



Instructions for Form IT-501

Temporary Deferral Nonrefundable 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 IT-501

For tax years beginning on or after January 1, 2013, use Form IT-501 to claim the temporary deferral nonrefundable payout credit.

Using your accumulated deferred credits

The accumulated amounts of **nonrefundable** 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 nonrefundable payout credit*. Any amount of this credit that is not deductible for the tax year beginning on or after January 1, 2013, and before January 1, 2014, may be carried over to the following year(s) to be deducted from your tax until the accumulated credit amount is exhausted.

Line instructions

See the instructions for your tax return for the *Privacy notification* or if you need help contacting the Tax Department.

Schedule A – Nonrefundable credits deferred

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

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

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

Schedule B – Computation of credit used and carried over

Line 4 – Form IT-201 filers: Enter the tax from Form IT-201, line 39, plus any amount from Form IT-201-ATT, line 21.

Form IT-203 filers: Enter the tax from Form IT-203, line 46, plus any amount from Form IT-203-ATT, line 20.

Form IT-205 filers: Enter the tax from Form IT-205, line 8 (for residents), or line 9 (for nonresidents), plus any credits shown on line 1 of the *Addbacks worksheet* in the instructions for Form IT-205, line 12.

Line 5 – If you are applying any credits against the tax before this credit, enter those amounts here.

When applying credits, use the following rules:

- First apply any household credit.
- Next apply any credits that cannot be carried over or refunded.
- Then apply any credits that can be carried over for a limited duration.

- Then apply any credits that can be carried over for an unlimited duration.
- Apply refundable credits last.

Line 7 – Enter this amount and code **501** on Form IT-201-ATT, line 6, or Form IT-203-ATT, line 7, or include it on Form IT-205, line 10.

Line 8 – You will need this amount to complete your 2014 Form IT-501.