



Instructions for Form IT-643

Hire a Veteran Credit

IT-643-I

General information

For tax years beginning on or after January 1, 2015, and before January 1, 2022, eligible taxpayers may claim the hire a veteran credit for hiring and employing qualified veterans. Individuals (including sole proprietors), estates and trusts, shareholders of an S corporation, partners in a partnership (including a member of a limited liability company (LLC) that is treated as a partnership for federal income tax purposes), and beneficiaries of an estate or trust may claim the credit on Form IT-643.

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, 22, or 33;
- you hire a qualified veteran who begins his or her employment on or after January 1, 2014, but before January 1, 2021; and
- you employ the qualified veteran in New York State for one year or more for at least 35 hours each week.

You must claim the credit for the tax year in which a qualified veteran completes one year of employment.

Employee affidavit

To claim the credit, you must have the qualified veteran complete and sign Form DTF-75, *Employee Affidavit for the Hire a Veteran Credit*, on or before the date he or she begins employment. Form DTF-75 is available on the Tax Department website. You must keep the completed Form DTF-75 in your records and make it available to the Tax Department upon request. Do not send it to the Tax Department.

Credit information

The credit is equal to 10% of the total amount of wages paid to the qualified veteran during the veteran's first full year of employment, but not more than \$5,000.

If the qualified veteran is a disabled veteran, the credit is equal to 15% of the total amount of wages paid to the qualified veteran during the veteran's first full year of employment, but not more than \$15,000.

Note: This credit is based on wages paid to the qualified veteran during his or her first year of employment, and therefore may only be claimed once for each qualified veteran.

A taxpayer who uses the hiring of a qualified veteran as the basis for this credit may not use this same hiring as the basis for any other credit allowed under Article 9-A, 22, or 33 of the Tax Law.

A taxpayer who discharges an employee and hires a qualified veteran solely for the purpose of qualifying for the credit is not eligible to claim the credit for any qualified veteran.

This credit is not refundable. However, any amount of the credit not used for the current tax year may be carried forward to the following three years.

How to claim the credit

File Form IT-643 with your return if you are an individual, a beneficiary or fiduciary of an estate or trust, a partner in a partnership (including members of an LLC treated as a partnership for federal tax purposes), or a shareholder of a

New York S corporation, and you are claiming the hire a veteran credit.

An estate or trust that divides the credit among itself and its beneficiaries must submit Form IT-643 with Form IT-205, *Fiduciary Income Tax Return*, showing each beneficiary's share of the credit.

A partnership must submit Form IT-643 with Form IT-204, *Partnership Return*, showing the total credit.

A New York S corporation **does not** file Form IT-643. It must file Form CT-643, *Hire a Veteran Credit*. If you are a shareholder of an S corporation, obtain your share of the credit from the S corporation and follow the instructions on this form for claiming the credit on your personal income tax return.

Definitions

A *qualified veteran* is an individual who:

- served on active duty or in the reserves in the United States Army, Navy, Air Force, Marine Corps, or Coast Guard, or who served in active military service of the United States as a member of the Army National Guard, Air National Guard, New York Guard, or New York Naval Militia, and:
 - who was released from active duty by general or honorable discharge after September 11, 2001, or
 - received a letter issued by the New York State Division of Veterans' Services (NYS DVS) verifying that the veteran meets the character of discharge eligibility requirements for all benefits, programs, and services covered under the Restoration of Honor Act, effective on November 12, 2020; and
- is hired in New York State by a qualified taxpayer and begins his or her employment on or after January 1, 2014, but before January 1, 2021; and
- certifies by signed affidavit, under penalty of perjury, that he or she has not been employed for 35 or more hours during any week in the 180-day period immediately prior to his or her employment by the taxpayer (see *Employee affidavit* above).

A *disabled veteran* is an individual who meets the above definition of a qualified veteran and also meets the following qualifications of a disabled veteran as defined in New York State Civil Service Law section 85.1(b):

- the veteran is certified by the United States Department of Veterans Affairs or a military department as entitled to receive disability payments upon the certification by the Department of Veterans Affairs or military department for a disability incurred by the veteran in time of war and in existence at the time of hiring; and
- the certificate of the Department of Veterans Affairs states that:
 - the veteran has been examined by a medical officer at the Department of Veterans Affairs within one year of the date of hiring, and at the time of the examination, the war incurred disability described in the certificate was found to exist and the disability is rated at 10% or more; or
 - whether or not the veteran has been examined by a medical officer of the Department of Veterans Affairs within one year of the date of hiring, a permanent stabilized condition of disability exists to an extent of 10% or more.

Time of war includes the wars and hostilities participated in by the military forces of the United States for the following periods:

- World War II - December 7, 1941, through December 31, 1946;
- Korean Conflict - June 27, 1950, through January 31, 1955;
- Vietnam Conflict - February 28, 1961, through May 7, 1975;
- Hostilities in Lebanon - June 1, 1983, through December 1, 1987, as established by receipt of the Armed Forces Expeditionary Medal, the Navy Expeditionary Medal, or the Marine Corps Expeditionary Medal;
- Hostilities in Grenada - October 23, 1983, through November 21, 1983, as established by receipt of the Armed Forces Expeditionary Medal, the Navy Expeditionary Medal, or the Marine Corps Expeditionary Medal;
- Hostilities in Panama - December 20, 1989, through January 31, 1990, as established by receipt of the Armed Forces Expeditionary Medal, the Navy Expeditionary Medal, or the Marine Corps Expeditionary Medal; and
- Persian Gulf Conflict - August 2, 1990, to the end of such hostilities. (At the time these instructions were printed, no termination date had been established.)

A veteran does not have to have served in an actual combat zone during the specified periods set out above in order to meet the time of war requirement. In addition, if a veteran served his or her duty partly during a time of war and partly during peacetime, the veteran meets the time of war requirement.

Specific instructions

See the instructions for your tax return for the *Privacy notification* or if you need help contacting the Tax Department.

Line A – Mark an **X** in the appropriate box to determine the parts of this form you need to complete.

Individual (including sole proprietor): Complete Schedules A, D, and E.

Partnership: Complete Schedules A and D.

A married couple in a business enterprise that made an IRC 761(f) election to file two federal Schedule C forms instead of a partnership return: If you file jointly, compute your credit as if you were filing one federal Schedule C for the business (enter the total of all applicable amounts from both federal Schedule C forms). Complete Schedules A, D, and E.

Fiduciary: Complete Schedules A, C, D, and E.

Partner in a partnership, shareholder of a New York S corporation, and beneficiary of an estate or trust: Complete Schedules B, D, and E.

Note: If more than one of the above set of instructions applies to you, complete all appropriate parts of the form on one Form IT-643.

Additional sheets – If you have more entries than will fit on the lines provided in Schedule(s) A, B, or C, attach additional sheets in the same format as the schedule. Include your name and taxpayer identification number on each sheet and submit them and Form IT-643 with your return.

Schedule A – Individual (sole proprietor), partnership, and estate or trust

Part 1 – Computation of credit for qualified veterans

Enter the information for each qualified veteran who has completed one year of employment with you. Do not include veterans shown in Part 2.

Column C – Enter the beginning and ending dates of the qualified veteran's first full year of employment. You must claim the credit for the tax year in which the qualified veteran completes one year of employment.

Column D – Enter the amount of wages paid to the qualified veteran during his or her first full year of employment, entered in column C.

Part 2 – Computation of credit for qualified disabled veterans

Enter the information for each qualified disabled veteran who has completed one year of employment with you. Do not include veterans shown in Part 1.

Column C – Enter the beginning and ending dates of the qualified veteran's first full year of employment. You must claim the credit for the tax year in which the qualified veteran completes one year of employment.

Column D – Enter the amount of wages paid to the qualified disabled veteran during his or her first full year of employment, entered in column C.

Schedule B – Partner's, shareholder's, or beneficiary's share of credit

Enter the appropriate information for each partnership, New York S corporation, or estate or trust from which you received a share of the credit. Obtain your share of the credit from your partnership(s), S corporation, or estate or trust. See *Additional sheets* above, if needed.

Schedule C – Beneficiary's and fiduciary's share of credit

An estate or trust must complete Schedule C. If an estate or trust allocates or assigns the credit to its beneficiaries, it must base the division on each beneficiary's proportionate share of the income of the estate or trust. Provide the beneficiaries with their share of the credit. See *Additional sheets* above, if needed.

Schedule D – Computation of credit

Fiduciaries – Do not enter an amount on line 8 or 9.

Schedule E – Application of credit and computation of carryover

Line 13

Form IT-201 filers: Enter the tax from Form IT-201, line 39, **plus** any amount from Form IT-201-ATT, line 21.

Form IT-203 filers: Enter the tax from Form IT-203, line 46, **plus** any amount from Form IT-203-ATT, line 20.

Form IT-205 filers: Enter the tax from Form IT-205, line 8 (for residents), or line 9 (for nonresidents), **plus** any credits shown on line 1 of the *Addbacks worksheet* in the instructions for Form IT-205, line 12.

Line 14 – If you are applying any credits against the tax before this credit, enter the total amount here.

When applying credits, use the following rules:

- First apply the household credit.
- Next apply any credits that cannot be carried over or refunded.
- Then apply any credits that can be carried over for a limited duration.
- Then apply any credits that can be carried over for an unlimited duration.
- Apply refundable credits last.

Line 16 – Enter this amount and code **643** on Form IT-201-ATT, line 6; or Form IT-203-ATT, line 7; or include the amount on Form IT-205, line 10.

Line 18 – Enter any unused tax credit included on line 17 that expired during this tax year and is no longer available to be carried forward.

Note: Any portion of the hire a veteran credit earned in previous tax years that was not deducted can be carried forward for up to three tax years.