



# Instructions for Form CT-47.1

## Election or Termination of Election to Deem Income For Purposes of the Farmers' School Tax Credit

### General information

Under Tax Law, Article 22, section 606(n)(9), shareholders of an eligible corporation may elect to allow those shareholders that are not New York C corporations to take into account their pro rata shares of the eligible corporation's income and principal payments on farm indebtedness for purposes of determining eligibility for the farmers' school tax credit. An *eligible corporation* is a corporation subject to tax under Tax Law Article 9-A and must be a C corporation for both federal and New York State franchise tax purposes. If a corporation becomes ineligible, the election is terminated.

For a shareholder to participate in the election or termination of the election, the shares held must enable a shareholder to vote for the board of directors of the corporation. For the election or termination of election to be valid, shareholders holding more than one-half, by vote and value, of the stock of the corporation on the last day of the corporation's tax year for which the election is to be in effect must sign Form CT-47.1. For this purpose, where all of the stock of the corporation has a par value, each share of stock will be valued at par. Where a corporation has no par value, and there is only one class of stock, each share of stock shall have the same value.

### Election by shareholders

If the corporation has filed Form CT-47.1 to make the election and New York State has **not** sent notification that the election is invalid, all shareholders, other than New York C corporations, must take into account their pro rata shares of the applicable items of the corporation as required in Tax Law section 606(n)(9). This applies for the tax year of the corporation ending with or within the tax year of the shareholder, and for all subsequent tax years, until the election is terminated.

### When to file an election

The corporation must file Form CT-47.1 with the Tax Department no later than the due date, determined without regard to extensions, of the corporation's tax return for the tax year for which the election is to be effective. The election is then effective for the corporation's tax year for which the election is made and for all succeeding tax years until the election is terminated. If Form CT-47.1 is filed after the due date, then the election will not be in effect for the tax year of the return and you will be notified by the Tax Department that the election is not valid.

The date of the U.S. postmark will be considered the date of delivery. If sent by registered or certified mail, the date of registration or certification will be considered the date of delivery. If you use a delivery service other than the U.S. Postal Service, see *Private delivery services*.

### Termination of the election by shareholders

If the corporation has filed Form CT-47.1 to terminate the election and New York State has **not** sent notification that the termination is invalid, the shareholders must **not** take into account their pro rata shares of the applicable items of the corporation. This applies for the corporation's tax year that begins immediately following the last day of the corporation's tax year for which an election was in effect, and for all subsequent tax years, until a new election is made.

### Termination of election because of cessation of corporation eligibility

If a corporation is no longer an *eligible corporation* as defined in *General information*, the election will terminate on the first day of the corporation's tax year in which the corporation ceases to be an eligible corporation. In this instance, the corporation should file Form CT-47.1, with the appropriate box marked, to notify the Tax Department that it is no longer an eligible corporation. However, regardless of whether Form CT-47.1 is filed with the Tax Department, the shareholders of the corporation must **not** take into account their pro rata shares of the applicable items of the corporation. This applies for the corporation's tax year in which the corporation became ineligible, and for all subsequent tax years, until a new valid election is made.

### Further elections

When an election is terminated, no further election can be made before the fifth tax year of the corporation following the tax year during which their termination occurred, unless the Commissioner of Taxation and Finance consents to the election.

### Waiver of secrecy

For any corporation tax year for which the election is in effect, the commissioner has the authority to reveal to the corporation's shareholders, any information with respect to the corporation's income or farm indebtedness principal payments that is the basis for denial in whole or in part of the credit claimed by the shareholders.

### Where to file

Mail Form CT-47.1 to: **NYS TAX DEPARTMENT  
PSSB DOCUMENT PROCESSING  
W A HARRIMAN CAMPUS  
ALBANY NY 12227-0825**

### Private delivery services

See Publication 55, *Designated Private Delivery Services*.

### Specific instructions

**Legal name of corporation** – Enter the legal name of the corporation exactly as it appears in the records of the New York State Department of State.

**DBA or trade name** – Enter the DBA or trade name that appears on the *Certificate of Assumed Name* filed with the New York State Department of State, if different from the legal name.

### Line instructions

**Line 2** – If making an election, enter the due date, without regard to extension, for the corporation's return for the tax year for which this election is to be effective. This date will generally be two and one-half months after the ending date of the corporation's tax year that is required to be entered on line 3. No entry is required if terminating an election.

**Line 3** – Enter the ending date for the corporation's tax year for which the election is to be effective. The tax year should be the same as that for which the return's due date was entered on line 2. No entry is required if terminating an election.

**Line 4** – If an election is terminated due to the corporation ceasing to be an eligible corporation, enter the date the corporation ceased to be an eligible corporation.

### **Shareholder's consent and individual affirmation**

**Continuation sheet or separate consent statement** – If you need to list more shareholders than fit on the form, use a continuation sheet or a separate consent statement and attach it to Form CT-47.1. On any attached sheets, include the name, address, and employer identification number (EIN) of the corporation and the shareholder information requested in columns A, B, and C.

**Column A** – Enter the name and address of only those shareholders that are agreeing to the election or the termination of an election. Only those shareholders holding shares of stock that enable them to vote for the board of directors of the corporation are eligible to agree to an election, or to a termination of an election.

**Column B** – Enter the social security number of the shareholder represented in column A if that shareholder is an individual. If that shareholder is a corporation, partnership, estate, a qualified trust, or an exempt organization, enter its EIN.

**Column C** – Each shareholder agreeing to the election must signify his or her agreement by signing in column C or by signing a separate consent described above.

If a married couple has a community interest in the stock or the income from it, both spouses must consent. Likewise, each tenant in common, joint tenant, or tenant by the entirety must also consent.

A minor's consent is made by the minor or the legal guardian. If no legal guardian has been appointed, the natural guardian makes the consent (even if a custodian holds the minor's stock under a law patterned after the Uniform Gifts to Minors Act).

A corporation's, partnership's, or an Article 13 taxpayer's consent is made by an elected officer or other authorized person.

### **Signature of authorized person**

An authorized person, for purposes of this form, is a person knowledgeable about the identity of the shareholders and the number and type of shares held by each shareholder.

If an outside individual or firm prepared the election, all applicable entries in the paid preparer section must be completed, including identification numbers (see *Paid preparer identification numbers* in Form CT-1). Failure to sign the election will delay the processing of any refunds and may result in penalties.

### **Need help? and Privacy notification**

See Form CT-1, *Supplement to Corporation Tax Instructions*.

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