NEW YORK STATE 2017

Department of Taxation and Finance

Employment Incentive Credit for the Financial Services Industry

Tax Law – Article 22, Section 606(a-1)

IT-252-ATT

Submit this form with Form IT-252, *Investment Tax Credit for the Financial Services Industry*.

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

Use this form to claim an employment incentive credit for property that qualifies for the investment tax credit that is used in the ordinary course of a taxpayer's business as a broker or dealer in connection with the purchase or sale of stocks, bonds, or other securities, or in providing investment advisory services for a regulated investment company. The property must be placed in service on or after October 1, 1998, and before October 1, 2015.

Employment incentive credit

Part 1 – Eligibility for employment incentive credit (*see* Instructions *on back*)

A Year	B Mar. 31	C June 30	D Sept. 30	E Dec. 31	F Total *(B + C + D + E)*	G Average *(see instructions)*	H* Percent %
A. This section intentionally left blank							
1							
2							
B. Second succeeding year: Use with Part 2, line 6							
3 Year ________ Number of NY State employees in employment base year							
4 Year ________ Number of NY State employees in the credit year							

* Divide the average number of employees in the credit year by the average number of employees in the base year (column G). Round the result to the second decimal place. If the percentage in column H is less than 101% (1.01), stop; you do not qualify for the employment incentive credit.

Part 2 – Computation of employment incentive credit (*see* Instructions *on back*)

	A Tax year in which investment tax credit was allowed	B Amount of investment credit base upon which original investment tax credit was allowed	C Employment incentive credit *(multiply column B by the appropriate rate from* Tax rate schedule *below)*
5 This line intentionally left blank			
6 Information for second succeeding year: Use percentage on line 4, column H, to determine rate		.00	.00

7 Enter the column C amount from line 6 *(enter here and on Form IT-252, line 1)* .... **7** .00

Tax rate schedule – Employment incentive credit rates to be used in Part 2 above

If the percentage in Part 1, column H is at least:	The employment incentive credit rate is:
101% but less than 102%	1½% (.015) of investment credit base
102% but less than 103%	2% (.02) of investment credit base
103%	2½% (.025) of investment credit base

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Instructions

General information

If you placed property in service on or after October 1, 1998, and before October 1, 2015, and that property qualified for the investment tax credit, you may be entitled to the employment incentive credit (EIC). If you qualify, the credit is allowed for each of the two years immediately following the tax year in which the investment credit was allowed. However, the EIC for the first succeeding year has expired. You may **only** compute the EIC for the second succeeding year.

Example: *A partnership filed its partnership return using a fiscal year of February 1, 2015, through January 31, 2016. The partnership placed property in service on July 15, 2015, that qualified for the investment tax credit. The partnership should complete Form IT-252-ATT for tax year February 1, 2017, through January 31, 2018, to determine if the partners of the partnership are eligible to claim the employment incentive credit for the second succeeding year.*

The amount of the credit is a percentage of the original investment credit base on which the investment tax credit was allowed. The percentage used to compute the credit is based upon the level of employment in the year during which the credit may be claimed compared to the level of employment in the base year. However, the credit will not be allowed for a year if the taxpayer's average number of employees in New York State during that year is not at least 101% of the taxpayer's average number of employees in New York State during the base year. A taxpayer that has claimed an investment tax credit for property it purchased that is principally used by an affiliate of the taxpayer may also be eligible for an employment incentive credit. In this case, the credit is allowed based on the taxpayer's average number of employees in New York State. The number of the affiliate's employees is not taken into consideration.

Generally, the *base year* is the tax year immediately preceding the tax year for which the original investment tax credit was claimed. However, if the business was not in operation in New York State during that year, the *base year* is the tax year for which the original investment tax credit was claimed.

If you cannot claim all of your employment incentive credit because it is more than your New York State tax less other credits, you can carry over the unused amount to the following ten tax years; or, if you are the owner of a new business, you may qualify for a refund (see *Refundable unused credit* on Form IT-252-I).

Specific instructions

See the instructions for your tax return for the *Privacy notification* or if you need help contacting the Tax Department.

Part 1 – Eligibility for employment incentive credit

Lines 1 and 2 – The EIC for the first succeeding year has expired. Therefore, these lines require no entry and have been shaded.

Lines 3 and 4 – Complete these lines to determine if you are eligible for the credit. If you are eligible, complete Part 2, line 6.

Column A – Enter in column A the credit year (line 4) and the base year (line 3). The *credit year* is the tax year you are claiming the employment incentive credit. The *base year* is the year preceding the year for which you claimed the original investment tax credit. However, if your business was not in operation in New York State during that year, the base year is the year for which you claimed the investment tax credit.

Columns B through E – Enter the total number of employees employed within New York State on each of the dates listed that occur during your credit and base tax years.

Example: *A taxpayer filing for a fiscal year beginning September 1, 2017, and ending August 31, 2018, would enter on line 4 for the second succeeding year the number of employees employed in New York State on the following dates: September 30, 2017; December 31, 2017; March 31, 2018; and June 30, 2018.*

Caution: If you are also claiming the empire zone (EZ) wage credit for the credit year, do not include on line 4 any employees for whom you are claiming that wage credit.

Column G – Unless you have a short tax year, divide the amount in column F by four. If you have a short tax year (a tax year of less than 12 months), divide the amount in column F by the number of dates shown in columns B through E that occur during the short tax year.

Column H – If you are claiming the credit for the second succeeding year, divide the amount on line 4, column G, by the amount on line 3, column G, and round the result to the second decimal place. If the percentage in column H, line 4, is at least 101% (1.01), complete Part 2, line 6. If the percentage in column H, line 4, is less than 101%, **stop**; you do not qualify for the employment incentive credit for this year.

Part 2 – Computation of employment incentive credit

Line 5 – The EIC for the first succeeding year has expired. Therefore, this line requires no entry and has been shaded.

Line 6

Column A – Enter in column A the tax year in which the original investment tax credit was allowed.

Column B – Enter in column B the amount of the investment credit base (not the amount of the investment tax credit) that was used to compute the original investment tax credit. Do not include in column B the investment credit base for any property for which you are claiming the EZ employment incentive credit.

Column C – Multiply the column B amount by the appropriate rate from the *Tax rate schedule*. However, if the property that qualified for the investment tax credit was disposed of or was not in qualified use at the end of the credit year, figure the amount of credit to claim as follows:

– For depreciable property under Internal Revenue Code (IRC) section 167, multiply the credit by a fraction; the numerator is the number of months of qualified use, and the denominator is the number of months of useful life of the property.

– For property subject to the provisions of IRC section 168, multiply the credit by a fraction; the numerator is the number of months of qualified use, and the denominator is:
  - 36 for three-year property,
  - the number of months you chose for buildings or structural components of buildings, or
  - 60 for all other classes of property.