



Instructions for Form CT-502

Temporary Deferral Refundable Payout Credit

General information

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 could use to reduce your tax or have refunded to you was greater than \$2 million, the excess over \$2 million was deferred to tax years beginning on or after January 1, 2013.

Purpose of Form CT-502

For tax years beginning on or after January 1, 2013, use Form CT-502 to claim the temporary deferral refundable payout credit.

New York S corporations: Only file this form if you filed Form CT-500 and deferred a special additional mortgage recording tax credit. Shareholders of New York S corporations will file Form IT-502 with their New York personal income tax return to claim any credits flowed through from the S corporation that were required to be deferred.

Using your accumulated deferred credits

The accumulated amounts of refundable tax credits that were deferred for tax years beginning on or after January 1, 2010, and before January 1, 2013, are combined to become your temporary deferral refundable payout credit. Taxpayers are allowed to claim this credit over a period of three tax years as follows:

Tax year	Claim amount allowed
Beginning on or after January 1, 2013, and before January 1, 2014	50% of the total accumulated credit
Beginning on or after January 1, 2014, and before January 1, 2015	75% of the balance of the accumulated credit
Beginning on or after January 1, 2015, and before January 1, 2016	The remaining balance of the accumulated credit

If the amount of the temporary deferral refundable payout credit allowed for each year exceeds your tax for the year, the excess 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.

Line instructions

Schedule A – Refundable credits deferred

Column B – For each credit listed in column A, enter the amount of that credit (if any) from your 2010 Form CT-500, Schedule B, column D.

Column C – For each credit listed in column A, enter the amount of that credit (if any) from your 2011 Form CT-500, Schedule B, column D.

Column D – For each credit listed in column A, enter the amount of that credit (if any) from your 2012 Form CT-500, Schedule B, column D.

Schedule B – Computation of credit

Lines 5 and 8 entries table		
Section 1		
Franchise tax return filed	Enter on line 5 any net recaptured tax credits plus the amount from	Enter on line 8 the amount below
Forms CT-183 and CT-184	Form CT-183, line 4 plus Form CT-184, line 3 or 4	75
Form CT-185	Line 6	10
Form CT-186	Line 5	125
Form CT-3	Line 78	Line 74b
Form CT-3-A	Line 77	Line 74b
Form CT-3-S	Line 23	Line 23
Form CT-32	Line 5	250
Form CT-32-A	Line 5	250
Form CT-32-S	Line 10	250
Form CT-33	Line 11	250
Form CT-33-A	Line 15	Line 4 plus line 12
Form CT-33-NL	Line 5	250
Section 2		
Tax return filed	Enter on line 5 any net recaptured tax credits plus the amount from	Enter on line 8 the amount below
Form CT-186-E	Line 88	0
Form CT-186-P	Line 4	0

Line 5 – Enter your tax before credits using the *Lines 5 and 8 entries table* above. The temporary deferral refundable payout credit can be applied to taxes as computed on the forms listed in the table above. However, the credit cannot be applied against both a franchise tax return listed in Section 1 and a tax return listed in Section 2.

Line 6 – If you are claiming more than one tax credit for this year, enter the amount of credits claimed before applying this credit; otherwise, enter 0. You must apply certain credits before the temporary deferral refundable payout credit. Refer to the instructions of your franchise tax return to determine the order of credits that applies.

Article 9-A filers: Refer to Form CT-600-I, *Instructions for Form CT-600*, for the order of credits.

If you are included in a combined return, include any amount of tax credits being claimed by other members of the combined group, including the temporary deferral refundable payout credit, that you want to apply before your temporary deferral refundable payout 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 credits, zone equivalent area (ZEA) wage tax credits, or EZ capital tax credits you may be claiming. If you are included in a combined return, do not include any amount of these tax credits being claimed by other members of the combined group.

Line 8 – Enter the amount using the *Lines 5 and 8 entries table* above.

Lines 10, 12, and 13 – Enter on line 10 the lesser of line 4 or line 9. Enter the amounts from lines 10, 12, and 13 on your franchise tax return.

Line 14 – You will need this amount to complete your 2014 Form CT-502.

Need help and Privacy notification

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