



Claim for Special Additional Mortgage Recording Tax Credit

Tax Law – Article 9, Sections 183, 184, 185, and 186 Articles 9-A, 32, and 33

All filers must enter tax period:

beginning [] ending []

Legal name of corporation [] Employer identification number []

Read instructions on page 2.

Attach this form to your franchise tax return.

Table with 3 rows: 1a Special additional mortgage recording tax due and paid during current tax year that qualifies for the credit; 1b Special additional mortgage recording tax due and paid during current year from a flow through entity that qualifies for the credit; 2 Unused special additional mortgage recording tax credit from preceding period; 3 Total available tax credit

Computation of special additional mortgage recording tax credit used and available to be carried forward

Table with 10 rows: 4 Tax (see below*); 5 Tax credits claimed before the special additional mortgage recording tax credit; 6 Subtotal; 7 Minimum tax; 8 Limitation on credit used; 9 Special additional mortgage recording tax credit used this period; 10 Unused special additional mortgage recording tax credit available for carryforward

Refund or credit and carryforward of special additional mortgage recording tax credit (Article 9-A taxpayers only)

Table with 5 rows: 11 Amount of recording tax included on lines 1a and 1b for recording of residential mortgages only; 12 Amount of special additional mortgage recording tax credit eligible for refund or credit; 13 Balance to be refunded; 14 Balance to be credited as an overpayment; 15 Amount of carryforward

Table with 3 columns: If you filed; * Enter on line 4 any net recaptured tax credits plus the amount from; ** Enter on line 7 the minimum tax shown below. Lists various forms and their corresponding line numbers and values.



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.

Article 9-A S corporations that have computed a refundable special additional mortgage recording tax credit of greater than \$2 million are also subject to the deferral. Use Form CT-500 to calculate the amount of special additional mortgage recording tax refund allowed and credit amount to be deferred.

General information

You may claim as a credit against your franchise tax certain special additional mortgage recording tax you paid.

A tax credit is not allowed for the special additional mortgage recording tax paid on **residential** mortgages (defined below) recorded on or after May 1, 1987, if the real property is located in Erie County or any of the counties within the Metropolitan Commuter Transportation District (MCTD). The MCTD includes the counties of New York, Bronx, Queens, Kings, Richmond, Dutchess, Nassau, Orange, Putnam, Rockland, Suffolk, and Westchester.

A *residential mortgage* is defined as a mortgage of real property that has been or will be principally improved by one or more structures containing a total of not more than six **residential** dwelling units, each with its own separate cooking facilities.

Article 9-A taxpayers who paid the special additional mortgage recording tax on residential mortgages in any tax year beginning before 1986 may **not** carry forward unused special additional mortgage recording tax credit relating to these residential mortgages. For tax years beginning on or after January 1, 1986, and before January 1, 1990, and tax years beginning in or after 1994, in lieu of a carryforward, these taxpayers may elect to treat the unused portion of special additional mortgage recording tax credit as an overpayment of tax to be credited or refunded. See TSB-M-94(4)C, *Refundable Special Additional Mortgage Recording Tax Article 9-A Corporations*, for more information.

For tax periods beginning in and after 1994, New York S corporations taxable under Article 9-A may apply this credit against the franchise tax, carry it forward, or treat it as an overpayment of tax as discussed above. Credit earned by the S corporation **does not flow through** to the shareholders to be claimed against their personal income tax liability.

When claiming this credit, you must add back to your entire net income the amount of the special additional mortgage recording tax used as a deduction in the computation of federal taxable income. (See TSB-M-87(7)C, *Special Additional Mortgage Recording Tax Credit Disallowed on Certain Real Property*, and TSB-M-87(10)C, *Special Additional Mortgage Recording Tax Credit Disallowed on Certain Real Property Located in Erie County*, for more information.)

For corporations filing franchise tax return Form CT-3, CT-3-A, CT-3-S, CT-32, CT-32-A, CT-32-S, CT-33, or CT-33-A, the gain or loss on the sale of real property on which the special additional mortgage recording tax credit was claimed must be increased, in the case of a gain, or decreased, in the case of a loss, when all or any portion of the credit was used in the basis for computing federal gains.

Line instructions

Complete the beginning and ending tax period boxes in the upper right corner on page 1.

Line 1b – Enter any amount of special additional mortgage recording tax credit received from a flow-through entity. Attach a statement showing the name, employer identification number (EIN), and amount of credit received from each entity.

Line 5 – If you are claiming more than one tax credit for this year, enter the amount of credit(s) you wish to apply against your franchise tax due before the application of the special additional mortgage recording tax credit. Otherwise, enter **0**.

You must apply certain credits before the special additional mortgage recording tax credit. Refer to the instructions of your franchise tax return to determine the order of credits that applies.

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

If you are included in a combined return, include any amount of tax credit(s), including special additional mortgage recording tax credit(s), being claimed by other members of the combined group that you wish to apply before your special additional mortgage recording tax credit.

CT-33 and CT-33-A filers, including unauthorized insurance corporations: Do not enter on this line any amount of empire zone (EZ) wage tax credit(s), zone equivalent area (ZEA) wage tax credit(s), or EZ capital tax credit(s) you may be claiming. If you are included in a combined return, do not include any amount of these credits being claimed by other members of the combined group.

Line 7 – Article 33 combined filers (using Form CT-33-A): Multiply the number of taxpayers in the combined group by \$250 and enter the result here.

Line 9 – Enter the lesser of line 3 or line 8.

If your total credits from all sources are **\$2 million or less**, enter the amount from line 9 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 9 but do not enter the amount from line 9 on your franchise tax return. See Form CT-500 to determine the proper amounts to enter on your franchise tax return.

Article 9-A taxpayers only: To claim a credit or refund of the special additional mortgage recording tax credit, complete lines 11 through 15.

Line 11 – Enter only that amount from lines 1a and 1b that represents special additional mortgage recording tax due and paid during the **current** tax year for recording of **residential** mortgages.

Line 12 – Enter the lesser of line 10 or line 11.

Lines 13 and 14 – If your total credits from all sources are **\$2 million or less**, enter the amounts from lines 13 and 14 on your franchise tax return.

Include the line 13 amount on Form CT-3, line 99a; Form CT-3-A, line 100a; or Form CT-3-S, line 50.

Include the line 14 amount on Form CT-3, line 99b; Form CT-3-A, line 100b; or Form CT-3-S, line 51.

If your total credits from all sources are **more than \$2 million**, you may be subject to the temporary credit deferral. Complete lines 13 and 14 but do not enter the amounts from lines 13 and 14 on your franchise tax return. See Form CT-500 to determine the proper amounts to enter on your franchise tax return.

S corporations: If the total credits claimed on lines 13 and 14 exceed \$2 million, you must complete Form CT-500 to determine the proper amounts to enter on Form CT-3-S.

To avoid an unnecessary exchange of funds, we will apply the refundable portion of the tax credit to any unpaid balance of the franchise tax and metropolitan transportation business tax (MTA surcharge) and refund the remaining balance.

Need help? and Privacy notification

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

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