



**IT-604**

New York State Department of Taxation and Finance

**Claim for QEZE Credit for Real Property Taxes and QEZE Tax Reduction Credit**

Tax Law — Sections 15 and 16

2002 calendar-yr. filers, check box   
Other filers, enter tax period:

beginning	
ending	

File this form with your income tax return, Form IT-201, IT-203, IT-204, or IT-205

Name as shown on return	Taxpayer identification number(s) shown on front page of your return
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Employer identification number of QEZE business	Name of empire zone (EZ)
Name of QEZE business	Date of first certification by Empire State Development (attach a copy of your certificate of eligibility)

Important notice: The rules for the computation of the average number of empire zone employees have changed. You must use the new rules for the computation. Read all instructions carefully.

**Schedule A — Eligibility requirements** - You must meet an annual employment test to qualify for the qualified empire zone enterprise (QEZE) credits covered by this form. If you answer **No** on lines 3 or 6 below, **stop**. You do not qualify for these QEZE credits. If you answer **Yes** on lines 3 and 6 below, complete the rest of this form to compute and apply your credits.

**Part 1 — EZ Employees** - Computation of the average number of full-time employees within all empire zones (EZs) for the current tax year and the five-year base period. Include all employees in all EZs, even if you are not certified in all of those zones (see instructions).

Current tax year	March 31	June 30	September 30	December 31	Total	
Number of full-time employees within all EZs						
<b>1</b> Average number of full-time employees within all EZs for the current tax year (see instructions) .....						<b>1.</b>
Base period number of full-time employees in all EZs	March 31	June 30	September 30	December 31	Total	
Number in base year one .....						
Number in base year two .....						
Number in base year three .....						
Number in base year four .....						
Number in base year five .....						
Total full-time employees in all EZs in the base period .....						
<b>2</b> Average number of full-time employees within all EZs in the five-year base period (see instructions) .....						<b>2.</b>

**3** Does the amount on line 1 **equal** or **exceed** line 2? ..... Yes  No   
If the average number of full-time employees within all EZs for the current year does not **equal** or **exceed** the average number of full-time employees within all EZs in the base period, **stop**. You are not eligible for the QEZE credits covered by this form.

**Part 2 — New York State employment outside empire zones** - Computation of the average number of full-time employees working within New York State and outside all EZs, whether or not you are certified in all of those EZs, for the current tax year and the five-year base period (see instructions)

Current tax year	March 31	June 30	September 30	December 31	Total	
Number of full-time employees inside New York State and outside EZs						
<b>4</b> Average number of full-time employees inside New York State and outside EZs for the current tax year .....						<b>4.</b>
Base period number of full-time employees inside New York State and outside EZs	March 31	June 30	September 30	December 31	Total	
Number in base year one .....						
Number in base year two .....						
Number in base year three .....						
Number in base year four .....						
Number in base year five .....						
Total full-time employees inside New York State located outside EZs during the base period .....						
<b>5</b> Average number of full-time employees inside New York State and outside all EZs in the base period .....						<b>5.</b>
<b>6</b> Does the amount on line 4 <b>equal</b> or <b>exceed</b> the amount on line 5? (see instructions) ..... Yes <input type="checkbox"/> No <input type="checkbox"/>						
If the average number of full-time employees inside New York State and outside EZs for the current year does not <b>equal</b> or <b>exceed</b> the average number of full-time employees inside New York State and outside EZs for the base period, <b>stop</b> . You are not eligible for the QEZE credits covered by this form.						

**Schedule B — Computation of average number of full-time employees in the EZs in which you are certified for the test year**

Test year _____ to _____ (mm/yyyy)	March 31	June 30	September 30	December 31	Total	
Number of full-time employees within the EZs .....						
<b>7</b> Average number of full-time employees within the EZs in which you are certified for the test year (see instructions) ....						<b>7.</b>

**Schedule C — Employment increase factor** (see instructions)

<b>8</b> Average number of full-time employees in the EZs in which you are certified for the current tax year (see instructions) .....	<b>8.</b>		
<b>9</b> Average number of full-time employees in the EZs for the test year (from line 7) .....	<b>9.</b>		
<b>10</b> Subtract line 9 from line 8 .....	<b>10.</b>		
<b>11</b> Divide line 10 by line 9 (if line 9 is 0 and line 8 is greater than 0, enter "1" here) .....	<b>11.</b>		
<b>12</b> Divide line 10 by 100 (carry result to four decimal places) .....	<b>12.</b>		
<b>13</b> Employment increase factor (enter the greater of line 11 or 12) .....	<b>13.</b>		

**Partnerships:** Also enter on line 26 and Form IT-204, line 36.  
**All others:** Also enter on lines 26 and 36.

**Schedule D — Zone allocation factor** (see instructions)

	A EZ		B New York State	
14 Average value of property (see instructions) .....	14.		14.	
15 Wages and other compensation of employees .....	15.		15.	
16 EZ property factor (divide line 14, column A, by line 14, column B; carry result to four decimal places) ....	16.		16.	
17 EZ payroll factor (divide line 15, column A, by line 15, column B; carry result to four decimal places) .....	17.		17.	
18 Total EZ factors (add lines 16 and 17) .....	18.		18.	
19 Zone allocation factor (divide line 18 by two; carry result to four decimal places) .....	19.		19.	

**Partnerships:** Enter here and on Form IT-204, line 37.

**All others:** Enter here and on line 37.

**Schedule E — Tax factor**

20 Enter your tax from Form IT-201, line 38; Form IT-203, line 36; Form IT-205, line 6 (full-year resident estate or trust), or Form IT-205-A, line 11 (nonresident estate or trust or part-year resident trust) .....	20.		
21 Enter the amount of your income from the QEZE allocated within NYS (see instructions) .....	21.		
22 Enter your New York adjusted gross income from Form IT-201, line 32; Form IT-203, line 30 <i>Federal amount</i> column, or Form IT-205, Item B .....	22.		
23 Divide line 21 by line 22 (in the case of a partner in a partnership, result cannot exceed 1; carry result to four decimal places) .....	23.		
24 Multiply line 20 by line 23; this is your tax factor (enter here and on line 38) .....	24.		

**Schedule F — QEZE credit for real property taxes computation**

25 Tax year of the business benefit period <input type="text"/> ; benefit period factor (from table on page 4) .....	25.		
26 Employment increase factor (from line 13) .....	26.		
27 Eligible real property taxes (see instructions) .....	27.		
28 Multiply lines 25, 26, and 27 .....	28.		
29 Partners, shareholders, and beneficiaries (see instructions) .....	29.		
30 QEZE credit for real property taxes (add lines 28 and 29) .....	30.		
31 Recapture of QEZE credit for real property taxes (see instructions) .....	31.		

32 QEZE credit for real property taxes after recapture (subtract line 31 from line 30; see instructions) ... ▶ 32.  .

33 Limitation of QEZE credit for real property taxes (see instructions) .....

33.

34 QEZE real property tax credit claimed (lesser of line 32 or line 33) .....

34.  .

**Fiduciary:** Transfer the line 34 amount to the *Total* line of Schedule H, column C.

**All others:** Transfer the line 34 amount to Form IT-201-ATT, line 77; Form IT-203-B, line 62; or Form IT-204, line 35.

**Schedule G — QEZE tax reduction credit computation**

35 Tax year of the business benefit period <input type="text"/> ; benefit period factor (from table on page 4) .....	35.		
36 Employment increase factor (from line 13) .....	36.		
37 Zone allocation factor (from line 19) .....	37.		
38 Tax factor (from line 24) .....	38.		
39 Multiply lines 35, 36, 37, and 38 .....	39.		
40 Beneficiaries of estates or trusts share (see instructions) .....	40.		

41 QEZE tax reduction credit (add lines 39 and 40) .....

41.  .

**Fiduciary:** Transfer the line 41 amount to the *Total* line of Schedule H, column E.

**All others:** Transfer the line 41 amount to Form IT-201-ATT, line 45, Form IT-203-B, line 31.

**Schedule H — Beneficiary's and fiduciary's share of credit**

<b>A</b> Beneficiary's name (same as on Form IT-205, Schedule C)	<b>B</b> Identifying number	<b>C</b> Share of QEZE credit for real property taxes	<b>D</b> Share of recapture of QEZE credit for real property taxes	<b>E</b> Share of QEZE tax reduction credit
<b>Total</b>				
<b>Fiduciary</b>				

<b>Benefit period factor table*</b>	
Tax year of the benefit period	Benefit period factor
1 - 10	1.0
11	.8
12	.6
13	.4
14	.2
15	0

Find the tax year of your benefit period.

**Partnerships:** Enter the benefit period factor for that year from the table to the left on line 25 and on Form IT-204, line 38.

**All others:** Enter the benefit period factor for that year from the table to the left on lines 25 and 35.

\* The QEZE credit for real property taxes and the QEZE tax reduction credit are generally available for up to 14 years for taxpayers that continue to qualify.



**Need help?**



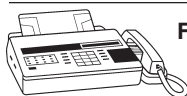
**Telephone assistance** is available from 8 a.m. to 5:55 p.m. (eastern time), Monday through Friday.

**For business tax information**, call the New York State Business Tax Information Center: 1 800 972-1233

**For general information:** 1 800 225-5829

To order forms and publications: 1 800 462-8100

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**Hotline for the hearing and speech impaired:**

1 800 634-2110 from 8 a.m. to 5:55 p.m. (eastern time), Monday through Friday. If you do not own a telecommunications device for the deaf (TDD), check with independent living centers or community action programs to find out where machines are available for public use.



**Persons with disabilities:** In compliance with the Americans with Disabilities Act, we will ensure that our lobbies, offices, meeting rooms, and other facilities are accessible to persons with disabilities. If you have questions about special accommodations for persons with disabilities, please call 1 800 225-5829.



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TAXPAYER CONTACT CENTER  
W A HARRIMAN CAMPUS  
ALBANY NY 12227