



Instructions for Form CT-637

Alternative Fuels and Electric Vehicle Recharging Property Credit

CT-637-I

Tax Law – Article 9, Section 187-b and Article 9-A, Section 210-B.30

General information

For tax years beginning on or after January 1, 2013, and before January 1, 2023, Chapter 59 of the Laws of 2013 enacted an alternative fuels vehicle refueling and electric vehicle recharging property credit. For any tax year beginning on or after January 1, 2013, taxpayers must use Form CT-637 to claim this credit for property placed in service on or after that date.

For any tax year beginning before January 1, 2011, Form CT-40, *Claim for Alternative Fuels Credit*, must be used to claim a credit carryover or to calculate any recapture of the alternative fuels credit.

The Tax Law allows a credit to certain taxpayers who invest in alternative fuels vehicle refueling property or electric vehicle recharging property. The credit for alternative fuels vehicle refueling property and electric vehicle recharging property is available only when the property is used in a trade or business located in New York State. This credit is not refundable, but any unused credit may be carried forward indefinitely.

The amount of credit allowed cannot reduce the tax due to less than the minimum tax due under Article 9 or the fixed dollar minimum under Article 9-A.

The credit is **not** allowed against the metropolitan transportation business tax (MTA surcharge) under Articles 9 or 9-A.

New York S corporations: Any amount of this credit that originates in a New York S corporation flows through to the individual shareholders of the New York S corporation under Article 22, and cannot be applied against the New York State corporation franchise tax in a New York S year. Complete only Schedules A and B, lines 1 through 6, and if applicable, Schedules D and E. Include the amounts from lines 5 and 6 on Form CT-34-SH, *New York S Corporation Shareholders' Information Schedule*, which is filed with your New York S corporation franchise tax return. Attach a copy of Form CT-637 to your return.

Provide all shareholders with the amount of their pro rata share of the credit calculated and recaptured. The shareholders will file Form IT-637, *Alternative Fuels and Electric Vehicle Recharging Property Credit*, to claim the credit and recapture on their New York State personal income tax returns. If you are a corporate partner, complete Schedule E.

Eligibility

The following taxpayers are eligible to claim the credit:

- transportation and transmission corporations taxable under Article 9, sections 183 and 184, and
- business corporations taxable under Article 9-A.

Definitions

Alternative fuels vehicle refueling property includes all of the equipment needed to dispense any fuel at least 85% of the volume of which consists of one or more of the following: natural gas, liquefied natural gas, liquefied petroleum, or hydrogen.

Electric vehicle recharging property includes all of the equipment needed to convey electric power from the electric grid or another power source to an onboard vehicle energy storage system.

Amount of credit

The credit for each installation of property is equal to the lesser of \$5,000 or 50% of the cost of property less any cost paid from the proceeds of grants. To qualify for the credit the property must:

- be located in New York State;
- be used 50% or more during the tax year in a trade or business carried on in New York State;
- constitute alternative fuels vehicle refueling property or electric vehicle recharging property; and

- not have been paid for from the proceeds of grants awarded before January 1, 2015, including grants from the New York State Energy Research and Development Authority or the New York Power Authority.

Note: The cost of the property includes the labor necessary for each installation.

Credit recapture

If you have claimed the credit on alternative fuels vehicle refueling property or electric vehicle recharging property, and that property ceases to qualify at any time before the end of the recovery period, you may be required to recapture all or part of the credit you claimed. For more information, see the instructions for Schedule D, *Computation of credit recapture*.

Line instructions

Complete Schedules A and B for alternative fuels vehicle refueling property and electric vehicle recharging property placed in service during the tax year.

Do not complete Schedules A and B for any property that, by the end of your tax year, met at least one of the following conditions:

- The property no longer qualifies as alternative fuels vehicle refueling property or electric vehicle recharging property.
- 50% or more of the property's use during the tax year was other than in a trade or business carried on in New York State.
- You sold or disposed of the property and you know, or have reason to know, that the property will meet one of the two conditions previously stated above.

Schedule A – Alternative fuels vehicle refueling and electric vehicle recharging property information and credit amounts

Calculation of credit

In the case of a taxpayer installing alternative fuels vehicle refueling property, the credit is computed separately for each fuel dispensing pump, based on the cost of the pump and all the necessary equipment associated with it (such as compression equipment and storage tanks). If more than one pump is being installed in the same location at the same time, the cost for each pump is determined by dividing the total cost for all the pumps and necessary equipment by the number of pumps installed. The amount of the credit allowed per pump by location is the **lesser** of:

- $$\frac{\text{total cost of all pumps and necessary equipment}}{\text{number of pumps}} \times 50\% (.5), \text{ or}$$
- \$5,000.

In the case of a taxpayer installing electric vehicle recharging property, the credit is computed separately for each charging station, based on the cost of the charging station and all the necessary equipment associated with it. If more than one charging station is being installed in the same location at the same time, the cost for each charging station is determined by dividing the total cost for all the charging stations and necessary equipment by the number of charging stations installed. The amount of the credit allowed per charging station by location is the **lesser** of:

- $$\frac{\text{total cost of all charging stations and necessary equipment}}{\text{number of charging stations}} \times 50\% (.5), \text{ or}$$
- \$5,000.

Example 1: A taxpayer installs alternative fuels vehicle refueling property during 2018 that consists of one fuel dispensing pump and the equipment necessary to operate that pump. The cost of the fuel dispensing pump is \$12,000 and the cost of the equipment is \$50,000. The amount of credit allowed per pump is the **lesser** of:

- $\frac{(\$12,000 + \$50,000)}{1 \text{ pump}} \times 50\% (.5) = \mathbf{\$31,000}$, or
- **\$5,000.**

The taxpayer's total credit for 2018 is \$5,000 (\$5,000 × 1).

In 2019, the taxpayer adds two additional fuel dispensing pumps at the same time at the above location. The total cost for the two fuel dispensing pumps is \$24,000 and the cost of additional equipment is \$10,000. The amount of credit allowed per pump is the **lesser** of:

- $\frac{(\$24,000 + \$10,000)}{2 \text{ pumps}} \times 50\% (.5) = \mathbf{\$8,500}$, or
- **\$5,000.**

The taxpayer's total credit for 2019 is \$10,000 (\$5,000 × 2).

Example 2: A taxpayer installs electric vehicle recharging equipment during 2018 that consists of four charging stations and the equipment necessary to operate the charging stations, all of which are installed at the same location and at the same time. The total cost of the four charging stations is \$32,000 and the cost of the equipment is \$20,000. The amount of credit allowed per charging station is the **lesser** of:

- $\frac{(\$32,000 + \$20,000)}{4 \text{ charging stations}} \times 50\% (.5) = \mathbf{\$6,500}$, or
- **\$5,000.**

The taxpayer's total credit for 2018 is \$20,000 (\$5,000 × 4).

In 2019, the taxpayer adds four additional charging stations at the same time to the above location. The total cost of the four charging stations is \$28,000 and the cost of the additional equipment is \$4,000. The amount of credit allowed per charging station is the **lesser** of:

- $\frac{(\$28,000 + \$4,000)}{4 \text{ charging stations}} \times 50\% (.5) = \mathbf{\$4,000}$, or
- **\$5,000.**

The taxpayer's total credit for 2019 is \$16,000 (\$4,000 × 4).

Column B – Enter the cost of the alternative fuels vehicle refueling property or electric vehicle recharging property. The cost of the property includes the labor necessary for each installation.

Note: Do **not** include any costs paid for from the proceeds of grants.

Schedule B – Computation of available credit for the current tax year

Line 3 – If you have an alternative fuels vehicle refueling and electric vehicle recharging property credit from one or more partnerships, complete Schedule E and enter the amount from line 18.

Lines 5 and 6 – New York S corporations: Transfer these amounts to Form CT-34-SH and provide your shareholders with their pro rata share of these lines. The shareholder will enter those amounts on Form IT-637, *Alternative Fuels and Electric Vehicle Recharging Property Credit*.

Line 7 – C corporations: If the amount on line 5 is greater than the amount on line 6, subtract line 6 from line 5. This is the amount of your credit; continue with the rest of the form. If the amount on line 6 is greater than the amount on line 5, you have a net recapture amount; subtract line 5 from line 6 and enter the result with a minus (-) sign. Transfer the line 7 amount (with the minus sign) to the appropriate line of the tax credits section on your franchise tax return. Do not complete Schedule C.

New York S corporations: Do not make an entry on this line.

Schedule C – Computation of credit used or carried forward
(New York S corporations do not complete this section)

Lines 8 and 11 entries table

| If you filed | Enter on line 8 any net recapture of other tax credits plus the amount from | Enter on line 11 the minimum tax below |
|-------------------------|--|--|
| Forms CT-183 and CT-184 | Line 4 of Form CT-183 plus the amount from line 3 or 4 of Form CT-184 | 75 |
| Form CT-3 | Part 2, line 2 | Part 2, line 1c |
| Form CT-3-A | Part 2, line 2 | Part 2, line 1c |

Line 8 – Enter your franchise tax due before credits using the *Lines 8 and 11 entries table*.

Line 9 – 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. 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 correct order of credits.

If filing as a member of a combined group, include any amount of tax credit(s), including alternative fuels vehicle refueling and electric vehicle recharging property credit(s) being claimed by other members of the combined group that you want to apply before this credit.

Line 11 – Enter the appropriate limitation for the form you are filing using the *Lines 8 and 11 entries table*.

Line 13 – Enter the lesser of line 12 or line 7; transfer this amount to your franchise tax return.

Schedule D – Computation of credit recapture

If recapture is required, enter in column A the tax year the credit was originally allowed. Enter in column B the total recovery period (depreciable life) of the property. Enter in column C the number of years the property was in service prior to the recapture year.

To compute the recapture percentage in column E, divide column D by column B. To compute the credit recapture amount in column G, enter the original credit allowed in column F and multiply it by the column E recapture percentage.

Recapture is required if alternative fuels vehicle refueling property or electric vehicle recharging property ceases to qualify at any time before the end of its recovery period (depreciable life).

Alternative fuels vehicle refueling property and electric vehicle recharging property ceases to qualify if:

- The property no longer qualifies as alternative fuels vehicle refueling property or electric vehicle recharging property.
- 50% or more of the property's use during the tax year was other than in a trade or business carried on in New York.
- You sold or disposed of the property and you know, or have reason to know, that the property will meet one of the two conditions previously stated above.

Line 16 – You must obtain this information from your partnership. Attach a statement showing the name and employer identification number (EIN) of the partnership.

Schedule E – Partnership information

If you were a partner in a partnership and received a share of the credit from that entity, complete this section. Enter the name, EIN, and the credit amount passed through to you from the partnership. If you need more space, attach additional sheets using the same format. Enter the total from additional sheets (if applicable) on the appropriate line. Write the name and EIN of your corporation on each sheet.

Need help? and Privacy notification

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