



# Instructions for Form CT-635 New York Youth Jobs Program Tax Credit

## General information

The Tax Law provides a credit to taxpayers who are participants in the New York Youth Jobs Program. There are ten independent annual credit programs. To participate in one of the programs, an employer must submit an application to the New York State (NYS) Department of Labor on or after January 1 but no later than November 30 of that program year. To qualify for a program credit, an employee must start employment on or after January 1 but no later than December 31 of that program year.

The programs are as follows:

Program	Year	Total allocation cap	Employee hiring dates
1	2012	\$25 million	1/1/12 through 12/31/12
2	2014	\$10 million	1/1/14 through 12/31/14
3	2015	\$20 million	1/1/15 through 12/31/15
4	2016	\$50 million	1/1/16 through 12/31/16
5	2017	\$50 million	1/1/17 through 12/31/17
6	2018	\$40 million	1/1/18 through 12/31/18
7	2019	\$40 million	1/1/19 through 12/31/19
8	2020	\$40 million	1/1/20 through 12/31/20
9	2021	\$40 million	1/1/21 through 12/31/21
10	2022	\$40 million	1/1/22 through 12/31/22

For more information about these programs, see the NYS Department of Labor's website (at [www.labor.ny.gov](http://www.labor.ny.gov)).

## Eligibility

To be eligible for this credit, **all** of the following requirements must be met:

- You are subject to tax under Tax Law Article 9-A or 22.
- The taxpayer is a participant or the owner of a participant in the New York Youth Jobs Program.
- The business has received an annual final certificate of tax credit from the NYS Department of Labor. Attach a copy of the annual final certificate of tax credit to Form CT-635.

## Credit information

The credit is equal to \$750 per month for up to six months for each certified youth employed in a full-time job, and \$375 per month for up to six months for each certified youth employed in a part-time job of at least 20 hours per week (or 10 hours per week when the certified youth is enrolled in high school full-time).

This portion of the credit is allowed for the tax year in which the wages are paid to the certified youth.

An additional credit of \$1,500 is available for each certified youth employed for at least an additional **six consecutive months** in a full-time job, or \$750 for each certified youth employed for at least an additional six consecutive months in a part-time job of at least 20 hours per week (or 10 hours per week when the certified youth is enrolled in high school full-time). The additional credit is allowed for the tax year in which the additional six-month period ends.

Another additional credit of \$1,500 is available for each certified youth employed for at least an additional **year** after the completion of the first two time periods and all the employment conditions were met for those time periods in a full-time job or \$750 for each certified youth employed for at least an additional

year after the completion of the first two time periods and all the employment conditions were met for those time periods in a part-time job of at least 20 hours per week (or 10 hours per week when the certified youth is enrolled in high school full-time). This credit is available for employees hired on or after January 1, 2014, and can be claimed for the tax year that the second year of employment ends.

The NYS Department of Labor will provide the employer with an annual final certificate of tax credit.

The annual final certificate of tax credit must include:

- The name and employer identification number (EIN) of the qualified employer;
- The program year for the corresponding credit award;
- The actual amount of credit to which the qualified employer is entitled for that calendar year or the fiscal year in which the annual final certificate of tax credit is issued; **and**
- A unique certificate number.

If the qualified employer's tax year is a calendar year, the employer shall claim the credit on the calendar year tax return for which the annual final certificate of tax credit was issued.

If the qualified employer's tax year is a fiscal year, the employer shall claim the credit on the fiscal year tax return that includes the date on which the annual final certificate of tax credit was issued.

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

The credit is not allowed against the metropolitan transportation business tax (MTA surcharge) under Article 9-A.

## New York S corporations

New York S corporations will calculate a credit. However, the S corporation may not use the credit against its own tax liability; instead, the credit is passed through to the shareholders to use against their personal income tax liabilities on their New York State tax returns.

## Combined filers

A taxpayer filing a combined return as a member of a combined group is allowed to claim the credit. The credit is computed on a separate basis, but is applied against the combined tax.

## Line instructions

**Line A** – Mark an **X** in the appropriate box to determine the parts of this form you need to complete. If you are claiming this credit **both** as a corporation that earned the credit **and** as a corporate partner receiving a share of the credit, mark an **X** in the Yes box and complete all appropriate schedules on one Form CT-635.

## Schedule A – Credit for certified youths

**Line 1** – Enter the amount from your annual final certificate of tax credit issued by NYS Department of Labor.

**Line 3** – Add lines 1 and 2.

**New York S corporations:** Transfer this amount to Form CT-34-SH, *New York S Corporation Shareholders' Information Schedule*, and provide your shareholders with their pro rata share of line 3. The shareholder will enter that amount on Form IT-635.

**All others:** Complete Schedule B.

## **Schedule B – Computation of tax credit used, refunded, or credited as an overpayment to the next tax year**

**New York S corporations:** Do not complete this schedule.

### **Lines 4 and 7 entries table**

<b>If you filed</b>	<b>Enter on line 4 any net recapture of other tax credits, plus the amount from</b>	<b>Enter on line 7 the minimum tax below</b>
Form CT-3	Part 2, line 2	Part 2, line 1c
Form CT-3-A	Part 2, line 2	Part 2, line 1c

**Line 4 –** Enter your tax due before credits using the *Lines 4 and 7 entries table*.

**Line 5 –** If you are claiming more than one tax credit for this year, enter the total amount of credits claimed before applying this credit. Otherwise, enter **0**. You must apply certain credits before this credit. Refer to Form CT-600-I, *Instructions for Form CT-600, Ordering of Corporation Tax Credits*, for the correct order of credits.

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 New York youth jobs program tax credit, that you wish to apply before the credit claimed on this form.

**Line 7 –** Enter your minimum tax using the *Lines 4 and 7 entries table*.

**Lines 9, 11, and 12 –** Enter on line 9 the lesser of line 3 or line 8. Transfer the amounts from lines 9, 11, and 12 to your franchise tax return.

## **Schedule C – Partnership information**

Complete this section only if you were a partner in a partnership and received a share of the credit from that entity. Enter the name, EIN, and credit amount passed through to you from each partnership. If you need more space, attach a separate schedule. Include your name and identification number on any separate sheets you file with your return.

Obtain this information from the partnership(s) allocating this credit to you. You must attach a copy of the partnership's certificate of tax credit to Form CT-635.

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

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

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