

Instructions

General information

For tax years beginning on or after January 1, 2021, a partner, member, or shareholder of a partnership or S corporation that elected to be subject to the pass-through entity tax (PTET) under Article 24-A, may be eligible for a PTET credit.

Eligibility

To be eligible for this credit you must meet **all** of the following requirements:

- you are subject to tax under Tax Law Article 22;
- you are a direct partner or member in a partnership or a direct shareholder or member of an S corporation that has:
 - elected to be taxed under Tax Law Article 24-A; and
 - paid the PTET due;
- you have received documentation from the eligible, electing entity that provides your specific PTET amount.

Additionally, you are required to add back to adjusted gross income an amount equal to the PTET credit claimed. For more information, see Form IT-225-I, *Instructions for Form IT-225*.

Credit details

The PTET credit is equal to the partner's, member's, or shareholder's direct share of pass-through entity tax. This amount should have been computed by the partnership or S corporation and reported to you.

If you are a partner, member, or shareholder in multiple electing partnerships or electing S corporations subject to PTET, your credit will be the sum of the credits calculated for each entity in which you have a direct ownership interest.

Any unused amount of the credit for the current tax year will be treated as a refund or overpayment of tax to be credited to the next year's tax. Interest will not be paid on the refund or overpayment.

No credit will be allowed unless the electing partnership or electing S corporation paid the PTET imposed under Article 24-A and provided sufficient information to identify you on its PTET return.

Line instructions

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

Schedule A – Pass-through entity tax (PTET) paid on your behalf

In columns A through C, enter the information for each entity that paid a PTET on your behalf and in which you held direct ownership.

Additional forms – If you have more entries than will fit on the lines provided in Schedule A, submit additional Forms IT-653. Include your name and taxpayer identification number on each form, and include the totals from all additional Forms IT-653 on the indicated lines. Place the additional forms behind the first Form IT-653 and submit them with your return.

Line 1 – Enter the amount and code **653** on:

- Form IT-201-ATT, line 12; or
- Form IT-203-ATT, line 12.

For Form IT-205, include the amount on line 33.

