



# Instructions for Form CT-601

## Claim for EZ Wage Tax Credit

### Including the ZEA Wage Tax Credit

## General information

The zone equivalent area (ZEA) and empire zone (EZ) wage tax credits have **both** expired:

- For tax years beginning after June 13, 2004, you may only claim a **ZEA** wage tax credit you carried forward from previous years.
- For tax years beginning on or after July 1, 2014, you may only claim an **EZ** wage tax credit you carried forward from previous years.
- If you were required to obtain an EZ retention certificate from Empire State Development, but were denied one, you are **not** eligible to claim any amount of the credit you carried forward.

## Credit calculation

The credit is limited as follows:

- **Article 9-A filers:** 50% of the tax imposed under Article 9-A, **before** you add the metropolitan transportation business tax (MTA surcharge) or deduct any tax credits
- **Non-life insurance corporations:** 50% of the taxes imposed under Article 33 section 1502-a, **before** you add the MTA surcharge or deduct any tax credit
- **Life insurance corporations:** 50% of the lesser of the following **before** the addition of the MTA surcharge or the deduction of any tax credit:
  - the tax computed under Article 33 section 1505(a); or
  - the **greater** of the sum of taxes imposed under Article 33 sections 1501 and 1510, or the tax computed under Article 33 section 1505(b)

In addition, the wage tax credit allowed may **not**:

- reduce the tax below the fixed dollar minimum tax as computed under Article 9-A or the minimum tax of \$250 under Article 33,
- be applied against the MTA surcharge under Article 9-A or 33, or
- be refunded; you may carry forward to future tax returns any portion of the wage tax credit disallowed as a result of the above limitations.

## Schedule A: Computation of the credit carried forward and available for the current tax year

### Line 1

Enter the wage tax credit you carried forward from your prior year Form CT-601.

### Line 2

Enter the current year's tax before the deduction of any tax credit or addition of the MTA surcharge.

### Line 3

For taxpayers claiming a wage tax credit carried forward from more than one entity on a return, such as on a combined franchise tax return, the total amount of all the wage tax credits used in the current year cannot exceed 50% of the current year's tax.

## Schedule B: Computation of credit used and carried over

### Line 4

Enter the amount from line 2 **plus** any net recaptured tax credits.

- **CT-33 filers:** Enter the tax from Form CT-33, line 9a, **plus** any net recaptured tax credits.
- **CT-33-A filers:** Enter the tax from Form CT-33-A, line 10, **plus** any net recaptured tax credits.

### Line 5

If you applied any other tax credits before the wage tax credit this year, enter the amount of those tax credits. Include any ZEA or EZ wage tax credit you applied to the tax prior to this credit.

If you did **not** apply other credits against the tax before this one, enter **0**.

For more information about the ordering of tax credits:

- **Article 9-A filers:** Refer to Form CT-600-I, *Instructions for Form CT-600, Ordering of Corporation Tax Credits*.
- **Article 33 filers:** Refer to your franchise tax return to determine the order of credits.
- **Combined filers:** Include any amount of tax credits claimed by other members of the combined group that you want to apply before your wage tax credit.

### Line 7

Enter the appropriate minimum tax as follows:

- **Form CT-3 or CT-3-A filers:** Enter your fixed dollar minimum tax from Form CT-3 or the designated agent's fixed dollar minimum tax from Form CT-3-A.
- **Form CT-33, CT-33-A, or CT-33-NL filers:** Enter **250**.

### Line 10

Enter the lesser of line 1 or line 9. Transfer this amount to your franchise tax return.