



# Instructions for Form CT-642

## Empire State Musical and Theatrical Production Credit

# CT-642-I

### General information

You may be eligible for this credit if you or your business:

- is a qualified musical and theatrical production company, **and**
- received a certificate of tax credit from Empire State Development (ESD) showing the following:
  - certificate number,
  - allocation year of the tax credit, **and**
  - amount of tax credit allowed.

Empire State Development allocates the amount of the credit. For rules and regulations regarding the credit, including the application process for the credit, visit Empire State Musical and Theatrical Production Credit Program or visit Empire State Development at [www.esd.ny.gov](http://www.esd.ny.gov).

### Credit calculation

The credit is 25% of the sum of the qualified production expenditures and the transportation expenditures.

### Limitations

- If you do not use the full amount of the credit against your tax liability this year, you may request a refund or apply the overpayment to next year's tax. However, the Tax Department will not pay interest on the refund or overpayment.
- The credit **cannot** be applied to the metropolitan transportation business tax (MTA surcharge).
- The credit **cannot** reduce the tax due to less than the fixed dollar minimum amount.
- You cannot claim the credit before the later of:
  - the tax year the production of the qualified musical or theatrical production is complete, or
  - the tax year immediately following the allocation year listed on your certificate.
- You may not use any qualified production and transportation expenditures used in calculating this credit in the calculation of any other credits.

### Line instructions

**New York S corporations:** Calculate the credit even though the credit is passed through to your shareholders to use against their personal income tax liabilities. Complete only lines A, B, C, and Schedule A.

**Combined filers:** If you are filing as a member of a combined group, you are allowed to claim this credit, which is computed on a separate basis, but applied against the combined tax.

**Additional forms:** If you have more entries than will fit on the lines provided in Schedule A, submit additional Forms CT-642, completing only the necessary parts. Include your name and taxpayer identification number on each form. On the indicated lines of the first Form CT-642 include the totals from all additional Forms CT-642. Place the extra forms behind the first Form CT-642 and submit them with your return.

Complete a separate Form CT-642 for each individual certificate issued to you.

### Schedule A: Computation of credit

**Line 1:** Enter the amount of your credit listed on your certificate of tax credit issued by ESD. Attach a copy of your certificate.

**Line 2 (partnership information):** If you were a partner in a partnership and received a share of the credit from that entity, enter the name, employer identification number, the credit amount passed through to you from the partnership, and mark an **X** in box C at the top of the form.

**Line 3 (New York S corporations):** Include this amount on Form CT-34-SH, *New York S Corporation Shareholders' Information Schedule* and provide your shareholders with their share of the credit. The shareholders will file Form IT-642 to claim the credit on their New York State personal income tax returns.

### Schedule B: Computation of credit used, refunded, or credited as an overpayment to next year

**Line 4:** Enter the amount from Form CT-3 or CT-3-A, Part 2 line 2 **plus** any net recaptured credits.

**Line 5:** You must apply certain credits before the Empire State musical and theatrical production credit. Refer to Form CT-600-I, *Instructions for Form CT-600*, for the proper ordering of your credits.

If you:

- are only claiming the Empire State musical and theatrical production credit against the current year's tax, enter **0**.
- are claiming more than one credit, enter the total amount of credits applied against the current year's corporation franchise tax before the Empire State musical and theatrical production credit.
- are included in a **combined return**, include the amount of any tax credits being claimed by other members of the combined group (including the Empire State musical and theatrical production credit) that you want to apply before your Empire State musical and theatrical production credit.

**Line 7:** Enter your fixed dollar minimum tax from Form CT-3, or the designated agent's fixed dollar minimum tax from Form CT-3-A.