



# Instructions

## 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 carryover from previous years. For tax years beginning on or after July 1, 2014, you may only claim an **EZ** wage tax credit carryover from previous years. Any business that was required to obtain an EZ retention certificate from Empire State Development, but was denied one, is not eligible to claim any carryover of the credit.

## Line instructions

### Schedule A – Computation of credit carryover available for the current tax year

The wage tax credit allowed in Schedule A is **limited to**:

- 50% of the tax imposed under Tax Law Article 9-A, before the addition of the metropolitan transportation business tax (MTA surcharge) or the deduction of any tax credit; **or**
- for **life insurance** corporations, 50% of the lesser of:
  - 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),
 before the addition of the MTA surcharge or the deduction of any tax credit.
- for **non-life insurance** corporations, 50% of the taxes imposed under Article 33 section 1502-a, before the addition of the MTA surcharge or the deduction of any tax credit.

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.

The wage tax credit may not be applied against the MTA surcharge under Article 9-A or 33.

Any portion of the wage tax credit disallowed in Schedule A as a result of the above limitations may be carried forward to subsequent tax returns.

**Line 1** – On line 1, enter the wage tax credit carryforward from your 2017 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 carryforward from more than one entity on a return, such as on a combined franchise tax return, the aggregate amount of all the wage tax credits used in the current year cannot exceed 50% of the current year's tax. Multiply line 2 by 50%. From this result, subtract any wage tax credits claimed for this year that you want to apply prior to the credit claimed on this form and enter here.

### Schedule B – Computation of credit used and carried forward

**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 are claiming more than one tax credit for this tax year, enter the amount of the tax credit(s) claimed before the wage tax credit. Include in this amount any ZEA or EZ wage tax credit applied to the tax prior to the credit claimed on this form. Refer to your corporation franchise tax return for the order of credit that applies.

**Article 9-A taxpayers:** Refer to Form CT-600-I, *Instructions for Form CT-600, Ordering of Corporation Tax Credits*; otherwise, enter **0**.

If you are included in a combined return, include any amount of tax credit(s) being claimed by other members of the combined group, including the wage tax credit, 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 – 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 – Enter **250**.

**Line 10** – Enter the lesser of line 1 or line 9. Transfer this amount to your franchise tax return.

## Need help? and Privacy notification

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

