New York State Department of Taxation and Finance

1988

CT-46.1 Claim for Refund of Unused Investment Tax Credit by a New Business

Article 9-A, Section 210.12(e)

For period ended:

This form must be attached to Form CT-3 and Form CT-46	Employer identification number	File number	Read instructions on back.
	Name		
	Number and street		
	City or town, State and ZIP code		

1 State or country of incorporation _____

2 Date incorporated _____

3 Date business began in New York State _____

4 Was this business previously operated under another name? ☐ Yes ☐ No

If yes, give name _____ and employer ID number _____

5 At any time during the taxable year, were any voting shares of this corporation owned by another corporation taxable under Articles 9, 9-A, 32 or 33 of the New York State Tax Law? ☐ Yes ☐ No

If yes, give name _____ and percentage of shares owned _____

Computation of Refund

6	Tax *(from Form CT-3, line 48)*				6	
7	Eligible business facility tax credit *(from Form CT-45)*	7				
8	EDZ capital corporation tax credit *(from DTF-602)*	8				
9	EDZ wage tax credit *(from DTF-601)*	9				
10	Unused investment tax credit and additional investment tax credit from preceding period *(from Form CT-46, line 6)*	10				
11	Additional investment tax credit (section 210.12-A) or employment incentive credit (section 210.12-D) *(from Form CT-46, lines 4 and 5)*	11				
12	Research and development carryforward (from CT-42)	12				
13	Total *(add lines 7, 8, 9, 10, 11 and 12)*	13				
14	Recaptured investment tax credit or additional investment tax credit *(from Form CT-46, line 8)*	14				
15	Total *(subtract line 14 from line 13; enter also on Form CT-3, line 49)*				15	
16	Adjusted tax *(subtract line 15 from line 6)* Cannot be less than the higher of the tax on minimum taxable income or the fixed dollar minimum *(see Special Instructions)*				16	
17	Investment tax credit *(from Form CT-46, lines 1 through 3)*				17	
18	Refundable investment tax credit *(subtract line 16 from line 17; enter this amount also on Form CT-3, line 73, and Form CT-46, line 16)*				18	

Instructions

General Information

For taxable years beginning on or after January 1, 1982, a corporation that is eligible to claim an investment tax credit and is also a new business as defined in Article 9-A, section 210.12(j) may elect to receive a refund of its unused investment tax credit instead of carrying the credit forward.

Section 210.12(j) defines a new business as any corporation **except**:

- a corporation in which over 50% of the number of shares of stock entitling their holders to vote for the election of directors or trustees is owned by a taxpayer subject to the tax under Article 9-A; section 183, 184, 185 or 186 of Article 9; Article 32; or Article 33 of the Tax Law
- a corporation that is substantially similar in operation and in ownership to a business entity or entities taxable or previously taxable under Article 9-A; section 183, 184, 185 or 186 of Article 9; Article 32; or Article 33; or that would have been subject to the tax under Article 23, as such article was in effect on January 1, 1980, or the income *(or losses)* of which is *(or was)* includable under Article 22 of the Tax Law
- a corporation that has been subject to tax under Article 9-A for more than four taxable years *(excluding short periods)* before the taxable year during which the taxpayer first becomes eligible for the investment tax credit (that is, the year for which the credit is allowed).

A tax credit cannot reduce the franchise tax below the higher of the tax on minimum taxable income or the fixed dollar minimum. However, to avoid the unnecessary exchange of funds, this refund will be applied to the minimum tax due and the balance, if any, refunded.

If property on which an investment tax credit has been refunded is disposed of or ceases to be in qualified use before the end of its useful life, the difference between the credit taken and the credit allowed for actual use must be recaptured. Recapture is also required where there is a net increase in nonqualified nonrecourse financing. Refer to instructions for Form CT-46, Schedule F, Computation of Recapture of Investment Tax Credit.

Other Forms Required

- **CT-3,** *Corporation Franchise Tax Report (long form)*
- **CT-46,** *Claim for Investment Tax Credit*

Interest

Interest will not be paid on the refund of the unused investment tax credit.

Specific Instructions

Supply all information requested on lines 1 through 5.

Line 6 Enter total franchise tax (before any deductions of tax credits or prepayments) from Form CT-3, line 48.

Lines 7-14 Certain tax credits earned by the corporation must be applied against the tax before determining the amount of the refundable investment tax credit. If more than one tax credit is available to a corporation, the tax credits must be applied against the tax in the order provided by section 210 of the Tax Law.

The order of application as shown on the form must be followed.

Line 15 Subtract line 14 from line 13 to get the total tax credits. These credits cannot reduce tax to an amount less than the higher of the tax on minimum taxable income or the fixed dollar minimum. Therefore, do not enter on line 15 an amount greater than that required to reduce the tax to the minimum tax due.

If no tax credits are available, enter zero.

Also enter on Form CT-3, line 49, the amount entered on line 15. Attach to Form CT-3 the appropriate forms for tax credits claimed on lines 7 through 12 of this schedule.

Available nonrefundable investment tax credit and a research and development tax credit not applied against the current year franchise tax will be carried forward to future periods. All unused investment tax credits must be refunded *(if refundable)* or carried forward. You cannot divide this amount.

Line 16 Subtract line 15 from line 6. The amount on this line cannot be less than the higher of the tax on minimum taxable income or the fixed dollar minimum.

Line 17 Enter amount of investment tax credit claimed on Form CT-46, lines 1 through 3.

Line 18 Subtract line 16 from line 17. This is the refundable unused investment tax credit. Also enter this amount on Form CT-3, line 73 and Form CT-46, line 16.

Special Instructions for a Refund Combining an Overpayment and Unused Investment Tax Credit

CT-3 Complete Form CT-3, lines 1 through 72.

Enter the amount of the overpayment to be refunded on line 72. Enter investment tax credit refund on line 73.

CT-46.1 Enter zero on line 16 and complete lines 17 and 18.

Enter the refundable unused investment tax credit on Form CT-3.

Special Instructions for the Application of Unused Investment Tax Credit Against Minimum Tax Due When the Tax Credit is Less Than the Minimum Tax Due

CT-46.1 Complete lines 1 through 17.

Line 18 - Subtract line 17 from line 16 to determine the balance of the minimum tax due. Use parentheses ( ) to indicate that the amount is not to be refunded. Enter on CT-3, line 63.

CT-3 Complete CT-3.

Enter minimum tax due at line 63 and remit amount due. The minimum tax due is the higher of the tax on minimum taxable income or the fixed dollar minimum.