



# START-UP NY Tax Elimination Credit

Tax Law – Article 1, Section 40 and Article 9-A, Section 210.47

# CT-638

All filers must enter tax period:

beginning  ending

Legal name of corporation	Employer identification number (EIN)
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File this form with Form CT-3, CT-3-A, or CT-3-S.

**A** Certificate number from Form DTF-74, *Certificate of Eligibility*, issued to the approved START-UP NY business (see instructions) .....

**B** Year of START-UP NY business tax benefit period (enter a number from 1 to 10; see instructions) .....

**C** If you are claiming this credit as a corporate partner, mark an **X** in the box .....

## Schedule A – Employment test

Computation of the employment number of the approved business and its related persons **within New York State** for the current tax year and the year immediately preceding the year in which the business submitted its application to locate in a tax-free NY area.

Current tax year employment number	March 31	June 30	September 30	December 31	Total
Number of employees .....					
<b>1</b> Current tax year employment number within New York State (see instructions) .....					<b>1</b>

Tax year immediately preceding START-UP NY business application		March 31	June 30	September 30	December 31	Total
Tax year ending (mm-yy).....	Number of employees...					
<b>2</b> Employment number within New York State for the tax year immediately preceding START-UP NY business application (see instructions) .....						<b>2</b>

Computation of the average number of net new jobs in the tax-free NY area for the current tax year.

Current tax year net new jobs	March 31	June 30	September 30	December 31	Total
Number of net new jobs .....					
<b>3</b> Net new jobs of the business in the tax-free NY area during the tax year (see instructions) .....					<b>3</b>
<b>4</b> Add lines 2 and 3.....					<b>4</b>

**5** Does the amount on line 1 equal or exceed line 4? (see instructions).....  **5** Yes  No

If *No*, you do **not** qualify for the credit. **Do not** complete the rest of this form.

## Schedule B – Allocation factor (see instructions)

	A Tax-free NY area	B New York State
<b>6</b> Average value of property (see instructions) .....	<b>6</b>	
<b>7</b> Property factor (divide line 6, column A, by line 6, column B; round the result to the fourth decimal place) .....	<b>7</b>	
<b>8</b> Wages, salaries, and other compensation of employees (see instructions)....	<b>8</b>	
<b>9</b> Wage factor (divide line 8, column A, by line 8, column B; round the result to the fourth decimal place).....	<b>9</b>	
<b>10</b> Total factors (add lines 7 and 9).....	<b>10</b>	
<b>11</b> Allocation factor (divide line 10 by two; round the result to the fourth decimal place; enter here and on line 23).....	<b>11</b>	



**Schedule C – New York S corporation three factor formula business allocation percentage**  
*(C corporations do not complete this schedule)*

12 Three factor formula business allocation percentage (see instructions) ..... ● **12**  %

**Schedule D – Tax factor** (complete Part 1 or Part 2; see instructions; New York S corporations do not complete this schedule)

**Part 1 – Corporations computing their own credit** (see instructions)

13 Enter your tax ..... ● **13**

14 All other credits applied against your tax ..... ● **14**

15 Tax factor ..... ● **15**

**Part 2 – Corporate partners** (see instructions)

16 Tax from your franchise tax return (see instructions) ..... ● **16**

17 All other credits applied against your tax (see instructions) ..... ● **17**

18 Tax factor before partnership allocation (see instructions) ..... ● **18**

19 Your share of partnership income allocated to New York State (see instructions) ..... ● **19**

20 Partners entire net income or minimum taxable income allocated to New York State ..... ● **20**

21 Divide line 19 by line 20 (cannot exceed 1.0) ..... ● **21**

22 Corporate partners tax factor (multiply line 18 by line 21; enter here and on line 24) ..... ● **22**

**Schedule E – Computation of credit**

23 Allocation factor (from line 11; corporate partners see instructions) ..... ● **23**

24 Tax factor (from line 15 or line 22) ..... ● **24**

25 Total credit (multiply line 23 by line 24) ..... ● **25**

**Schedule F – Computation of tax credit used, refunded, or credited as an overpayment to the next year**  
*(New York S corporations do not complete this schedule)*

26 Tax due before credits (see instructions) ..... ● **26**

27 Tax credits claimed before this credit (see instructions) ..... ● **27**

28 Subtract line 27 from line 26 ..... ● **28**

29 If line 23 equals 1.0, enter 0. If line 23 is less than 1.0, enter your fixed dollar minimum tax from Form CT-3, line 74b, or Form CT-3-A, line 74b ..... ● **29**

30 Credit limitation (subtract line 29 from line 28) ..... ● **30**

31 Credit used this year (enter the lesser of line 25 or line 30, here and on your franchise tax return) ..... ● **31**

32 Unused credit available as a refund or as an overpayment (subtract line 31 from line 25) ..... ● **32**

33 Amount of credit to be refunded (limited to the amount on line 32; enter here and on your franchise tax return) ..... ● **33**

34 Amount of credit to be applied as an overpayment to next year's tax (subtract line 33 from line 32; enter here and on your franchise tax return) ..... ● **34**



