



Instructions for Form DTF-624

Claim for Low-Income Housing Credit

General information

An owner of a residential rental building in a qualified low-income housing project uses Form DTF-624 to claim the low-income housing credit.

The New York State low-income housing tax credit program coordinates with the federal low-income housing credit program, provided for in section 42 of the Internal Revenue Code (IRC). This credit is taken over a 10-year period so that the present value of the 10 annual credit amounts, determined as of the last day of the first year of the credit period, equals 70% (or 30%) of the building's qualified basis.

In general, the 10-year credit period starts at the beginning of the tax year in which the building is placed in service. However, you may elect to begin the 10-year credit period in the tax year after the year the building was placed in service, by checking the **Yes** box in Part II, line 10a, of Form DTF-625, *Low-Income Housing Credit Allocation Certification*.

The low-income housing credit is available for eligible low-income buildings for which an eligibility statement has been issued by the Commissioner of the New York State Division of Housing and Community Renewal (DHCR), as proclaimed by Article 2-A of the Public Housing Law.

This credit is not refundable. However, any amount of credit not deductible in the current tax year may be carried over to the following year or years.

Who is eligible

You may claim this credit if you are:

- a corporation that is subject to tax under Article 9-A
- an individual or estate or trust subject to tax under Article 22
- a partner in a partnership (including a member of an LLC that is treated as a partnership for federal income tax purposes)
- a shareholder of a New York S corporation
- a beneficiary of an estate or trust
- a banking corporation subject to tax under Article 32
- an insurance corporation subject to tax under Article 33

Qualified low-income housing project

The low-income housing credit can be claimed only for residential rental buildings in low-income housing projects that meet one of the minimum set-aside tests. For more information, see Form DTF-625-I, Part II, lines 10c and 10d.

Except for buildings financed with certain tax-exempt bonds, you may not take a low-income housing credit on a building if it has not received an allocation from DHCR. Generally, the allocation must be received by the close of the calendar year the building is placed in service. In addition, the credit cannot exceed the amount allocated to the building by the DHCR. For more information, see Article 2-A of the New York State Public Housing Law and section 42 of the IRC. No allocation is needed when:

- 50% or more of the aggregate basis of the building and the **land on which the building is located** is financed with certain tax-exempt bonds issued after 1989 for buildings placed in service after 1989.
- 70% or more of the aggregate building and land is financed with certain tax-exempt bonds issued before 1990.

Land on which the building is located includes only land that is functionally related and subordinate to the qualified low-income

building (see IRC Regulations sections 1.103-8(a)(3) and 1.103-8(b)(4)(iii) for the meaning of *functionally related and subordinate*).

Line instructions

Part I must be completed by all taxpayers claiming the low-income housing credit.

Part II must be completed by all corporations subject to tax under Articles 9-A, 32, and 33, except for New York S corporations.

Part III must be completed by all estates and trusts.

Part IV must be completed by a partnership or a New York S corporation with a low-income housing credit attributable to more than one building.

Part V must be completed by all taxpayers who received a low-income housing credit from a pass-through entity such as a partnership, New York S corporation, or estate or trust.

Part I — Current year credit

Line 1 — If any of the attached Forms DTF-625 are for buildings that are part of a multiple building project (defined in the instructions for Part II of Form DTF-625), attach a schedule listing the following:

1. name and address of the project and each building in the project,
2. the building identification number (BIN) of each building in the project,
3. the aggregate credit dollar amount for the project, and
4. the credit allocated to each building in the project.

Line 4 — Enter on line 4 the credit from attached Form(s) DTF-625-ATT, *Low-Income Housing Credit Annual Statement*, line 18.

Line 4 is to be completed by taxpayers that **own** the building for which a low-income housing credit is claimed. Do not include on line 4 a low-income housing credit received from a pass-through entity (see line 5 instructions). Taxpayers that complete line 4 must obtain Form DTF-625 (with Part 1 completed) from DHCR for each residential rental building for which you are claiming a credit. Attach to your return a completed copy of Form DTF-625 and accompanying Form DTF-625-ATT for each building for each year of the 15-year compliance period. You must also certify certain first-year information to the New York State Tax Department on Form DTF-625. If this certification is not made, you may not claim a low-income housing credit for that building.

If you are a partnership or New York S corporation with a line 4 credit attributable to more than one building, complete Part IV.

Line 5 — If you have low-income housing credit from a pass-through entity such as a partnership, New York S corporation, or estate or trust, you must complete Part V of this form and enter the total on line 5. This information should be provided to you by the partnership, New York S corporation, or estate or trust.

If you are a partner, New York S corporation shareholder, or a beneficiary of an estate or trust and your only credit is from your partnership, New York S corporation, or estate or trust, you do not have to obtain, complete, or attach Forms DTF-625 or DTF-625-ATT to Form DTF-624.

If you have no low-income housing credit from a pass-through entity, enter "0" on line 5.

Line 7 — Fiduciaries enter the amount of credit that was allocated to beneficiaries in Part III, column D. All others enter "0."

Line 8 — Transfer the line 8 amount to the appropriate tax return.

Individuals: Transfer the amount from line 8 to Form IT-201-ATT, line 62; or Form IT-203-B, line 48.

Partnerships: Transfer the amount from line 8 to Form IT-204, line 26.

Fiduciaries: Transfer the amount from line 8 to Form IT-205, line 10.

New York S corporations: Transfer the amount from line 8 to Form CT-34-SH.

Corporations: Complete Part II of Form DTF-624 to compute the amount of credit to be transferred to your franchise tax return.

Part II — Computation of credit

Enter the appropriate information in Part II if you are a general business corporation taxable under Article 9-A that files Form CT-3, *General Business Corporation Franchise Tax Return*, or Form CT-3-A, *General Business Corporation Combined Franchise Tax Return* (other than a New York S corporation); a banking corporation taxable under Article 32 that files Form CT-32, *Banking Corporation Franchise Tax Return*, or Form CT-32-A, *Banking Corporation Combined Franchise Tax Return*; or an insurance corporation taxable under Article 33 that files Form CT-33, *Insurance Corporation Franchise Tax Return*, or Form CT-33-A, *Insurance Corporation Combined Franchise Tax Return*; and you have a low-income housing credit from a residential rental building in a low-income housing project that you own or received a pass-through credit from a pass-through entity.

New York S corporations — Do not complete Part II. You cannot apply the low-income housing credit that originates in a New York S corporation year against the New York State corporation franchise tax under Article 9-A, 32, or 33.

Line 10 — Enter your franchise tax, before credits, from the following forms:

- Form CT-3, line 78
- Form CT-3-A, line 77
- Form CT-32, line 5
- Form CT-32-A, line 5
- Form CT-33, line 11
- Form CT-33-A, line 17

Line 11 — If you are claiming more than one tax credit, including the low-income housing credit from another member of a combined

group that is not already included in line 8, and you wish to apply these credits against your tax first, enter that amount here. You must apply certain credits before the low-income housing credit. Refer to the instructions of your franchise tax return to determine the order of credits that apply.

Article 33 taxpayers should not enter ZEA or EZ credits on this line. Enter the total of all other credits.

Line 13 — Article 33 combined filers: Multiply the number of filers in the combined group by \$250 and enter the result here.

Line 15 — Transfer the amount from line 15 to your franchise tax return.

Article 9-A taxpayers: transfer the line 15 amount to Form CT-3, line 100a; or Form CT-3-A, line 101a.

Article 32 taxpayers: transfer the line 15 amount to Form CT-32, line 6; or Form CT-32-A, Schedule A, line 6.

Article 33 taxpayers: transfer the line 15 amount to Form CT-33, line 12; or Form CT-33-A, line 18.

Part III — Beneficiary's and fiduciary's share of credit

An estate or trust must complete Part III.

Column D — If an estate or trust allocates or assigns the low-income housing credit to its beneficiaries, the total credit is allocated between the estate or trust and its beneficiaries on the same basis as the income of the estate or trust is allocated.

Part IV — Partners' and shareholders' share of credit attributable to multiple buildings

A partnership or New York S corporation with a line 4 credit attributable to more than one building must complete Part IV.

Enter the following information for each partner or shareholder: name, taxpayer identification number (for example, EIN or SSN), share of low-income housing credit, and the building identification number (BIN) of the building for which the credit was claimed.

Part V — Partnership, New York S corporation, and estate and trust information

If you have a low-income housing credit from a pass-through entity such as a partnership, New York S corporation, or estate or trust, enter the appropriate information for each partnership, New York S corporation, or estate or trust. Transfer the total of column E to Part I, line 5.

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

From areas outside the U.S. and outside Canada: (518) 485-6800



Fax-on-demand forms: Forms are available 24 hours a day, 7 days a week. 1 800 748-3676



Internet access: www.tax.state.ny.us



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.



If you need to write, address your letter to:

NYS TAX DEPARTMENT
TAXPAYER CONTACT CENTER
W A HARRIMAN CAMPUS
ALBANY NY 12227