



Alternative Fuels Credit Carryover and Credit Recapture

Attach this form to Form IT-201, IT-203, IT-204, or IT-205.

Name(s) as shown on return, Type of business, Identifying number as shown on return

Complete this form if you are claiming an alternative fuels credit carryover or credit recapture for electric vehicles, qualified hybrid vehicles, clean-fuel vehicle property, or clean-fuel vehicle refueling property.

Schedule A - Beneficiary's and fiduciary's share of recapture of credit

Table with 3 columns: A Beneficiary's name, B Identifying number, C Share of recapture of credit. Rows for Total and Fiduciary.

Schedule B - Computation of alternative fuels credit carryover and recapture of credit

1 Enter the available carryover of unused alternative fuels credit from preceding period(s) (see instructions)..... 1. [ ] . [ ]

Individuals - Enter the line 1 amount and code 253 on Form IT-201-ATT, line 6, or Form IT-203-ATT, line 7.
Fiduciaries - Include the line 1 amount on Form IT-205, line 10.

If you previously claimed the alternative fuels credit and that property was disposed of, modified, or removed from qualified use, complete Parts 1 and 2 below.

Part 1 - Computation of credit recapture on electric vehicles, qualified hybrid vehicles, and clean-fuel vehicle property

Table with 4 columns: A Tax year credit allowed, B Amount of credit originally allowed, C Recapture % (see instructions), D Recaptured credit (column B x column C)

2 Recaptured vehicle credit (add column D amounts)..... 2. [ ] . [ ]

Part 2 - Computation of credit recapture on clean-fuel vehicle refueling property

Table with 7 columns: A Tax year credit allowed, B Total recovery period, C Years in service prior to recapture year, D Recapture years (col. B - col. C), E Recapture % (col. D ÷ col. B), F Original credit allowed, G Credit recapture (column F x column E)

3 Recaptured clean-fuel vehicle refueling property credit (add column G amounts)..... 3. [ ] . [ ]

4 Partner in a partnership, shareholder of an S corporation, or beneficiary of an estate or trust - enter your share of the recapture of the credit (see instructions)..... 4. [ ] . [ ]

5 Total recaptured alternative fuels credit (add lines 2, 3, and 4)..... 5. [ ] . [ ]

Individuals - Enter the line 5 amount and code 253 on Form IT-201-ATT, line 20, or Form IT-203-ATT, line 19.
Partnerships - Enter the line 5 amount on Form IT-204, line 23.

Fiduciaries - Include the line 5 amount on the Total line of Schedule A, column C. Include the amount from the Fiduciary line of Schedule A, column C, on Form IT-205, line 12.

Schedule C - Application of credit and computation of carryover

6 Total alternative fuels credit carryover (from line 1)..... 6. [ ] . [ ]
7 Amount that you applied against your 2005 tax..... 7. [ ] . [ ]
8 Amount of carryover credit available for carryover to 2006 (subtract line 7 from line 6)..... 8. [ ] . [ ]

Please file this original scannable credit form with the Tax Department.



# Instructions

## Important notice for tax year 2005

Tax year 2004 was the last year you could claim the alternative fuels credit. However, any unused credit from a prior year in which the credit was allowed can be carried over to tax years after 2004.

If you previously claimed the alternative fuels credit and that property was disposed of, modified, or removed from qualified use, you may have to recapture part of the credit you claimed in prior years. See the instructions for Schedule B, Parts 1 and 2.

### Who must file

File Form IT-253, *Alternative Fuels Credit Carryover and Credit Recapture*, if you have a carryover of the alternative fuels credit from a preceding period or if you are required to recapture part of the credit claimed in a preceding period.

### Filling in your tax forms

For complete information on how to fill in New York State scannable tax forms, see the instructions for your income tax return. Also see your income tax return for the *Privacy notification* or if you *Need help* in contacting the Tax Department.

### Specific instructions

#### Schedule A — Beneficiary's and fiduciary's share of recapture of credit

An estate or trust must complete Schedule A. If an estate or trust allocates or assigns the recapture of credit to its beneficiaries, base the division on each beneficiary's proportionate share of the income of the estate or trust. If you need more space, attach a separate schedule.

#### Schedule B — Computation of alternative fuels credit carryover and credit recapture

**Line 1** — Enter the amount of net credit available for carryover to 2005. The net credit available for carryover is that portion of your prior alternative fuels credit from 2004 Form IT-201-ATT, line 59; 2004 Form IT-203-B, line 45; or 2004 Form IT-205, line 10, that was not applied to your 2004 tax.

##### Part 1 — Computation of credit recapture on vehicles and clean-fuel vehicle property

Do not complete Parts 1 and 2 for any electric vehicle, qualified hybrid vehicle, clean-fuel vehicle property, or clean-fuel vehicle refueling property that ceased to qualify within the tax year in which it was placed in service.

If an electric vehicle, qualified hybrid vehicle, or clean-fuel vehicle is disposed of or modified within three years of the date it is placed in service so that it is no longer a qualified vehicle, a portion of the credit that was previously allowed must be recaptured in the tax year in which it ceases to qualify.

An electric vehicle ceases to be qualified if:

1. it is modified by the taxpayer so that it is no longer powered primarily by electricity; **or**
2. the taxpayer receiving the credit sells or disposes of the vehicle and knows or has reason to know that the vehicle will be converted to nonqualified use.

A qualified hybrid vehicle ceases to be qualified if:

1. it is modified by the taxpayer so that it no longer meets the requirements of a qualified hybrid vehicle; **or**
2. the taxpayer receiving the credit sells or disposes of the vehicle and knows or has reason to know that the vehicle will be so modified.

Clean-fuel vehicle property ceases to qualify if:

1. the vehicle of which it is a part is modified so that it can no longer be propelled by a clean burning fuel; **or**
2. the vehicle ceases to qualify as a property defined in IRC section 179-A(c); **or**
3. the taxpayer receiving the credit sells or disposes of the vehicle and knows or has reason to know that the vehicle will be used in a manner described in 1 or 2 above.

**Columns A and B** — If a recapture is required, enter the tax year the credit was originally allowed in column A and the amount of original credit allowed in column B.

**Column C** — In column C, enter the appropriate recapture percentage as follows:

- 100% (1.00) if the vehicle ceases to qualify within the first full year after the date the vehicle is placed in service;
- 66 2/3% (.6667) if the vehicle ceases to qualify within the second full year after the date the vehicle is placed in service; **or**
- 33 1/3% (.3333) if the vehicle ceases to qualify within the third full year after the date the vehicle is placed in service.

**Column D** — To compute the recapture, multiply column B by column C, and enter the result in column D.

##### Part 2 — Computation of credit recapture on clean-fuel vehicle refueling property

If clean-fuel vehicle refueling property ceases to be qualified at any time before the end of its recovery period (depreciable life), a portion of the credit that was previously allowed must be recaptured.

Clean-fuel vehicle refueling property ceases to be qualified if one or more of the following applies:

1. the property no longer qualifies as property described in IRC section 179-A(d); **or**
2. fifty percent or more of the use of the property in a tax year is other than in a trade or business in New York; **or**
3. the taxpayer receiving the credit sells or disposes of the property and knows or has reason to know that the property will be used in a manner described in 1 or 2 above.

If a recapture is required, enter in column A the tax year the credit was originally allowed. Column B is the total recovery period (depreciable life) of the property for federal tax purposes. In column C, enter the number of years the property was in service prior to the recapture year.

To compute the recapture percentage in column E, divide column D by column B. To compute the recapture in column G, enter the original credit allowed in column F and multiply it by the column E recapture percentage.

The amount to be recaptured is equal to the credit allowed multiplied by a fraction. The numerator of the fraction is the total recovery years of the property minus the years the property was in service (not including the recapture year), and the denominator is the total recovery years.

**Example:** *In year one, a taxpayer claimed a credit of \$10,000 on refueling property that had a recovery period of ten years. The taxpayer used the property for three years and disposed of it in year four. The recapture is computed as follows:*

<i>Total recovery period less number of years</i>		
<i>prior to recapture year (10-3)</i>	.....	<i>seven years</i>
<i>Total recovery period</i>	.....	<i>ten years</i>
<i>Recapture % (7/10)</i>	.....	<i>70%</i>
<i>Credit originally allowed</i>	.....	<i>\$10,000</i>
<i>Recaptured credit</i>	.....	<i>\$7,000</i>

**Line 4** — Partner in a partnership, shareholder of an S corporation, or beneficiary of an estate or trust — enter your share of the credit recapture. You can get this information from your partnership, S corporation, estate, or trust.

**Line 5** — Add lines 2, 3, and 4, and enter the total on line 5. Transfer the line 5 amount to the schedule and line of the form that you are filing, as noted on line 5.

#### Schedule C — Application of credit and computation of carryover

You must first complete Form IT-201-ATT or Form IT-203-ATT before completing this part. Follow the instructions for Section B of Form IT-201-ATT or Section B of Form IT-203-ATT to determine the amount of credit to enter on line 7.

