



Instructions for Form CT-613

Claim for Environmental Remediation Insurance Credit

CT-613-I

Important reminder to file a complete return: You must complete all required schedules and forms that make up your return, and include **all pages** of those forms and schedules when you file. Returns that are missing required pages or that have pages with missing entries are considered incomplete and cannot be processed, and may subject taxpayers to penalty and interest.

General information

For tax years beginning on or after April 1, 2005, an environmental remediation insurance credit is allowed to taxpayers for premiums paid for environmental remediation insurance with respect to a qualified brownfield site.

The environmental remediation insurance credit is available to taxpayers subject to tax under Tax Law Articles 9 (sections 183, 184, and 185), 9-A, 22, 32, and 33. For calendar-year taxpayers, the first year for which the credit may be claimed is 2006.

Eligibility — To qualify for the credit, you must execute a Brownfield Cleanup Agreement (BCA) under the Environmental Conservation Law (ECL) and have a *Certificate of Completion* (COC) issued by the Commissioner of Environmental Conservation. You must also have a certification form issued by your insurer, certifying that the insurance coverages qualify for the credit. For more information about the Brownfield Cleanup Program (BCP), visit the Department of Environmental Conservation (DEC) Web site at www.dec.state.ny.us.

The amount of the credit is the lesser of:

- 50% of the eligible premiums paid by the taxpayer on or after the date of execution of the BCA executed by the taxpayer and DEC, or
- \$30,000.

The credit is allowed for the tax year in which the COC is issued. Complete a separate Form CT-613 for each COC for which credit is being claimed.

Note: If the COC is issued in a tax year that began prior to April 1, 2005, the issue date of the COC is treated as if that date occurred in the taxpayer's first tax year beginning on or after April 1, 2005.

The credit is allowed only once with the particular COC, and the credit is not allowed for a qualified site for which a COC is issued after March 31, 2015.

If the COC is revoked, the amount of the credit previously allowed must be recaptured in the tax year in which the determination is final. Complete a separate Form CT-613 for each COC for which recapture is required.

The amount of credit allowed cannot reduce the tax due to less than the minimum tax due under Article 9 (sections 183 and 185), 32, or 33 or the greater of the tax on the minimum taxable income base or the fixed dollar minimum under Article 9-A.

Under Article 9, the credit must first be deducted from the tax imposed by section 183. Any credit remaining may then be deducted from the tax imposed by section 184.

The credit is **not** allowed against the metropolitan transportation business tax (MTA surcharge) under Article 9, 9-A, 32, or 33.

Any unused amount of credit in the current tax year will be treated as a refund or an overpayment of tax to be credited to next year's tax. Interest will not be paid on the refund or overpayment.

Note: If you deducted insurance premiums paid for environmental remediation insurance to compute federal taxable income, you must add back the amount of credit taken on your franchise tax return when computing entire net income.

Definitions

A *qualified site* means a site for which the taxpayer has been issued a COC by the Commissioner of Environmental Conservation.

A *Certificate of Completion* (COC) is a certificate issued by the Commissioner of Environmental Conservation.

Eligible premiums are insurance premiums paid for environmental remediation insurance.

Environmental remediation insurance, as described in Insurance Law section 3447, must be written pursuant to the provisions of section 1113(a)(13) (personal injury liability insurance) or section 1113(a)(14) (property damage liability insurance). It must also contain any of the following (or substantially similar or combined) coverages:

- coverage for the costs of on-site cleanup of pre-existing pollution conditions from the insured property that are outside the scope of the remedial work plan pursuant to ECL section 27-1411 for the insured property
- coverage for third-party claims for on-site bodily injury and property damage resulting from pre-existing pollution conditions outside the scope of the remedial work plan for the insured property
- coverage that caps cleanup costs relating to the remedial work plan
- coverage for the costs of state reopeners pursuant to ECL section 27-1421 or modifications to the remedial work plan to fill any gap in any liability limitation provided pursuant to ECL section 27-1421 for environmental conditions

Line instructions

New York S corporations: Complete only lines 1 through 6.

New York C corporations: Complete lines 1 through 16, as applicable.

Line 4 — If you are a corporate partner receiving an environmental remediation insurance credit from a partnership, include on line 4 your pro-rata share of the credit passed through to you from the partnership(s). Enter in the *Partnership information* area on page 2 of Form CT-613 the name, identifying number, and credit amount for each partnership that passed the credit through to you.

Lines 5 and 6 — New York S corporations: Transfer the amount on line 5 and the amount on line 6 to the applicable lines of Form CT-34-SH, *New York S Corporation Shareholders' Information Schedule*.

Line 6 — If your COC is revoked by a determination issued under ECL section 27-1419, and the determination is final and no longer subject to judicial review, you must recapture all environmental remediation insurance credit previously allowed. Enter the amount of credit previously allowed. Include any amount of recapture from a flow-through entity.

Line 7 — New York C corporations: If the amount on line 5 is greater than the amount on line 6, subtract line 6 from line 5. This is your credit available for use.

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. Enter the result as a negative number with a minus sign (-), and transfer the negative number to the appropriate box in the tax credits section of your franchise tax return.

If line 7 is a net recapture, do not complete the rest of this form.

Lines 8 and 11 entries table

| If you filed | Enter on line 8 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-185 | Line 6 | 10 |
| Form CT-3 | Line 78 | Line 81 amount |
| Form CT-3-A | Line 77 | Line 80 amount |
| Form CT-32 | Line 5 | 250 |
| Form CT-32-A | Line 5 | 250 |
| Form CT-33 | Line 11 | 250 |
| Form CT-33-A | Line 15 | The result of adding line 4 and line 12 |
| Form CT-33-NL | Line 5 | 250 |

Line 8 — Enter your tax before credits using the *Lines 8 and 11 entries table* above.

Line 9 — If you are claiming more than one tax credit for this tax year, enter the amount of credits claimed before applying this credit. Include any amount of environmental remediation insurance credit being claimed on another Form CT-613 that you wish to apply before the credit being claimed on this form. If you are not claiming other credits, enter **0**.

Note: You must apply certain credits before the environmental remediation insurance credit. See the instructions for 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, Ordering of Corporation Tax Credits*, for the order of credits.

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 environmental remediation insurance credit, that you wish to apply before your environmental remediation insurance credit.

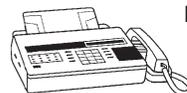
Life insurance corporations: Do not enter on this line any amount of empire zone (EZ) wage tax credit, zone equivalent area (ZEA) wage tax credit, or EZ capital tax credit you may be claiming. If you are included in a combined return, do not include any amount of these credits being claimed by other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

Line 11 — Enter your minimum tax using the *Lines 8 and 11 entries table* above.

Need help?



Internet access: www.nystax.gov
(for information, forms, and publications)



Fax-on-demand forms: Forms are available 24 hours a day, 7 days a week. 1 800 748-3676



Telephone assistance is available from 8:00 A.M. to 5:00 P.M. (eastern time), Monday through Friday.
To order forms and publications: 1 800 462-8100
Corporation Tax Information Center: 1 888 698-2908
From areas outside the U.S. and outside Canada: (518) 485-6800



Hotline for the hearing and speech impaired: If you have access to a telecommunications device for the deaf (TDD), contact us at 1 800 634-2110. If you do not own a TDD, check with independent living centers or community action programs to find out where machines are available for public use.



Persons with disabilities: In compliance with the Americans with Disabilities Act, we will ensure that our lobbies, offices, meeting rooms, and other facilities are accessible to persons with disabilities. If you have questions about special accommodations for persons with disabilities, please call 1 800 972-1233.