



Instructions for Form CT-654

New York City Musical and Theatrical Production Tax Credit

General information

For tax years beginning on or after January 1, 2021; the New York City Musical and Theatrical Production Tax Credit is available to eligible taxpayers that are certified by Empire State Development (ESD) to participate in the program and are issued a certificate of tax credit.

For more information about the program and application process, visit the ESD website at www.esd.ny.gov.

Eligibility

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

- you are subject to tax under Tax Law Article 9-A or 22;
- you are a qualified New York City musical and theatrical production company, or an owner of such company; **and**
- you have received, or are the owner of a business entity that has received a certificate of tax credit issued by ESD.

Credit details

The credit is 25% of the qualified production expenditures paid for during the qualified New York City musical and theatrical production's credit period. The credit may be limited; the actual amount of your credit is stated on the certificate issued by ESD, along with the following:

- name of certified business and employer identification number (EIN),
- certificate number, and
- completion date.

Qualified production expenditures used as the basis for the allowance of this credit or in the calculation of this credit cannot be used to claim any other credits.

The credit is claimed in the tax year in which the completion date falls as stated on the certificate of tax credit.

The amount of credit allowed cannot reduce the tax due to less than 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 the 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.

For rules and regulations regarding the credit, visit the ESD website at www.esd.ny.gov.

New York S corporations: New York S corporations will calculate the 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. Complete only lines A through D, and Schedules A and B.

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

Line instructions

Line A – Mark an **X** in the appropriate box to determine the parts of this form that 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-654.

Lines B through D – Complete lines B through D using the information from your certificate of tax credit issued by ESD. Failure to enter the correct information may result in a denial of your credit. Retain a copy of your certificate of tax credit and be prepared to produce a copy in the case of an audit.

Schedule A – Computation of credit

Line 1 – Enter the total amount of credit from the certificate of tax credit issued by ESD. The amount entered cannot exceed the amount shown on your certificate of tax credit. If not claiming an additional tax credit from a partnership, skip line 2 and enter the line 1 amount on line 3.

Schedule B – Partnership information

If you were a partner in a partnership and received a share of the New York City musical and theatrical production tax credit from that entity, complete this schedule. Enter the name, employer identification number (EIN), certificate number from the certificate of tax credit issued to the partnership, and credit amount passed through to you from each partnership. Obtain this information from the partnership(s) allocating the credit to you.

Additional forms – If you have more entries than will fit on the lines provided in Schedule B, submit additional Forms CT-654. Include your name and taxpayer identification number on each form, and include the totals from all additional Forms CT-654 on the indicated line. Place the extra forms behind the first Form CT-654 and submit them with your return.

Line 3

New York S corporations – Transfer this amount to the applicable line of Form CT-34-SH, *New York S Corporation Shareholders' Information Schedule*, and provide your shareholders with their pro rata share of this line. The shareholders will file Form IT-654, *New York City Musical and Theatrical Production Tax Credit*, to claim this credit on their New York State personal income tax returns.

Schedule C – Computation of 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

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

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

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**. Tax credits must be applied in a certain order.

Article 9-A filers: See Form CT-600-I, *Instructions for Form CT-600, Ordering of Corporation Tax Credits*, for the correct order of credits.

If filing as a member of a combined group, include any amount of tax credit(s), including the New York City musical and theatrical production tax credit, claimed by other members of the combined group that you want to apply before this credit.

Line 7 – Enter the fixed dollar minimum tax using the *Lines 4 and 7 entries table* above.

Need help? and Privacy notification

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