,385,893	1.89	29,047	193,998	
5,000	-	9,999	21	2,516,971	0.36	61,836	119,856	
10,000	-	24,999	33	14,714,727	2.08	85,996	445,901	
25,000	-	49,999	25	45,602,929	6.45	329,044	1,824,117	
50,000	-	99,999	14	21,195,141	3.00	1,018,330	1,513,939	
100,000	-	499,999	20	60,501,793	8.56	1,320,584	3,025,090	
500,000	-	and over	5	344,722,826	48.77	2,843,474	68,944,565	
			Total	516	\$706,849,146	100.00	\$76,259	\$1,369,863

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

Table 22: New York State EZ Investment Tax Credit by Size of Credit Used - 2004 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*				d/	d/	d/	d/
Zero				0	\$0	0.00	\$0	\$0
	\$ 1	-	\$ 499	d/	d/	d/	d/	d/
	500	-	999	31	22,621	0.11	723	730
	1,000	-	4,999	69	184,458	0.88	2,426	2,673
	5,000	-	9,999	21	152,270	0.73	7,269	7,251
	10,000	-	24,999	33	553,982	2.65	15,792	16,787
	25,000	-	49,999	25	864,130	4.14	33,519	34,565
	50,000	-	99,999	14	1,011,312	4.84	72,396	72,237
	100,000	-	499,999	20	3,985,897	19.07	179,956	199,295
	500,000	-	and over	5	14,125,471	67.60	979,143	2,825,094
			Total	264	\$20,896,639	100.00	\$3,841	\$79,154

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/
Zero				252	185,128,203	27.50	81,557	734,636
	\$ 1	-	\$ 499	38	4,743,251	0.70	22,801	124,822
	500	-	999	d/	d/	d/	d/	d/
	1,000	-	4,999	60	13,009,600	1.93	32,020	216,827
	5,000	-	9,999	18	2,364,701	0.35	71,984	131,372
	10,000	-	24,999	25	14,160,745	2.10	182,468	566,430
	25,000	-	49,999	21	44,738,799	6.64	447,114	2,130,419
	50,000	-	99,999	12	20,129,619	2.99	1,414,297	1,677,468
	100,000	-	499,999	17	56,515,896	8.39	1,752,246	3,324,464
	500,000	-	and over	3	330,597,355	49.1	d/	110,199,118
			Total	475	\$673,311,014	100.00	\$80,797	\$1,417,497

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

d/ Tax Law provisions prohibit disclosure of data.

Table 23: New York State Investment Tax Credit by Empire Zone* - 2004 Liability Year

Empire Zone	Amount of Credit Earned	Amount of Credit Claimed	Amount of Credit Used	Amount of Credit Refunded	Amount of Credit Carried Forward
Albany (City)	d/	d/	d/	d/	d/
Albany County	\$201,906	\$1,564,812	\$11,863	\$77,000	\$1,475,949
Amsterdam	d/	d/	d/	d/	d/
Auburn	3,479,258	16,477,467	147,928	273,219	16,056,320
Brookhaven	d/	d/	d/	d/	d/
Broome County	698,504	5,462,386	88,817	526	5,373,042
Buffalo	6,845,291	15,365,955	1,154,839	78,823	14,132,296
Cattaraugus County	d/	d/	d/	d/	d/
Clinton County	d/	d/	d/	d/	d/
Cortland County	d/	d/	d/	d/	d/
Dunkirk/Sheridan	2,889,329	5,207,716	982,890	337,432	3,887,393
Dutchess County	65,583,208	365,994,414	10,567,258	851,876	354,575,281
East Harlem	d/	d/	d/	d/	d/
East New York	d/	d/	d/	d/	d/
Elmira	3,144,222	28,887,750	246,517	121,947	28,519,286
Essex County/Moriah-Port Henry	d/	d/	d/	d/	d/
Franklin County	d/	d/	d/	d/	d/
Friendship	d/	d/	d/	d/	d/
Fulton	d/	d/	d/	d/	d/
Genesee County	d/	d/	d/	d/	d/
Geneva	d/	d/	d/	d/	d/
Gloversville	d/	d/	d/	d/	d/
Greater Jamestown	577,598	9,742,845	264,697	6,318	9,471,830
Hunts Point	d/	d/	d/	d/	d/
Islip	d/	d/	d/	d/	d/
Kingston	468,251	1,503,893	198,782	126,840	1,178,271
Lackawanna	d/	d/	d/	d/	d/
Lewis County	d/	d/	d/	d/	d/
Madison County	626,422	783,111	334,148	0	448,963
Monroe County	d/	d/	d/	d/	d/
Niagara Falls	d/	d/	d/	d/	d/
North Brooklyn Navy Yard	d/	d/	d/	d/	d/
Norwich	d/	d/	d/	d/	d/

d/ Tax Law provisions prohibit disclosure of data.

Table 23: New York State Investment Tax Credit by Empire Zone* - 2004 Liability Year (Cont'd)

Empire Zone	Amount of Credit Earned	Amount of Credit Claimed	Amount of Credit Used	Amount of Credit Refunded	Amount of Credit Carried Forward
Ogdensburg	d/	d/	d/	d/	d/
Oneida/Herkimer Counties	\$641,799	\$5,695,081	\$285,101	\$28,440	\$5,381,540
Onondaga County	19,228,156	20,767,503	88,744	9,230,856	11,447,903
Orange County	d/	d/	d/	d/	d/
Orleans County	d/	d/	d/	d/	d/
Oswego	d/	d/	d/	d/	d/
Otsego County	d/	d/	d/	d/	d/
Plattsburgh	1,356,796	10,692,693	191,824	6,213	10,494,656
Port Morris	d/	d/	d/	d/	d/
Potsdam	d/	d/	d/	d/	d/
Rensselaer County	d/	d/	d/	d/	d/
Rochester	1,429,939	5,058,633	104,826	88,289	4,865,518
Rome	d/	d/	d/	d/	d/
Saratoga County	d/	d/	d/	d/	d/
Schenectady	841,391	2,337,348	491,634	900	1,844,814
Schuyler County	d/	d/	d/	d/	d/
Seneca County	d/	d/	d/	d/	d/
South Jamaica	d/	d/	d/	d/	d/
Southwest Brooklyn	147,210	1,596,510	49,993	5,118	1,541,399
Staten Island - North Shore	d/	d/	d/	d/	d/
Suffolk County	d/	d/	d/	d/	d/
Syracuse	d/	d/	d/	d/	d/
Tioga County	d/	d/	d/	d/	d/
Tonawanda	456,173	1,060,007	3,497	25,569	1,030,941
Triple Cities	55,308	2,345,259	58,523	0	2,286,736
Troy	d/	d/	d/	d/	d/
Utica	663,717	3,563,960	213,425	0	3,350,535
Warren County	d/	d/	d/	d/	d/
Washington County	1,713,717	2,211,823	15,762	0	2,196,061
Watertown	420,356	3,187,009	132,281	345	3,054,383
Wayne County	d/	d/	d/	d/	d/
Yonkers	d/	d/	d/	d/	d/
Multiple Zones	7,624,433	27,517,574	322,214	0	27,195,360
Unidentified	3,291,059	35,099,287	2,106,929	141,255	32,851,103
Total	145,242,550	706,849,146	20,896,639	12,641,502	673,311,014

* Due to disclosure requirements, data is displayed only for zones with more than seven taxpayers as of the 2004 studyfile
d/ Tax Law provisions prohibit disclosure of data.

Table 24: New York State QEZE Credit for Real Property Taxes* by Basis of Taxation - 2004 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		72	\$11,019,801	18.09	\$35,010
Fixed Dollar Minimum Tax		125	43,287,281	71.08	33,350	346,298
Capital Base		16	2,532,974	4.16	160,361	158,311
Alternative Minimum Tax		48	4,060,189	6.67	11,782	84,587
Total		261	\$60,900,245	100.00	\$30,797	\$233,334

Credit Used	Basis of Taxation	Number of Taxpayers	Amount of Credit Used	% of Credit Used	Median Credit Used	Mean Credit Used
	Entire Net Income		29	\$2,526,466	57.68	\$6,592
Fixed Dollar Minimum Tax		23	1,472,380	33.61	2,131	64,017
Capital Base		3	188,505	4.30	d/	62,835
Alternative Minimum Tax		17	193,097	4.41	992	11,359
Total		72	\$4,380,448	100.00	\$3,540	\$60,840

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

Therefore, credit earned is the same as credit claimed.

d/ Tax Law provisions prohibit disclosure of data.

Table 25: New York State QEZE Credit for Real Property Taxes for Corporate Partners* by Basis of Taxation - 2004 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	10	\$21,061,043	79.73	\$9,973
	Fixed Dollar Minimum Tax	18	3,441,179	13.03	7,812	191,177
	Capital Base	d/	d/	d/	d/	d/
	Alternative Minimum Tax	d/	d/	d/	d/	d/
	Total	43	\$26,414,039	100.00	\$10,987	\$614,280

Credit Used	Basis of Taxation	Number of Taxpayers	Amount of Credit Used	% of Credit Used	Median Credit Used	Mean Credit Used
		Entire Net Income	6	\$28,525	10.86	\$3,399
	Fixed Dollar Minimum Tax	d/	d/	d/	d/	d/
	Capital Base	d/	d/	d/	d/	d/
	Alternative Minimum Tax	9	114,528	43.60	218	12,725
	Total	19	\$262,680	100.00	\$1,274	\$13,825

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

Therefore, credit earned is the same as credit claimed.

d/ Tax Law provisions prohibit disclosure of data.

Table 26: New York State QEZE Tax Reduction Credit* by Basis of Taxation - 2004 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		117	\$12,462,295	38.08	\$8,796
Fixed Dollar Minimum Tax		86	16,765,560	51.23	1,070	194,948
Capital Base		24	126,867	0.39	806	5,286
Alternative Minimum Tax		74	3,368,626	10.29	2,835	45,522
Total		301	\$32,723,348	100.00	\$3,327	\$108,715

Credit Used	Basis of Taxation	Number of Taxpayers	Amount of Credit Used	% of Credit Used	Median Credit Used	Mean Credit Used
	Entire Net Income		100	\$11,754,189	56.04	\$5,997
Fixed Dollar Minimum Tax		71	6,720,712	32.04	1,675	94,658
Capital Base		21	121,026	0.58	673	5,763
Alternative Minimum Tax		69	2,379,846	11.35	2,830	34,491
Total		261	\$20,975,773	100.00	\$3,098	\$80,367

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

Table 27: New York State QEZE Tax Reduction Credit for Corporate Partners* by Basis of Taxation - 2004 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	10	\$699,142	80.73	\$8,522
	Fixed Dollar Minimum Tax	3	33,815	3.90	d/	11,272
	Capital Base	0	0	0.00	0	0
	Alternative Minimum Tax	6	133,120	15.37	11,849	22,187
	Total	19	\$866,077	100.00	\$6,244	\$45,583

Credit Used	Basis of Taxation	Number of Taxpayers	Amount of Credit Used	% of Credit Used	Median Credit Used	Mean Credit Used
		Entire Net Income	10	\$696,629	82.48	\$8,522
	Fixed Dollar Minimum Tax	d/	d/	d/	d/	d/
	Capital Base	d/	d/	d/	d/	d/
	Alternative Minimum Tax	5	114,399	13.54	4,977	22,880
	Total	17	\$844,591	100.00	\$5,233	\$49,682

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

Therefore, credit earned is the same as credit claimed.

d/ Tax Law provisions prohibit disclosure of data.

Table 28: New York State QEZE Credits¹ by Empire Zone² - 2004 Liability Year³

Empire Zone	Credit for Real Property Taxes			Tax Reduction Credit	
	Amount of Credit Claimed	Amount of Credit Used	Amount of Credit Refunded ⁴	Amount of Credit Claimed	Amount of Credit Used
Albany (City)	d/	d/	d/	d/	d/
Albany County	d/	d/	d/	d/	d/
Amsterdam	d/	d/	d/	d/	d/
Auburn	\$1,764,886	\$52,237	\$1,712,649	\$3,731,380	\$3,653,113
Brookhaven	d/	d/	d/	d/	d/
Broome County	d/	d/	d/	d/	d/
Buffalo	2,416,704	160,662	2,256,044	1,214,960	1,180,127
Buffalo ⁵	d/	d/	d/	d/	d/
Cattaraugus County	d/	d/	d/	d/	d/
Clinton County	d/	d/	d/	d/	d/
Cortland County	d/	d/	d/	d/	d/
Dunkirk/Sheridan	d/	d/	d/	d/	d/
Dutchess County	1,723,960	3,635	1,720,325	20,831	17,496
East New York	d/	d/	d/	d/	d/
Elmira	1,352,909	13,347	1,339,563	275,965	275,765
Essex County/Moriah-Port Henry	d/	d/	d/	d/	d/
Far Rockaway	d/	d/	d/	d/	d/
Franklin County	d/	d/	d/	d/	d/
Friendship	d/	d/	d/	d/	d/
Fulton	d/	d/	d/	d/	d/
Genesee County	d/	d/	d/	d/	d/
Geneva	d/	d/	d/	d/	d/
Gloversville	d/	d/	d/	d/	d/
Greater Jamestown	d/	d/	d/	d/	d/
Hornell	d/	d/	d/	d/	d/
Hunts Point	d/	d/	d/	d/	d/
Islip	d/	d/	d/	d/	d/
Kingston	d/	d/	d/	d/	d/
Lackawanna	d/	d/	d/	d/	d/
Lewis County	d/	d/	d/	d/	d/
Madison County	d/	d/	d/	d/	d/
Monroe County	d/	d/	d/	d/	d/
Mount Vernon	d/	d/	d/	d/	d/
Niagara Falls	d/	d/	d/	386,675	122,295
North Brooklyn Navy Yard	d/	d/	d/	d/	d/
Norwich	d/	d/	d/	d/	d/

d/ Tax Law provisions prohibit disclosure of data.

Table 28: New York State QEZE Credits¹ by Empire Zone² - 2004 Liability Year³ (Cont'd)

Empire Zone	Credit for Real Property Taxes			Tax Reduction Credit	
	Amount of Credit Claimed	Amount of Credit Used	Amount of Credit Refunded ⁴	Amount of Credit Claimed	Amount of Credit Used
Ogdensburg	d/	d/	d/	d/	d/
Oneida/Herkimer Counties	d/	d/	d/	d/	d/
Onondaga County	\$2,825,788	\$12,600	\$2,813,188	\$936,942	\$919,259
Orange County	999,012	13,054	985,958	d/	d/
Orleans County	d/	d/	d/	d/	d/
Oswego	d/	d/	d/	d/	d/
Otsego County	d/	d/	d/	d/	d/
Plattsburgh	245,820	146,168	99,652	808,505	589,315
Port Morris	d/	d/	d/	d/	d/
Potsdam	d/	d/	d/	d/	d/
Rensselaer County	d/	d/	d/	d/	d/
Rochester	d/	d/	d/	d/	d/
Rome	d/	d/	d/	d/	d/
Saratoga County	d/	d/	d/	d/	d/
Schenectady	d/	d/	d/	374,568	260,131
Schuyler County	d/	d/	d/	d/	d/
Seneca County	d/	d/	d/	d/	d/
South Jamaica	d/	d/	d/	d/	d/
Southwest Brooklyn	d/	d/	d/	d/	d/
Staten Island - North Shore	d/	d/	d/	d/	d/
Suffolk County	d/	d/	d/	d/	d/
Sullivan County	d/	d/	d/	d/	d/
Syracuse	1,003,710	4,841	998,869	119,833	74,605
Tioga County	d/	d/	d/	d/	d/
Tonawanda	d/	d/	d/	d/	d/
Triple Cities	d/	d/	d/	d/	d/
Troy	d/	d/	d/	d/	d/
Utica	d/	d/	d/	27,652	27,652
Warren County	d/	d/	d/	d/	d/
Washington County	d/	d/	d/	d/	d/
Watertown	444,939	6,711	438,228	d/	d/
Wayne County	d/	d/	d/	d/	d/
Yonkers	d/	d/	d/	d/	d/
Multiple Zones	53,682,056	3,251,818	50,430,240	19,972,936	10,014,147
Unidentified	1,861,754	129,733	1,731,995	1,708,761	1,536,414
Total	\$87,314,284	\$4,643,128	\$82,314,542	\$33,589,425	\$21,820,364

¹ The provisions of these credits do not allow a carryforward of excess credit. Therefore, credit earned is the same as credit claimed. However, corporate partners do not report amount earned by the partnership, only amounts claimed that were passed through to them. Thus, this table, which displays corporate partner amounts combined with non-partner corporations, reports amounts claimed instead of earned.

² Due to disclosure requirements, data is displayed only for zones with more than seven taxpayers as of the 2004 studyfile

³ Includes data from corporate partner filers.

⁴ Credit refunded includes amounts eligible for refund, but instead claimed as an overpayment applied against next year's tax liability at the discretion of the taxpayer.

⁵ Buffalo received a second EZ in the 5th round of zone designations.

d/ Tax Law provisions prohibit disclosure of data.

Table 29: New York State Alternative Minimum Tax Credit by Major Industry Group - 2004 Liability Year

Credit Earned						
	Major Industry Group	Number of Taxpayers	Amount of Credit Earned	% of Credit Earned	Median Credit Earned	Mean Credit Earned
	Agriculture, Forestry, Fishing & Hunting	17	\$6,956	0.48	\$196	\$409
	Mining	d/	d/	d/	d/	d/
	Utilities	6	16,168	1.13	277	2,695
	Construction	164	69,642	4.85	143	425
	Manufacturing	116	155,111	10.80	939	3,787
	Wholesale Trade	160	87,288	6.08	149	546
	Retail Trade	160	69,210	4.82	287	964
	Transportation & Warehousing	56	26,419	1.84	678	988
	Information	57	82,474	5.74	371	1,447
	Finance and Insurance	60	140,841	9.81	491	2,347
	Real Estate, Rental, & Leasing	219	358,048	24.94	200	1,635
	Professional, Scientific, & Technical Services	183	197,496	13.76	221	1,079
	Management of Companies & Enterprises	24	119,258	8.31	741	4,969
	Administrative & Support & Waste Management & Remediation Services	38	18,753	1.31	209	494
	Educational Services	d/	d/	d/	d/	d/
	Health Care & Social Assistance	79	32,679	2.28	183	414
	Arts, Entertainment, & Recreation	39	17,365	1.21	211	445
	Accommodation & Food Services	56	17,450	1.22	109	312
	Other Services (except Public Administration)	72	17,887	1.25	116	248
	Public Administration	0	0	0.00	0	0
	Total	1,513	\$1,435,637	100.00	\$183	\$949
Credit Claimed						
	Major Industry Group	Number of Taxpayers	Amount of Credit Claimed	% of Credit Claimed	Median Credit Claimed	Mean Credit Claimed
	Agriculture, Forestry, Fishing & Hunting	35	\$51,417	0.44	\$734	\$1,469
	Mining	4	11,811	0	1,912	2,953
	Utilities	d/	d/	d/	d/	d/
	Construction	219	299,726	2.55	398	1,369
	Manufacturing	180	3,558,543	30.27	2,003	48,741
	Wholesale Trade	184	274,504	2.34	344	1,492
	Retail Trade	233	420,052	3.57	578	2,915
	Transportation & Warehousing	75	102,869	0.88	888	2,056
	Information	41	802,919	6.83	645	19,583
	Finance and Insurance	66	3,823,823	32.53	593	57,937
	Real Estate, Rental, & Leasing	267	398,173	3.39	386	1,491
	Professional, Scientific, & Technical Services	153	226,433	1.93	353	1,480
	Management of Companies & Enterprises	16	1,238,480	10.54	1,741	77,405
	Administrative & Support & Waste Management & Remediation Services	48	133,675	1.14	341	2,785
	Educational Services	d/	d/	d/	d/	d/
	Health Care & Social Assistance	139	215,088	1.83	388	1,547
	Arts, Entertainment, & Recreation	41	31,981	0.27	631	780
	Accommodation & Food Services	79	99,292	0.84	337	1,257
	Other Services (except Public Administration)	114	59,206	0.50	212	519
	Public Administration	0	0	0.00	0	0
	Total	1,905	\$11,755,883	100.00	\$386	\$6,171

d/ Tax Law provisions prohibit disclosure of data.

Table 29: New York State Alternative Minimum Tax Credit by Major Industry Group - 2004 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
	Agriculture, Forestry, Fishing & Hunting	0	\$0	0.00	\$0	\$0
	Mining	0	0	0	0	0
	Utilities	0	0	0.00	0	0
	Construction	24	39,221	2.39	508	1,634
	Manufacturing	13	192,961	11.77	64,946	85,286
	Wholesale Trade	17	7,303	0.45	413	430
	Retail Trade	24	42,473	2.59	1,128	2,581
	Transportation & Warehousing	3	962	0.06	d/	531
	Information	d/	d/	d/	d/	d/
	Finance and Insurance	8	3,154	0.19	242	394
	Real Estate, Rental, & Leasing	8	15008	0.92	756	1876
	Professional, Scientific, & Technical Services	12	18751	1.14	561	1563
	Management of Companies & Enterprises	4	1,206,653	73.57	246,504	301,663
	Administrative & Support & Waste Management & Remediation Services	d/	d/	d/	d/	d/
	Educational Services	0	0	0	0	0
	Health Care & Social Assistance	22	62,247	3.80	276	2,829
	Arts, Entertainment, & Recreation	4	1,287	0.08	332	322
	Accommodation & Food Services	3	46,822	2.85	d/	15,607
	Other Services (except Public Administration)	8	1,143	0.07	145	143
	Public Administration	0	0	0.00	0	0
	Total	153	\$1,640,058	100.00	\$377	\$10,719

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
	Agriculture, Forestry, Fishing & Hunting	35	\$51,417	0.51	\$734	\$1,469
	Mining	4	11811	0.12	1912	2953
	Utilities	d/	d/	d/	d/	d/
	Construction	207	260,505	2.58	382	1,258
	Manufacturing	171	3,365,582	33.27	1,787	47,227
	Wholesale Trade	172	267,201	2.64	339	1,553
	Retail Trade	221	377,579	3.73	547	2,797
	Transportation & Warehousing	73	101,907	1.01	851	2,075
	Information	41	802854	7.94	645	19582
	Finance and Insurance	59	3,820,669	37.77	608	64,757
	Real Estate, Rental, & Leasing	264	383171	3.79	376	1451
	Professional, Scientific, & Technical Services	143	207,674	2.05	353	1,452
	Management of Companies & Enterprises	12	31,827	0.31	1,261	2,652
	Administrative & Support & Waste Management & Remediation Services	47	131,667	1.30	335	2,801
	Educational Services	d/	d/	d/	d/	d/
	Health Care & Social Assistance	132	152,847	1.51	379	1,158
	Arts, Entertainment, & Recreation	40	30,694	0.30	622	767
	Accommodation & Food Services	78	52,470	0.52	335	673
	Other Services (except Public Administration)	112	58,071	0.57	212	518
	Public Administration	0	0	0.00	0	0
	Total	1,822	\$10,115,837	100.00	\$378	\$5,552

d/ Tax Law provisions prohibit disclosure of data.

Table 30: New York State Alternative Minimum Tax Credit by Size of Entire Net Income - 2004 Liability Year

Credit Earned	Size of Entire Net Income			Number of	Amount of	% of Credit	Median Credit	Mean Credit
				Taxpayers	Credit Earned	Earned	Earned	Earned
	Zero or Net Loss			499	\$580,193	40.41	\$190	\$1,163
	\$ 1	-	\$ 99,999	971	491,088	34.21	162	506
	100,000	-	499,999	27	227,101	15.82	1,053	8,411
	500,000	-	999,999	d/	d/	d/	d/	d/
	1,000,000	-	24,999,999	10	123,196	8.58	4,253	12,320
	25,000,000	-	49,999,999	0	0	0.00	0	0
	50,000,000	-	99,999,999	d/	d/	d/	d/	d/
	100,000,000	-	499,999,999	0	0	0.00	0	0
	500,000,000	-	and over	0	0	0.00	0	0
	Total			1,513	\$1,435,637	100.00	\$183	\$949

Credit Claimed	Size of Entire Net Income			Number of	Amount of	% of Credit	Median Credit	Mean Credit
				Taxpayers	Credit Claimed	Claimed	Claimed	Claimed
	Zero or Net Loss			949	\$8,398,498	71.44	\$360	\$8,850
	\$ 1	-	\$ 99,999	879	931,134	7.92	388	1,059
	100,000	-	499,999	38	442,443	3.76	1,338	11,643
	500,000	-	999,999	11	62,766	0.53	2,873	5,706
	1,000,000	-	24,999,999	21	460,049	3.91	6,258	21,907
	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			1,905	\$11,755,883	100.00	\$386	\$6,171

d/ Tax Law provisions prohibit disclosure of data.

Table 30: New York State Alternative Minimum Tax Credit by Size of Entire Net Income - 2004 Liability Year (Cont'd)

Credit Used	Size of Entire Net Income			Number of	Amount of	% of Credit	Median Credit	Mean Credit
				Taxpayers	Credit Used	Used	Used	Used
	Zero or Net Loss			0	\$0	0.00	\$0	\$0
	\$ 1	-	\$ 99,999	112	46,556	2.84	273	416
	100,000	-	499,999	16	31,128	1.90	855	1,946
	500,000	-	999,999	4	16,963	1.03	2,719	4,241
	1,000,000	-	24,999,999	15	230,195	14.04	6,258	15,346
	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	0	0	0	0	0
	Total			153	\$1,640,058	100.00	\$377	\$10,719
Credit Carried Forward	Size of Entire Net Income			Number of	Amount of	% of Credit	Median Credit	Mean Credit
				Taxpayers	Credit Carried Forward	Carried Forward	Carried Forward	Carried Forward
	Zero or Net Loss			951	\$8,398,508	83.02	\$359	\$8,831
	\$ 1	-	\$ 99,999	828	884,580	8.74	381	1,068
	100,000	-	499,999	26	411,315	4.07	1,553	15,820
	500,000	-	999,999	d/	d/	d/	d/	d/
	1,000,000	-	24,999,999	9	229,854	2	10,848	25,539
	25,000,000	-	49,999,999	0	0	0.00	0	0
	50,000,000	-	99,999,999	0	0	0.00	0	0
	100,000,000	-	499,999,999	0	0	0.00	0	0
	500,000,000	-	and over	d/	d/	d/	d/	d/
	Total			1,822	\$10,115,837	100.00	\$378	\$5,552

d/ Tax Law provisions prohibit disclosure of data.

Table 31: New York State Alternative Minimum Tax Credit by Size of Credit Used - 2004 Liability Year

Credit Earned	Size of Credit Used			Number of	Amount of	% of Credit	Median Credit	Mean Credit
				Taxpayers	Credit Earned	Earned	Earned	Earned
	Zero			1,513	\$1,435,637	100.00	\$183	\$949
Credit Claimed	Size of Credit Used			Number of	Amount of	% of Credit	Median Credit	Mean Credit
				Taxpayers	Credit Claimed	Claimed	Claimed	Claimed
	Negative			0	\$0	0.00	\$0	\$0
	Zero			1,752	9,930,236	84.47	370	5,668
	\$ 1	-	\$ 499	87	89,277	0.76	329	1,026
	500	-	999	28	32,040	0.27	916	1,144
	1,000	-	4,999	23	80,102	0.68	2,001	3,483
	5,000	-	9,999	4	36,635	0.31	7,780	9,159
	10,000	-	24,999	d/	d/	d/	d/	d/
	25,000	-	49,999	3	123,381	1.05	d/	41,127
	50,000	-	99,999	4	284,119	2.42	58,835	71,030
	100,000	-	499,999	d/	d/	d/	d/	d/
	500,000	-	and over	d/	d/	d/	d/	d/
	Total			1,905	\$11,755,883	100.00	\$386	\$6,171

d/ Tax Law provisions prohibit disclosure of data.

Table 31: New York State Alternative Minimum Tax Credit by Size of Credit Used - 2004 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	87	15,852	0.97	161	182
	500	- 999	28	19,652	1.20	631	702
	1,000	- 4,999	23	50,652	3.09	1,762	2,202
	5,000	- 9,999	4	31,267	1.91	7,780	7,817
	10,000	- 24,999	d/	d/	d/	d/	d/
	25,000	- 49,999	3	112,533	6.86	d/	37,511
	50,000	- 99,999	4	230,009	14.02	58,210	57,502
	100,000	- 499,999	d/	d/	d/	d/	d/
	500,000	- and over	d/	d/	d/	d/	d/
		Total	153	\$1,640,058	100.00	\$377	\$10,719

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		1,756	9,930,248	98.17	370	5,655
	\$ 1	- \$ 499	41	73,425	0.73	717	1,791
	500	- 999	14	12,388	0.12	651	885
	1,000	- 4,999	8	29,450	0.29	3,346	3,681
	5,000	- 9,999	d/	d/	d/	d/	d/
	10,000	- 24,999	0	0	0	0	0
	25,000	- 49,999	d/	d/	d/	d/	d/
	50,000	- 99,999	d/	d/	d/	d/	d/
	100,000	- 499,999	0	0	0.00	0	0
	500,000	- and over	0	0	0.00	0	0
		Total	1,822	\$10,115,837	100.00	\$378	\$5,552

d/ Tax Law provisions prohibit disclosure of data.

Table 32: New York State Farmers' School Tax Credit by Basis of Taxation - 2004 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	78	\$664,433	63.90	\$5,687	\$8,518	
Capital Base	d/	d/	d/	d/	d/	
Alternative Minimum Tax	51	346,645	33.34	5,062	6,797	
Total	133	\$1,039,784	100.00	\$5,553	\$7,818	

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	78	\$708,368	64.75	\$6,050	\$9,082	
Capital Base	d/	d/	d/	d/	d/	
Alternative Minimum Tax	51	353,935	32.35	5,062	6,940	
Total	134	\$1,094,030	100.00	\$5,620	\$8,164	

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	13	\$8,912	36.79	\$508	\$686	
Capital Base	d/	d/	d/	d/	d/	
Alternative Minimum Tax	5	7,903	32.62	466	1,581	
Total	20	\$24,225	100.00	\$487	\$1,211	

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	13	\$153,010	88.55	\$5,054	\$11,770	
Capital Base	0	0	0	0	0	
Alternative Minimum Tax	d/	d/	d/	d/	d/	
Total	20	\$172,791	100.00	\$4,275	\$8,640	

d/ Tax Law provisions prohibit disclosure of data.

Table 33: New York State Credit for Employment of Persons with Disabilities by Basis of Taxation - 2004 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	14	\$110,639	75.34	\$3,168	\$7,903
Fixed Dollar Minimum Tax	15	30,830	20.99	2,100	2,055	
Capital Base	d/	d/	d/	d/	d/	
Alternative Minimum Tax	d/	d/	d/	d/	d/	
Total	32	\$146,845	100.00	\$2,100	\$4,589	
Credit Claimed	Basis of Taxation	Number of Taxpayers	Amount of Credit Claimed	% of Credit Claimed	Median Credit Claimed	Mean Credit Claimed
	Entire Net Income	16	\$119,039	47.85	\$3,491	\$7,440
Fixed Dollar Minimum Tax	27	118,954	47.81	2,100	4,406	
Capital Base	5	7,032	2.83	733	1,406	
Alternative Minimum Tax	4	3,774	1.52	605	944	
Total	52	\$248,799	100.00	\$2,100	\$4,785	
Credit Used	Basis of Taxation	Number of Taxpayers	Amount of Credit Used	% of Credit Used	Median Credit Used	Mean Credit Used
	Entire Net Income	13	\$106,439	83.42	\$2,984	\$8,188
Fixed Dollar Minimum Tax	16	15,684	12.29	647	980	
Capital Base	d/	d/	d/	d/	d/	
Alternative Minimum Tax	d/	d/	d/	d/	d/	
Total	33	\$127,599	100.00	\$2,021	\$3,867	
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	\$12,600	10.40	\$3,150	\$3,150
Fixed Dollar Minimum Tax	24	103,270	85.21	1,839	4,303	
Capital Base	3	1,724	1.42	d/	575	
Alternative Minimum Tax	3	3,606	2.98	d/	1,202	
Total	34	\$121,200	100.00	\$1,839	\$3,565	

d/ Tax Law provisions prohibit disclosure of data.

Table 34: New York State Alternative Fuels Credit by Credit Component - 2004 Liability Year

Alternative Fuels	Credit Component	Number of Taxpayers	Amount of Credit	Median Credit Amount	Mean Credit Amount
Vehicle Tax Credit	Credit Earned	6	\$333,445	\$26,497	\$55,574
	Credit Claimed	7	1,366,457	25,260	195,208
	Credit Used	4	725,340	26,497	181,335
	Credit Carried Forward	3	641,117	d/	213,706

Due to disclosure provisions, data for this credit cannot be displayed in the traditional format. For this report, only the aggregate totals for each credit component are included.

Table 35: New York State Qualified Emerging Technology Company Employment Credit by Basis of Taxation - 2004 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/
	Fixed Dollar Minimum Tax	5	\$64,250	58.95	\$12,000	\$12,850
	Capital Base	d/	d/	d/	d/	d/
	Alternative Minimum Tax	d/	d/	d/	d/	d/
	Total	10	\$109,000	100.00	\$6,375	\$10,900
Credit Claimed	Basis of Taxation	Number of Taxpayers	Amount of Credit Claimed	% of Credit Claimed	Median Credit Claimed	Mean Credit Claimed
		Entire Net Income	3	\$31,462	3.24	d/
	Fixed Dollar Minimum Tax	13	900,983	92.75	14,000	69,306
	Capital Base	d/	d/	d/	d/	d/
	Alternative Minimum Tax	d/	d/	d/	d/	d/
	Total	21	\$971,433	100.00	\$12,000	\$46,259
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/
	Fixed Dollar Minimum Tax	6	\$36,605	77.11	\$562	\$6,101
	Capital Base	d/	d/	d/	d/	d/
	Alternative Minimum Tax	d/	d/	d/	d/	d/
	Total	12	\$47,471	100.00	\$618	\$3,956
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/
	Fixed Dollar Minimum Tax	9	\$811,316	97.01	\$13,813	\$90,146
	Capital Base	0	0	0	0	0
	Alternative Minimum Tax	d/	d/	d/	d/	d/
	Total	11	\$836,353	100.00	\$13,813	\$76,032

d/ Tax Law provisions prohibit disclosure of data.

Table 36: New York State Industrial or Manufacturing Business Tax Credit* by Basis of Taxation - 2004 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		208	\$892,401	26.23	\$381
Fixed Dollar Minimum Tax		437	1,632,554	47.99	392	3,736
Capital Base		84	159,525	4.69	150	1,899
Alternative Minimum Tax		237	717,307	21.09	570	3,027
Total		966	\$3,401,787	100.00	\$399	\$3,522

Credit Used	Basis of Taxation	Number of Taxpayers	Amount of Credit Used	% of Credit Used	Median Credit Used	Mean Credit Used
	Entire Net Income		179	\$358,447	70.37	\$313
Fixed Dollar Minimum Tax		37	65,445	12.85	201	1,769
Capital Base		66	37,220	7.31	136	564
Alternative Minimum Tax		27	48,267	9.48	719	1,788
Total		309	\$509,379	100.00	\$280	\$1,648

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

Table 37: New York State Industrial or Manufacturing Business Tax Credit* by Size of Entire Net Income - 2004 Liability Year

Credit Earned	Size of Entire Net Income			Number of	Amount of	% of Credit	Median Credit	Mean Credit		
				Taxpayers	Credit Earned	Earned	Earned	Earned		
	Zero or Net Loss			380	\$1,561,521	45.90	\$394	\$4,109		
	\$	1	-	\$	99,999	245	93,499	2.75	126	382
		100,000	-		499,999	114	69,578	2.05	309	610
		500,000	-		999,999	26	50,987	1.50	778	1,961
		1,000,000	-		24,999,999	153	424,129	12.47	1,308	2,772
		25,000,000	-		49,999,999	13	183,308	5.39	5,893	14,101
		50,000,000	-		99,999,999	12	248,492	7.30	11,819	20,708
		100,000,000	-		499,999,999	17	187,730	5.52	5,478	11,043
		500,000,000	-		and over	6	582,543	17.12	50,588	97,091
	Total			966	\$3,401,787	100.00	\$399	\$3,522		

Credit Used	Size of Entire Net Income			Number of	Amount of	% of Credit	Median Credit	Mean Credit		
				Taxpayers	Credit Used	Used	Used	Used		
	Zero or Net Loss			67	\$82,358	16.17	\$147	\$1,229		
	\$	1	-	\$	99,999	83	18,090	3.55	108	218
		100,000	-		499,999	49	18,048	3.54	240	368
		500,000	-		999,999	12	11,579	2.27	437	965
		1,000,000	-		24,999,999	75	113,021	22.19	897	1,507
		25,000,000	-		49,999,999	4	23,577	4.63	3,629	5,894
		50,000,000	-		99,999,999	5	37,899	7.44	3,370	7,580
		100,000,000	-		499,999,999	11	100,902	19.81	2,739	9,173
		500,000,000	-		and over	3	103,905	20.40	d/	34,635
	Total			309	\$509,379	100.00	\$280	\$1,648		

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

d/ Tax Law provisions prohibit disclosure of data.

Table 38: New York State Industrial or Manufacturing Business Tax Credit* by Size of Credit Used - 2004 Liability Year

Credit Earned	Size of Credit Used			Number of	Amount of	% of Credit	Median Credit	Mean Credit	
				Taxpayers	Credit Earned	Earned	Earned	Earned	
Zero				657	\$2,848,083	83.72	\$444	\$4,335	
\$ 1	-	\$ 499		188	34,215	1.01	117	182	
500	-	999		48	65,720	1.93	690	1,369	
1,000	-	4,999		56	133,709	3.93	2,315	2,388	
5,000	-	9,999		6	40,173	1.18	6,647	6,696	
10,000	-	24,999		7	114,251	3.36	17,000	16,322	
25,000	-	49,999		d/	d/	d/	d/	d/	
50,000	-	99,999		d/	d/	d/	d/	d/	
100,000	-	499,999		0	0	0.00	0	0	
500,000	-	and over		0	0	0.00	0	0	
				Total	966	\$3,401,787	100.00	\$399	\$3,522

Credit Used	Size of Credit Used			Number of	Amount of	% of Credit	Median Credit	Mean Credit	
				Taxpayers	Credit Used	Used	Used	Used	
Zero				0	\$0	0.00	\$0	\$0	
\$ 1	-	\$ 499		188	28,386	5.57	111	151	
500	-	999		48	33,992	6.67	672	708	
1,000	-	4,999		56	128,022	25.13	2,233	2,286	
5,000	-	9,999		6	39,092	7.67	6,517	6,515	
10,000	-	24,999		7	114,251	22.43	17,000	16,322	
25,000	-	49,999		d/	d/	d/	d/	d/	
50,000	-	99,999		d/	d/	d/	d/	d/	
100,000	-	499,999		0	0	0.00	0	0	
500,000	-	and over		0	0	0.00	0	0	
				Total	309	\$509,379	100.00	\$280	\$1,648

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

d/ Tax Law provisions prohibit disclosure of data.

Table 39: New York State Credit for Purchase of an Automated External Defibrillator* by Basis of Taxation - 2004 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	13	\$53,500	85.60	\$500	\$4,115
	Fixed Dollar Minimum Tax	5	6,500	10.40	1,000	1,300
	Capital Base	d/	d/	d/	d/	d/
	Alternative Minimum Tax	d/	d/	d/	d/	d/
	Total	23	\$62,500	100.00	\$500	\$2,717

Credit Used						
	Basis of Taxation	Number of Taxpayers	Amount of Credit Used	% of Credit Used	Median Credit Used	Mean Credit Used
	Entire Net Income	13	\$53,500	87.40	\$500	\$4,115
	Fixed Dollar Minimum Tax	4	5,215	8.52	858	1,304
	Capital Base	d/	d/	d/	d/	d/
	Alternative Minimum Tax	d/	d/	d/	d/	d/
	Total	22	\$61,215	100.00	\$500	\$2,783

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

d/ Tax Law provisions prohibit disclosure of data.

Table 40: New York State Long-Term Care Insurance Credit by Basis of Taxation - 2004 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	13	\$12,208	17.76	\$826	\$939
Fixed Dollar Minimum Tax	20	28,585	41.59	639	1,429	
Capital Base	5	14,249	20.73	553	2,850	
Alternative Minimum Tax	10	13,692	19.92	1,146	1,369	
Total	48	\$68,734	100.00	\$817	\$1,432	

Credit Claimed	Basis of Taxation	Number of Taxpayers	Amount of Credit Claimed	% of Credit Claimed	Median Credit Claimed	Mean Credit Claimed
	Entire Net Income	13	\$24,834	14.93	\$1,652	\$1,910
Fixed Dollar Minimum Tax	22	77,913	46.83	1,588	3,542	
Capital Base	5	28,497	17.13	1,107	5,699	
Alternative Minimum Tax	10	35,133	21.12	2,595	3,513	
Total	50	\$166,377	100.00	\$1,858	\$3,328	

Credit Used	Basis of Taxation	Number of Taxpayers	Amount of Credit Used	% of Credit Used	Median Credit Used	Mean Credit Used
	Entire Net Income	13	\$24,834	28.65	\$1,652	\$1,910
Fixed Dollar Minimum Tax	13	20,828	24.03	474	1,602	
Capital Base	5	28,497	32.87	1,107	5,699	
Alternative Minimum Tax	8	12,528	14.45	1,386	1,566	
Total	39	\$86,687	100.00	\$1,140	\$2,223	

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	21	57,085	71.64	941	2,718	
Capital Base	0	0	0.00	0	0	
Alternative Minimum Tax	9	22,596	28.36	1,366	2,511	
Total	30	\$79,681	100.00	\$1,265	\$2,656	

d/ Tax Law provisions prohibit disclosure of data.

Appendix A: Credit Provisions Effective for Tax Years Beginning Prior to January 1, 2005

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. 2005 law extended ITC to certain film production facilities.

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 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 have been 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 tax 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 broker/dealer activity and in activities connected with broker/dealer operations, such as the provision of investment advisory services for a regulated investment company, 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.

Empire Zone/
Zone Equivalent Area/
Qualified
Empire Zone
Enterprise Tax
Credits

In 1986, New York State enacted legislation to stimulate growth in economically distressed communities. The program provides a package of tax incentives for businesses that invest or provide jobs in designated areas called Empire Zones (EZs). Credits include a wage tax credit, a capital tax credit, and an investment tax credit.

The program has been amended periodically since enactment. Generally, the changes consisted of adjustments to the credit calculation formulas, increases in the credit amounts, and expansions in the number of EZs.

The most recent changes occurred in the 2006-07 budget. Two special categories of EZ taxpayers were created based on certain investment criteria: qualified investment projects (QUIPs) and significant capital investment projects (SCIPs). To qualify, taxpayers must meet investment and employment thresholds. In return, they will be able to request refunds of EZ credits that are ordinarily only refundable to new businesses. They will also be deemed new for purposes of the QEZE credits. For complete details on these, and other changes made since the program's inception, see Appendix D.

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 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 and shortened. The two-year 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 zone equivalent areas (ZEAs) 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 by one-half. Beginning on January 1, 2001, the ZEA credit amounts were changed to mirror the EZ wage tax credit amounts.

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.

The ZEA credit expired on June 13, 2004. Taxpayers could not earn new credit, but could use amounts carried forward from prior years.

EZ Capital Tax Credit

A credit applied to the consideration paid for original issue stock purchased from a zone capital corporation. Zone capital corporations 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 zone 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.

Starting in the 2005 tax year, credit can no longer be earned for investments in or contributions to EZ capital corporations. Taxpayers can continue to carryforward any unused amounts of credit calculated for investments made prior to January 1, 2005, however.

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 EZ-EIC, 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. Effective January 1, 2001, taxpayers could apply the EZ-EIC against the alternative minimum tax base.

EZ Investment Tax Credit for the Financial Services Industry

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

Qualified Empire Zone Enterprise Credits¹

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

The credit is non-refundable, but may be used against the alternative minimum tax base. If a taxpayer is wholly located within a zone (has a zone allocation factor of 100%), they may apply the credit against the fixed dollar minimum tax.

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 from the “tentative” minimum tax 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. Taxpayers will have available the remainder of any unused credit for tax years after 1999.

Farmers' School Tax Credit²

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 apply 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. Starting on January 1, 2005, only credit for refueling property is allowed.

Qualified Emerging Technology Company Tax Credits

The New York State Emerging Industry Jobs Act provides franchise tax credits for qualified emerging technology companies (QETCs) that create new jobs, or for corporate taxpayers that invest in emerging technology companies.

A QETC 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 QETCs³. 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 by their suppliers, 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 Credit

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 Credit

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 aggregate cap has been raised several times. Presently, it stands at \$16 million.

Green Building Credit⁴

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. 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.

Credit for Purchase of an Automated External Defibrillator

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.

Long-Term Care Insurance Credit

Taxpayers may claim a credit equal to 10 percent⁵ of the premiums paid during the tax year for the purchase of, or for continuing coverage under, a long-term care insurance policy that qualifies for the credit pursuant to Insurance Law section 1117. The credit is nonrefundable, but may be carried forward indefinitely.

A qualifying long-term care insurance policy is one that is:

- approved by the New York State Superintendent of Insurance pursuant to section 1117(g) of the Insurance Law; or
- a group contract delivered or issued for delivery outside of New York State that is a qualified long-term care insurance contract as defined in Internal Revenue Code section 7702B.

Empire State Film Production Credit

A taxpayer that is a qualified film production company subject to tax under Articles 9-A or 22 can apply to the Governor's Office for Motion Picture and Television Development (MP/TV) to receive a refundable, 10 percent Empire State Film Production Credit. An additional 5 percent credit is available from New York City.

To become a qualified production company, 75 percent of film production facility expenditures must be spent at a qualified film production facility, defined as a facility in New York in which television shows and films are or are intended to be regularly produced, and which contains at least one sound stage of at least 7,000 square feet. Productions which qualify for the credit are feature length films or television films, pilots, or series. Generally, documentaries, news or current affairs programs, interview or talk shows, instructional videos, sport shows or events, daytime soap operas, reality programs, commercials, and music videos do not qualify for the credit.

Taxpayers meeting the test above can qualify for a credit of 10 percent on qualified costs incurred at the facility. Qualified costs are costs for tangible property or services used or performed within New York directly and predominantly in the production (including post production) of a qualified film. Qualified production costs generally include most below the line items such as costs of technical and crew production, expenditures for facilities, props, makeup, wardrobe, set construction, and background talent, and generally exclude costs of stories and scripts, and wages for writers, directors, producers, and performers (other than extras without spoken lines).

Generally, *above the line* and *below the line* are terms of art in the film and television industry referring to divisions of categories or types of spending on the budget form. *Above the line* typically

means fees and salaries for the creative team (director, producers, actors, writers) and the cost of purchase of the story and/or script, while *below the line* refers to all the other the “hard” costs of production (crew salaries, equipment and facilities rental, film and lab costs, construction, materials, props, makeup, wardrobe, locations, editing, and catering -- essentially everything else involved in production of the film).

If a production has met the 75 percent test for production facility expenditures as described above, it may also qualify for the tax credit based upon qualified expenditures outside the qualified facility that are related to pre-production, location production, and post production in New York in one of two possible ways:

- a) if the qualified New York expenditures related to the qualified production facility total \$3 million or more, then all qualified expenditures related to pre-production, location, and post production in New York State qualify for the credit;
- b) if expenditures on the qualified production facility days are less than \$3 million, then the production must shoot at least 75 percent of all its location days in New York State in order to include expenditures incurred in New York State outside the qualified production facility on pre-production, production, and post production. The 75 percent threshold applies to a percent of the total location days only, not to the total shoot days. Shooting days spent at facilities are not used to calculate this threshold; only the ratio of shooting days spent on locations anywhere in New York State compared to shooting days on locations outside of New York State are used.

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.

Legislation enacted in 2004 created two temporary thresholds for taxable years beginning in 2004 and 2005. Taxpayers with a gross payroll of \$25 million or more would be subject to a \$10,000 fixed dollar minimum tax. Taxpayers with a gross payroll of less than \$25 million but more than \$6,250,000 would be subject to a \$5,000 fixed dollar minimum tax.

Endnotes

1. This description of the QEZE credits refers to the law as it existed during the time period covered by the data in this report. A description of the structure of the program following amendments made in and after the 2005-06 budget is included in Appendix D.
2. Chapter 62 of the Laws of 2006 made several changes to the farmers' school tax credit, effective for taxable years beginning on or after January 1, 2006. The enhancements: increased the base acreage from 250 to 350 acres; raised the income phase-out range from \$100,000-\$150,000 to \$200,000-\$300,000; expanded credit eligibility to include Christmas tree farms; and allowed the flow through of income of corporate farms to shareholders.
3. Legislation enacted as part of the 2005-2006 State budget allowed the QETC employment credit to be refundable to all businesses, starting in 2005.
4. The green building credit was available to taxpayers during the 2004 tax liability year but was not claimed.
5. For tax years beginning after 2003, the credit doubles from 10 percent to 20 percent.

Appendix B: Credit Provisions Effective for Tax Years Beginning After the 2004 Tax Liability Year

Appendix B describes the tax credits that were available to taxpayers for periods following the 2004 tax year. Although these tax credits are generally available in the year in which this report is produced, final data is not yet available due to filing extensions, fiscal year considerations, and verification and processing procedures.

Credits Available for Tax Years Beginning On or After January 1, 2005

QETC Facilities, Operations, and Training Credit

Taxpayers meeting more stringent QETC qualification tests may qualify for a refundable credit consisting of three components:

1. An 18 percent credit rate on research and development property;
2. A 9 percent credit rate on qualified research expenses; and
3. A 100 percent credit rate for qualified training expenses, up to \$4,000 per employee per year.

A taxpayer may claim the credit for four consecutive years (or five if relocating from an academic incubator facility), and the amount is capped at \$250,000 per taxpayer per year. No credit is allowed for taxable years beginning on or after January 1, 2012.

Security Training Tax Credit

Owners of commercial buildings over 500,000 square feet can receive a \$3,000 credit for each security guard employed who has undergone training certified by the New York State Office of Homeland Security (OHS) and is paid a certain minimum wage. The credit is administered by OHS and is refundable.

Credits Available for Tax Years Beginning On or After April 1, 2005

Brownfields Tax Credits

Three refundable tax credits are available to taxpayers who remediate a site under the Brownfield Cleanup Program.

1. The brownfield redevelopment tax credit consists of three credit components relating to costs associated with: site preparation; tangible property; and on-site groundwater remediation. The credit equals 12 percent of costs associated with each component. The credit increases by two percent if the site is remediated to a Track 1 cleanup level (determined by the Department of Environmental Conservation), and by another eight percent if at least one half of the site is located in an Environmental Zone (En-Zone). An En-Zone is an area designated by the Commissioner of Economic Development and, as of the 2000 census, has a poverty rate of at least 20 percent and an unemployment rate of at least 1¼ times the statewide unemployment rate.
2. The remediated brownfield credit for real property taxes equals 25 percent of the product of the taxpayer's employment factor (a percentage based on the number of persons employed by the taxpayer on a qualified site) and the taxpayer's eligible real property taxes. If the site is located in an En-Zone the credit increases to 100 percent. There is a credit limitation equal to the product of the number of full time employees at the qualified site multiplied by \$10,000.
3. The environmental remediation insurance credit is allowed for premiums paid for environmental remediation insurance up to the lesser of \$30,000 or 50 percent of the cost of the premiums.

Credits Available for Costs Incurred On or After July 1, 2005

**Fuel Cell Electricity
Generating
Equipment Credit**

Taxpayers may claim a credit equal to qualified fuel cell electric generating equipment expenditures for the tax year in which the equipment is placed in service, starting with the 2005 tax year. Qualified expenditures are associated with the purchase of on-site electricity generation systems utilizing proton exchange membrane fuel cells up to 100 kilowatts of rated capacity. The maximum credit is \$1,500 per generating unit and the taxpayer may carryforward any unused credit indefinitely.

Credits Available for Expenses Incurred On or After January 1, 2006

**Handicapped
Accessible Taxicabs
and Livery Service
Vehicles Credit**

Corporations and individuals providing a taxicab or livery service can claim a credit equal to the incremental cost associated with the purchase of a handicapped accessible vehicle or the conversion of a conventional vehicle to a handicapped accessible vehicle. The maximum credit is \$10,000 per vehicle. The credit can be used to reduce tax to zero and any remaining credit may be carried forward indefinitely. The credit applies to qualifying expenses incurred on or after January 1, 2006 but before January 1, 2009.

Credits Available for Tax Years Beginning On or After January 1, 2006

**Biofuel Production
Credit**

Taxpayers are allowed to claim a refundable credit for the production of biofuel. The credit equals 15 cents per gallon after the production of the first 40,000 gallons per year presented to market. The credit is capped at \$2.5 million per taxpayer per year for up to four consecutive years per biofuel plant. The credit sunsets after December 31, 2012.

**Land Conservation
Easement Credit**

Land that is under a conservation easement held by a public or private conservation agency is eligible for a refundable credit equal to 25 percent of the taxpayer's school district, county, and city/town real property taxes paid. The maximum allowable tax credit is \$5,000.

Credits Available for Bioheat Purchases Occurring On or After July 1, 2006

Clean Heating Fuel
Credit

A refundable tax credit is available for the purchase of bioheat used for space heating or hot water production for residential purposes within New York State. The credit is equal to one cent for each percent of biodiesel per gallon of bioheat purchased on or after July 1, 2006, and before July 1, 2007. The credit is only available in tax years beginning in 2006 and 2007. The amount of the credit may not exceed 20 cents per gallon.

Credits Available for Tax Years Beginning On or After January 1, 2007

Empire State
Commercial
Production Credit

The Governor's Office for Motion Picture and Television Development will administer a three part credit designed to encourage the production of commercials in New York State. \$7 million in aggregate credit will be allowed annually, allocated as follows:

- Incremental cost component - \$3 million: 20 percent of qualified production costs in excess of the average of the three prior years' costs. The credit is distributed on a pro-rata basis among all credit applicants, although no individual company shall receive an annual allocation greater than \$300,000;
- MCTD component - \$3 million: 5 percent of qualified production costs in excess of \$500,000 during the calendar year for work within the Metropolitan Commuter Transportation District (MCTD). This component is also awarded on a pro-rata basis, but with no per-company limitation.
- Outside MCTD component - \$1 million: 5 percent of qualified production costs in excess of \$200,000 during the calendar year for work outside the MCTD. This component is allocated in the same manner as the MCTD component.

Fifty percent of the credit is refundable, with the remainder fully refundable in the following year. The credit sunsets on December 31, 2011.

Credit for
Rehabilitation of
Historic Properties

Taxpayers may claim a tax credit for the rehabilitation of historic properties located in New York State. The amount of the credit is equal to 30 percent of the credit amount allowed under subsection (c)(3) of section 47 of the Federal Internal Revenue Code (IRC) for the same taxable year. The credit is capped at \$100,000 and any credit taken must be recaptured if the federal credit upon which it is based is recaptured by the taxpayer. Taxpayers may carry forward unused credit amounts to subsequent tax years.

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

Forms for Credits Available to Taxpayers During the 2004 Tax Year^{1,2}	
Form Number	Form Name
CT-40	<i>Claim for Alternative Fuels Credit</i>
CT-41	<i>Claim for Credit for Employment of Persons with Disabilities</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</i>
CT-46	<i>Claim for Investment Tax Credit and Employment Incentive Credit</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</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-601/CT-	<i>Claim for EZ Wage Tax Credit/Claim for ZEA Wage Tax Credit</i>
CT-602	<i>Claim for EZ Capital Tax Credit</i>
CT-603	<i>Claim for EZ Investment Tax Credit and EZ Employment Incentive Credit</i>
CT-604	<i>Claim for QEZE Credit for Real Property Taxes and QEZE Tax Reduction Credit^{3,4}</i>
CT-605	<i>Claim for EZ Investment Tax Credit and EZ Employment Incentive Tax Credit for the Financial Services Industry</i>
DTF-621	<i>Claim for QETC Employment Credit</i>
DTF-622	<i>Claim for QETC Capital Tax Credit</i>
DTF-623	<i>Claim for Industrial or Manufacturing Business (IMB) Credit</i>
DTF-624	<i>Claim for Low-Income Housing Credit</i>
DTF-630	<i>Claim for Green Building Credit</i>

Forms for Additional Credits Available to Taxpayers for Tax Years After 2004	
Form Number	Form Name
CT-248	<i>Claim for Empire State Film Production Credit</i>
DTF-619	<i>Claim for QETC Facilities, Operations, and Training Credit</i>
CT-631	<i>Claim for Security Officer Training Tax Credit</i>
CT-611	<i>Claim for Brownfield Redevelopment Tax Credit</i>
CT-612	<i>Claim for Remediated Brownfield Credit for Real Property Taxes</i>
CT-613	<i>Claim for Environmental Remediation Insurance Credit</i>
CT-259	<i>Claim for Fuel Cell Electric Generating Equipment Credit</i>
CT-239	<i>Claim for Handicapped Accessible Taxicabs and Livery Service Vehicles Credit</i>
CT-243	<i>Claim for Biofuel Production Credit</i>
CT-242	<i>Claim for Conservation Easement Tax Credit</i>
CT-241	<i>Claim for Clean Heating Fuel Credit</i>
CT-238	<i>Claim for Rehabilitation of Historic Properties Credit</i>
CT-246	<i>Claim for Empire State Commercial Production Credit</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 2004 tax liability year, and therefore not covered by this report, are shaded.

Noncarryover Credits
Automated external defibrillator credit
Qualified Empire Zone Enterprise (QEZE) tax reduction credit
Mortgage servicing tax credit
Empire Zone (EZ) and Zone Equivalent Area (ZEA) Wage Tax Credits
EZ wage tax credit
EZ wage tax credit for new businesses only ^{5,6}
ZEA wage tax credit
ZEA wage tax credit for new businesses only ⁵
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 credit ⁷
Credit for employing individuals with disabilities
Special additional mortgage recording tax credit
Long-term care insurance credit
EZ capital tax credit
EZ-ITC ⁶
EZ-EIC ⁶
EZ-ITC for the financial services industry ⁶
EZ-EIC for the financial services industry ⁶
QETC employment credit ⁸
QETC capital tax credit
Low-income housing credit
Green building credit
Fuel cell electricity generating equipment credit (available for costs incurred on/after 7/1/05)
Handicapped Accessible Taxicabs and Livery Service Vehicles Credit (available for expenses incurred on/after 1/1/06)
Credit for Rehabilitation of Historic Properties (available for tax years beginning on/after 1/1/07)
Credits That Are Refundable
Alternative fuels credit for qualified taxpayers only ⁷
Special additional mortgage recording tax credit for residential mortgages only
ITC for the financial services industry for new businesses only
ITC, including retail enterprises and historic barns credit, for new businesses only
Farmers' school tax credit
EZ-ITC for new businesses only ⁶
QEZE real property tax credit
EZ-ITC for financial services for new businesses only ⁶
Industrial or manufacturing business credit
QETC employment credit for new businesses only ⁸
Empire State film production credit

Credits That Are Refundable (continued)
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QETC facilities, operations, and training credit (available for tax years beginning on/after 1/1/05)
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Security training tax credit (available for tax years beginning on/after 1/1/05)
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Brownfields tax credits (available for tax years beginning on/after 4/1/05)

Biofuel production credit (available for tax years beginning on/after 1/1/06)

Conservation easement tax credit (available for tax years beginning on/after 1/1/06)
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Clean heating fuel credit (available for purchases occurring on/after 7/1/06)

Empire State commercial production credit (available for tax years beginning on/after 1/1/07)

Endnotes

1. In 2003, the alternative minimum tax credit was 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. Corporate partners of a QEZE complete form CT-604-CP, *Claim for QEZE Credit for Real Property Taxes and QEZE Tax Reduction Credit for Corporate Partners*.
4. The two QEZE credits were split into separate credit forms starting in the 2005 tax year. The tax reduction credit remained on form CT-604, but the credit for real property taxes is now calculated on form CT-606.
5. 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.
6. Legislation enacted as part of the 2006-07 Executive Budget created two special EZ project designations: qualified investment project (QUIP) and significant capital investment project (SCIP). Owners of QUIPs or SCIPs may refund 50 percent of excess EZ wage tax credit, EZ investment tax credit, and EZ employment incentive credit attributable to activity occurring at the project.
7. Beginning on January 1, 2005, the alternative fuels credit is only available for refueling property. The credit was refundable prior to that date, but only for electric vehicles manufactured in New York State, or clean-fuel vehicle property installed in or manufactured as a part of a motor vehicle in New York State, if those vehicles were sold or first leased during the tax year to a governmental unit.
8. For tax years prior to 2005, the QETC employment credit was only refundable to new businesses. For tax years beginning on or after January 1, 2005, the credit is refundable to all businesses.

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

This appendix provides a brief summary of changes to tax credits that were contained in state budgets or as separate legislation. 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. Also, the Tax Department typically publishes an annual Technical Services Bureau memorandum (TSB-M) that summarizes changes to the Tax Law.

Changes in 1996-97 State Budget Year

- *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 Year

- *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.

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- *Investment Tax Credit Carryover*

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

Changes in 1998-99 State Budget Year

- *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 Year

- *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.

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- *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.

- *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, with a sunset on December 31, 2001.

Changes in 2000-01 State Budget Year

- *“Empire Zones Program Act”*

The “Empire Zones Program Act” changed the term, “Economic Development Zone” to “Empire Zone” (EZ) 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 was 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 Year

- *Empire Zone program expansion*

Eight new Empire Zones were authorized.

Changes in 2002-03
State Budget Year

- *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 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 were 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 Year

There were no tax credit provisions enacted or affected by the 2003-04 State Budget. Separate legislation, Part H of Chapter 1 of the Laws of 2003, enacted the Brownfields tax credits.

- *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.

Changes in 2004-05 State Budget Year

- *Empire State Film Production Credit*

The budget established a new tax credit for film production activity in New York State. If the taxpayer satisfies certain criteria regarding a threshold level of activity in the State, the credit equals 10 percent of qualified production costs incurred in the production of films and television shows. Fifty percent of excess credit is refundable, and any excess credit carried forward

is fully refundable in the second year. The aggregate amount of credit available in any calendar year is \$25 million. The credit is administered by the Governor's Motion Picture Office. The credit sunsets in four years.

- *Low-Income Housing Credit Increased*

The Statewide aggregate credit limit for the low-income housing tax credit was increased from \$4 million to \$6 million.

- *Alternative Fuels Credit Extension*

The alternative fuels credit was extended for vehicles and property placed in service in taxable years beginning on or after January 1, 2004. The credit sunsets for taxable years beginning after December 31, 2004.

- *QETC Credits Expanded*

The QETC employment and capital tax credits were expanded to cover businesses engaged in biotechnology.

- *Empire Zone Extension and Clarification*

The budget extended the Empire Zones program to March 31, 2005.

A separate law, Chapter 209 of the Laws of 2004, was enacted which clarified that taxpayers who are certified before the expiration of the EZ program would be allowed to continue to claim the benefits to which they are entitled for the full benefit period.

- *Long-Term Care Insurance Credit Doubled*

Health-related budget legislation (Chapter 58 of the Laws of 2004) increased the credit for long-term care insurance from 10 to 20 percent of premiums paid, effective for tax years beginning after 2003.

Changes in 2005-06 State Budget Year

- *Empire Zone/Qualified Empire Zone Enterprise Reform and Extension*

Part W of Chapter 61, as amended by Part A of Chapter 63, of the Laws of 2005 contained significant reforms to the Empire Zones (EZ)/Qualified Empire Zone Enterprise (QEZE) program.

Changes to the zone boundaries affect all taxpayers, while changes to eligibility and benefits apply to taxpayers certified on or after April 1, 2005. The entire program was extended to June 30, 2011.

Zone Structure

- Zones will now be designated as either Investment Zones (IZ) or Development Zones (DZ). Generally, IZs encompass economically distressed areas and DZs are “county zones.”
- The zone boundaries will be redrawn and will attempt to encompass as much of the old boundaries as possible.
- IZs may only contain three areas; DZs may only contain six areas. However, if the DZ is located in more than one county, it may contain 12 areas.
- Both IZs and DZs can apply to have one additional area within their borders.
- DZs can apply to have three areas designated as IZs.
- Current beneficiaries that cannot be included in the redrawn boundaries will continue to be eligible for their benefits until they are decertified.
- Certain projects can be located outside of the designated areas within IZs and DZs. These include: manufacturers who create 50 or more jobs; agri-businesses; hi-tech or biotech companies making a \$10 million capital investment and creating 20 or more jobs; and financial or insurance services firms or distribution centers creating 300 or more jobs.
- Twelve new zones will be created. Each of the 11 counties that do not currently have a zone will be eligible to apply for one, as will Chinatown.

Taxpayer Eligibility

- For purposes of the QEZE employment test, taxpayers will include their employees within EZs in their statewide employment number.
- The number of employees in the current tax year must exceed the number in the base period.
- If a corporation has zero base period employment or a base period of zero, they must qualify as a new business.
- The base period is shortened from five to four years.
- The QEZE employment number can include employees from a related person only if they were not employed within New York State within the preceding 60 months.
- Corporations identical in ownership and operation can qualify as a new business if they are expanding operations in a different county. The benefit period is the same for both QEZEs however.

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- Businesses certified prior to August 1, 2002 with zero base years or zero base period employment will not be deemed new businesses unless they were formed for a valid business purpose and not solely to gain Empire Zone benefits.

Taxpayer Benefits

- The benefit period is shortened from 15 years to 10 years.
- The QEZE real property tax credit calculation is amended to be 25 percent of the product of the wages and health and retirement benefits of net new employees, up to \$10,000 per employee. Wages in excess of \$40,000 will not be counted.
- If a taxpayer is located in a DZ, they are subject to an additional employment increase factor which will reduce the credit. The factor is scaled to reward greater employment increases. Manufacturers will not be subject to this factor, regardless of location.
- The credit limitation is amended to be the greater of the credit calculation or the capital investment amount.
- For QEZEs in an IZ and QEZE manufacturers, the limitation is the existing credit limitation. For QEZEs in a DZ, the limitation is the product of 10 percent of the cost of construction, expansion, or rehabilitation, as opposed to acquisition, of real property owned by the QEZE and located in the EZ, and the percent of property occupied and used by the QEZE or a related person.
- The credit is further limited to the amount of real property taxes paid.
- Real property taxes will include property taxes paid by a lessee under certain circumstances.
- The language regarding PILOTs is amended to restrict the amount of the PILOT for purposes of the credit to the product of the taxpayer's basis in the property and the county full value tax rate.

Agricultural Co-operatives

- The bill adds a fixed dollar minimum limitation for agricultural co-ops for the QEZE real property tax credit.
- The EZ investment tax credit, employment incentive credit, and wage tax credit are extended to agricultural co-ops.
- These changes are retroactive to 2004.

EZ Wage Tax Credit

- Honorably discharged veterans are added to the list of targeted employees.
- If a taxpayer is located in an IZ, the credit is increased by \$500 per each employee paid over \$40,000 in wages.

EZ Capital Tax Credit

- The credit for investments in or contributions to EZ capital corporations is eliminated.
- *QETC Facilities, Operations, and Training Credit*

A new qualified emerging technology company credit was created for certain QETCs. To qualify, a QETC must have fewer than 101 employees, 75 percent of which are employed in New York State. They must also have a ratio of research and development funds to net sales which equals or exceeds six percent. Finally, gross revenues may not exceed \$20 million for the tax year immediately preceding the year in which the taxpayer is claiming the credit. A taxpayer may claim the credit for four consecutive years. However, if relocating from an academic incubator facility, a taxpayer is entitled to one additional year. The credit is capped at \$250,000 per taxpayer per year and is refundable. No credit is allowed for taxable years beginning on or after January 1, 2012.

The credit consists of three components:

Research and Development Property

Research and development property is eligible for an 18 percent credit rate. Qualified property is the same as that eligible for the investment tax credit, although the base is expanded to specifically include property used for testing or inspection, or costs associated with quality control, research, development, fees for use of facilities or processes for such activities, or production or distribution of materials and products resulting from the research.

Research Expenses

Qualified research expenses are eligible for a 9 percent credit rate. Qualified expenses include expenses associated with in-house research and processes, and costs associated with the dissemination of research and development results and the patent process.

High-technology Training Expenditures

A taxpayer may take a credit equal to qualified training expenses, up to \$4,000 per employee per year. Training includes courses related to the activities of the QETC completed at a post-secondary college or university located in New York State. Training expenses include items such as costs of tuition and fees, software, and textbooks.

- *Green Buildings Tax Credit Period Two*

A second allocation of green buildings tax credits was authorized.

An aggregate of \$25 million in credit component certificates may be issued by the Department of Environmental Conservation (DEC) in tax years beginning in 2005 through 2009. The amount on any one certificate is limited to \$2 million, but a taxpayer may obtain multiple certificates if they are an owner or tenant of more than one qualified building. The aggregate credit components of \$25 million are applicable for years beginning in 2006 and ending in 2014. The budget also addressed circumstances where a taxpayer is unable to claim the credit they have been allocated. DEC may reallocate such credit either to an existing qualified recipient or to a new qualified applicant, provided the reallocation does not exceed the \$2 million limit for period two.

- *Low-Income Housing Credit Increased*

The Statewide aggregate credit limit for the low-income housing tax credit was increased from \$6 million to \$8 million.

- *Alternative Fuels Credit*

Chapter 310 of the Laws of 2005 extended the alternative fuels credit to cover only clean-fuel vehicle refueling property placed in service during the taxable year. The term "clean-fuel" means natural gas, liquefied petroleum gas, hydrogen, electricity, and any other fuel which is at least 85 percent, singly or in combination, methanol, ethanol, any other alcohol, or ether.

- *Investment Tax Credit Extended to Film Production Facilities*

Chapter 393 of the Laws of 2005 extended the ITC to property owned by a qualified film production facility and used by another for film production activity. For the taxpayer to qualify, they must provide three or more services to a qualified film production company using the facility, such as studio lighting grids, lighting and grip equipment, multi-line phone service, broadband information technology access, industrial scale electrical capacity, food services, security services, and heating, ventilation and air conditioning.

- *Security Training Tax Credit Enacted*

Chapter 537 of the Laws of 2005 created a tax credit for owners of buildings over 500,000 square feet who employ qualified security guards. The credit is \$3,000 for each guard who has undergone training certified by the New York State Office of Homeland Security (OHS) and is paid a certain minimum wage. The credit is administered by OHS and is refundable.

- *Fuel Cell Electricity Generating Equipment Credit*

The tax credit for fuel cell electricity generating equipment available under the personal income tax is extended to the corporate franchise tax. Effective for costs incurred on or after July 1, 2005, a taxpayer may claim a credit equal to qualified fuel cell electric generating equipment expenditures. Qualified expenditures are associated with the purchase of on-site electricity generation systems utilizing proton exchange membrane fuel cells up to 100 kilowatts of rated capacity. The maximum credit is \$1,500 per generating unit and the taxpayer may carryforward unused credit indefinitely.

Changes in 2006-07 State Budget Year

- *Enhanced Farmers' School Tax Credit*

The budget increased the base acreage from 250 to 350 acres, raised the income phase-out range from \$100,000-\$150,000 to \$200,000-\$300,000, included Christmas tree farms as eligible for the credit, and allowed the flow through of income of corporate farms to shareholders.

- *Land Conservation Easement Credit*

The budget created a refundable tax credit equal to 25 percent of the taxpayer's school district, county and city/town real property taxes paid on land that is under a conservation easement held by a public or private conservation agency. The maximum allowable tax credit is \$5,000.

- *Empire Zone (EZ)/Qualified Empire Zone Enterprise (QEZE) Program Amendments*

The budget created several new taxpayer designations for purposes of the EZ/QEZE benefits and made additional technical changes to the program. The designations require certification by Empire State Development.

New Designations

- Qualified Investment Projects (QUIPs)
Owners of a qualified investment project may choose between the date of certification of the business enterprise at the location of the QUIP or the date when property constituting the QUIP is first placed in service as the starting date of their benefit period. A QUIP is a project located in an EZ at which 500 or more new jobs will be created and which will consist of tangible personal property and other tangible property, including buildings and structural components of buildings, with a basis of \$750 million or more. Also, the owner of the QUIP may not employ more than 200 persons in New York State at the time the project commences.
- Significant Capital Investment Projects (SCIPs)
Owners of a significant capital investment project can receive a ten year benefit period extension, starting with the tax year in which the property comprising the SCIP investment is placed in service. The original ten year benefit period and the extension are considered one continuous benefit period for purposes of the QEZE credits. A SCIP is a project located in an EZ which will be either a newly constructed facility or an addition or expansion of a QUIP consisting of tangible personal property and other tangible property, including buildings and structural components of buildings, with a basis of \$750 million or more. In addition, the SCIP must be constructed after the basis of the QUIP equals or exceeds \$750 million and will create 500 or more new jobs.
- New Business Designation
Taxpayers are deemed new if they meet four criteria. They must be approved as a QUIP or SCIP, have a base period of zero years, place property, or a project which includes such property, in service which comprises a QUIP or SCIP, and be certified by December 31, 2007.

In addition, owners of QUIPs and SCIPs may receive a refund of 50 percent of excess EZ-ITC, EZ wage tax credit, and EZ-EIC. Generally, the first two credits are only refundable to new businesses and the EZ-EIC is non-refundable. Taxpayers claiming the EZ-ITC and EZ-EIC will be allowed the refunds for a maximum of ten taxable years with respect to the QUIP and SCIP, starting with the first taxable year in which property

comprising such project is placed in service.

- Clean Energy Research and Development Enterprises (CERDEs)

This new designation classifies a CERDE as a regionally significant project which allows it to be located outside of the EZ's investment or development zone boundaries. A CERDE is defined as "any electric generating facility that used pulverized coal technology, circulating fluidized bed technology or integrated gasification combined cycle technology and that is capable of capturing carbon dioxide for sequestration or capable of being retrofitted to capture carbon dioxide for sequestration."

- Clean Energy Enterprises (CEEs)

A business designated as a CEE may be located anywhere in the state and will compute its benefits as if located in an investment zone. A CEE is defined as "any business primarily engaged in research, development or manufacturing of renewable energy or energy efficiency technologies or products; provided, however, that an initial clean coal electric generating facility capable of capturing carbon dioxide for sequestration or capable of being retrofitted to capture carbon dioxide for sequestration." A business is primarily engaged in research, development or manufacturing of renewable energy or energy efficiency technologies or products if eighty percent or more of its property in New York is utilized for such purposes.

Technical Changes

- QEZE Employment Number Definition

For taxpayers meeting certain criteria in their first taxable year, the employment number will not require employment full-time for at least one-half of the taxable year. Instead, the employment number will be computed using full-time employment on the last day of the taxable year. The criteria are:

1. the taxpayer acquired real or tangible personal property during its first taxable year from an unrelated entity;
2. the first taxable year is a short taxable year of not more than seven months; and
3. the number of individuals employed full-time on the last day of the first taxable year shall be at least 190 and substantially all of the individuals must have been

previously employed by the entity from whom such enterprise purchased its assets.

- EZ Wage Tax Credit Wages Paid Requirement

The credit requirement that an employee must receive EZ wages for more than half the taxable year will not apply in the first taxable year under certain criteria. In these instances, the credit will be computed by using the number of individuals employed full time on the last day of the first taxable year. The criteria are:

1. the taxpayer acquired real or tangible personal property during its first taxable year from an unrelated entity;
2. the first taxable year is a short taxable year of not more than seven months; and
3. the number of individuals employed full-time on the last day of the first taxable year shall be at least 190 and substantially all of the individuals must have been previously employed by the entity from whom such enterprise purchased its assets.

- QEZE Employment Test and Real Property Tax Credit Calculations

The employment test and real property tax credit calculations for QEZEs certified on or after April 1, 2005 were extended to QEZEs certified between August 1, 2002 and March 31, 2005 that conduct operations on real property that they own or lease that is both located within an EZ and is subject to a brownfield site cleanup agreement executed prior to January 1, 2006.

EZ Designation Acceleration

Finally, the schedule for the designations of Empire Zones was accelerated. Originally, 12 new zones were to be phased in equally over a four-year period. Now, the 4th year's allotment is moved to year two, so that three EZs will be designated in year one, six in year two, and three in year three.

- *Biofuel Production Credit*

The budget created a refundable credit for the production of biofuel. The credit is equal to 15 cents per gallon after the production of the first 40,000 gallons per year presented to market. The credit is capped at \$2.5 million per taxpayer per year for up to four consecutive years per plant. The credit sunsets after December 31, 2012.

- *Empire State Film Production Credit Amendments*

The film credit was amended to increase the annual credit cap and extend the sunset date of the credit. The cap was raised from \$25 million annually to \$60 million annually in 2006 through 2011. The original sunset date was extended from four years after enactment of the original bill (2008) to December 31, 2011.

- *Empire State Commercial Production Credit*

A new credit was created to encourage production of commercials in New York State. The Governor's Office for Motion Picture and Television Development will administer the credit, determining credit eligibility and allocating the \$7 million aggregate credit amount allowed annually. The credit consists of three components:

1. *Incremental cost component* - \$3 million: 20 percent of qualified production costs in excess of the average of the three prior years' costs. The credit is distributed on a pro-rata basis among all credit applicants, although no individual company shall receive an annual allocation greater than \$300,000.
2. *MCTD component* - \$3 million: 5 percent of qualified production costs in excess of \$500,000 during the calendar year for work within the Metropolitan Commuter Transportation District (MCTD). This component is also awarded on a pro-rata basis, but with no per-company limitation.
3. *Outside MCTD component* - \$1 million: 5 percent of qualified production costs in excess of \$200,000 during the calendar year for work outside the MCTD. This component is allocated in the same manner as the MCTD component.

Fifty percent of the credit is refundable, with the remainder fully refundable in the following year. The credit sunsets on

December 31, 2011.

- *Extension of Environmental Zones (EN-Zones) for the Brownfield Redevelopment Tax Credit and the Tax Credit for Remediated Brownfields*

Taxpayers claiming brownfields credits on sites located in EN-Zones can receive enhanced credit rates. For an area to be designated as an EN-Zone, it must meet one of two tests. It must have a poverty rate of at least 20 percent and an unemployment rate of at least 1.25 times the statewide rate, or have a poverty rate of at least two times the poverty rate for the county in which the area is located. Under the latter provision, the site also had to be the subject of a brownfield site cleanup agreement pursuant to section 27-1409 of the Environmental Conservation Law entered into prior to a certain date. The budget extended that date from September 1, 2006 to September 1, 2010.

- *Low-income Housing Credit*

The budget increased the statewide, aggregate credit limit for the low-income housing credit from \$8 million to \$12 million. The New York State low income housing tax credit program is based on the existing Federal program and 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 \$12 million each year.

- *Alternative Fuel Vehicle Refueling Property Technical Fix*

The budget updated Internal Revenue Code references in the alternative fuel vehicle refueling property credit statute to conform to federal changes. Previously, the credit was tied to a federal deduction, but the deduction was changed to a federal tax credit this past year. The budget also extended the sunset date of the credit from July 26, 2008 to December 31, 2010.

- *Handicapped Accessible Taxicabs and Livery Service Vehicles Credit*

Chapter 522 of the Laws of 2006 created a credit for corporations who provide a taxicab or livery service. The credit is equal to the incremental cost associated with the purchase of a handicapped accessible vehicle or the conversion of a conventional vehicle to a handicapped accessible vehicle, up \$10,000 per vehicle.

- *Clean Heating Fuel Credit*

Chapter 35 of the Laws of 2006 created a refundable tax credit for the purchase of bioheat used for space heating or hot water production for residential purposes within New York State. The credit is equal to one cent for each percent of biodiesel per gallon of bioheat purchased on or after July 1, 2006, and before July 1, 2007. The credit is only available in tax years beginning in 2006 and 2007. The amount of the credit may not exceed 20 cents per gallon.

- *Credit for Rehabilitation of Historic Properties*

Chapter 547 of the Laws of 2006 created a tax credit for the rehabilitation of historic properties located in New York State. The amount of the credit is equal to 30 percent of the credit amount allowed under subsection (c)(3) of section 47 of the Federal Internal Revenue Code (IRC) for the same taxable year. The credit is capped at \$100,000.

- *Brownfield Redevelopment Tax Credit Expansion*

Chapter 420 of the Laws of 2006 expanded the tangible property credit component of the brownfield redevelopment tax credit. The chapter amended the definition of “qualified tangible property” to allow the credit to apply to co-operative and condominium units.

Changes in 2007-08 State Budget Year

The budget increased the statewide, aggregate credit limit for the low-income housing credit from \$12 million to \$16 million. 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.

Table of Tax Credit Changes: 1996-2007

Credit	Budget Year	Object of Change
Alternative Fuels Credit	1997-98	credit enacted
	1999-00	credit expanded to cover sales/leases to governmental entities
	2000-01	sunset date extended
	2004-05	sunset date extended
	2005-06	sunset date extended only for refueling property
	2006-07	IRC references updated and sunset date extended
Automated External Defibrillator Tax Credit	1999-00	credit enacted
Biofuel Production Credit	2006-07	credit enacted
Brownfields Tax Credit Program	2003-04	credit enacted
	2006-07	site cleanup agreement cutoff date for EN-Zones extended credit extended to co-operatives and condominiums
Clean Heating Fuel Credit	2006-07	credit enacted
Credit for Employment of Persons with Disabilities	1997-98	credit enacted
Credit for Rehabilitation of Historic Properties	2006-07	credit enacted
Empire State Commercial Production Credit	2006-07	credit enacted
Empire State Film Production Credit	2004-05	credit enacted
	2006-07	aggregate credit cap increased and sunset extended
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
	2004-05	sunset date extended
		full term of benefits language adopted
2005-06	program reform and extension	

Credit	Budget Year	Object of Change
Empire Zones Credits (continued)	2006-07	new designations: QUIP, SCIP, CERDE, CEE
		EZ-ITC, EZ-WTC, EZ-EIC refundable to QUIPs/SCIPs
		technical changes for EZ-WTC and QEZE credits
		zone designations accelerated
Farmers' School Tax Credit	1996-97	credit enacted
	2006-07	base acreage and income phase-out range increased
		Christmas tree farms made eligible
		flow-thru of corporate farm income to shareholders election enacted
Fuel Cell Electricity Generating Equipment Credit	2005-06	credit enacted
Green Building Credit	2000-01	credit enacted
	2005-06	Period two and technical fixes enacted
Handicapped Accessible Taxicab and Livery Service Vehicles Credit	2006-07	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
2005-06	credit extended to qualified film production facilities	
Land Conservation Easement Credit	2006-07	credit enacted
Long-Term Care Insurance Credit	2000-01	credit enacted
	2004-05	credit percentage doubled
Low-Income Housing Credit	2000-01	credit enacted
	2002-03	aggregate statewide credit amount doubled
	2004-05	aggregate statewide credit amount increased

Credit	Budget Year	Object of Change
Low-Income Housing Credit (continued)	2005-06	aggregate statewide credit amount increased
	2006-07	aggregate statewide credit amount increased
	2007-08	aggregate statewide credit amount increased
Qualified Emerging Technology Company Credits	1998-99	employment and capital credits enacted
	1999-00	credits expanded to cover re-manufacturers of certain commodities
	2004-05	credits expanded to cover biotechnology companies
	2005-06	facilities, operations, and training credit enacted
Security Training Tax Credit	2005-06	credit enacted

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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