



CT-601.1

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New York State Department of Taxation and Finance

Claim for ZEA Wage Tax Credit

Tax Law — Article 9-A, Section 210.19; Article 32, Section 1456(e); and Article 33, Section 1511(g)

All filers must enter tax period:

beginning ending

Taxpayer identification number shown on page 1 of your tax return		File this claim with your corporation tax return, Form CT-3, CT-3-A, CT-32, CT-32-A, CT-33, CT-33-A, or CT-33-NL.
Legal name of corporation filing the franchise tax return		
Name of zone equivalent area (ZEA)	Date of ZEA designation	

Schedule A — Application of ZEA wage tax credit for the current tax year

Part 1 — Computation of 50% limitation

1	ZEA wage tax credit carryforward from preceding tax year	•	1.	
2	Current year's tax (see instructions)	•	2.	
3	Fifty percent limitation (see instructions)	•	3.	

Taxpayers claiming wage tax credits in multiple ZEAs and EZs must complete Schedule B.

Part 2 — Computation of tax limitation

4	Current year's tax (see instructions)	•	4.	
5	Enter other credits claimed before the ZEA wage tax credit (see instructions)	•	5.	
6	Net tax (subtract line 5 from line 4)	•	6.	
7	Enter appropriate tax: Article 9-A — enter the tax on minimum taxable income or fixed dollar minimum tax (whichever is larger) Article 32 — enter the fixed minimum tax of 250 Article 33 — enter 250	•	7.	
8	ZEA wage tax credit limitation (subtract line 7 from line 6)	•	8.	
9	ZEA wage tax credit limitation for current tax year (enter the lesser of line 3 or line 8 amount)	•	9.	

Part 3 — Computation of ZEA wage tax credit used for the current tax year

10	ZEA wage tax credit used for current tax year (see instructions)	•	10.	
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Part 4 — Computation of ZEA wage tax credit carryforward

11	ZEA wage tax credit available as carryforward (subtract line 10 from line 1)	•	11.	
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Schedule B — Computation of 50% limitation for multiple wage tax credit claims (see instructions)

Part 1 — Computation of 50% limitation

12	Current year's tax (from line 2)	•	12.	
13	Fifty percent limitation (multiply line 12 by 50% (.5))	•	13.	

Part 2 — Unused ZEA wage tax credit 50% limitation

A Fifty percent limitation (from line 13)	B Amount of ZEA and EZ wage tax credits applied prior to this credit		C Unused ZEA and EZ wage tax credit 50% limitation (column A amount – column B total amount used)
	Zone name	Amount of credit	
	Total amount used		

14	Unused ZEA wage tax credit limitation (subtract column B total from column A; enter here and on line 3)	•	14.	
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Instructions

Temporary deferral of certain tax credits

For tax years beginning on or after January 1, 2010, and before January 1, 2013, if the total amount of certain credits that you may use to reduce your tax or have refunded to you is greater than \$2 million, the excess over \$2 million must be deferred to, and used or refunded in, tax years beginning on or after January 1, 2013. For more information about the credit deferral, see Form CT-500, *Corporation Tax Credit Deferral*.

If you are subject to the credit deferral, you must complete all credit forms without regard to the deferral. However, the credit amount that is transferred to your tax return to be applied against your tax due or to be refunded to you may be reduced. Follow the instructions for Form CT-500 to determine the amounts to enter on your tax return.

General information

The ZEA wage tax credit for all zone equivalent areas (ZEAs) expired on June 13, 2004. ZEA wage tax credit carryforwards may still be utilized; however, no additional ZEA wage tax credit can be earned in any tax year beginning after June 13, 2004.

The taxpayer must attach a copy of the *Certificate of Eligibility* issued by Empire State Development each year that the credit is carried forward. No retention certificate needs to be attached to this form.

Schedule A — Application of ZEA wage tax credit for the current tax year

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

- 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**
- 50% of the tax imposed under Tax Law Article 32, before the addition of the 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 ZEA wage tax credit allowed in Schedule A **may not** be applied against the following taxes:

- the greater of the tax on the minimum taxable income base or fixed dollar minimum tax as computed under Article 9-A; **or**
- the fixed minimum tax of \$250 computed under Article 32; **or**
- the minimum tax of \$250 under Article 33; **or**
- the MTA surcharge under Articles 9-A, 32, or 33.

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

Line 2 — Enter the current year's tax after the addition of the tax on subsidiary capital and before the deduction of any tax credit or addition of the MTA surcharge.

Line 3 — For taxpayers claiming ZEA wage tax credit in only one ZEA, multiply line 2 by 50% (.5).

For taxpayers who earned wage tax credits in multiple ZEAs or empire zones (EZs), or are claiming ZEA and EZ wage tax credits from more than one entity, the aggregate amount of **all**

of the wage tax credits used in the current year cannot exceed 50% of the current year's tax. To compute your limitation, complete Schedule B and enter the line 14 result on line 3.

Example: *Corporation A operates in two locations in New York State, one in Buffalo and one in Elmira. Both locations are in ZEAs, and Corporation A is certified in both ZEAs. Corporation A has calculated its current year tax as \$3,100 and calculates a 50% limitation of \$1,550 (50% of \$3,100). Corporation A claims a ZEA wage tax credit of \$1,500 from its Buffalo location. Corporation A is limited to \$50 of wage tax credits earned in the Elmira location (\$1,550 minus \$1,500 of limitation already used) that may be applied against the current year's tax.*

Line 4 — Form CT-33 filers: enter tax shown on Form CT-33, line 9a plus any net recaptured tax credits. Form CT-33-A filers: enter tax shown on CT-33-A, line 10 plus any net recaptured tax credits. All other filers, enter the amount from line 2 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 ZEA 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** on line 5.

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 ZEA wage tax credit, that you wish to apply before your ZEA wage tax credit.

Line 10 — Enter the lesser of line 1 or line 9.

If your total credits from all sources are **\$2 million or less**, enter the amount from line 10 on your franchise tax return.

If your total credits from all sources are **more than \$2 million**, you may be subject to the temporary credit deferral. Complete line 10 but do not enter the amount from line 10 on your franchise tax return. See Form CT-500 to determine the proper amounts to enter on your franchise tax return.

Schedule B — Computation of 50% limitation for multiple wage tax credit claims

Part 2 — Unused ZEA wage tax credit 50% limitation

Column B: List only the ZEA and EZ wage tax credits claimed for this tax year that you wish to apply **prior** to the credit claimed on this form. List the name of the zone and amounts of wage tax credits applied. Add amounts in column B.

Column C: Subtract column B total from the amount in column A. Enter the result on line 14 and on line 3.

Need help? and Privacy notification

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