DTF-621

2004

New York State Department of Taxation and Finance

Claim for QETC Employment Credit

Tax Law — Articles 9-A and 22

All filers must enter tax period:

beginning [ ]   ending [ ]

Name	Taxpayer identification number *(as shown on page 1 of your tax return)*

File this form with corporate franchise tax return Form CT-3, CT-3-S, or CT-3-S-A, or file with personal income tax return Form IT-201, IT-203, IT-204, or IT-205.

Mark with an **X** the tax year for which you are claiming the qualified emerging technology company (QETC) employment credit on this return: 1st [ ]   2nd [ ]   3rd [ ]

Line A — Partner in a partnership, S corporation shareholder, or a beneficiary of an estate or trust:
enter your share of the QETC employment credit *(see instructions)* .... **A.** [ ]

Business name	Identification number

Schedule A — Eligibility requirements   All the questions in Schedule A pertain to the tax year for which you are claiming the credit.

Part I — Location and sales

1   Is the company located in New York State? .... Yes [ ]   No [ ]

2   Are the total annual product sales of the company $10,000,000 or less? .... Yes [ ]   No [ ]

If you answered *Yes* to questions 1 and 2, continue with Part II. If you answered *No* to either question 1 or 2, you do not qualify for a QETC credit for the current tax year. If you have QETC carryforward from a previous tax year, continue with Schedule C.

Part II — QETC business activities

Research and development activities

3   Does the company have research and development activities in New York State? .... Yes [ ]   No [ ]
  If *No*, skip lines 4 through 7 and continue with question 8. If *Yes*, continue with line 4.

4   Enter the amount of research and development funds ....●   **4.** [ ]

5   Enter the amount of net sales ....   **5.** [ ]

6   Research and development funds percentage *(divide the amount on line 4 by the amount on line 5, and enter the result)* ●   **6.** [ ] %

7   Does the percentage entered on line 6 equal or exceed 3.6%? .... Yes [ ]   No [ ]
  If you answered *Yes* to question 7, you are a QETC. Continue with Part III.
  If you answered *No* to question 7, continue with question 8.

Primary products and services

8   Does the company have products or services that may be classified as emerging technologies? .... Yes [ ]   No [ ]
  If *Yes*, enter in the box below a description of the company's emerging technology products or services, and continue with line 9.

  [ ]

  If you answered *No* to lines 3 or 7, and line 8, you are not a QETC and cannot claim this credit. If you are claiming a QETC from a previous year, continue with Schedule C.

9   Enter the gross receipts or sales from the company's emerging technology products or services described on line 8 . ●   **9.** [ ]

10 Enter the gross receipts or sales from all the company's products or services ....   **10.** [ ]

11 Divide the amount on line 9 by the amount on line 10 and enter the result .... ●   **11.** [ ] %

12 Is the percentage entered on line 11 greater than 50%? .... Yes [ ]   No [ ]
  If you answered *Yes* to question 12, continue with Part III. If you answered *No* to question 12, you are not a QETC and cannot claim this credit. If you are claiming a QETC from a previous year, continue with Schedule C.

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Part III — Computation of average number of full-time employees in New York State for the current tax year and three-year base period

Current tax year	March 31	June 30	Sept. 30	Dec. 31	Total
Number of full-time employees in New York State					

13 Average number of full-time employees in New York State for the current tax year *(see instructions)* ... ● **13.**

Number of full-time employees in New York State for three-year base period	March 31	June 30	Sept. 30	Dec. 31	Total
First year					
Second year					
Third year					

Total number of full-time employees in New York State for the three-year base period ......

14 Average number of full-time employees in New York State for the three-year base period.
The average number of employees on line 14, once computed, remains the same for each of the three tax years for which the credit is claimed *(see instructions)* .... ● **14.**

15 Percentage of employment for full-time employees in New York State *(divide line 13 by line 14)* .... **15.**   %

If your percentage of employment for full-time employees in New York State on line 15 **is less than 101%, do not complete Schedule B;** you do not qualify for the QETC employment credit. (Complete Schedule C if applicable.)
If your percentage of employment is at least 101%, continue with Schedule B.

Schedule B — Computation of credit for the current tax year

16 Enter amount from line 13 *(complete* Additional information for Schedule B — Employee listing *on page 3)* .... **16.**

17 Enter amount from line 14 .... **17.**

18 Subtract line 17 from line 16 .... **18.**

19 Credit per employee **19.** $1,000

20 Credit computed for the current tax year *(multiply line 18 by line 19; see instructions)* .... **20.**

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Additional information for Schedule B — Employee listing

List below each employee used to compute the average number of full-time employees on line 13.

Employee's name	Social security number	Employee's name	Social security number

Attach additional sheets if necessary.

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Schedule C — Computation of QETC employment credit allowed for the current tax year

Part I — Computation of available QETC employment credit

21 QETC employment credit carryforward from preceding tax year *(see instructions)* .... ● **21.**

22 QETC employment credit computed for the current tax year from line 20 *(see instructions)* .... ● **22.**

23 QETC employment credit available for the current tax year *(add lines 21 and 22)* .... ● **23.**

Part II — Computation of QETC employment credit limitation

24 Current year's tax *(see instructions)* .... **24.**

25 Enter other credits used *(see instructions)* .... **25.**

26 Balance of tax *(subtract line 25 from line 24)* .... **26.**

27 Article 9-A taxpayers: enter the tax on minimum taxable income base or fixed dollar minimum
   (from Form CT-3, line 71 or line 74d, whichever is larger; or Form CT-3-A, line 71 or line 74d, whichever is larger)
   Article 22 taxpayers: enter *0* .... **27.**

28 Credit limitation. Article 9-A taxpayers: subtract line 27 from line 26 *(if less than zero, enter 0)*. If your
   franchise tax on Form CT-3, line 78; or Form CT-3-A, line 77; is the tax on minimum taxable income
   base or fixed dollar minimum, enter *0*.
   Article 22 taxpayers: enter the amount from line 26 .... ● **28.**

Part III — Computation of QETC employment credit used for the current tax year

29 QETC employment credit used for the current tax year *(enter line 23 or line 28 amount,
   whichever is less; see instructions)* .... ▶ ● **29.**   **.**

Part IV — Computation of QETC employment credit carryforward

30 QETC employment credit available as a carryforward *(subtract line 29 from line 23; see instructions)* .... ● **30.**

Part V — Computation of refundable QETC employment credit

31 Qualified new QETC businesses only *(see instructions):* refund of QETC employment credit
   (enter line 23 or line 30 amount, whichever is less; see instructions) .... ▶ ● **31.**   **.**

32 Unused QETC employment credit carried forward after refund *(subtract line 31 from line 30)* .... ● **32.**

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