



Analysis of Article 9-A General Business Corporation Franchise Tax Credits for 2006

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Introduction

This report provides an accounting of credit activity under the General Business Corporation Franchise Tax (Article 9-A), as mandated by Section 109 (a) of the Business Tax Reform and Rate Reduction Act of 1987. The data used to generate this report come from an annual study conducted by the Office of Tax Policy Analysis (OTPA). The study is based on the latest available data drawn from New York State corporation tax returns. These data pertain to corporations whose taxable year began during the 2006 calendar year (hereinafter referred to as the 2006 tax liability year).

The appendices contain comprehensive information on corporate tax credits available in New York State. Appendices A and B provide descriptions of credits available during the 2006 liability year and subsequent periods, respectively. Appendix C lists the form numbers for each credit and the ordering rules applicable when claiming multiple credits. Appendix D recounts legislative actions since 1996 that impacted Article 9-A credits. Finally, Appendix E contains the legislative mandate for this report.

There are two notable limitations to this report. First, it only contains data for corporate franchise taxpayers filing under Article 9-A. It does not include statistics for taxpayers filing as banks under Article 32, insurance companies under Article 33, or taxpayers filing under any of the various sections of Article 9. Nor does it provide data for taxpayers claiming credits under Article 22, the Personal Income Tax. These taxpayers claim credit by virtue of being sole proprietors or as recipients of credit that originated with flow-through entities (i.e. S corporations, limited liability companies, or partnerships).

In addition, as noted above, the data is from the 2006 tax year. Due to the use of fiscal (as opposed to calendar) year periods and statutorily-permitted filing extensions, the Tax Department does not have complete data for a tax year until several years later. Accordingly, the data in this report may not accurately portray the magnitude of the fiscal impact of these credits in the current fiscal year. In particular, rapid increases in credit utilization that occur in years after the report year will not be reflected in the data. The

Department, in conjunction with the Division of the Budget, publishes another report, the annual *Tax Expenditure Report*, which provides estimates of the costs of every tax credit under all tax articles for the current tax year.

Highlights for 2006

- Credit utilization increased significantly between 2005 and 2006.
- Credits earned grew by \$265 million and credits used and refunded increased by over \$300 million.
- The total fiscal impact of credits in 2006 was over \$600 million. This was twice the 2005 fiscal impact.
- The amount of credits used and refunded was equal to 27 percent of the Article 9-A tax base. In 2005, the amount was 13 percent.
- In spite of the rise in credits, only 2 percent of Article 9-A taxpayers claimed at least one business incentive tax credit.
- Once again, the Empire Zone credits accounted for the greatest fiscal impact at nearly \$235 million in credits used and refunded.
- However, the EZ credits' share of the total fiscal impact declined from 53.0 percent in 2005 to 38.7 percent in 2006.
- In 2006, the brownfields tax credits displaced the investment tax credit for the second-highest fiscal impact.
- They totaled \$182.1 million in credits used and refunded, or 30.0 percent of the total.
- The ITC comprised 21.5 percent of the total fiscal impact in 2006 at \$130.6 million.
- The Empire State film credit is the only other credit accounting for greater than 5 percent of the total fiscal impact.
- The film credit equaled \$39.8 million, or 6.6 percent of credits used and refunded.
- The other 20 credits combined accounted for 3.2 percent of the total fiscal impact of Article 9-A tax credits.

Analysis of Statistical Data

Description of Tables

The following tables present information for Article 9-A corporate tax credits.

The tables contain data on the number of taxpayers taking the credit, the total amount of credit, the mean amount of credit, and the median amount of credit¹ for the following components:

Credit Earned	The amount of credit generated in the current tax year.
Credit Claimed	The amount of credit that taxpayers have available during the taxable year. Taxpayers determine the amount of credit claimed by adding the amount of credit earned in the current year to the amount of unused credit from the prior year and subtracting any applicable credit recapture.
Credit Used	The amount of credit that taxpayers actually apply to their tax liability. ²
Credit Refunded	Unused credit amounts requested as a refund or applied against the next period's liability. These are requested amounts from the tax return, not necessarily amounts actually paid. Refund requests are subject to audit and adjustment by the Tax Department and the Office of the State Comptroller.
Credit Carried Forward	Any unused amount of credit that is allowed to offset tax liability in future years. The amount of credit carried forward is determined by subtracting the amount of credit used and/or refunded in the current year from the amount of credit claimed. ³

A series of tables presents profiles of the credits distributed by different subgroupings. These include: basis of taxation after credits; major industry group; size of entire net income; and size of credit used. Secrecy provisions preclude providing all subgroupings for all credits. Similarly, not all credit component distributions are provided. Secrecy considerations generally require the omission of credit refund tables.

The basis of taxation tables reflect credits used by taxpayers whose tax is based on either the entire net income (ENI) base, the capital base, the alternative minimum tax (AMT) base, or the fixed dollar minimum tax. The ENI and capital bases represent taxpayers who began under these bases, used credits, and remained under these bases (despite the use of credits). The fixed dollar minimum and AMT bases represent two different classes of taxpayers. The bases could include taxpayers who started under one of the other bases such as ENI, but because of credits, ended up paying either the fixed dollar minimum tax or the AMT. These bases could also include taxpayers who used credits strictly to offset their subsidiary capital tax.

The major industry group category is based on the North American Industry Classification System (NAICS). Taxpayers report their principal business activity using NAICS codes from their federal tax returns. These codes identify the general type of business activity in which the entity is engaged. Taxpayers who fail to provide NAICS information, or who may report outdated codes, become unidentifiable by industry group and are classified as such in this report.

Data Considerations

The data contained in these tables come directly from the returns of corporations claiming the credits.⁴ For credits where a limited number of claims triggers disclosure provisions, only credit component totals are displayed. In some cases, even this level of aggregation is not sufficient. Therefore, for certain credits no profiles are available.

The Tax Law limits some credits to a percentage of tax due or allows only a percentage of the credit to be used. The Empire Zone/Zone Equivalent Area (EZ/ZEA) wage tax credit and the EZ capital tax credit, respectively, in the aggregate cannot exceed 50 percent of corporation franchise tax before any credits.

Taxpayers permitted to take the investment tax credit (ITC), the employment incentive credit (EIC), the rehabilitation credit for historic barns, the retail enterprises tax credit, and the credit on research and development property report amounts earned during the tax year on separate lines on tax form CT-46-*Claim for Investment Tax Credit*. However, when computing the credit claimed, used, and carried forward, taxpayers report combined amounts. For consistency, this study presents the combined amount of credit earned. Similarly, all data for the EZ-ITC and the EZ-EIC are presented as combined amounts.

Several credits allow a refund of excess credit to new businesses only. The ITC, the ITC for the financial services industry, and the QETC employment credit allow a full refund to new businesses.⁵ The EZ wage tax credit, the EZ-ITC, and the EZ-ITC for the financial services industry allow 50 percent of excess credit to be refunded by new businesses. The Empire State film production credit allows 50 percent of excess credit to be refunded in the first year with the remainder refundable in the second year.⁶

The alternative fuels credit allows excess credit to be transferred to affiliates of the taxpayer.

The QEZE tax reduction credit, the mortgage servicing tax credit, and the credit for purchase of an automated external defibrillator do not allow any carryforward of excess credit.

(For more detail on these credits, see Appendix A.)

Summary of Credit Activity

Tables in this report summarize tax credit activity by credit and component. The totals in the summary tables may not match the detail tables due to rounding and disclosure requirements.

In all tables, '--' indicates that the component does not apply to the credit or that the data for that component are not available. A '0' means that the credit was available but not utilized by any taxpayers, or that the amount was less than \$100,000. The letter 'd' indicates that the data cannot be presented due to the confidentiality restrictions of the Tax Law. Total values for number of taxpayers, amount of credit, and mean and median credit were computed using all taxpayers in the study file. The available data for all tables do not reflect changes made on audit or amended filings.

Overview of Credits Available During the 2006 Tax Liability Year

This section provides an overview of the credits available to taxpayers during the period covered by this report. The credits are discussed in detail in Appendix A.

Investment Tax Credit (ITC)

The ITC is available for property that is used primarily for the production of goods or for pollution control, waste treatment, or acid rain control facilities. The rate for the ITC equals 5 percent of the first \$350 million in investment, and 4 percent for investment over that amount.

Employment Incentive Credit (EIC)

Taxpayers allowed an ITC may be eligible for a two-year credit determined by the original ITC base. The EIC rate equals:

- 1.5 percent of the ITC base if employment is at least 101 percent, but less than 102 percent of base year employment;
- 2 percent if employment is at least 102 percent, but less than 103 percent of base year employment;
- 2.5 percent if employment is at least 103 percent of base year employment.

Rehabilitation Credit for Historic Barns

Taxpayers may claim a corporate franchise tax credit for the rehabilitation of historic barns in New York State. The credit equals 25 percent of qualified rehabilitation expenditures. A taxpayer may not claim both the regular ITC and the ITC for rehabilitation of historic barns on the same property.

Rehabilitation Credit for Retail Enterprises

Retail enterprises that qualify for a federal credit under IRC 47(c) (2) may claim a credit for rehabilitation expenditures. The credit rates are the same as the regular ITC and apply to property employed in retail sales.

Credit on Research and Development Property Under the ITC

Research and development (R&D) property qualifies for the ITC at a higher rate. Taxpayers may either choose the R&D rate of 9 percent or the lower ITC rate. By electing the lower rate, taxpayers also become eligible for the EIC in subsequent years based on increased employment.

(Because of the consolidation of the above five credits on the credit form, separate data for each does not appear in this report.)

ITC for the Financial Services Industry

Taxpayers that are brokers or dealers in securities can receive the ITC for equipment or buildings used in broker/dealer activity and in activities connected with broker/dealer operations such as the provision of investment advisory services for a regulated investment company and lending activities associated with the purchase and sale of securities. The credit allowances are the same as the traditional ITC.

Special Additional Mortgage Recording Tax Credit	A corporation may claim a credit equal to the special additional recording tax paid on mortgages recorded on property located within certain areas of New York State.
Empire Zone (EZ) Credits/Zone Equivalent Area Wage Tax Credit	EZ credits include an ITC, a financial services ITC, a wage credit (for targeted and non-targeted employees), and a capital tax credit. A corresponding wage tax credit is available for employment in areas designated as Zone Equivalent Areas (ZEAs) ⁷ .
Qualified Empire Zone Enterprise (QEZE) Credits	Qualified Empire Zone Enterprises can receive a credit based on property taxes paid and a tax reduction credit. In order to qualify for the QEZE credits, a taxpayer must first satisfy an annual employment test.
Alternative Minimum Tax (AMT) Credit	In certain instances, taxpayers could be subject to double taxation on the same transaction under the regular tax system and the AMT. To eliminate this double-tax result, the law provides a credit mechanism. The AMT credit equals the taxpayer's adjusted minimum tax, minus any amount used as an AMT credit in prior years.
Farmers' School Tax Credit	Eligible farmers may claim a tax credit equal to 100 percent of the school property taxes paid on up to 250 acres ⁸ of qualified agricultural property and 50 percent of taxes paid on excess acreage.
Credit for Employment of Persons with Disabilities	Employers hiring individuals with disabilities may claim a credit of 35 percent of the first \$6,000 in wages, up to \$2,100 per employee.
Alternative Fuels Credit ⁹	A tax credit is allowed for electric vehicles, clean fuel vehicles, hybrid vehicles, and clean fuel refueling property. The credit also applies to electric vehicles and clean fuel vehicle property sold or leased to governmental agencies if the vehicle is manufactured in New York State.
Qualified Emerging Technology Company (QETC) Tax Credits	Credits are available to taxpayers that qualify as QETCs or to investors in such businesses. The employment credit equals \$1,000 for each employee hired by a QETC over a base year level. The capital tax credit is for companies investing in QETCs, and the amount of the credit varies depending upon how long the investment is held. The facilities, operations, and training credit consists of three components covering various costs, expenses, and fees associated with emerging technology activities.
Industrial or Manufacturing Business (IMB) Tax Credit	Industrial or manufacturing businesses, defined as businesses that also qualify for the ITC, are allowed a credit equal to the taxes paid under Article 9 of the Tax Law by their suppliers for gas, electricity, steam, water, or refrigeration, or the services of providing such, which are used or consumed in New York State.

Credit for Purchase of an Automated External Defibrillator	Taxpayers may claim a credit for the purchase of an automated external defibrillator. The amount of the credit is equal to the cost of the defibrillator but is capped at \$500 per unit.
Green Building Credit	The green building credit provides incentives for the construction, rehabilitation, and maintenance of buildings with high environmental standards and energy efficiency. The credit rewards the use of environmentally preferable building materials and renewable and clean energy technologies. The Department of Environmental Conservation (DEC) determines eligibility for the credit and the maximum credit amount allowable to the taxpayer.
Low-Income Housing Credit	The New York State low-income housing tax credit program coordinates with the federal low-income housing credit program. The state credit is administered by the New York State Division of Housing and Community Renewal (DHCR) and is allocated to low income buildings for which an eligibility statement has been issued by the Commissioner of DHCR.
Long-Term Care Insurance Credit	A credit is available for corporations that pay premiums for qualifying long-term care insurance policies. The credit is equal to 10 percent ¹⁰ of the premiums paid during the tax year for the purchase of, or continuing coverage under, a long-term care insurance policy that qualifies for the credit pursuant to section 1117 of the Insurance Law.
Empire State Film Production Credit	Taxpayers meeting certain threshold levels of film and television production activity in New York State can apply for a tax credit equal to ten percent of qualified costs. The credit can be applied against the alternative minimum tax and is 50 percent refundable. Any amounts carried forward are fully refundable the following year ⁶ . The credit is administered by the Governor's Office for Motion Picture and Television Development.
Fuel Cell Electric Generating Equipment Credit	Taxpayers can claim a credit equal to the lesser of the cost of fuel cell electric generating equipment expenditures or \$1,500 per unit. ¹¹
Brownfields Tax Credits	Three credits are available pertaining to remediated brownfields. The redevelopment credit rewards site preparation, groundwater cleanup, and on-site tangible property investment. A real property tax credit is available to developers who increase employment on the site. Finally, a credit is available to cover up to \$30,000 of the cost of environmental remediation insurance. These credits are administered jointly with DEC.
Security Officer Training Credit	Owners of certain buildings employing security personnel certified by the New York State Office of Homeland Security can receive a credit equal to \$3,000 per security officer.

Credit for Taxicabs & Livery Service Vehicles Accessible to Persons with Disabilities	Taxpayers providing taxicab or livery services may claim a credit equal to incremental cost associate with making a vehicle handicapped accessible. The credit is limited to \$10,000 per vehicle.
Clean Heating Fuel Credit ¹²	Taxpayers may claim a credit for bioheat used for space heating or hot water production for residential purposes. The credit equals 1 cent per percent of biodiesel per gallon of bioheat, capped at 20 cents per gallon.
Conservation Easement Tax Credit	Taxpayers may claim a credit equal to 25 percent of property taxes paid on land held under a conservation easement. The credit is capped at \$5,000.
Biofuel Production Credit	Taxpayers can claim a credit of 15 cents per gallon of biofuel produced. The credit is capped at \$2.5 million per taxpayer per year for up to four consecutive years per biofuel plant.

Endnotes

1. As used in this report, “mean amount of credit” is defined as the average amount of credit in a given category. “Median amount of credit” is defined as the central value representing an equal number of credit values above and below it.
2. Taxpayers may use credits to reduce their tax liabilities computed under the entire net income base, capital base, or subsidiary capital base. Generally, credits may not be used to reduce tax liability below the amount computed under the alternative minimum tax base or the fixed dollar minimum base, whichever is higher. However, the law does allow some credits to be applied against those bases. Where applicable, this is noted in the description of the particular credit.
3. The computation for credit carried forward does not apply to some credits. The QETC employment credit, QETC facilities, operations, and training credit, IMB credit, the QEZE credit for real property taxes, the security officer training credit, and the brownfields tax credits do not allow a credit carryforward since they are fully refundable. The QEZE tax reduction credit, the mortgage servicing tax credit, and the credit for purchase of an automated external defibrillator do not allow any carryforward. The alternative fuels credit allows for a transfer of excess credits to affiliates of the taxpayer in addition to a credit carryforward.

Amounts carried forward from one year may not match amounts reported as carried in for the following year for several reasons. Audit adjustments in one year will change the utilization of credit in future years. Changes in the filing composition of a taxpayer due to mergers, acquisitions, or divestitures may impact the amount of credit reported. Some taxpayers may go out of business altogether. Finally, on the study file, credit carry forwards are not perpetuated in the absence of a credit form. If a taxpayer fails to file a credit form, the amount of credit carried forward is eliminated from the file.

4. Historical data presented in this report may differ from that presented in previous reports. This can occur as a result of changes made to the data collection process and minor adjustments made to the original data files. In certain limited instances, errors made on either prior or current year credit claim forms may also result in discrepancies.
5. Legislation enacted as part of the 2005-2006 State budget allowed the QETC employment credit to be refundable to all businesses starting in 2005.
6. Legislation enacted as part of the 2008-2009 State budget amended the refund provisions to allow a full refund of the credit in the year it is claimed instead of a 50 percent refund across two years. The change was effective for taxable years beginning on or after January 1, 2008.
7. ZEAs expired effective June 13, 2004. Only carryforwards of unused credits are allowed.
8. Chapter 62 of the Laws of 2006 increased the base acreage from 250 to 350 acres, effective for taxable years beginning on or after January 1, 2006.

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9. The credit for vehicles expired after 2004. Starting in 2005, the credit is available for alternative fuel vehicle refueling property only.
 10. Legislation enacted as part of the 2004-2005 State budget increased the credit percentage to 20 percent of premiums paid for tax years beginning on or after January 1, 2004.
 11. The 2009-10 State budget repealed this credit. Taxpayers can no longer earn credit for tax years beginning on or after January 1, 2009, but can use credit carried forward until it is exhausted.
 11. Prior to January 1, 2008, the credit was only allowed for bioheat purchases made on or after July 1, 2006 and before July 1, 2007.

Table 1: Comparison of Article 9-A Tax Credit Activity - 2005 and 2006

	2005 (\$ in millions)							
	Total Credit Earned	Unused Credit from the Prior Year	Total Credit Available	Recaptured Credit	Credit Claimed	Credit Used	Refundable Credit ¹	Credit Carried Forward
	Investment Tax Credit	\$203.2	\$1,311.8	\$1,509.1	\$12.5	\$1,496.6	\$97.5	\$2.9
Investment Tax Credit for the Financial Services Industry	32.1	225.6	257.7	0.7	257.0	13.2	0.0	243.8
Special Additional Mortgage Recording Tax Credit	7.6	3.1	10.8	0.0	10.8	2.8	2.6	5.3
Empire Zone Credits	265.8	759.6	1,019.7	12.7	1,005.8	78.6	82.1	843.9
Alternative Minimum Tax Credit	2.9	12.1	14.4	0.0	14.4	0.4	0.0	14.0
Mortgage Servicing Tax Credit	d/	d/	d/	d/	d/	d/	d/	d/
Farmers' School Tax Credit	1.0	0.1	1.1	0.0	1.1	0.0	0.9	0.1
Credit for Employment of Persons with Disabilities	0.1	0.1	0.2	0.0	0.2	0.1	0.0	0.1
Alternative Fuels Credit ²	d/	d/	1.6	0.0	1.6	d/	0.0	d/
OETC Employment Credit	0.2	1.0	1.2	0.0	1.2	0.0	1.2	0.0
OETC Capital Tax Credit	d/	d/	d/	d/	d/	d/	d/	d/
OETC Facilities, Operations, and Training Credit	5.1	0.0	5.1	0.0	5.1	0.2	4.9	0.0
IMB Credit	0.5	0.0	0.5	0.0	0.5	0.1	0.4	0.0
Credit for Purchase of an Automated External Defibrillator	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Green Building Credit ³	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Low-Income Housing Credit ⁴	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Long-Term Care Insurance Credit	0.2	0.1	0.2	0.0	0.2	0.1	0.0	0.1
Empire State Film Production Credit	25.1	d/	26.1	0.0	26.1	1.4	12.9	11.9
Fuel Cell Electric Generating Equipment Credit	d/	d/	d/	d/	d/	d/	d/	d/
Brownfield Tax Credits ³	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Security Officer Training Tax Credit ³	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total⁵	\$544.9	\$2,315.2	\$2,847.8	\$25.9	\$2,820.8	\$195.4	\$107.8	\$2,516.4

	2006 (\$ in millions)							
	Total Credit Earned	Unused Credit from the Prior Year	Total Credit Available	Recaptured Credit	Credit Claimed	Credit Used	Refundable Credit ¹	Credit Carried Forward
	Investment Tax Credit	\$178.6	\$1,234.9	\$1,397.5	\$13.1	\$1,384.4	\$94.0	\$19.5
Investment Tax Credit for the Financial Services Industry	33.0	176.3	209.3	0.1	209.2	16.8	d/	192.1
Special Additional Mortgage Recording Tax Credit	8.4	4.6	13.0	0.0	13.0	3.7	3.2	6.0
Empire Zone Credits	344.5	896.7	1,277.1	23.2	1,201.1	125.0	109.8	964.2
Alternative Minimum Tax Credit	5.1	10.3	15.4	0.0	15.4	0.6	0.0	14.7
Mortgage Servicing Tax Credit	d/	d/	d/	d/	d/	d/	d/	d/
Farmers' School Tax Credit	1.2	0.1	1.2	0.0	1.2	0.0	1.0	0.1
Credit for Employment of Persons with Disabilities	0.1	0.0	0.1	0.0	0.1	0.1	0.0	0.1
Alternative Fuels Credit ²	2.4	0.7	3.0	0.0	3.0	0.8	0.0	2.2
OETC Employment Credit	0.3	0.0	0.3	0.0	0.3	d/	0.3	0.0
OETC Capital Tax Credit	0.1	d/	d/	d/	d/	d/	d/	d/
OETC Facilities, Operations, and Training Credit	7.0	0.0	7.0	0.0	7.0	0.1	6.9	0.0
IMB Credit	0.3	0.0	0.3	0.0	0.3	0.1	0.2	0.0
Credit for Purchase of an Automated External Defibrillator	0.3	0.0	0.3	0.0	0.3	0.0	0.0	0.0
Green Building Credit	d/	d/	d/	d/	d/	d/	d/	d/
Low-Income Housing Credit ⁴	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Long-Term Care Insurance Credit	0.2	0.2	0.4	0.0	0.4	0.1	0.0	0.3
Empire State Film Production Credit	44.3	11.1	55.3	0.0	55.3	15.0	24.8	15.5
Fuel Cell Electric Generating Equipment Credit	d/	d/	d/	d/	d/	d/	d/	d/
Brownfield Tax Credits	182.3	0.0	182.1	0.0	182.1	2.1	180.0	0.0
Security Officer Training Tax Credit	0.3	0.0	0.3	0.0	0.3	0.2	d/	0.0
Credit for Taxicabs & Livery Service Vehicles Accessible to Persons with Disabilities	d/	d/	d/	d/	d/	d/	d/	d/
Clean Heating Fuel Credit	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Conservation Easement Tax Credit	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Biofuel Production Credit ⁶	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total⁵	\$809.4	\$2,335.0	\$3,164.3	\$36.4	\$3,074.9	\$260.2	\$346.1	\$2,466.5

¹ Credit refunded includes amounts eligible for refund, but instead claimed as an overpayment applied against next year's tax liability at the discretion of the taxpayer.

² The provisions of this credit allow for the transfer of excess credit to affiliates of the taxpayer. However, in 2005 and 2006, no corporations transferred credit to affiliates.

³ No credit was claimed in 2005.

⁴ No credit was claimed in 2005 or 2006.

⁵ Total row reflects the vertical summation of the individual credit components. Horizontal calculations within the column are not valid. Totals may not add due to rounding.

⁶ No credit was claimed in 2006.

d/ Tax Law provisions prohibit disclosure of data.

Table 2: Profile of Total New York State Tax Credits – Credits Earned by Type - 2005 and 2006

Credit	2005		2006	
	Number of Taxpayers	Amount of Credit Earned	Number of Taxpayers	Amount of Credit Earned
Investment Tax Credit	1,459	\$203,211,871	1,406	\$178,554,785
Investment Tax Credit for the Financial Services Industry	35	32,117,730	35	32,991,745
Special Additional Mortgage Recording Credit	95	7,638,993	95	8,418,657
EZ Wage Tax Credit	540	36,138,978	497	41,595,885
EZ Capital Tax Credit	42	221,057	40	216,501
EZ Investment Tax Credit	404	110,247,136	405	133,844,771
EZ Investment Tax Credit for the Financial Services Industry	4	30,442	d/	d/
ZEA Wage Credit	na	na	na	na
OEZE Credit for Real Property Taxes	362	89,536,104	428	123,692,784
OEZE Tax Reduction Credit	314	29,671,858	332	45,065,637
Alternative Minimum Tax Credit	2,128	2,903,519	1,934	5,075,089
Mortgage Servicing Tax Credit	d/	d/	d/	d/
Farmers' School Tax Credit	129	1,008,720	142	1,167,669
Credit for Employment of Persons with Disabilities	25	82,283	23	94,878
Alternative Fuels Credit	d/	d/	4	2,354,771
OETC Employment Credit	20	237,670	21	275,730
OETC Capital Tax Credit	d/	d/	4	60,471
OETC Facilities, Operations, and Training Credit	47	5,111,080	69	7,002,885
IMB Credit	80	483,462	57	278,858
Credit for Purchase of an Automated External Defibrillator	21	21,943	21	269,000
Green Building Credit	0	0	d/	d/
Low-Income Housing Credit	0	0	0	0
Long-Term Care Insurance Credit	59	155,257	68	190,736
Empire State Film Production Credit	9	25,096,531	16	44,257,196
Fuel Cell Electric Generating Equipment Credit	d/	d/	d/	d/
Brownfield Tax Credits	0	0	12	182,298,430
Security Officer Training Tax Credit	0	0	3	308,640
Credit for Taxicabs & Livery Service Vehicles Accessible to Persons with Disabilities	na	na	d/	d/
Clean Heating Fuel Credit	na	na	6	9,153
Conservation Easement Tax Credit	na	na	4	13,186
Biofuel Production Credit	na	na	0	0

d/ Tax Law provisions prohibit disclosure of data.

Table 3: Profile of Total New York State Tax Credits – Credits Claimed by Type - 2005 and 2006

Credit	2005		2006	
	Number of Taxpayers	Amount of Credit Claimed	Number of Taxpayers	Amount of Credit Claimed
Investment Tax Credit	2,391	\$1,496,637,937	2,290	\$1,384,400,855
Investment Tax Credit for the Financial Services Industry	48	256,989,853	40	209,180,299
Special Additional Mortgage Recording Credit	133	10,750,038	133	12,993,855
EZ Wage Tax Credit	773	120,383,427	781	143,684,793
EZ Capital Tax Credit	65	696,253	53	627,939
EZ Investment Tax Credit	509	715,696,684	502	869,723,851
EZ Investment Tax Credit for the Financial Services Industry	10	496,650	d/	d/
ZEA Wage Credit	73	56,330,309	47	32,466,710
QEZE Credit for Real Property Taxes	352	82,545,591	427	106,707,048
QEZE Tax Reduction Credit	314	29,671,858	332	45,065,637
Alternative Minimum Tax Credit	2,967	14,400,690	4,239	15,360,736
Mortgage Servicing Tax Credit	d/	d/	d/	d/
Farmers' School Tax Credit	131	1,072,903	144	1,218,799
Credit for Employment of Persons with Disabilities	41	176,945	40	143,635
Alternative Fuels Credit	3	1,550,965	5	3,021,216
QETC Employment Credit	29	1,190,278	21	275,730
QETC Capital Tax Credit	d/	d/	d/	d/
QETC Facilities, Operations, and Training Credit	47	5,111,080	69	7,002,885
IMB Credit	80	483,462	57	278,858
Credit for Purchase of an Automated External Defibrillator	21	21,943	21	269,000
Green Building Credit	0	0	d/	d/
Low-Income Housing Credit	0	0	0	0
Long-Term Care Insurance Credit	62	238,697	71	356,457
Empire State Film Production Credit	9	26,080,258	20	55,327,308
Fuel Cell Electric Generating Equipment Credit	d/	d/	d/	d/
Brownfield Tax Credits	0	0	12	182,119,256
Security Officer Training Tax Credit	0	0	3	308,640
Credit for Taxicabs & Livery Service Vehicles Accessible to Persons with Disabilities	na	na	d/	d/
Clean Heating Fuel Credit	na	na	6	9,153
Conservation Easement Tax Credit	na	na	4	13,186
Biofuel Production Credit	na	na	0	0

d/ Tax Law provisions prohibit disclosure of data.

Table 4: Profile of Total New York State Tax Credits – Credits Used by Type - 2005 and 2006

Credit	2005		2006	
	Number of Taxpayers	Amount of Credit Used	Number of Taxpayers	Amount of Credit Used
Investment Tax Credit	1,680	\$97,549,078	1,687	\$93,993,542
Investment Tax Credit for the Financial Services Industry	42	13,235,877	34	16,806,294
Special Additional Mortgage Recording Credit	105	2,811,318	100	3,716,566
EZ Wage Tax Credit	492	17,964,603	473	19,147,310
EZ Capital Tax Credit	33	117,287	29	151,948
EZ Investment Tax Credit	258	18,217,721	268	45,705,786
EZ Investment Tax Credit for the Financial Services Industry	7	11,357	d/	d/
ZEA Wage Credit	44	4,493,651	33	3,137,506
QEZE Credit for Real Property Taxes	103	9,390,062	129	13,113,639
QEZE Tax Reduction Credit	304	28,448,262	321	42,954,732
Alternative Minimum Tax Credit	102	389,562	536	632,380
Mortgage Servicing Tax Credit	d/	d/	d/	d/
Farmers' School Tax Credit	26	34,780	33	40,857
Credit for Employment of Persons with Disabilities	27	65,947	26	79,621
Alternative Fuels Credit	d/	d/	3	846,303
OETC Employment Credit	9	28,180	d/	d/
OETC Capital Tax Credit	d/	d/	d/	d/
OETC Facilities, Operations, and Training Credit	20	230,097	36	122,190
IMB Credit	27	75,782	20	116,133
Credit for Purchase of an Automated External Defibrillator	14	18,055	18	25,565
Green Building Credit	0	0	d/	d/
Low-Income Housing Credit	0	0	0	0
Long-Term Care Insurance Credit	47	96,136	53	97,732
Empire State Film Production Credit	3	1,355,976	6	15,011,792
Fuel Cell Electric Generating Equipment Credit	d/	d/	d/	d/
Brownfield Tax Credits	0	0	4	2,089,299
Security Officer Training Tax Credit	0	0	3	199,484
Credit for Taxicabs & Livery Service Vehicles Accessible to Persons with Disabilities	na	na	d/	d/
Clean Heating Fuel Credit	na	na	6	7,205
Conservation Easement Tax Credit	na	na	4	11,158
Biofuel Production Credit	na	na	0	0

d/ Tax Law provisions prohibit disclosure of data.

Table 5: Profile of Total New York State Tax Credits – Credits Refunded by Type - 2005 and 2006

Credit	2005		2006	
	Number of Taxpayers	Amount of Credit Refunded	Number of Taxpayers	Amount of Credit Refunded
Investment Tax Credit	34	\$2,886,803	25	\$19,515,919
Investment Tax Credit for the Financial Services Industry	0	0	d/	d/
Special Additional Mortgage Recording Credit	22	2,588,816	20	3,238,242
EZ Wage Tax Credit	144	4,914,269	138	8,986,962
EZ Capital Tax Credit	-	-	-	-
EZ Investment Tax Credit	58	4,011,974	65	7,188,293
EZ Investment Tax Credit for the Financial Services Industry	d/	d/	d/	d/
ZEA Wage Credit	-	-	-	-
QEZE Credit for Real Property Taxes	316	73,155,547	385	93,593,404
QEZE Tax Reduction Credit	-	-	-	-
Alternative Minimum Tax Credit	-	-	-	-
Mortgage Servicing Tax Credit	-	-	-	-
Farmers' School Tax Credit	115	907,342	130	1,046,576
Credit for Employment of Persons with Disabilities	-	-	-	-
Alternative Fuels Credit	-	-	-	-
OETC Employment Credit	28	1,162,098	21	274,799
OETC Capital Tax Credit	-	-	-	-
OETC Facilities, Operations, and Training Credit	46	4,880,984	68	6,880,695
IMB Credit	54	407,680	42	162,725
Credit for Purchase of an Automated External Defibrillator	-	-	-	-
Green Building Credit	-	-	-	-
Low-Income Housing Credit	-	-	-	-
Long-Term Care Insurance Credit	-	-	-	-
Empire State Film Production Credit	9	12,854,002	17	24,792,064
Fuel Cell Electric Generating Equipment Credit	-	-	-	-
Brownfield Tax Credits	0	0	12	180,029,957
Security Officer Training Tax Credit	0	0	d/	d/
Credit for Taxicabs & Livery Service Vehicles Accessible to Persons with Disabilities	na	na	-	-
Clean Heating Fuel Credit	na	na	0	0
Conservation Easement Tax Credit	na	na	d/	d/
Biofuel Production Credit	na	na	0	0

d/ Tax Law provisions prohibit disclosure of data.

Table 6: Profile of Total New York State Tax Credits – Credits Carried Forward by Type - 2005 and 2006

Credit	2005		2006	
	Number of Taxpayers	Amount of Credit Carried Forward	Number of Taxpayers	Amount of Credit Carried Forward
Investment Tax Credit	2,008	\$1,396,202,055	1,900	\$1,270,891,380
Investment Tax Credit for the Financial Services Industry	26	243,753,972	16	192,107,513
Special Additional Mortgage Recording Credit	71	5,349,904	85	6,039,046
EZ Wage Tax Credit	686	97,504,555	693	115,550,510
EZ Capital Tax Credit	41	578,965	35	475,991
EZ Investment Tax Credit	474	693,466,989	465	816,829,779
EZ Investment Tax Credit for the Financial Services Industry	4	475,627	d/	d/
ZEA Wage Credit	63	51,836,659	40	29,329,206
QEZE Credit for Real Property Taxes	-	-	-	-
QEZE Tax Reduction Credit	-	-	-	-
Alternative Minimum Tax Credit	2,911	14,011,128	3,878	14,728,406
Mortgage Servicing Tax Credit	-	-	-	-
Farmers' School Tax Credit	22	130,781	16	131,364
Credit for Employment of Persons with Disabilities	28	110,998	29	64,014
Alternative Fuels Credit	d/	d/	4	2,174,913
QETC Employment Credit	-	-	-	-
QETC Capital Tax Credit	d/	d/	d/	d/
QETC Facilities, Operations, and Training Credit	-	-	-	-
IMB Credit	-	-	-	-
Credit for Purchase of an Automated External Defibrillator	-	-	-	-
Green Building Credit	0	0	d/	d/
Low-Income Housing Credit	0	0	0	0
Long-Term Care Insurance Credit	38	142,561	48	258,725
Empire State Film Production Credit	9	11,870,278	13	15,523,451
Fuel Cell Electric Generating Equipment Credit	d/	d/	d/	d/
Brownfield Tax Credits	-	-	-	-
Security Officer Training Tax Credit	-	-	-	-
Credit for Taxicabs & Livery Service Vehicles Accessible to Persons with Disabilities	na	na	d/	d/
Clean Heating Fuel Credit	na	na	-	-
Conservation Easement Tax Credit	na	na	-	-
Biofuel Production Credit	na	na	-	-

d/ Tax Law provisions prohibit disclosure of data.

Table 7: New York State Investment Tax Credit by Basis of Taxation - 2006 Liability Year

Credit Earned	Basis of Taxation	Number of Taxpayers	Amount of Credit Earned	% of Credit Earned	Median Credit Earned	Mean Credit Earned
	Entire Net Income	270	\$39,959,256	22.38	\$8,596	\$147,997
Fixed Dollar Minimum Tax	610	58,438,500	32.73	5,302	95,801	
Capital Base	72	1,967,017	1.10	3,752	27,320	
Alternative Minimum Tax	454	78,190,012	43.79	12,403	172,225	
Total	1,406	\$178,554,785	100.00	\$7,674	\$126,995	

Credit Claimed	Basis of Taxation	Number of Taxpayers	Amount of Credit Claimed	% of Credit Claimed	Median Credit Claimed	Mean Credit Claimed
	Entire Net Income	335	\$61,249,315	4.42	\$9,477	\$182,834
Fixed Dollar Minimum Tax	1,184	775,139,118	55.99	28,423	654,678	
Capital Base	96	13,277,366	0.96	6,678	138,306	
Alternative Minimum Tax	675	534,735,056	38.63	62,895	792,200	
Total	2,290	\$1,384,400,855	100.00	\$29,463	\$604,542	

Credit Used	Basis of Taxation	Number of Taxpayers	Amount of Credit Used	% of Credit Used	Median Credit Used	Mean Credit Used
	Entire Net Income	311	\$41,773,382	44.44	\$7,422	\$134,320
Fixed Dollar Minimum Tax	691	12,175,222	12.95	976	17,620	
Capital Base	83	879,470	0.94	1,193	10,596	
Alternative Minimum Tax	602	39,165,468	41.67	5,058	65,059	
Total	1,687	\$93,993,542	100.00	\$2,503	\$55,716	

Credit Refunded	Basis of Taxation	Number of Taxpayers	Amount of Credit Refunded	% of Credit Refunded	Median Credit Refunded	Mean Credit Refunded
	Entire Net Income	d/	d/	d/	d/	d/
Fixed Dollar Minimum Tax	19	\$523,307	2.68	\$12,257	\$27,542	
Capital Base	d/	d/	d/	d/	d/	
Alternative Minimum Tax	5	18,853,232	96.60	12,492	3,770,646	
Total	25	\$19,515,919	100.00	\$12,492	\$780,637	

Credit Carried Forward	Basis of Taxation	Number of Taxpayers	Amount of Credit Carried Forward	% of Credit Carried Forward	Median Credit Carried Forward	Mean Credit Carried Forward
	Entire Net Income	45	\$19,336,553	1.52	\$52,117	\$429,701
Fixed Dollar Minimum Tax	1,161	762,440,587	59.99	27,740	656,710	
Capital Base	38	12,397,896	0.98	53,023	326,260	
Alternative Minimum Tax	656	476,716,344	37.51	50,923	726,702	
Total	1,900	\$1,270,891,380	100.00	\$34,847	\$668,890	

Table 8: New York State Investment Tax Credit by Major Industry Group - 2006 Liability Year

Credit Earned

Major Industry Group	Number of Taxpayers	Amount of Credit Earned	% of Credit Earned	Median Credit Earned	Mean Credit Earned
Agriculture, Forestry, Fishing & Hunting	150	\$1,569,787	0.88	\$2,381	\$10,465
Mining	19	1,212,927	0.68	16,724	63,838
Utilities	4	6,224,364	3.49	1,468,042	1,556,091
Construction	21	412,689	0.23	3,858	19,652
Manufacturing	940	102,753,420	57.55	30,948	333,275
Wholesale Trade	64	1,320,466	0.74	3,586	20,632
Retail Trade	25	2,296,162	1.29	31,500	146,967
Transportation & Warehousing	d/	d/	d/	d/	d/
Information	57	24,591,974	13.77	12,985	431,438
Finance and Insurance	4	13,210,119	7.40	745,341	3,302,530
Real Estate, Rental, & Leasing	4	105,073	0.06	27,162	26,268
Professional, Scientific, & Technical Services	50	18,245,174	10.22	10,270	364,903
Management of Companies & Enterprises	34	4,456,269	2.50	41,092	131,067
Administrative & Support & Waste Management & Remediation Services	11	349,867	0.20	4,656	31,806
Educational Services	0	0	0.00	0	0
Health Care & Social Assistance	14	878,002	0.49	6,261	62,714
Arts, Entertainment, & Recreation	4	15,289	0.01	3,099	3,822
Accommodation & Food Services	d/	d/	d/	d/	d/
Other Services (except Public Administration)	3	15,339	0.01	d/	5,113
Public Administration	0	0	0.00	0	0
Total	1,406	\$178,554,785	100.00	\$7,674	\$126,995

Credit Claimed

Major Industry Group	Number of Taxpayers	Amount of Credit Claimed	% of Credit Claimed	Median Credit Claimed	Mean Credit Claimed
Agriculture, Forestry, Fishing & Hunting	226	\$17,326,939	1.25	\$20,410	\$76,668
Mining	28	4,872,390	0.35	79,932	174,014
Utilities	5	28,555,516	2.06	394,551	5,711,103
Construction	46	2,951,193	0.21	13,979	64,156
Manufacturing	1,523	917,987,651	66.31	120,501	1,734,923
Wholesale Trade	113	14,394,760	1.04	9,540	127,387
Retail Trade	37	5,037,322	0.36	41,328	231,738
Transportation & Warehousing	d/	d/	d/	d/	d/
Information	80	34,804,549	2.51	28,534	435,057
Finance and Insurance	5	118,843,071	8.58	1,428,916	23,768,614
Real Estate, Rental, & Leasing	13	959,036	0.07	7,385	73,772
Professional, Scientific, & Technical Services	84	195,991,400	14.16	30,470	2,333,231
Management of Companies & Enterprises	56	35,418,110	2.56	158,364	632,466
Administrative & Support & Waste Management & Remediation Services	13	2,479,364	0.18	18,945	190,720
Educational Services	0	0	0.00	0	0
Health Care & Social Assistance	46	3,423,645	0.25	10,043	74,427
Arts, Entertainment, & Recreation	5	32,565	0.00	8,279	6,513
Accommodation & Food Services	d/	d/	d/	d/	d/
Other Services (except Public Administration)	7	177,206	0.01	15,193	25,315
Public Administration	0	0	0.00	0	0
Total	2,290	\$1,384,400,855	100.00	\$29,463	\$604,542

d/ Tax Law provisions prohibit disclosure of data.

Table 8: New York State Investment Tax Credit by Major Industry Group - 2005 Liability Year (Cont'd)

Credit Used	Major Industry Group	Number of Taxpayers	Amount of Credit Used	% of Credit Used	Median Credit Used	Mean Credit Used
	Agriculture, Forestry, Fishing & Hunting	155	\$468,276	0.50	\$830	\$3,021
	Mining	22	995,298	1.06	4,713	45,241
	Utilities	5	4,504,698	4.79	394,551	900,940
	Construction	36	429,128	0.46	1,044	11,920
	Manufacturing	1,148	50,504,097	53.73	9,222	133,174
	Wholesale Trade	84	1,430,865	1.52	2,666	17,034
	Retail Trade	31	2,570,172	2.73	6,088	130,988
	Transportation & Warehousing	d/	d/	d/	d/	d/
	Information	58	24,532,675	26.10	9,177	422,977
	Finance and Insurance	5	2257171	2.40	309093	451434
	Real Estate, Rental, & Leasing	8	125,081	0.13	3533	15635
	Professional, Scientific, & Technical Services	59	1,418,206	1.51	3,326	24,037
	Management of Companies & Enterprises	41	2,626,411	2.79	12,688	64,059
	Administrative & Support & Waste Management & Remediation Services	11	1,096,264	1.17	1,495	99,660
	Educational Services	0	0	0.00	0	0
	Health Care & Social Assistance	16	119,427	0.13	820	7,464
	Arts, Entertainment, & Recreation	5	17,333	0.02	3,830	3,467
	Accommodation & Food Services	0	0	0.00	0	0
	Other Services (except Public Administration)	d/	d/	d/	d/	d/
	Public Administration	0	0	0.00	0	0
	Total	1,687	\$93,993,542	100.00	\$2,503	\$55,716
Credit Carried Forward	Major Industry Group	Number of Taxpayers	Amount of Credit Carried Forward	% of Credit Carried Forward	Median Credit Carried Forward	Mean Credit Carried Forward
	Agriculture, Forestry, Fishing & Hunting	216	\$16,855,845	1.33	\$21,608	\$78,036
	Mining	23	3,877,092	0.31	98,429	168,569
	Utilities	d/	d/	d/	d/	d/
	Construction	36	2,522,065	0.20	17,067	70,057
	Manufacturing	1,271	848,133,627	66.74	132,563	1,887,387
	Wholesale Trade	86	12,963,895	1.02	11,278	150,743
	Retail Trade	22	2,467,150	0.19	36,001	215,956
	Transportation & Warehousing	d/	d/	d/	d/	d/
	Information	48	10,271,874	0.81	33,028	213,997
	Finance and Insurance	4	116,585,900	9.17	1,084,921	29,146,475
	Real Estate, Rental, & Leasing	9	833955	0.07	11625	92662
	Professional, Scientific, & Technical Services	70	194,452,706	15.30	30,343	2,777,896
	Management of Companies & Enterprises	44	32,751,864	2.58	245,315	744,361
	Administrative & Support & Waste Management & Remediation Services	12	1,383,100	0.11	18,687	115,258
	Educational Services	0	0	0.00	0	0
	Health Care & Social Assistance	45	3,301,353	0.26	7,042	73,363
	Arts, Entertainment, & Recreation	3	15,232	0.00	d/	5,077
	Accommodation & Food Services	d/	d/	d/	d/	d/
	Other Services (except Public Administration)	7	176,049	0.01	15,193	25,150
	Public Administration	0	0	0.00	0	0
	Total	1,900	\$1,270,891,380	100.00	\$34,847	\$668,890

d/ Tax Law provisions prohibit disclosure of data.

Table 9: New York State Investment Tax Credit by Size of Entire Net Income - 2006 Liability Year

Credit Earned	Size of Entire Net Income			Number of Taxpayers	Amount of Credit Earned	% of Credit Earned	Median Credit Earned	Mean Credit Earned		
	Zero or Net Loss			561	\$84,779,742	47.48	\$7,014	\$151,123		
	\$	1	-	\$	99,999	320	2,562,892	1.44	2,006	8,009
		100,000	-		499,999	127	1,894,829	1.06	6,235	14,920
		500,000	-		999,999	55	1,394,698	0.78	7,889	25,358
		1,000,000	-		24,999,999	208	21,528,326	12.06	22,084	103,502
		25,000,000	-		49,999,999	38	5,131,385	2.87	80,896	135,036
		50,000,000	-		99,999,999	28	6,228,459	3.49	50,387	222,445
		100,000,000	-		499,999,999	52	13,762,005	7.71	116,117	264,654
		500,000,000	-		and over	17	41,272,449	23.11	822,592	2,427,791
	Total			1,406	\$178,554,785	100.00	\$7,674	\$126,995		

Credit Claimed	Size of Entire Net Income			Number of Taxpayers	Amount of Credit Claimed	% of Credit Claimed	Median Credit Claimed	Mean Credit Claimed		
	Zero or Net Loss			998	\$817,108,295	59.02	\$36,692	\$818,746		
	\$	1	-	\$	99,999	636	33,675,490	2.43	12,645	52,949
		100,000	-		499,999	191	20,150,483	1.46	31,811	105,500
		500,000	-		999,999	71	12,603,621	0.91	23,887	177,516
		1,000,000	-		24,999,999	250	105,374,221	7.61	69,479	421,497
		25,000,000	-		49,999,999	41	44,822,107	3.24	176,233	1,093,222
		50,000,000	-		99,999,999	29	20,873,896	1.51	176,247	719,790
		100,000,000	-		499,999,999	55	112,669,988	8.14	288,095	2,048,545
		500,000,000	-		and over	19	217,122,754	15.68	1,333,131	11,427,513
	Total			2,290	\$1,384,400,855	100.00	\$29,463	\$604,542		

Table 9: New York State Investment Tax Credit by Size of Entire Net Income - 2006 Liability Year (Cont'd)

Credit Used	Size of Entire Net Income		Number of Taxpayers	Amount of Credit Used	% of Credit Used	Median Credit Used	Mean Credit Used
	Zero or Net Loss		586	\$11,058,859	11.77	\$1,293	\$18,872
	\$ 1	- \$ 99,999	483	644,881	0.69	862	1,335
	100,000	- 499,999	181	1,396,528	1.49	5,317	7,716
	500,000	- 999,999	66	965,164	1.03	13,616	14,624
	1,000,000	- 24,999,999	235	13,622,305	14.49	28,246	57,967
	25,000,000	- 49,999,999	37	5,812,008	6.18	118,921	157,081
	50,000,000	- 99,999,999	28	7,100,738	7.55	95,328	253,598
	100,000,000	- 499,999,999	53	19,254,344	20.48	172,637	363,290
	500,000,000	- and over	18	34,138,715	36.32	853,962	1,896,595
	Total		1,687	\$93,993,542	100.00	\$2,503	\$55,716

Credit Carried Forward	Size of Entire Net Income		Number of Taxpayers	Amount of Credit Carried Forward	% of Credit Carried Forward	Median Credit Carried Forward	Mean Credit Carried Forward
	Zero or Net Loss		936	\$791,257,529	62.26	\$38,951	\$845,361
	\$ 1	- \$ 99,999	578	33,025,528	2.60	15,249	57,138
	100,000	- 499,999	145	18,753,955	1.48	59,500	129,338
	500,000	- 999,999	41	11,486,585	0.90	147,039	280,161
	1,000,000	- 24,999,999	140	91,751,916	7.22	200,794	655,371
	25,000,000	- 49,999,999	17	39,010,099	3.07	606,471	2,294,712
	50,000,000	- 99,999,999	15	9,206,085	0.72	266,313	613,739
	100,000,000	- 499,999,999	23	93,415,644	7.35	1,814,671	4,061,550
	500,000,000	- and over	5	182,984,039	14.40	2,928,764	36,596,808
	Total		1,900	\$1,270,891,380	100.00	\$34,847	\$668,890

Table 10: New York State Investment Tax Credit by Size of Credit Used - 2006 Liability Year

Credit Earned	Size of Credit Used			Number of	Amount of	% of Credit	Median Credit	Mean Credit
				Taxpayers	Credit Earned	Earned	Earned	Earned
	Negative*			3	62,504	0.04	d/	20,835
	Zero			260	\$27,330,678	15.31	\$4,802	\$105,118
	\$	1	\$ 499	175	1,291,973	0.72	1,000	7,383
		500	999	122	1,174,532	0.66	1,707	9,627
		1,000	4,999	310	5,307,916	2.97	3,660	17,122
		5,000	9,999	130	2,932,743	1.64	8,791	22,560
		10,000	24,999	131	5,998,715	3.36	18,198	45,792
		25,000	49,999	86	5,110,539	2.86	36,707	59,425
		50,000	99,999	55	22,466,501	12.58	52,229	408,482
		100,000	499,999	101	47,278,213	26.48	148,619	468,101
		500,000	and over	33	59,600,471	33.38	616,651	1,806,075
	Total			1,406	\$178,554,785	100.00	\$7,674	\$126,995

Credit Claimed	Size of Credit Used			Number of	Amount of	% of Credit	Median Credit	Mean Credit
				Taxpayers	Credit Claimed	Claimed	Claimed	Claimed
	Negative*			13	-\$375,955	-0.03	-\$1,021	-\$28,920
	Zero			603	369,860,387	26.72	20,938	613,367
	\$	1	\$ 499	342	21,785,939	1.57	10,698	63,702
		500	999	197	19,067,965	1.38	16,919	96,792
		1,000	4,999	484	81,326,879	5.87	22,901	168,031
		5,000	9,999	174	32,072,236	2.32	46,763	184,323
		10,000	24,999	170	73,813,799	5.33	78,530	434,199
		25,000	49,999	101	55,599,241	4.02	85,159	550,488
		50,000	99,999	63	78,602,773	5.68	302,483	1,247,663
		100,000	499,999	106	371,945,438	26.87	338,918	3,508,919
		500,000	and over	37	280,702,153	20.28	2,216,640	7,586,545
	Total			2,290	\$1,384,400,855	100.00	\$29,463	\$604,542

* "Negative" means recapture exceeds amount of available credit.

Table 10: New York State Investment Tax Credit by Size of Credit Used - 2006 Liability Year (Cont'd)

Credit Used	Size of Credit Used			Number of Taxpayers	Amount of Credit Used	% of Credit Used	Median Credit Used	Mean Credit Used
	Negative*			13	-\$375,955	-0.40	-\$1,021	-\$28,920
	Zero			0	0	0.00	0	0
	\$	1	- \$ 499	342	78,301	0.08	218	229
		500	- 999	197	146,369	0.16	751	743
		1,000	- 4,999	484	1,165,622	1.24	2,170	2,408
		5,000	- 9,999	174	1,232,731	1.31	6,740	7,085
		10,000	- 24,999	170	2,733,323	2.91	15,303	16,078
		25,000	- 49,999	101	3,557,030	3.78	33,648	35,218
		50,000	- 99,999	63	4,445,239	4.73	71,663	70,559
		100,000	- 499,999	106	22,111,988	23.53	175,040	208,604
		500,000	- and over	37	58,898,894	62.66	965,121	1,591,862
		Total		1,687	\$93,993,542	100.00	\$2,503	\$55,716

Credit Carried Forward	Size of Credit Used			Number of Taxpayers	Amount of Credit Carried Forward	% of Credit Carried Forward	Median Credit Carried Forward	Mean Credit Carried Forward
	Negative*			0	\$0	0.00	\$0	\$0
	Zero			593	369,547,437	29.08	21,381	623,183
	\$	1	- \$ 499	283	21,570,762	1.70	14,928	76,222
		500	- 999	177	18,921,595	1.49	20,893	106,902
		1,000	- 4,999	390	80,103,637	6.30	35,713	205,394
		5,000	- 9,999	130	30,808,636	2.42	77,648	236,990
		10,000	- 24,999	120	70,938,530	5.58	187,473	591,154
		25,000	- 49,999	67	52,042,211	4.09	174,528	776,749
		50,000	- 99,999	50	59,888,936	4.71	490,075	1,197,779
		100,000	- 499,999	66	345,266,377	27.17	481,809	5,231,309
		500,000	- and over	24	221,803,259	17.45	2,425,497	9,241,802
		Total		1,900	\$1,270,891,380	100.00	\$34,847	\$668,890

* "Negative" means recapture exceeds amount of available credit.

d/ Tax Law provisions prohibit disclosure of data.

Table 11: New York State Investment Tax Credit for the Financial Services Industry by Basis of Taxation - 2006 Liability Year

Credit Earned	Basis of Taxation	Number of Taxpayers	Amount of Credit Earned	% of Credit Earned	Median Credit Earned	Mean Credit Earned
	Entire Net Income	20	\$2,262,784	6.86	\$49,218	\$113,139
Fixed Dollar Minimum Tax	6	1,049,195	3.18	91,405	174,866	
Capital Base	4	1,087,869	3.30	25,551	271,967	
Alternative Minimum Tax	5	28,591,897	86.66	4,140,196	5,718,379	
Total	35	\$32,991,745	100.00	\$54,068	\$942,621	

Credit Claimed	Basis of Taxation	Number of Taxpayers	Amount of Credit Claimed	% of Credit Claimed	Median Credit Claimed	Mean Credit Claimed
	Entire Net Income	20	\$2,142,539	1.02	\$38,316	\$107,127
Fixed Dollar Minimum Tax	9	11,549,204	5.52	177,765	1,283,245	
Capital Base	4	1,088,168	0.52	25,551	272,042	
Alternative Minimum Tax	7	194,400,388	92.93	13,045,162	27,771,484	
Total	40	\$209,180,299	100.00	\$42,864	\$5,229,507	

Credit Used	Basis of Taxation	Number of Taxpayers	Amount of Credit Used	% of Credit Used	Median Credit Used	Mean Credit Used
	Entire Net Income	20	\$2,142,539	12.75	\$38,316	\$107,127
Fixed Dollar Minimum Tax	4	2,863,876	17.04	54,308	715,969	
Capital Base	3	264,065	1.57	d/	88,022	
Alternative Minimum Tax	7	11,535,814	68.64	223,878	1,647,973	
Total	34	\$16,806,294	100.00	\$43,643	\$494,303	

Credit Carried Forward	Basis of Taxation	Number of Taxpayers	Amount of Credit Carried Forward	% of Credit Carried Forward	Median Credit Carried Forward	Mean Credit Carried Forward
	Entire Net Income	d/	d/	d/	d/	d/
Fixed Dollar Minimum Tax	8	\$8,437,581	4.39	\$69,711	\$1,054,698	
Capital Base	d/	d/	d/	d/	d/	
Alternative Minimum Tax	6	182,845,829	95.18	18,847,173	30,474,305	
Total	16	\$192,107,513	100.00	\$479,222	\$12,006,720	

d/ Tax Law provisions prohibit disclosure of data.

Table 12: New York State Special Additional Mortgage Recording Tax Credit by Basis of Taxation - 2006 Liability Year

Credit Earned	Basis of Taxation	Number of Taxpayers	Amount of Credit Earned	% of Credit Earned	Median Credit Earned	Mean Credit Earned
	Entire Net Income	9	\$1,254,442	14.90	\$2,618	\$139,382
Fixed Dollar Minimum Tax	46	4,640,176	55.12	16,619	100,873	
Capital Base	17	50,378	0.60	1,877	2,963	
Alternative Minimum Tax	23	2,473,661	29.38	36,926	107,550	
Total	95	\$8,418,657	100.00	\$12,500	\$88,617	

Credit Claimed	Basis of Taxation	Number of Taxpayers	Amount of Credit Claimed	% of Credit Claimed	Median Credit Claimed	Mean Credit Claimed
	Entire Net Income	10	\$2,176,730	16.75	\$12,613	\$217,673
Fixed Dollar Minimum Tax	69	7,539,478	58.02	12,290	109,268	
Capital Base	25	60,883	0.47	1,123	2,435	
Alternative Minimum Tax	29	3,216,764	24.76	26,566	110,923	
Total	133	\$12,993,855	100.00	\$6,925	\$97,698	

Credit Used	Basis of Taxation	Number of Taxpayers	Amount of Credit Used	% of Credit Used	Median Credit Used	Mean Credit Used
	Entire Net Income	10	\$2,176,227	58.55	\$12,613	\$217,623
Fixed Dollar Minimum Tax	41	913,379	24.58	1,046	22,278	
Capital Base	25	56,988	1.53	937	2,280	
Alternative Minimum Tax	24	569,972	15.34	6,230	23,749	
Total	100	\$3,716,566	100.00	\$2,057	\$37,166	

Credit Carried Forward	Basis of Taxation	Number of Taxpayers	Amount of Credit Carried Forward	% of Credit Carried Forward	Median Credit Carried Forward	Mean Credit Carried Forward
	Entire Net Income	d/	d/	d/	d/	d/
Fixed Dollar Minimum Tax	60	\$4,681,144	77.51	\$6,515	\$78,019	
Capital Base	d/	d/	d/	d/	d/	
Alternative Minimum Tax	23	1,354,007	22.42	12,500	58,870	
Total	85	\$6,039,046	100.00	\$6,925	\$71,048	

d/ Tax Law provisions prohibit disclosure of data.

Table 13: New York State EZ Wage Tax Credit by Basis of Taxation - 2006 Liability Year

Credit Earned	Basis of Taxation	Number of Taxpayers	Amount of Credit Earned	% of Credit Earned	Median Credit Earned	Mean Credit Earned
	Entire Net Income	156	\$18,695,313	44.95	\$23,250	\$119,842
Fixed Dollar Minimum Tax	210	15,893,206	38.21	17,438	75,682	
Capital Base	47	2,331,432	5.61	24,750	49,605	
Alternative Minimum Tax	84	4,675,934	11.24	16,563	55,666	
Total	497	\$41,595,885	100.00	\$18,375	\$83,694	

Credit Claimed	Basis of Taxation	Number of Taxpayers	Amount of Credit Claimed	% of Credit Claimed	Median Credit Claimed	Mean Credit Claimed
	Entire Net Income	231	\$42,053,701	29.27	\$36,250	\$182,051
Fixed Dollar Minimum Tax	328	74,586,254	51.91	45,563	227,397	
Capital Base	102	14,239,746	9.91	44,388	139,605	
Alternative Minimum Tax	120	12,805,092	8.91	30,215	106,709	
Total	781	\$143,684,793	100.00	\$40,125	\$183,975	

Credit Used	Basis of Taxation	Number of Taxpayers	Amount of Credit Used	% of Credit Used	Median Credit Used	Mean Credit Used
	Entire Net Income	148	\$7,983,659	41.70	\$4,849	\$53,944
Fixed Dollar Minimum Tax	143	9,005,950	47.04	1,445	62,979	
Capital Base	88	754,466	3.94	951	8,573	
Alternative Minimum Tax	94	1,403,235	7.33	1,780	14,928	
Total	473	\$19,147,310	100.00	\$2,132	\$40,481	

Credit Refunded	Basis of Taxation	Number of Taxpayers	Amount of Credit Refunded	% of Credit Refunded	Median Credit Refunded	Mean Credit Refunded
	Entire Net Income	31	\$3,908,790	43.49	\$15,000	\$126,090
Fixed Dollar Minimum Tax	83	3,423,859	38.10	8,563	41,251	
Capital Base	9	227,512	2.53	19,778	25,279	
Alternative Minimum Tax	15	1,426,801	15.88	19,879	95,120	
Total	138	\$8,986,962	100.00	\$12,750	\$65,123	

Credit Carried Forward	Basis of Taxation	Number of Taxpayers	Amount of Credit Carried Forward	% of Credit Carried Forward	Median Credit Carried Forward	Mean Credit Carried Forward
	Entire Net Income	176	\$30,161,252	26.10	\$34,416	\$171,371
Fixed Dollar Minimum Tax	323	62,156,439	53.79	41,454	192,435	
Capital Base	95	13,257,765	11.47	42,332	139,555	
Alternative Minimum Tax	99	9,975,054	8.63	30,169	100,758	
Total	693	\$115,550,510	100.00	\$39,686	\$166,740	

Table 14: New York State EZ Wage Tax Credit by Major Industry Group - 2006 Liability Year

Credit Earned	Major Industry Group	Number of Taxpayers	Amount of Credit Earned	% of Credit Earned	Median Credit Earned	Mean Credit Earned
	Agriculture, Forestry, Fishing & Hunting	d/	d/	d/	d/	d/
Mining	d/	d/	d/	d/	d/	d/
Utilities	3	\$92,235	0.22	d/	\$30,745	
Construction	33	608,407	1.46	11,750	18,437	
Manufacturing	171	21,481,536	51.64	92,500	339,714	
Wholesale Trade	55	4,515,778	10.86	15,000	82,105	
Retail Trade	46	5,017,255	12.06	40,500	279,462	
Transportation & Warehousing	17	1,745,250	4.20	58,688	140,888	
Information	5	351,375	0.84	12,000	70,275	
Finance and Insurance	5	102,700	0.25	24,418	20,540	
Real Estate, Rental, & Leasing	41	650,941	1.56	1,500	158,777	
Professional, Scientific, & Technical Services	35	1,674,983	4.03	21,500	47,857	
Management of Companies & Enterprises	26	1,415,227	3.40	17,775	54,432	
Administrative & Support & Waste Management & Remediation Services	10	1,891,190	4.55	104,685	189,119	
Educational Services	d/	d/	d/	d/	d/	
Health Care & Social Assistance	11	741,125	1.78	17,750	67,375	
Arts, Entertainment, & Recreation	7	261,422	0.63	5,790	37,346	
Accommodation & Food Services	18	319,836	0.77	12,375	17,769	
Other Services (except Public Administration)	10	368,125	0.89	16,500	36,813	
Public Administration	0	0	0.00	0	0	
Total	497	\$41,595,885	100.00	\$18,375	\$83,694	

Credit Claimed	Major Industry Group	Number of Taxpayers	Amount of Credit Claimed	% of Credit Claimed	Median Credit Claimed	Mean Credit Claimed
	Agriculture, Forestry, Fishing & Hunting	d/	d/	d/	d/	d/
Mining	d/	d/	d/	d/	d/	d/
Utilities	4	\$264,917	0.18	\$49,504	\$66,229	
Construction	45	2,253,763	1.57	20,250	50,084	
Manufacturing	293	81,196,434	56.51	193,945	725,259	
Wholesale Trade	92	14,441,088	10.05	31,224	156,968	
Retail Trade	74	7,311,508	5.09	72,073	271,677	
Transportation & Warehousing	34	8,780,600	6.11	96,631	330,878	
Information	12	5,867,597	4.08	68,763	488,966	
Finance and Insurance	8	404,485	0.28	15,897	50,561	
Real Estate, Rental, & Leasing	49	1,612,871	1.12	3,825	32,916	
Professional, Scientific, & Technical Services	54	4,766,333	3.32	36,416	88,265	
Management of Companies & Enterprises	29	4,418,569	3.08	30,261	152,364	
Administrative & Support & Waste Management & Remediation Services	13	3,420,306	2.38	139,476	263,100	
Educational Services	d/	d/	d/	d/	d/	
Health Care & Social Assistance	17	2,966,640	2.06	32,500	174,508	
Arts, Entertainment, & Recreation	10	1,459,819	1.02	25,342	145,982	
Accommodation & Food Services	21	845,492	0.59	18,000	40,262	
Other Services (except Public Administration)	21	2,024,080	1.41	41,454	96,385	
Public Administration	0	0	0.00	0	0	
Total	781	\$143,684,793	100.00	\$40,125	\$183,975	

d/ Tax Law provisions prohibit disclosure of data.

Table 14: New York State EZ Wage Tax Credit by Major Industry Group - 2006 Liability Year (Cont'd)

Credit Used	Major Industry Group	Number of Taxpayers	Amount of Credit Used	% of Credit		Mean Credit Used
				Used	Median Credit Used	
	Agriculture, Forestry, Fishing & Hunting	d/	d/	d/	d/	d/
	Mining	d/	d/	d/	d/	d/
	Utilities	3	\$100,546	0.53	d/	\$33,515
	Construction	28	220,311	1.15	1,840	7,868
	Manufacturing	161	6,388,093	33.36	9,315	83,040
	Wholesale Trade	62	1,042,442	5.44	2,986	16,814
	Retail Trade	55	3,875,610	20.24	7,315	267,275
	Transportation & Warehousing	26	1,322,950	6.91	5,051	58,433
	Information	6	3,904,651	20.39	6724	650,775
	Finance and Insurance	6	264,770	1.38	5,663	44,128
	Real Estate, Rental, & Leasing	26	109877	0.57	775	4226
	Professional, Scientific, & Technical Services	36	291,363	1.52	2,128	8,093
	Management of Companies & Enterprises	19	460,710	2.41	4,500	24,248
	Administrative & Support & Waste Management & Remediation Services	6	249,174	1.30	2,712	41,529
	Educational Services	d/	d/	d/	d/	d/
	Health Care & Social Assistance	11	114,899	0.60	2,305	10,445
	Arts, Entertainment, & Recreation	5	723729	3.78	3750	144746
	Accommodation & Food Services	6	13,442	0.07	2422	2,240
	Other Services (except Public Administration)	14	59,466	0.31	815	4,248
	Public Administration	0	0	0.00	0	0
	Total	473	\$19,147,310	100.00	\$2,132	\$40,481

Credit Carried Forward	Major Industry Group	Number of Taxpayers	Amount of Credit Carried Forward	% of Credit		Mean Credit Carried Forward
				Carried Forward	Median Credit Carried Forward	
	Agriculture, Forestry, Fishing & Hunting	d/	d/	d/	d/	d/
	Mining	d/	d/	d/	d/	d/
	Utilities	d/	d/	d/	d/	d/
	Construction	39	\$2,013,327	1.74	\$20,250	\$51,624
	Manufacturing	271	68,083,250	58.92	183,546	660,320
	Wholesale Trade	76	13,244,220	11.46	31,917	174,266
	Retail Trade	61	3,069,511	2.66	56,605	119,307
	Transportation & Warehousing	29	7,442,462	6.44	101,258	331,970
	Information	11	1,817,258	1.57	65,952	165,205
	Finance and Insurance	5	122,465	0.11	36,402	24,493
	Real Estate, Rental, & Leasing	45	1,391,377	1.20	3,629	30,919
	Professional, Scientific, & Technical Services	51	4,031,531	3.49	28,500	79,050
	Management of Companies & Enterprises	22	3,622,757	3.14	39,180	164,671
	Administrative & Support & Waste Management & Remediation Services	12	2,816,946	2.44	112,694	234,746
	Educational Services	d/	d/	d/	d/	d/
	Health Care & Social Assistance	17	2,828,449	2.45	32,500	166,379
	Arts, Entertainment, & Recreation	7	670,522	0.58	39686	95,789
	Accommodation & Food Services	20	750,568	0.65	21,675	37,528
	Other Services (except Public Administration)	21	1,957,982	1.69	41,154	93,237
	Public Administration	0	0	0.00	0	0
	Total	693	\$115,550,510	100.00	\$39,686	\$166,740

d/ Tax Law provisions prohibit disclosure of data.

Table 15: New York State EZ Wage Tax Credit by Size of Entire Net Income - 2006 Liability Year

Credit Earned	Size of Entire Net Income			Number of Taxpayers	Amount of Credit Earned	% of Credit Earned	Median Credit Earned	Mean Credit Earned
	Zero or Net Loss			202	\$12,857,661	30.91	\$17,625	\$63,652
	\$ 1	-	\$ 99,999	118	2,068,347	4.97	7,313	17,528
	100,000	-	499,999	56	2,432,417	5.85	22,563	43,436
	500,000	-	999,999	21	783,400	1.88	16,875	37,305
	1,000,000	-	24,999,999	60	6,251,323	15.03	42,000	104,189
	25,000,000	-	49,999,999	11	7,544,713	18.14	51,000	685,883
	50,000,000	-	99,999,999	9	3,433,664	8.25	165,750	381,518
	100,000,000	-	499,999,999	10	1,550,125	3.73	53,938	155,013
	500,000,000	-	and over	10	4,674,235	11.24	259,125	467,424
	Total			497	\$41,595,885	100.00	\$18,375	\$83,694

Credit Claimed	Size of Entire Net Income			Number of Taxpayers	Amount of Credit Claimed	% of Credit Claimed	Median Credit Claimed	Mean Credit Claimed
	Zero or Net Loss			320	\$55,641,993	38.73	\$45,550	\$173,881
	\$ 1	-	\$ 99,999	208	11,212,109	7.80	18,483	53,904
	100,000	-	499,999	92	10,555,421	7.35	41,536	114,733
	500,000	-	999,999	32	2,180,387	1.52	35,681	68,137
	1,000,000	-	24,999,999	83	21,631,420	15.05	126,094	260,620
	25,000,000	-	49,999,999	12	13,025,854	9.07	167,535	1,085,488
	50,000,000	-	99,999,999	10	8,374,986	5.83	198,239	837,499
	100,000,000	-	499,999,999	12	3,170,633	2.21	67,625	264,219
	500,000,000	-	and over	12	17,891,990	12.45	671,419	1,490,999
	Total			781	\$143,684,793	100.00	\$40,125	\$183,975

Credit Used	Size of Entire Net Income			Number of Taxpayers	Amount of Credit Used	% of Credit Used	Median Credit Used	Mean Credit Used
	Zero or Net Loss			159	\$1,188,614	6.21	\$1,177	\$7,476
	\$ 1	-	\$ 99,999	143	190,564	1.00	814	1,333
	100,000	-	499,999	63	379,830	1.98	4,800	6,029
	500,000	-	999,999	18	144,075	0.75	7,163	8,004
	1,000,000	-	24,999,999	58	2,291,230	11.97	32,655	39,504
	25,000,000	-	49,999,999	6	591,662	3.09	53,932	98,610
	50,000,000	-	99,999,999	4	280,462	1.46	80,880	70,116
	100,000,000	-	499,999,999	10	1,055,188	5.51	67,625	105,519
	500,000,000	-	and over	12	13,025,685	68.03	671,419	1,085,474
	Total			473	\$19,147,310	100.00	\$2,132	\$40,481

Credit Carried Forward	Size of Entire Net Income			Number of Taxpayers	Amount of Credit Carried Forward	% of Credit Carried Forward	Median Credit Carried Forward	Mean Credit Carried Forward
	Zero or Net Loss			315	\$50,980,209	44.12	\$41,302	\$161,842
	\$ 1	-	\$ 99,999	196	10,632,330	9.20	18,844	54,247
	100,000	-	499,999	79	10,000,246	8.65	50,114	126,585
	500,000	-	999,999	25	1,771,463	1.53	32,811	70,859
	1,000,000	-	24,999,999	57	18,201,781	15.75	173,109	319,329
	25,000,000	-	49,999,999	7	9,302,992	8.05	523,184	1,328,999
	50,000,000	-	99,999,999	9	7,679,739	6.65	103,312	853,304
	100,000,000	-	499,999,999	d/	d/	d/	d/	d/
	500,000,000	-	and over	d/	d/	d/	d/	d/
	Total			693	\$115,550,510	100.00	\$39,686	\$166,740

d/ Tax Law provisions prohibit disclosure of data.

Table 16: New York State EZ Wage Tax Credit by Size of Credit Used - 2006 Liability Year

Credit Earned	Size of Credit Used				Number of Taxpayers	Amount of Credit Earned	% of Credit Earned	Median Credit Earned	Mean Credit Earned
	\$			\$					
Zero					206	\$21,211,670	50.99	\$17,875	\$102,969
\$ 1 - \$ 499	1	-	499		50	588,137	1.41	5,063	11,763
500 - 999	500	-	999		37	1,071,868	2.58	10,125	28,969
1,000 - 4,999	1,000	-	4,999		91	2,837,706	6.82	7,500	31,184
5,000 - 9,999	5,000	-	9,999		36	2,422,951	5.83	37,028	67,304
10,000 - 24,999	10,000	-	24,999		22	1,803,325	4.34	28,375	81,969
25,000 - 49,999	25,000	-	49,999		19	1,507,780	3.62	40,125	79,357
50,000 - 99,999	50,000	-	99,999		20	1,892,643	4.55	79,500	94,632
100,000 - 499,999	100,000	-	499,999		11	4,364,195	10.49	234,945	396,745
500,000 - and over	500,000	-	and over		5	3,895,610	9.37	992,500	779,122
Total					497	\$41,595,885	100.00	\$18,375	\$83,694

Credit Claimed	Size of Credit Used				Number of Taxpayers	Amount of Credit Claimed	% of Credit Claimed	Median Credit Claimed	Mean Credit Claimed
	\$			\$					
Zero					308	\$67,285,502	46.83	\$40,002	\$218,459
\$ 1 - \$ 499	1	-	499		93	3,471,731	2.42	13,860	37,330
500 - 999	500	-	999		71	4,084,566	2.84	20,246	57,529
1,000 - 4,999	1,000	-	4,999		145	13,579,019	9.45	34,070	93,648
5,000 - 9,999	5,000	-	9,999		50	6,978,988	4.86	71,022	139,580
10,000 - 24,999	10,000	-	24,999		39	7,349,725	5.12	66,001	188,454
25,000 - 49,999	25,000	-	49,999		28	6,039,197	4.20	73,755	215,686
50,000 - 99,999	50,000	-	99,999		26	12,405,712	8.63	101,845	477,143
100,000 - 499,999	100,000	-	499,999		14	5,376,988	3.74	257,384	384,071
500,000 - and over	500,000	-	and over		7	17,113,365	11.91	1,129,500	2,444,766
Total					781	\$143,684,793	100.00	\$40,125	\$183,975

Credit Used	Size of Credit Used				Number of Taxpayers	Amount of Credit Used	% of Credit Used	Median Credit Earned	Mean Credit Used
	\$			\$					
Zero					0	\$0	0.00	\$0	\$0
\$ 1 - \$ 499	1	-	499		93	21,470	0.11	207	231
500 - 999	500	-	999		71	50,101	0.26	694	706
1,000 - 4,999	1,000	-	4,999		145	358,049	1.87	2,132	2,469
5,000 - 9,999	5,000	-	9,999		50	365,486	1.91	7,500	7,310
10,000 - 24,999	10,000	-	24,999		39	597,372	3.12	14,465	15,317
25,000 - 49,999	25,000	-	49,999		28	1,014,772	5.30	37,101	36,242
50,000 - 99,999	50,000	-	99,999		26	1,795,655	9.38	67,500	69,064
100,000 - 499,999	100,000	-	499,999		14	2,697,345	14.09	194,552	192,668
500,000 - and over	500,000	-	and over		7	12,247,060	63.96	1,129,500	1,749,580
Total					473	\$19,147,310	100.00	\$2,132	\$40,481

Credit Carried Forward	Size of Credit Used				Number of Taxpayers	Amount of Credit Carried Forward	% of Credit Carried Forward	Median Credit Carried Forward	Mean Credit Carried Forward
	\$			\$					
Zero					308	\$60,870,984	52.68	\$32,700	\$197,633
\$ 1 - \$ 499	1	-	499		83	3,406,709	2.95	15,184	41,045
500 - 999	500	-	999		68	3,771,969	3.26	22,297	55,470
1,000 - 4,999	1,000	-	4,999		125	12,908,959	11.17	42,332	103,272
5,000 - 9,999	5,000	-	9,999		39	6,228,258	5.39	96,229	159,699
10,000 - 24,999	10,000	-	24,999		30	6,499,853	5.63	118,360	216,662
25,000 - 49,999	25,000	-	49,999		15	4,767,362	4.13	201,824	317,824
50,000 - 99,999	50,000	-	99,999		16	10,550,418	9.13	107,768	659,401
100,000 - 499,999	100,000	-	499,999		d/	d/	d/	d/	d/
500,000 - and over	500,000	-	and over		d/	d/	d/	d/	d/
Total					693	\$115,550,510	100.00	\$39,686	\$166,740

Table 17: New York State ZEA Wage Tax Credit by Basis of Taxation - 2006 Liability Year*

Credit Claimed	Basis of Taxation	Number of Taxpayers	Amount of Credit Claimed	% of Credit Claimed	Median Credit Claimed	Mean Credit Claimed
	Entire Net Income	14	\$4,206,213	12.96	\$71,508	\$300,444
Fixed Dollar Minimum Tax	15	7,456,615	22.97	235,379	497,108	
Capital Base	8	8,268,892	25.47	457,716	1,033,612	
Alternative Minimum Tax	10	12,534,990	38.61	405,361	1,253,499	
Total	47	\$32,466,710	100.00	\$246,000	\$690,781	

Credit Used	Basis of Taxation	Number of Taxpayers	Amount of Credit Used	% of Credit Used	Median Credit Used	Mean Credit Used
	Entire Net Income	14	\$1,659,600	52.90	\$20,218	\$118,543
Fixed Dollar Minimum Tax	6	82,732	2.64	8,839	13,789	
Capital Base	7	1,262,142	40.23	36,781	180,306	
Alternative Minimum Tax	6	133,032	4.24	10,235	22,172	
Total	33	\$3,137,506	100.00	\$18,842	\$95,076	

Credit Carried Forward	Basis of Taxation	Number of Taxpayers	Amount of Credit Carried Forward	% of Credit Carried Forward	Median Credit Carried Forward	Mean Credit Carried Forward
	Entire Net Income	12	\$2,546,616	8.68	\$47,148	\$212,218
Fixed Dollar Minimum Tax	15	7,373,883	25.14	234,386	491,592	
Capital Base	5	7,006,749	23.89	491,211	1,401,350	
Alternative Minimum Tax	8	12,401,958	42.29	718,674	1,550,245	
Total	40	\$29,329,206	100.00	\$244,046	\$733,230	

d/ Tax Law provisions prohibit disclosure of data.

* The ZEA wage tax credit expired on June 13, 2004. Taxpayers can no longer earn any new credit but may carry unused credit forward until completely used.

Table 18: New York State EZ Wage Tax Credit by Empire Zone* - 2006 Liability Year

Empire Zone	Amount of Credit Earned	Amount of Credit Claimed	Amount of Credit Used	Amount of Credit Refunded	Credit Carried Forward
Albany (City)	\$508,375	\$1,594,358	\$102,956	\$0	\$1,491,402
Albany County	162,250	393,153	46,693	22,438	324,022
Amsterdam	d/	d/	d/	d/	d/
Auburn	303,000	2,842,662	134,813	42,375	2,665,474
Brookhaven	d/	d/	d/	d/	d/
Broome County	d/	d/	d/	d/	d/
Buffalo	2,676,483	6,697,689	381,049	814,941	5,501,701
Buffalo #2	d/	d/	d/	d/	d/
Cattaraugus County	109,500	368,881	40,316	7,313	321,252
Clinton County	d/	d/	d/	d/	d/
Columbia County	d/	d/	d/	d/	d/
Cortland County	179,250	313,837	12,060	55,125	246,651
Dunkirk/Sheridan	968,625	2,436,571	79,065	439,430	1,918,076
Dutchess County	262,125	803,726	80,109	51,750	671,867
East Harlem	d/	d/	d/	d/	d/
East New York	456,000	3,046,581	279,205	10,542	2,756,834
Elmira	794,375	3,192,266	23,749	6,937	3,161,580
Essex County/Moriah-Port Henry	61,875	283,560	2,705	8,812	272,042
Franklin County	d/	d/	d/	d/	d/
Friendship	d/	d/	d/	d/	d/
Fulton	d/	d/	d/	d/	d/
Genesee County	687,320	1,344,532	399,946	2,354	942,231
Geneva	d/	d/	d/	d/	d/
Gloversville	d/	d/	d/	d/	d/
Greater Jamestown	992,150	3,591,823	30,371	79,001	3,482,451
Hornell	d/	d/	d/	d/	d/
Hunts Point	d/	d/	d/	d/	d/
Islip	d/	d/	d/	d/	d/
Kingston	454,110	839,702	17,677	143,438	678,587
Lackawanna	d/	d/	d/	d/	d/
Lewis County	d/	d/	d/	d/	d/
Madison County	622,000	1,659,846	117,715	0	1,542,131
Monroe County	612,500	1,027,767	141,618	45,541	840,607
Mount Vernon	d/	d/	d/	d/	d/
Niagara Falls	112,836	409,919	151,461	53,669	204,789

d/ Tax Law provisions prohibit disclosure of data.

Table 18: New York State EZ Wage Tax Credit by Empire Zone* - 2006 Liability Year (Cont'd)

Empire Zone	Amount of Credit Earned	Amount of Credit Claimed	Amount of Credit Used	Amount of Credit Refunded	Amount of Credit Carried Forward
North Brooklyn Navy Yard	267,875	630,155	213,097	0	417,058
Norwich	d/	d/	d/	d/	d/
Ogdensburg	d/	d/	d/	d/	d/
Oneida/Herkimer Counties	1,276,597	2,664,078	67,724	581,674	2,014,680
Onondaga County	8,518,388	22,094,531	71,987	2,372,540	19,650,004
Orange County	d/	d/	d/	d/	d/
Orleans County	d/	d/	d/	d/	d/
Oswego	d/	d/	d/	d/	d/
Otsego County	d/	d/	d/	d/	d/
Plattsburgh	421,355	1,705,122	70,915	151,624	1,482,582
Port Morris	116,750	5,447,306	3,919,285	0	1,528,021
Potsdam	124,144	577,743	18,979	24,938	533,825
Rensselaer County	1,260,000	2,039,314	271,820	130,598	1,636,896
Rochester	750,250	2,791,363	288,131	116,939	2,386,292
Rome	d/	d/	d/	d/	d/
Saratoga County	431,625	797,282	107,316	107,168	582,798
Schenectady	117,790	1,921,583	748,709	15,000	1,157,874
Schuyler County	d/	d/	d/	d/	d/
Seneca County	d/	d/	d/	d/	d/
South Jamaica	d/	d/	d/	d/	d/
Southwest Brooklyn	574,875	3,937,442	145,931	20,437	3,771,073
Staten Island - North Shore	d/	d/	d/	d/	d/
Staten Island - West Shore	d/	d/	d/	d/	d/
Suffolk County	d/	d/	d/	d/	d/
Sullivan County	d/	d/	d/	d/	d/
Syracuse	142,015	940,652	37,212	3,375	900,064
Tioga County	209,250	1,077,980	117,289	0	960,691
Tonawanda	313,250	1,174,541	65,695	47,187	1,061,659
Triple Cities	309,500	980,684	50,348	39,309	891,026
Troy	573,000	1,752,031	121,050	86,625	1,544,356
Utica	221,543	1,425,220	126,838	13,625	1,284,757
Warren County	602,250	1,723,641	119,625	37,313	1,566,703
Washington County	126,750	566,061	31,025	8,250	526,786
Watertown	593,125	1,120,748	8,286	275,076	837,386
Wayne County	d/	d/	d/	d/	d/
Yonkers	2,124,257	2,844,545	354,858	1,005,004	1,484,683
Multiple Zones	6,320,445	22,040,729	7,394,266	1,221,011	13,425,451
Unidentified	556,818	7,246,965	278,683	136,559	6,831,723
Total	41,595,885	143,684,793	19,147,310	8,986,962	115,550,510

* Due to disclosure requirements, data is displayed only for zones with more than seven taxpayers as of the 2006 studyfile

d/ Tax Law provisions prohibit disclosure of data.

Table 19: New York State EZ Capital Tax Credit by Basis of Taxation - 2006 Liability Year

Credit Earned	Basis of Taxation	Number of Taxpayers	Amount of Credit Earned	% of Credit Earned	Median Credit Earned	Mean Credit Earned
	Entire Net Income	14	\$133,938	61.86	\$1,250	\$9,567
Fixed Dollar Minimum Tax	12	30,688	14.17	1,594	2,557	
Capital Base	6	6,625	3.06	625	1,104	
Alternative Minimum Tax	8	45,250	20.90	5,000	5,656	
Total	40	\$216,501	100.00	\$1,407	\$5,413	

Credit Claimed	Basis of Taxation	Number of Taxpayers	Amount of Credit Claimed	% of Credit Claimed	Median Credit Claimed	Mean Credit Claimed
	Entire Net Income	18	\$288,314	45.91	\$1,948	\$16,017
Fixed Dollar Minimum Tax	18	219,301	34.92	3,563	12,183	
Capital Base	7	7,972	1.27	937	1,139	
Alternative Minimum Tax	10	112,352	17.89	5,000	11,235	
Total	53	\$627,939	100.00	\$1,625	\$11,848	

Credit Used	Basis of Taxation	Number of Taxpayers	Amount of Credit Used	% of Credit Used	Median Credit Used	Mean Credit Used
	Entire Net Income	16	\$137,592	90.55	\$1,827	\$8,600
Fixed Dollar Minimum Tax	3	1,777	1.17	d/	592	
Capital Base	6	6,081	4.00	438	1,014	
Alternative Minimum Tax	4	6,498	4.28	1,301	1,625	
Total	29	\$151,948	100.00	\$1,250	\$5,240	

Credit Carried Forward	Basis of Taxation	Number of Taxpayers	Amount of Credit Carried Forward	% of Credit Carried Forward	Median Credit Carried Forward	Mean Credit Carried Forward
	Entire Net Income	d/	d/	d/	d/	d/
Fixed Dollar Minimum Tax	18	\$217,524	45.70	\$3,563	\$12,085	
Capital Base	d/	d/	d/	d/	d/	d/
Alternative Minimum Tax	8	105,854	22.24	5,626	13,232	
Total	35	\$475,991	100.00	\$5,000	\$13,600	

d/ Tax Law provisions prohibit disclosure of data.

Table 20: New York State EZ Investment Tax Credit by Basis of Taxation - 2006 Liability Year

Credit Earned	Basis of Taxation	Number of Taxpayers	Amount of Credit Earned	% of Credit Earned	Median Credit Earned	Mean Credit Earned
	Entire Net Income	90	\$11,517,294	8.61	\$31,046	\$127,970
Fixed Dollar Minimum Tax	232	52,416,432	39.16	35,433	225,933	
Capital Base	24	3,294,223	2.46	14,072	137,259	
Alternative Minimum Tax	59	66,616,822	49.77	48,437	1,129,099	
Total	405	\$133,844,771	100.00	\$35,395	\$330,481	

Credit Claimed	Basis of Taxation	Number of Taxpayers	Amount of Credit Claimed	% of Credit Claimed	Median Credit Claimed	Mean Credit Claimed
	Entire Net Income	103	\$49,201,065	5.66	\$73,085	\$477,680
Fixed Dollar Minimum Tax	289	331,712,858	38.14	147,980	1,147,795	
Capital Base	28	63,989,092	7.36	156,977	2,285,325	
Alternative Minimum Tax	82	424,820,836	48.85	90,858	5,180,742	
Total	502	\$869,723,851	100.00	\$124,354	\$1,732,518	

Credit Used	Basis of Taxation	Number of Taxpayers	Amount of Credit Used	% of Credit Used	Median Credit Used	Mean Credit Used
	Entire Net Income	68	\$3,682,121	8.06	\$7,114	\$54,149
Fixed Dollar Minimum Tax	135	9,366,547	20.49	4,620	69,382	
Capital Base	12	334,190	0.73	3,621	27,849	
Alternative Minimum Tax	53	32,322,928	70.72	7,453	609,867	
Total	268	\$45,705,786	100.00	\$5,366	\$170,544	

Credit Refunded	Basis of Taxation	Number of Taxpayers	Amount of Credit Refunded	% of Credit Refunded	Median Credit Refunded	Mean Credit Refunded
	Entire Net Income	11	\$1,911,528	26.59	\$48,771	\$173,775
Fixed Dollar Minimum Tax	46	3,338,044	46.44	25,517	72,566	
Capital Base	d/	d/	d/	d/	d/	
Alternative Minimum Tax	d/	d/	d/	d/	d/	
Total	65	\$7,188,293	100.00	\$30,496	\$110,589	

Credit Carried Forward	Basis of Taxation	Number of Taxpayers	Amount of Credit Carried Forward	% of Credit Carried Forward	Median Credit Carried Forward	Mean Credit Carried Forward
	Entire Net Income	73	\$43,607,406	5.34	\$117,764	\$597,362
Fixed Dollar Minimum Tax	288	319,008,275	39.05	135,075	1,107,668	
Capital Base	24	63,520,840	7.78	156,977	2,646,702	
Alternative Minimum Tax	80	390,693,258	47.83	83,254	4,883,666	
Total	465	\$816,829,779	100.00	\$127,621	\$1,756,623	

Table 21: New York State EZ Investment Tax Credit by Size of Entire Net Income - 2006 Liability Year

Credit Earned	Size of Entire Net Income			Number of Taxpayers	Amount of Credit Earned	% of Credit Earned	Median Credit Earned	Mean Credit Earned		
	Zero or Net Loss			178	\$34,631,902	25.87	\$35,433	\$194,561		
	\$	1	-	\$	99,999	53	3,557,821	2.66	3,669	67,129
		100,000	-		499,999	37	1,555,069	1.16	19,123	42,029
		500,000	-		999,999	25	4,963,874	3.71	36,595	198,555
		1,000,000	-		24,999,999	71	8,103,801	6.05	68,276	114,138
		25,000,000	-		49,999,999	14	5,262,715	3.93	255,204	375,908
		50,000,000	-		99,999,999	8	2,964,905	2.22	295,147	370,613
		100,000,000	-		499,999,999	12	10,106,867	7.55	123,683	842,239
		500,000,000	-		and over	7	62,697,817	46.84	388,958	8,956,831
	Total			405	\$133,844,771	100.00	\$35,395	\$330,481		

Credit Claimed	Size of Entire Net Income			Number of Taxpayers	Amount of Credit Claimed	% of Credit Claimed	Median Credit Claimed	Mean Credit Claimed		
	Zero or Net Loss			222	\$237,940,292	27.36	\$149,944	\$1,071,803		
	\$	1	-	\$	99,999	83	10,010,080	1.15	22,973	120,603
		100,000	-		499,999	47	10,951,162	1.26	64,111	233,003
		500,000	-		999,999	28	15,140,192	1.74	200,461	540,721
		1,000,000	-		24,999,999	76	64,467,769	7.41	243,149	848,260
		25,000,000	-		49,999,999	16	23,669,006	2.72	837,876	1,479,313
		50,000,000	-		99,999,999	8	18,200,525	2.09	473,939	2,275,066
		100,000,000	-		499,999,999	15	35,664,413	4.10	688,827	2,377,628
		500,000,000	-		and over	7	453,680,412	52.16	472,691	64,811,487
	Total			502	\$869,723,851	100.00	\$124,354	\$1,732,518		

d/ Tax Law provisions prohibit disclosure of data.

Table 21: New York State EZ Investment Tax Credit by Size of Entire Net Income - 2006 Liability Year (Cont'd)

Credit Used	Size of Entire Net Income			Number of Taxpayers	Amount of Credit Used	% of Credit Used	Median Credit Used	Mean Credit Used	
	Zero or Net Loss			79	\$1,259,931	2.76	\$2,475	\$15,948	
	\$	1	-	\$ 99,999	44	67,141	0.15	831	1,526
		100,000	-	499,999	35	195,926	0.43	3,614	5,598
		500,000	-	999,999	18	259,528	0.57	8,673	14,418
		1,000,000	-	24,999,999	60	2,451,489	5.36	23,696	40,858
		25,000,000	-	49,999,999	10	1,859,273	4.07	212,498	185,927
		50,000,000	-	99,999,999	5	970,895	2.12	179,659	194,179
		100,000,000	-	499,999,999	10	1,978,306	4.33	76,906	197,831
		500,000,000	-	and over	7	36,663,297	80.22	472,691	5,237,614
	Total			268	\$45,705,786	100.00	\$5,366	\$170,544	

Credit Carried Forward	Size of Entire Net Income			Number of Taxpayers	Amount of Credit Carried Forward	% of Credit Carried Forward	Median Credit Carried Forward	Mean Credit Carried Forward	
	Zero or Net Loss			219	\$233,499,922	28.59	\$145,662	\$1,066,210	
	\$	1	-	\$ 99,999	80	8,660,473	1.06	22,446	108,256
		100,000	-	499,999	43	10,699,453	1.31	77,869	248,824
		500,000	-	999,999	26	13,765,827	1.69	210,973	529,455
		1,000,000	-	24,999,999	63	61,676,790	7.55	334,014	978,997
		25,000,000	-	49,999,999	14	21,089,429	2.58	806,630	1,506,388
		50,000,000	-	99,999,999	8	16,734,662	2.05	327,104	2,091,833
		100,000,000	-	499,999,999	9	33,686,107	4.12	2,653,655	3,742,901
		500,000,000	-	and over	3	417,017,116	51.05	d/	139,005,705
	Total			465	\$816,829,779	100.00	\$127,621	\$1,756,623	

d/ Tax Law provisions prohibit disclosure of data.

Table 22: New York State EZ Investment Tax Credit by Size of Credit Used - 2006 Liability Year

Credit Earned	Size of Credit Used			Number of Taxpayers	Amount of Credit Earned	% of Credit Earned	Median Credit Earned	Mean Credit Earned
	Negative*				0	\$0	0.00	\$0
Zero				177	40,237,361	30.06	31,785	227,330
	\$ 1	-	\$ 499	26	1,527,119	1.14	13,415	58,735
	500	-	999	20	420,316	0.31	7,633	21,016
	1,000	-	4,999	53	3,063,538	2.29	8,391	57,803
	5,000	-	9,999	31	2,598,994	1.94	36,595	83,839
	10,000	-	24,999	34	3,860,026	2.88	55,550	113,530
	25,000	-	49,999	24	2,579,237	1.93	65,563	107,468
	50,000	-	99,999	14	5,516,118	4.12	260,670	394,008
	100,000	-	499,999	21	6,527,974	4.88	187,107	310,856
	500,000	-	and over	5	67,514,088	50.44	3,796,433	13,502,818
			Total	405	\$133,844,771	100.00	\$35,395	\$330,481

Credit Claimed	Size of Credit Used			Number of Taxpayers	Amount of Credit Claimed	% of Credit Claimed	Median Credit Claimed	Mean Credit Claimed
	Negative*				0	\$0	0.00	\$0
Zero				234	241,450,357	27.76	126,956	1,031,839
	\$ 1	-	\$ 499	37	5,140,730	0.59	25,279	138,939
	500	-	999	28	141,3344	0.16	32,142	50,477
	1,000	-	4,999	64	15,493,717	1.78	46,810	242,089
	5,000	-	9,999	36	13,404,692	1.54	136,566	372,353
	10,000	-	24,999	34	23,416,265	2.69	211,249	688,714
	25,000	-	49,999	24	19,462,965	2.24	344,949	810,957
	50,000	-	99,999	16	46,067,366	5.30	2,032,382	2,879,210
	100,000	-	499,999	24	40,774,657	4.69	583,056	1,698,944
	500,000	-	and over	5	463,099,758	53.25	25,755,933	92,619,952
			Total	502	\$869,723,851	100.00	\$124,354	\$1,732,518

* "Negative" means recapture exceeds amount of available credit.

d/ Tax Law provisions prohibit disclosure of data.

Table 22: New York State EZ Investment Tax Credit by Size of Credit Used - 2006 Liability Year (Cont'd)

Credit Used	Size of Credit Used			Number of Taxpayers	Amount of Credit Used	% of Credit Used	Median Credit Used	Mean Credit Used	
	\$		\$						
	Negative*			0	\$0	0.00	\$0	\$0	
	Zero			0	0	0.00	0	0	
	\$	1	-	499	37	8484	0.02	223	229
		500	-	999	28	20,654	0.05	740	738
		1,000	-	4,999	64	178,475	0.39	2,628	2,789
		5,000	-	9,999	36	255,416	0.56	6,717	7,095
		10,000	-	24,999	34	603,065	1.32	17,565	17,737
		25,000	-	49,999	24	947,903	2.07	40,071	39,496
		50,000	-	99,999	16	1,155,704	2.53	69,830	72,232
		100,000	-	499,999	24	5,642,629	12.35	212,498	235,110
		500,000	-	and over	5	36,893,456	80.72	2,423,483	7,378,691
		Total			268	\$45,705,786	100.00	\$5,366	\$170,544

Credit Carried Forward	Size of Credit Used			Number of Taxpayers	Amount of Credit Carried Forward	% of Credit Carried Forward	Median Credit Carried Forward	Mean Credit Carried Forward	
	\$		\$						
	Negative*			0	\$0	0.00	\$0	\$0	
	Zero			234	235,778,664	28.87	116,434	1,007,601	
	\$	1	-	499	35	4,601,630	0.56	30,498	131,475
		500	-	999	25	1373240	0.17	42124	54930
		1,000	-	4,999	54	15,155,771	1.86	87,430	280,662
		5,000	-	9,999	30	12,915,387	1.58	220,225	430,513
		10,000	-	24,999	31	22,691,106	2.78	205,042	731,971
		25,000	-	49,999	20	18,492,036	2.26	418,934	924,602
		50,000	-	99,999	13	44,483,614	5.45	2,371,095	3,421,816
		100,000	-	499,999	18	35,132,029	4.30	1,044,212	1,951,779
		500,000	-	and over	5	426,206,302	52.18	23,332,450	85,241,260
		Total			465	\$816,829,779	100.00	\$127,621	\$1,756,623

* "Negative" means recapture exceeds amount of available credit.

d/ Tax Law provisions prohibit disclosure of data.

Table 23: New York State Investment Tax Credit by Empire Zone* - 2006 Liability Year

Empire Zone	Amount of Credit Earned	Amount of Credit Claimed	Amount of Credit Used	Amount of Credit Refunded	Credit Carried Forward
Albany (City)	d/	d/	d/	d/	d/
Albany County	d/	d/	d/	d/	d/
Amsterdam	d/	d/	d/	d/	d/
Auburn	\$2,085,541	\$18,682,623	\$119,077	\$612,338	\$17,951,208
Brookhaven	d/	d/	d/	d/	d/
Broome County	1,172,940	7,629,988	137,667	0	7,492,321
Buffalo	1,220,900	6,949,598	250,858	102,137	6,596,603
Cattaraugus County	160,677	4,026,421	31,958	190	3,989,896
Clinton County	d/	d/	d/	d/	d/
Columbia County	d/	d/	d/	d/	d/
Cortland County	d/	d/	d/	d/	d/
Dunkirk/Sheridan	6,384,432	17,831,254	1,629,203	194,844	16,007,206
Dutchess County	d/	d/	d/	d/	d/
East Harlem	d/	d/	d/	d/	d/
East New York	d/	d/	d/	d/	d/
Elmira	2,182,234	29,450,610	383,804	0	29,066,806
Essex County/Moriah-Port Henry	d/	d/	d/	d/	d/
Franklin County	d/	d/	d/	d/	d/
Friendship	d/	d/	d/	d/	d/
Fulton	d/	d/	d/	d/	d/
Genesee County	195,984	906,184	18,657	47,553	839,187
Geneva	d/	d/	d/	d/	d/
Gloversville	d/	d/	d/	d/	d/
Greater Jamestown	1,116,677	5,139,238	386,280	18,143	4,708,027
Hornell	d/	d/	d/	d/	d/
Hunts Point	d/	d/	d/	d/	d/
Islip	d/	d/	d/	d/	d/
Kingston	d/	d/	d/	d/	d/
Lackawanna	d/	d/	d/	d/	d/
Lewis County	d/	d/	d/	d/	d/
Madison County	d/	d/	d/	d/	d/
Monroe County	d/	d/	d/	d/	d/
Mount Vernon	d/	d/	d/	d/	d/
Niagara Falls	d/	d/	d/	d/	d/
North Brooklyn Navy Yard	d/	d/	d/	d/	d/
Norwich	d/	d/	d/	d/	d/

d/ Tax Law provisions prohibit disclosure of data.

Table 23: New York State Investment Tax Credit by Empire Zone* - 2006 Liability Year (Cont'd)

Empire Zone	Amount of Credit Earned	Amount of Credit Claimed	Amount of Credit Used	Amount of Credit Refunded	Amount of Credit Carried Forward
Ogdensburg	d/	d/	d/	d/	d/
Oneida/Herkimer Counties	\$825,108	\$4,908,112	\$170,954	\$78,809	\$4,658,350
Onondaga County	2,936,316	17,529,187	359,919	335,588	16,833,680
Orange County	d/	d/	d/	d/	d/
Orleans County	d/	d/	d/	d/	d/
Oswego	d/	d/	d/	d/	d/
Otsego County	d/	d/	d/	d/	d/
Plattsburgh	545,591	2,807,719	123,664	22,171	2,661,887
Port Morris	d/	d/	d/	d/	d/
Potsdam	d/	d/	d/	d/	d/
Rensselaer County	d/	d/	d/	d/	d/
Rochester	6,835,424	14,221,250	571,779	33,302	13,598,387
Rome	d/	d/	d/	d/	d/
Saratoga County	d/	d/	d/	d/	d/
Schenectady	554,517	3,876,669	121,894	15153	3,739,622
Schuyler County	d/	d/	d/	d/	d/
Seneca County	d/	d/	d/	d/	d/
South Jamaica	d/	d/	d/	d/	d/
Southwest Brooklyn	d/	d/	d/	d/	d/
Staten Island - North Shore	d/	d/	d/	d/	d/
Suffolk County	d/	d/	d/	d/	d/
Sullivan County	d/	d/	d/	d/	d/
Syracuse	344,949	3,635,555	41,485	0	3,594,070
Tioga County	d/	d/	d/	d/	d/
Tonawanda	3,469,671	5,544,988	11,417	976,923	4,556,648
Triple Cities	395,838	3,369,123	23,595	134,071	3,210,298
Troy	d/	d/	d/	d/	d/
Utica	1,163,438	6,267,164	64,155	2369	6,200,640
Warren County	d/	d/	d/	d/	d/
Washington County	d/	d/	d/	d/	d/
Watertown	d/	d/	d/	d/	d/
Wayne County	d/	d/	d/	d/	d/
Yonkers	d/	d/	d/	d/	d/
Multiple Zones	10,550,121	49,417,860	2,915,073	489,113	45,896,499
Unidentified	9,522,583	80,526,598	2,040,284	59,949	78,426,365
Total	\$133,844,771	\$869,723,851	\$45,705,786	\$5,753,130	\$816,829,779

* Due to disclosure requirements, data is displayed only for zones with more than seven taxpayers as of the 2006 studyfile

d/ Tax Law provisions prohibit disclosure of data.

Table 24: New York State QEZE Credit for Real Property Taxes* by Basis of Taxation - 2006 Liability Year

Credit Earned	Basis of Taxation	Number of Taxpayers	Amount of Credit Earned	% of Credit Earned	Median Credit Earned	Mean Credit Earned
	Entire Net Income	102	\$21,570,520	23.63	\$34,923	\$211,476
Fixed Dollar Minimum Tax	171	57,648,186	63.16	30,757	337,124	
Capital Base	18	1,419,507	1.56	15,332	78,862	
Alternative Minimum Tax	75	10,639,541	11.66	28,898	141,861	
Total	366	\$91,277,754	100.00	\$30,120	\$249,393	

Credit Claimed	Basis of Taxation	Number of Taxpayers	Amount of Credit Claimed	% of Credit Claimed	Median Credit Claimed	Mean Credit Claimed
	Entire Net Income	102	\$16,734,229	22.52	\$32,700	\$164,061
Fixed Dollar Minimum Tax	170	46,286,053	62.30	27,334	272,271	
Capital Base	18	764,270	1.03	15,332	42,459	
Alternative Minimum Tax	75	10,507,466	14.14	21,835	140,100	
Total	365	\$74,292,018	100.00	\$26,055	\$203,540	

Credit Used	Basis of Taxation	Number of Taxpayers	Amount of Credit Used	% of Credit Used	Median Credit Used	Mean Credit Used
	Entire Net Income	31	\$7,952,083	80.37	\$25,264	\$256,519
Fixed Dollar Minimum Tax	26	505,537	5.11	1,841	19,444	
Capital Base	7	39,828	0.40	1,170	5,690	
Alternative Minimum Tax	38	1,396,673	14.12	1,348	36,755	
Total	102	\$9,894,121	100.00	\$2,444	\$97,001	

Credit Refunded	Basis of Taxation	Number of Taxpayers	Amount of Credit Refunded	% of Credit Refunded	Median Credit Refunded	Mean Credit Refunded
	Entire Net Income	75	\$8,782,144	13.64	\$29,542	\$117,095
Fixed Dollar Minimum Tax	170	45,780,515	71.09	26,229	269,297	
Capital Base	12	724,441	1.12	31,313	60,370	
Alternative Minimum Tax	74	9,110,792	14.15	19,301	123,119	
Total	331	\$64,397,892	100.00	\$25,761	\$194,556	

* The provisions of this credit do not allow a carryforward of excess credit. However, credit earned may not equal credit claimed due to statutory credit limitations.

d/ Tax Law provisions prohibit disclosure of data.

Table 25: New York State QEZE Credit for Real Property Taxes for Corporate Partners* by Basis of Taxation - 2006 Liability Year

Credit Earned	Basis of Taxation	Number of Taxpayers	Amount of Credit Earned	% of Credit Earned	Median Credit Earned	Mean Credit Earned
		Entire Net Income	12	\$413,133	1.27	\$16,219
	Fixed Dollar Minimum Tax	34	9,359,431	28.87	22,116	275,277
	Capital Base	3	210,624	0.65	d/	70,208
	Alternative Minimum Tax	13	22,431,842	69.20	60,787	1,725,526
	Total	62	\$32,415,030	100.00	\$32,268	\$522,823

Credit Used	Basis of Taxation	Number of Taxpayers	Amount of Credit Used	% of Credit Used	Median Credit Used	Mean Credit Used
		Entire Net Income	7	\$119,281	3.70	\$5,490
	Fixed Dollar Minimum Tax	d/	d/	d/	d/	d/
	Capital Base	d/	d/	d/	d/	d/
	Alternative Minimum Tax	11	2,971,548	92.30	6,301	270,141
	Total	27	\$3,219,518	100.00	\$4,281	\$119,241

Credit Refunded	Basis of Taxation	Number of Taxpayers	Amount of Credit Refunded	% of Credit Refunded	Median Credit Refunded	Mean Credit Refunded
		Entire Net Income	d/	d/	d/	d/
	Fixed Dollar Minimum Tax	34	\$9,350,898	32.03	\$22,116	\$275,026
	Capital Base	d/	d/	d/	d/	d/
	Alternative Minimum Tax	13	19,460,294	66.66	60,787	1,496,946
	Total	54	\$29,195,512	100.00	\$34,025	\$540,658

* The provisions of this credit do not allow a carryforward of excess credit. Any credit loss due to statutory limitations is computed at the entity level. Therefore, credit earned equals credit claimed when the credit is passed through to corporate partners.

d/ Tax Law provisions prohibit disclosure of data.

Table 26: New York State QEZE Tax Reduction Credit* by Basis of Taxation - 2006 Liability Year

Credit Earned	Basis of Taxation	Number of Taxpayers	Amount of Credit Earned	% of Credit Earned	Median Credit Earned	Mean Credit Earned
		Entire Net Income	146	\$35,233,545	82.88	\$21,145
	Fixed Dollar Minimum Tax	84	4,534,407	10.67	1,831	53,981
	Capital Base	18	79,935	0.19	899	4,441
	Alternative Minimum Tax	65	2,661,451	6.26	1,199	40,945
	Total	313	\$42,509,338	100.00	\$5,463	\$135,813

Credit Used	Basis of Taxation	Number of Taxpayers	Amount of Credit Used	% of Credit Used	Median Credit Used	Mean Credit Used
		Entire Net Income	146	\$35,136,099	83.00	\$20,723
	Fixed Dollar Minimum Tax	77	4,458,021	10.53	2,273	57,896
	Capital Base	17	79,835	0.19	963	4,696
	Alternative Minimum Tax	65	2,660,754	6.29	1,199	40,935
	Total	305	\$42,334,709	100.00	\$5,651	\$138,802

* The provisions of this credit do not allow a carryforward of excess credit. Therefore, credit earned is the same as credit claimed.

Table 27: New York State QEZE Tax Reduction Credit for Corporate Partners* by Basis of Taxation - 2006 Liability Year

Credit Earned	Basis of Taxation	Number of Taxpayers	Amount of Credit Earned	% of Credit Earned	Median Credit Earned	Mean Credit Earned
	Entire Net Income	8	\$1,470,126	57.51	\$10,698	\$183,766
Fixed Dollar Minimum Tax	7	848,417	33.19	14,414	121,202	
Capital Base	d/	d/	d/	d/	d/	
Alternative Minimum Tax	d/	d/	d/	d/	d/	
Total	19	\$2,556,299	100.00	\$12,238	\$134,542	

Credit Used	Basis of Taxation	Number of Taxpayers	Amount of Credit Used	% of Credit Used	Median Credit Used	Mean Credit Used
	Entire Net Income	7	\$308,159	49.70	\$8,352	\$44,023
Fixed Dollar Minimum Tax	d/	d/	d/	d/	d/	
Capital Base	d/	d/	d/	d/	d/	
Alternative Minimum Tax	3	234,498	37.82	d/	78,166	
Total	16	\$620,023	100.00	\$10,295	\$38,751	

* The provisions of this credit do not allow a carryforward of excess credit.

Therefore, credit earned is the same as credit claimed.

d/ Tax Law provisions prohibit disclosure of data.

Table 28: New York State QEZE Credits¹ by Empire Zone² - 2006 Liability Year³

Empire Zone	Credit for Real Property Taxes			Tax Reduction Credit	
	Amount of Credit Claimed	Amount of Credit Used	Amount of Credit Refunded ⁴	Amount of Credit Claimed	Amount of Credit Used
Albany (City)	d/	d/	d/	d/	d/
Albany County	d/	d/	d/	d/	d/
Amsterdam	d/	d/	d/	d/	d/
Auburn	\$1,149,847	\$5,317	\$1,144,529	\$6,394,713	\$6,392,601
Brookhaven	d/	d/	d/	d/	d/
Broome County	d/	d/	d/	d/	d/
Buffalo	3,424,345	128,255	3,296,089	322,632	321,738
Cattaraugus County	d/	d/	d/	d/	d/
Clinton County	d/	d/	d/	d/	d/
Cortland County	d/	d/	d/	d/	d/
Dunkirk/Sheridan	21,280,500	387,482	20,893,018	835,550	835,550
Dutchess County	2,113,906	4,162	2,109,744	d/	d/
East New York	d/	d/	d/	d/	d/
Elmira	1,333,938	6,012	1,327,926	789,203	789,173
Essex County/Moriah-Port Henry	d/	d/	d/	d/	d/
Far Rockaway	d/	d/	d/	d/	d/
Franklin County	d/	d/	d/	d/	d/
Friendship	d/	d/	d/	d/	d/
Fulton	d/	d/	d/	d/	d/
Genesee County	d/	d/	d/	d/	d/
Geneva	d/	d/	d/	d/	d/
Gloversville	d/	d/	d/	d/	d/
Greater Jamestown	346,809	-	346,809	456,288	443,993
Hornell	d/	d/	d/	d/	d/
Hunts Point	d/	d/	d/	d/	d/
Islip	d/	d/	d/	d/	d/
Kingston	d/	d/	d/	d/	d/
Lackawanna	d/	d/	d/	d/	d/
Lewis County	d/	d/	d/	d/	d/
Madison County	d/	d/	d/	d/	d/
Monroe County	d/	d/	d/	d/	d/
Mount Vernon	d/	d/	d/	d/	d/
Niagara Falls	d/	d/	d/	d/	d/
North Brooklyn Navy Yard	d/	d/	d/	d/	d/
Norwich	d/	d/	d/	d/	d/

d/ Tax Law provisions prohibit disclosure of data.

Table 28: New York State QEZE Credits¹ by Empire Zone² - 2006 Liability Year³ (Cont'd)

Empire Zone	Credit for Real Property Taxes			Tax Reduction Credit	
	Amount of Credit Claimed	Amount of Credit Used	Amount of Credit Refunded ⁴	Amount of Credit Claimed	Amount of Credit Used
Ogdensburg	d/	d/	d/	d/	d/
Oneida/Herkimer Counties	d/	d/	d/	d/	d/
Onondaga County	3,083,362	99,582	2,983,780	9,565,081	9,562,929
Orange County	d/	d/	d/	d/	d/
Orleans County	d/	d/	d/	d/	d/
Oswego	d/	d/	d/	d/	d/
Otsego County	d/	d/	d/	d/	d/
Plattsburgh	191,191	142,076	49,114	115,827	115,614
Port Morris	d/	d/	d/	d/	d/
Potsdam	d/	d/	d/	d/	d/
Rensselaer County	d/	d/	d/	d/	d/
Rochester	564,190	81	564,109	d/	d/
Rome	d/	d/	d/	d/	d/
Saratoga County	d/	d/	d/	d/	d/
Schenectady	d/	d/	d/	314,178	310,040
Schuyler County	d/	d/	d/	d/	d/
Seneca County	d/	d/	d/	d/	d/
South Jamaica	d/	d/	d/	d/	d/
Southwest Brooklyn	d/	d/	d/	86,067	86,067
Staten Island - North Shore	d/	d/	d/	d/	d/
Suffolk County	d/	d/	d/	d/	d/
Sullivan County	d/	d/	d/	d/	d/
Syracuse	894,712	12,800	881,911	82,797	82,376
Tioga County	1,643,679	104,021	1,539,658	d/	d/
Tonawanda	576,696	19,819	556,877	d/	d/
Triple Cities	d/	d/	d/	d/	d/
Troy	d/	d/	d/	d/	d/
Utica	246,437	55,450	190,984	500,855	500,855
Warren County	d/	d/	d/	d/	d/
Washington County	d/	d/	d/	d/	d/
Watertown	206,413	14,118	192,296	d/	d/
Wayne County	326,467	126	326,341	d/	d/
Yonkers	3,136,165	135,280	3,000,885	d/	d/
Multiple Zones	10,880,716	4,365,336	6,515,379	8,918,028	7,744,615
Unidentified	21,931,311	600,787	21,330,524	2,384,120	1,560,874
Total	\$106,707,048	\$13,113,639	\$93,593,404	\$45,065,637	\$42,954,732

¹ The provisions of these credits do not allow a carryforward of excess credit. Therefore, credit earned is the same as credit claimed. However, corporate partners do not report amount earned by the partnership, only amounts claimed that were passed through to them. Thus, this table, which displays corporate partner amounts combined with non-partner corporations, reports amounts claimed instead of earned.

² Due to disclosure requirements, data is displayed only for zones with more than seven taxpayers as of the 2006 studyfile

³ Includes data from corporate partner filers.

⁴ Credit refunded includes amounts eligible for refund, but instead claimed as an overpayment applied against next year's tax liability at the discretion of the taxpayer.

d/ Tax Law provisions prohibit disclosure of data.

Table 29: New York State Alternative Minimum Tax Credit by Major Industry Group - 2006 Liability Year

Credit Earned	Major Industry Group	Number of Taxpayers	Amount of Credit Earned	% of Credit Earned	Median Credit Earned	Mean Credit Earned
	Agriculture, Forestry, Fishing & Hunting	11	\$7,916	0.16	\$236	\$720
Mining	5	35,085	0.69	776	7,017	
Utilities	4	4,621	0.09	1,045	1,155	
Construction	179	224,246	4.42	269	1,253	
Manufacturing	144	2,680,779	52.82	1,269	77,176	
Wholesale Trade	211	133,198	2.62	219	631	
Retail Trade	191	127,698	2.52	324	1,607	
Transportation & Warehousing	80	127,795	2.52	554	2,016	
Information	98	130,393	2.57	267	1,331	
Finance and Insurance	113	198,751	3.92	405	1,759	
Real Estate, Rental, & Leasing	281	728,033	14.35	232	2,591	
Professional, Scientific, & Technical Services	246	306,055	6.03	249	1,244	
Management of Companies & Enterprises	35	72,152	1.42	643	2,061	
Administrative & Support & Waste Management & Remediation Services	53	44,530	0.88	218	840	
Educational Services	12	5,529	0.11	225	461	
Health Care & Social Assistance	83	129,821	2.56	278	1,564	
Arts, Entertainment, & Recreation	33	49,693	0.98	149	1,506	
Accommodation & Food Services	66	48,310	0.95	101	732	
Other Services (except Public Administration)	89	20,484	0.40	122	230	
Public Administration	0	0	0.00	0	0	
Total	1,934	\$5,075,089	100.00	\$228	\$2,624	

Credit Claimed	Major Industry Group	Number of Taxpayers	Amount of Credit Claimed	% of Credit Claimed	Median Credit Claimed	Mean Credit Claimed
	Agriculture, Forestry, Fishing & Hunting	50	\$78,610	0.51	\$366	\$1,572
Mining	9	46,261	0.30	776	5,140	
Utilities	8	66,384	0.43	1,045	8,298	
Construction	486	519,303	3.38	200	1,069	
Manufacturing	334	5,641,787	36.73	1,666	58,385	
Wholesale Trade	424	572,323	3.73	256	1,350	
Retail Trade	452	620,187	4.04	404	2,526	
Transportation & Warehousing	179	368,974	2.40	434	2,593	
Information	154	638,119	4.15	359	4,144	
Finance and Insurance	169	4,047,425	26.35	398	23,949	
Real Estate, Rental, & Leasing	631	1,134,905	7.39	298	1799	
Professional, Scientific, & Technical Services	446	699,734	4.56	277	1,569	
Management of Companies & Enterprises	50	187,991	1.22	663	3,760	
Administrative & Support & Waste Management & Remediation Services	127	184,945	1.20	192	1,456	
Educational Services	21	13,144	0.09	225	626	
Health Care & Social Assistance	230	270,118	1.76	246	1,174	
Arts, Entertainment, & Recreation	82	76,021	0.49	179	927	
Accommodation & Food Services	170	94,299	0.61	138	555	
Other Services (except Public Administration)	217	100,206	0.65	171	462	
Public Administration	0	0	0.00	0	0	
Total	4,239	\$15,360,736	100.00	\$260	\$3,624	

d/ Tax Law provisions prohibit disclosure of data.

Table 29: New York State Alternative Minimum Tax Credit by Major Industry Group - 2006 Liability Year (Cont'd)

Credit Used	Major Industry Group	Number of	Amount of	% of Credit	Median Credit	Mean Credit
		Taxpayers	Credit Used	Used	Used	Used
	Agriculture, Forestry, Fishing & Hunting	4	\$999	0.16	\$252	\$250
	Mining	0	0	0.00	0	0
	Utilities	d/	d/	d/	d/	d/
	Construction	73	48,594	7.68	146	666
	Manufacturing	33	360,981	57.08	610	49,909
	Wholesale Trade	52	25,437	4.02	161	489
	Retail Trade	64	28,483	4.50	315	850
	Transportation & Warehousing	22	6,714	1.06	608	735
	Information	15	10,239	1.62	240	683
	Finance and Insurance	13	11,427	1.81	103	879
	Real Estate, Rental, & Leasing	73	25559	4.04	172	350
	Professional, Scientific, & Technical Services	57	24019	3.80	160	421
	Management of Companies & Enterprises	3	2136	0.34	d/	712
	Administrative & Support & Waste Management & Remediation Services	20	5,549	0.88	66	277
	Educational Services	d/	d/	d/	d/	d/
	Health Care & Social Assistance	32	16,730	2.65	117	523
	Arts, Entertainment, & Recreation	13	3,580	0.57	125	275
	Accommodation & Food Services	22	5,604	0.89	187	255
	Other Services (except Public Administration)	36	10,039	1.59	138	279
	Public Administration	0	0	0.00	0	0
	Total	536	\$632,380	100.00	\$161	\$1,180
Credit Carried Forward	Major Industry Group	Number of	Amount of	% of Credit	Median Credit	Mean Credit
		Taxpayers	Credit Carried Forward	Carried Forward	Carried Forward	Carried Forward
	Agriculture, Forestry, Fishing & Hunting	48	\$77,620	0.53	\$388	\$1,617
	Mining	9	46261	0.31	776	5140
	Utilities	7	20,364	0.14	590	2,909
	Construction	430	470,715	3.20	200	1,095
	Manufacturing	313	5,280,814	35.85	1,734	59,022
	Wholesale Trade	387	546,898	3.71	267	1,413
	Retail Trade	417	591,719	4.02	402	2,609
	Transportation & Warehousing	161	362,260	2.46	436	2,795
	Information	142	627876	4.26	366	4422
	Finance and Insurance	161	4,035,979	27.40	424	25,068
	Real Estate, Rental, & Leasing	586	1109368	7.53	299	1893
	Professional, Scientific, & Technical Services	405	675,717	4.59	293	1,668
	Management of Companies & Enterprises	48	185,855	1.26	663	3,872
	Administrative & Support & Waste Management & Remediation Services	112	179,397	1.22	209	1,602
	Educational Services	20	12,874	0.09	225	644
	Health Care & Social Assistance	211	253,394	1.72	252	1,201
	Arts, Entertainment, & Recreation	75	72,432	0.49	161	966
	Accommodation & Food Services	151	88,696	0.60	128	587
	Other Services (except Public Administration)	195	90,167	0.61	176	462
	Public Administration	0	0	0.00	0	0
	Total	3,878	\$14,728,406	100.00	\$266	\$3,798

d/ Tax Law provisions prohibit disclosure of data.

Table 30: New York State Alternative Minimum Tax Credit by Size of Entire Net Income - 2006 Liability Year

Credit Earned	Size of Entire Net Income			Number of	Amount of	% of Credit	Median Credit	Mean Credit	
				Taxpayers	Credit Earned	Earned	Earned	Earned	
	Zero or Net Loss			695	\$1,435,768	28.29	\$337	\$2,066	
	\$ 1	-	\$ 99,999	1,171	885,888	17.46	188	757	
	100,000	-	499,999	42	186,128	3.67	978	4,432	
	500,000	-	999,999	7	50,661	1.00	3,626	7,237	
	1,000,000	-	24,999,999	18	158,935	3.13	2,582	8,830	
	25,000,000	-	49,999,999	0	0	0.00	0	0	
	50,000,000	-	99,999,999	d/	d/	d/	d/	d/	
	100,000,000	-	499,999,999	d/	d/	d/	d/	d/	
	500,000,000	-	and over	0	0	0.00	0	0	
	Total			1,934	\$5,075,089	100.00	\$228	\$2,624	
Credit Claimed	Zero or Net Loss			1,859	\$9,534,551	62.07	\$289	\$5,129	
	\$ 1	-	\$ 99,999	2,199	1,797,172	11.70	218	817	
	100,000	-	499,999	116	763,466	4.97	909	6,582	
	500,000	-	999,999	19	63,856	0.42	695	3,361	
	1,000,000	-	24,999,999	41	523,143	3.41	2,069	12,760	
	25,000,000	-	49,999,999	0	0	0.00	0	0	
	50,000,000	-	99,999,999	d/	d/	d/	d/	d/	
	100,000,000	-	499,999,999	d/	d/	d/	d/	d/	
	500,000,000	-	and over	d/	d/	d/	d/	d/	
		Total			4,239	\$15,360,736	100.00	\$260	\$3,624

d/ Tax Law provisions prohibit disclosure of data.

Table 30: New York State Alternative Minimum Tax Credit by Size of Entire Net Income - 2006 Liability Year (Cont'd)

Credit Used	Size of Entire Net Income			Number of	Amount of	% of Credit	Median Credit	Mean Credit
				Taxpayers	Credit Used	Used	Used	Used
	Zero or Net Loss			0	\$0	0.00	\$0	\$0
	\$ 1	-	\$ 99,999	455	131,406	20.78	134	289
	100,000	-	499,999	57	86,677	13.71	443	1,521
	500,000	-	999,999	6	6,025	0.95	546	1,004
	1,000,000	-	24,999,999	15	254,297	40.21	1,195	16,953
	25,000,000	-	49,999,999	0	0	0.00	0	0
	50,000,000	-	99,999,999	d/	d/	d/	d/	d/
	100,000,000	-	499,999,999	d/	d/	d/	d/	d/
	500,000,000	-	and over	d/	d/	d/	d/	d/
	Total			536	\$632,380	100.00	\$161	\$1,180

Credit Carried Forward	Size of Entire Net Income			Number of	Amount of	% of Credit	Median Credit	Mean Credit
				Taxpayers	Credit Carried Forward	Carried Forward	Carried Forward	Carried Forward
	Zero or Net Loss			1,871	\$9,534,612	64.74	\$284	\$5,096
	\$ 1	-	\$ 99,999	1,900	1,665,755	11.31	230	877
	100,000	-	499,999	64	676,789	4.60	1,284	10,575
	500,000	-	999,999	13	57,831	0	1,378	4,449
	1,000,000	-	24,999,999	27	268,846	1.83	2,541	9,957
	25,000,000	-	49,999,999	0	0	0.00	0	0
	50,000,000	-	99,999,999	0	0	0.00	0	0
	100,000,000	-	499,999,999	d/	d/	d/	d/	d/
	500,000,000	-	and over	d/	d/	d/	d/	d/
	Total			3,878	\$14,728,406	100.00	\$266	\$3,798

d/ Tax Law provisions prohibit disclosure of data.

Table 31: New York State Alternative Minimum Tax Credit by Size of Credit Used - 2006 Liability Year

Credit Earned	Size of Credit Used	Number of Taxpayers	Amount of Credit Earned	% of Credit Earned	Median Credit Earned	Mean Credit Earned
	Zero	1,934	\$5,075,089	100.00	\$228	\$2,624

Credit Claimed	Size of Credit Used	Number of Taxpayers	Amount of Credit Claimed	% of Credit Claimed	Median Credit Claimed	Mean Credit Claimed
	Negative	0	\$0	0.00	\$0	\$0
	Zero	3,704	14,541,358	94.67	266	3,926
	\$ 1 - \$ 499	427	132,039	0.86	160	309
	500 - 999	51	70,219	0.46	816	1,377
	1,000 - 4,999	47	112,844	0.73	1,902	2,401
	5,000 - 9,999	4	73,787	0.48	7,992	18,447
	10,000 - 24,999	3	48,635	0.32	d/	16,212
	25,000 - 49,999	d/	d/	d/	d/	d/
	50,000 - 99,999	0	0	0	0	0
	100,000 - 499,999	d/	d/	d/	d/	d/
	500,000 - and over	0	0	0.00	0	0
	Total	4,239	\$15,360,736	100.00	\$260	\$3,624

d/ Tax Law provisions prohibit disclosure of data.

Table 31: New York State Alternative Minimum Tax Credit by Size of Credit Used - 2006 Liability Year (Cont'd)

Credit Used	Size of Credit Used			Number of Taxpayers	Amount of Credit Used	% of Credit Used	Median Credit Used	Mean Credit Used	
	Negative			0	\$0	0.00	\$0	\$0	
	Zero			0	0	0.00	0	0	
	\$	1	-	\$ 499	428	60,545	9.57	110	141
		500	-	999	51	36,848	5.83	732	723
		1,000	-	4,999	47	97,803	15.47	1,741	2,081
		5,000	-	9,999	4	27,782	4.39	6,593	6,946
		10,000	-	24,999	3	48,635	7.69	d/	16,212
		25,000	-	49,999	d/	d/	d/	d/	d/
		50,000	-	99,999	0	0	0.00	0	0
		100,000	-	499,999	d/	d/	d/	d/	d/
		500,000	-	and over	0	0	0.00	0	0
				Total	536	\$632,380	100.00	\$161	\$1,180

Credit Carried Forward	Size of Credit Used			Number of Taxpayers	Amount of Credit Carried Forward	% of Credit Carried Forward	Median Credit Carried Forward	Mean Credit Carried Forward	
	Negative			0	\$0	0.00	\$0	\$0	
	Zero			3,714	14,541,404	98.73	264	3,915	
	\$	1	-	\$ 499	126	71,498	0.49	271	567
		500	-	999	23	33,371	0.23	670	1,451
		1,000	-	4,999	12	15,041	0.10	554	1,253
		5,000	-	9,999	d/	d/	d/	d/	d/
		10,000	-	24,999	0	0	0.00	0	0
		25,000	-	49,999	0	0	0.00	0	0
		50,000	-	99,999	0	0	0.00	0	0
		100,000	-	499,999	d/	d/	d/	d/	d/
		500,000	-	and over	0	0	0.00	0	0
				Total	3,878	\$14,728,406	100.00	\$266	\$3,798

d/ Tax Law provisions prohibit disclosure of data.

Table 32: New York State Farmers' School Tax Credit by Basis of Taxation - 2006 Liability Year

Credit Earned	Basis of Taxation	Number of Taxpayers	Amount of Credit Earned	% of Credit Earned	Median Credit Earned	Mean Credit Earned
	Entire Net Income	d/	d/	d/	d/	d/
Fixed Dollar Minimum Tax		96	\$837,076	71.69	\$5,769	\$8,720
Capital Base	d/	d/	d/	d/	d/	d/
Alternative Minimum Tax		36	273,370	23.41	4,803	7,594
Total		142	\$1,167,669	100.00	\$5,566	\$8,223

Credit Claimed	Basis of Taxation	Number of Taxpayers	Amount of Credit Claimed	% of Credit Claimed	Median Credit Claimed	Mean Credit Claimed
	Entire Net Income	d/	d/	d/	d/	d/
Fixed Dollar Minimum Tax		98	\$878,171	72.05	\$5,817	\$8,961
Capital Base	d/	d/	d/	d/	d/	d/
Alternative Minimum Tax		36	283,405	23.25	4,868	7,872
Total		144	\$1,218,799	100.00	\$5,666	\$8,464

Credit Used	Basis of Taxation	Number of Taxpayers	Amount of Credit Used	% of Credit Used	Median Credit Used	Mean Credit Used
	Entire Net Income	d/	d/	d/	d/	d/
Fixed Dollar Minimum Tax		17	\$16,129	39.48	\$250	\$949
Capital Base	d/	d/	d/	d/	d/	d/
Alternative Minimum Tax		12	19,410	47.51	971	1,618
Total		33	\$40,857	100.00	\$590	\$1,238

Credit Refunded	Basis of Taxation	Number of Taxpayers	Amount of Credit Refunded	% of Credit Refunded	Median Credit Refunded	Mean Credit Refunded
	Entire Net Income	d/	d/	d/	d/	d/
Fixed Dollar Minimum Tax		91	\$769,998	73.57	\$5,544	\$8,462
Capital Base	d/	d/	d/	d/	d/	d/
Alternative Minimum Tax		32	225,959	21.59	4,340	7,061
Total		130	\$1,046,576	100.00	\$5,473	\$8,051

Credit Carried Forward	Basis of Taxation	Number of Taxpayers	Amount of Credit Carried Forward	% of Credit Carried Forward	Median Credit Carried Forward	Mean Credit Carried Forward
	Entire Net Income	d/	d/	d/	d/	d/
Fixed Dollar Minimum Tax		11	\$92,044	70.07	\$7,136	\$8,368
Capital Base	d/	d/	d/	d/	d/	d/
Alternative Minimum Tax		4	38,034	28.95	8,212	9,509
Total		16	\$131,364	100.00	\$5,823	\$8,210

d/ Tax Law provisions prohibit disclosure of data.

Table 33: New York State Credit for Employment of Persons with Disabilities by Basis of Taxation - 2006 Liability Year

Credit Earned	Basis of Taxation	Number of Taxpayers	Amount of Credit Earned	% of Credit Earned	Median Credit Earned	Mean Credit Earned
		Entire Net Income	10	\$39,219	41.34	\$2,100
	Fixed Dollar Minimum Tax	10	17,771	18.73	2,100	1,777
	Capital Base	d/	d/	d/	d/	d/
	Alternative Minimum Tax	d/	d/	d/	d/	d/
	Total	23	\$94,878	100.00	\$2,100	\$4,125

Credit Claimed	Basis of Taxation	Number of Taxpayers	Amount of Credit Claimed	% of Credit Claimed	Median Credit Claimed	Mean Credit Claimed
		Entire Net Income	12	\$42,870	29.85	\$2,100
	Fixed Dollar Minimum Tax	24	50,896	35.43	2,043	2,121
	Capital Base	d/	d/	d/	d/	d/
	Alternative Minimum Tax	d/	d/	d/	d/	d/
	Total	40	\$143,635	100.00	\$2,100	\$3,591

Credit Used	Basis of Taxation	Number of Taxpayers	Amount of Credit Used	% of Credit Used	Median Credit Used	Mean Credit Used
		Entire Net Income	11	\$38,003	47.73	\$2,100
	Fixed Dollar Minimum Tax	14	7,930	9.96	592	566
	Capital Base	d/	d/	d/	d/	d/
	Alternative Minimum Tax	d/	d/	d/	d/	d/
	Total	26	\$79,621	100.00	\$637	\$3,062

Credit Carried Forward	Basis of Taxation	Number of Taxpayers	Amount of Credit Carried Forward	% of Credit Carried Forward	Median Credit Carried Forward	Mean Credit Carried Forward
		Entire Net Income	d/	d/	d/	d/
	Fixed Dollar Minimum Tax	24	\$42,966	67.12	\$1,522	\$1,790
	Capital Base	d/	d/	d/	d/	d/
	Alternative Minimum Tax	d/	d/	d/	d/	d/
	Total	29	\$64,014	100.00	\$1,814	\$2,207

d/ Tax Law provisions prohibit disclosure of data.

Table 34: New York State Alternative Fuels Credit by Credit Component - 2006 Liability Year

Alternative Fuels Credit	Credit Component	Number of Taxpayers	Amount of Credit	Median Credit Amount	Mean Credit Amount
	Credit Earned	4	\$2,354,771	384,732	\$588,693
	Credit Claimed	5	3,021,216	649,133	604,243
	Credit Used	3	846,303	d/	282,101
	Credit Carried Forward	4	2,174,913	699,224	543,728

Due to disclosure provisions, data for this credit cannot be displayed in the traditional format. For this report, only the aggregate totals for each credit component are included.

Table 35: New York State Qualified Emerging Technology Company Employment Credit* by Basis of Taxation - 2006 Liability Year

Credit Earned	Basis of Taxation	Number of Taxpayers	Amount of Credit Earned	% of Credit Earned	Median Credit Earned	Mean Credit Earned
	Entire Net Income	d/	d/	d/	d/	d/
Fixed Dollar Minimum Tax		17	\$217,230	78.78	\$10,000	\$12,778
Capital Base	d/	d/	d/	d/	d/	d/
Alternative Minimum Tax		3	16,750	6.07	5,000	5,583
Total		21	\$275,730	100.00	\$8,500	\$13,130

Credit Used	Basis of Taxation	Number of Taxpayers	Amount of Credit Used	% of Credit Used	Median Credit Used	Mean Credit Used
	Entire Net Income	d/	d/	d/	d/	d/
Fixed Dollar Minimum Tax	d/	d/	d/	d/	d/	d/
Capital Base	d/	d/	d/	d/	d/	d/
Alternative Minimum Tax	d/	d/	d/	d/	d/	d/
Total	d/	d/	d/	d/	d/	d/

Credit Refunded	Basis of Taxation	Number of Taxpayers	Amount of Credit Refunded	% of Credit Refunded	Median Credit Refunded	Mean Credit Refunded
	Entire Net Income	d/	d/	d/	d/	d/
Fixed Dollar Minimum Tax		17	\$216,299	78.71	\$10,000	\$12,723
Capital Base	d/	d/	d/	d/	d/	d/
Alternative Minimum Tax		3	16,750	6.10	d/	5,583
Total		21	\$274,799	100.00	\$8,500	\$13,086

d/ Tax Law provisions prohibit disclosure of data.

* The provisions of this credit do not allow a carryforward of excess credit. Therefore, credit earned is the same as credit claimed.

Table 36: New York State Qualified Emerging Technology Company Facilities, Operations, and Training Credit* by Basis of Taxation - 2006 Liability Year

Credit Earned	Basis of Taxation	Number of Taxpayers	Amount of Credit Earned	% of Credit Earned	Median Credit Earned	Mean Credit Earned
		Entire Net Income	0	\$0	0.00	\$0
	Fixed Dollar Minimum Tax	48	5,783,328	82.58	77,092	120,486
	Capital Base	4	400,523	5.72	74,283	100,131
	Alternative Minimum Tax	17	819,034	11.70	43,613	48,178
	Total	69	\$7,002,885	100.00	\$58,029	\$101,491

Credit Used	Basis of Taxation	Number of Taxpayers	Amount of Credit Used	% of Credit Used	Median Credit Used	Mean Credit Used
		Entire Net Income	d/	d/	d/	d/
	Fixed Dollar Minimum Tax	20	\$79,648	65.18	\$1,833	\$3,982
	Capital Base	d/	d/	d/	d/	d/
	Alternative Minimum Tax	14	38,748	31.71	1,080	2,768
	Total	36	\$122,190	100.00	\$1,666	\$3,394

Credit Refunded	Basis of Taxation	Number of Taxpayers	Amount of Credit Refunded	% of Credit Refunded	Median Credit Refunded	Mean Credit Refunded
		Entire Net Income	0	\$0	0.00	\$0
	Fixed Dollar Minimum Tax	48	5,703,680	82.89	71,348	118,827
	Capital Base	3	396,729	5.77	d/	132,243
	Alternative Minimum Tax	17	780,286	11.34	43,613	45,899
	Total	68	\$6,880,695	100.00	\$57,089	\$101,187

d/ Tax Law provisions prohibit disclosure of data.

* The provisions of this credit do not allow a carryforward of excess credit. Therefore, credit earned is the same as credit claimed.

Table 37: New York State Industrial or Manufacturing Business Tax Credit* by Basis of Taxation - 2006 Liability Year

Credit Earned	Basis of Taxation	Number of Taxpayers	Amount of Credit Earned	% of Credit Earned	Median Credit Earned	Mean Credit Earned
	Entire Net Income	7	\$32,184	11.54	\$500	\$4,598
Fixed Dollar Minimum Tax	29	171,375	61.46	143	5,909	
Capital Base	5	378	0.14	85	76	
Alternative Minimum Tax	16	74,921	26.87	900	4,683	
Total	57	\$278,858	100.00	\$318	\$4,892	

Credit Used	Basis of Taxation	Number of Taxpayers	Amount of Credit Used	% of Credit Used	Median Credit Used	Mean Credit Used
	Entire Net Income	d/	d/	d/	d/	d/
Fixed Dollar Minimum Tax	5	\$45,182	38.91	\$893	\$9,036	
Capital Base	d/	d/	d/	d/	d/	
Alternative Minimum Tax	6	38,586	33.23	1,271	6,431	
Total	20	\$116,133	100.00	\$750	\$5,807	

Credit Refunded	Basis of Taxation	Number of Taxpayers	Amount of Credit Refunded	% of Credit Refunded	Median Credit Refunded	Mean Credit Refunded
	Entire Net Income	0	\$0	0.00	\$0	\$0
Fixed Dollar Minimum Tax	26	126,193	77.55	99	4,854	
Capital Base	3	197	0.12	d/	66	
Alternative Minimum Tax	13	36,335	22.33	697	2,795	
Total	42	\$162,725	100.00	\$191	\$3,874	

d/ Tax Law provisions prohibit disclosure of data.

* The provisions of this credit do not allow a carryforward of excess credit. Therefore, credit earned is the same as credit claimed.

Table 38: New York State Credit for Purchase of an Automated External Defibrillator* by Basis of Taxation - 2006 Liability Year

Credit Earned						
	Basis of Taxation	Number of Taxpayers	Amount of Credit Earned	% of Credit Earned	Median Credit Earned	Mean Credit Earned
	Entire Net Income	10	\$8,000	2.97	\$500	\$800
	Fixed Dollar Minimum Tax	5	15,000	5.58	500	3,000
	Capital Base	3	2,500	0.93	d/	833
	Alternative Minimum Tax	3	243,500	90.52	d/	81,167
	Total	21	\$269,000	100.00	\$500	\$12,810

Credit Used						
	Basis of Taxation	Number of Taxpayers	Amount of Credit Used	% of Credit Used	Median Credit Used	Mean Credit Used
	Entire Net Income	10	\$8,000	31.29	\$500	\$800
	Fixed Dollar Minimum Tax	3	13,565	53.06	d/	4,522
	Capital Base	d/	d/	d/	d/	d/
	Alternative Minimum Tax	d/	d/	d/	d/	d/
	Total	18	\$25,565	100.00	\$500	\$1,420

d/ Tax Law provisions prohibit disclosure of data.

* The provisions of this credit do not allow a carryforward of excess credit. Therefore, credit earned is the same as credit claimed.

Table 39: New York State Long-Term Care Insurance Credit by Basis of Taxation - 2006 Liability Year

Credit Earned	Basis of Taxation	Number of Taxpayers	Amount of Credit Earned	% of Credit Earned	Median Credit Earned	Mean Credit Earned
		Entire Net Income	20	\$54,004	28.31	\$2,112
	Fixed Dollar Minimum Tax	24	64,370	33.75	1,406	2,682
	Capital Base	4	28,943	15.17	1,842	7,236
	Alternative Minimum Tax	20	43,419	22.76	1,735	2,171
	Total	68	\$190,736	100.00	\$1,692	\$2,805

Credit Claimed	Basis of Taxation	Number of Taxpayers	Amount of Credit Claimed	% of Credit Claimed	Median Credit Claimed	Mean Credit Claimed
		Entire Net Income	20	\$65,568	18.39	\$2,184
	Fixed Dollar Minimum Tax	27	170,480	47.83	2,261	6,314
	Capital Base	4	30,758	8.63	2,559	7,690
	Alternative Minimum Tax	20	89,651	25.15	3,393	4,483
	Total	71	\$356,457	100.00	\$2,463	\$5,021

Credit Used	Basis of Taxation	Number of Taxpayers	Amount of Credit Used	% of Credit Used	Median Credit Used	Mean Credit Used
		Entire Net Income	18	\$52,813	54.04	\$2,184
	Fixed Dollar Minimum Tax	d/	d/	d/	d/	d/
	Capital Base	d/	d/	d/	d/	d/
	Alternative Minimum Tax	18	22,002	22.51	1,255	1,222
	Total	53	\$97,732	100.00	\$1,107	\$1,844

Credit Carried Forward	Basis of Taxation	Number of Taxpayers	Amount of Credit Carried Forward	% of Credit Carried Forward	Median Credit Carried Forward	Mean Credit Carried Forward
		Entire Net Income	d/	d/	d/	d/
	Fixed Dollar Minimum Tax	24	\$151,246	58.46	\$2,258	\$6,302
	Capital Base	d/	d/	d/	d/	d/
	Alternative Minimum Tax	20	67,649	26.15	1,570	3,382
	Total	48	\$258,725	100.00	\$2,213	\$5,390

d/ Tax Law provisions prohibit disclosure of data.

Table 40: Empire State Film Production Credit by Credit Component - 2006 Liability Year

Empire State Film Production Credit	Credit Component	Number of	Amount of	Median Credit	Mean
		Taxpayers	Credit	Amount	Credit Amount
	Credit Earned	16	\$44,257,196	\$1,066,982	\$2,766,075
	Credit Claimed	20	55,327,308	1,349,223	2,766,365
	Credit Used	6	15,011,792	841,848	2,501,965
	Credit Refunded	17	24,792,064	400,084	1,458,357
	Credit Carried Forward	13	15,523,451	257,527	1,194,112

Due to disclosure provisions, data for this credit cannot be displayed in the traditional format. For this report, only the aggregate totals for each credit component are included.

Table 41: New York State Brownfield Redevelopment Tax Credit by Credit Component* - 2006 Liability Year

Brownfield Redevelopment Tax Credit	Credit Component	Number of	Amount of	Median Credit	Mean
		Taxpayers	Credit	Amount	Credit Amount
	Credit Earned	8	\$181,968,844	\$1,730,751	\$22,746,106
	Credit Used	4	2,089,299	340,296	522,325
	Credit Refunded	8	179,879,545	1,730,751	22,484,943

*The provisions of this credit do not allow a carryforward of excess credit. Therefore, credit earned is equal to credit claimed.

Due to disclosure provisions, data for this credit cannot be displayed in the traditional format. For this report, only the aggregate totals for each credit component are included.

Appendix A: Credit Provisions Effective During the 2006 Tax Year

Investment Tax Credit

For tax years beginning on or after December 31, 1968, the investment tax credit (ITC) equaled 1 percent of the cost of new or expanded manufacturing production facilities located in New York State. By 1982, the rate had grown to 6 percent. Since 1982, the rate has dropped gradually and presently stands at 5 percent of the first \$350 million in investment and 4 percent for investment over that amount.

Unused ITC can be carried forward for fifteen years. If a taxpayer qualifies as a new business, it can elect to receive a refund of unused ITC during its first five taxable years. A new business is defined as any corporation except:

- A corporation in which over 50 percent of the number of shares of stock entitling their holders to vote for the election of directors or trustees is owned or controlled, directly or indirectly, by a taxpayer subject to the tax under: Article 9-A; sections 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 it 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 five taxable years (excluding short periods).

In addition, taxpayers who met certain employment tests could qualify for the employment incentive credit (EIC). Prior to 1987, this credit equaled one-half of the ITC base and was available for up to three years. However, employment in such years must have equaled at least 101 percent of the employment in the year immediately before the ITC was first claimed.

Investment Tax Credit History of Tax Rates

Investment Year	Rate and Applicable Investment Tax Credit Base
1969 - 1973	1% Optional one-year depreciation write-off for research and development property. Industrial waste treatment and air pollution facilities qualify for elective deductions.
1974 - 1977	2% Optional one-year depreciation write-off for research and development property. Industrial waste treatment and air pollution facilities qualify for elective deductions.
1978	3% Optional one-year depreciation write-off for research and development property. Industrial waste treatment and air pollution facilities qualify for elective deductions.
1/1/79 - 5/31/81	4% Optional one-year depreciation write-off for research and development property. Industrial waste treatment and air pollution control facilities qualify for elective deductions.
6/1/81 - 6/30/82	5% 10% rate on research and development property acquired after 6/30/82. Industrial waste treatment and air pollution control facilities qualify for elective deductions.
7/1/82 - 1986	6% 10% rate on research and development property. Industrial waste treatment and air pollution control facilities qualify for elective deductions.
Beginning in 1987, 1988, and 1989	5% of the first \$500 million. 4% of the amount above \$500 million. 10% rate on research and development property repealed – An optional 9% rate on research and development property becomes effective in 1987 as a component of ITC. Investments in industrial waste treatment property, air pollution control facilities no longer qualify for elective deductions, but remain eligible for ITC. Credit carryforward limited to 7 years.
Beginning in 1990	5% of the first \$425 million. 4% of the amount above \$425 million. An optional 9% rate on research and development property. Credit carryforward remained limited to 7 years.
Beginning after 1990	5% of the first \$350 million. 4% of the amount above \$350 million. An optional 9% rate on research and development property. 1994 law increased carryforward from 7 to 10 years. 1994 law extended pre-1987 ITC cutoff date from 1994 to 1997. 1997 law extended credit carryforward from 10 to 15 years. 1997 law extended pre-1987 ITC cutoff date from 1997 to 2002. ITC extended to broker/dealers (Property placed in service on or after October 1, 1998 and before October 1, 2003). 2002 law extended ITC for financial services to October 1, 2008. 2005 law extended ITC to certain film production facilities. SFY08-09 budget extended financial services ITC sunset to October 1, 2011. 2008 law codified employment tests and allowed certain property usage to be aggregated for purposes of the principal use test.

For investments made on or after January 1, 1987, the EIC is a two-year credit described in the following table:

History of Tax Rates of the Employment Incentive Credit

Year Property is Placed in Service	Average Number of Employees During the Tax Year Expressed as a Percentage of Those in the Employment Base Year	Additional Credit as a Percentage of the Investment Credit Base
Tax Years Beginning in 1987, 1988 or 1989	At least 101%	2% of the first \$500 million 2.5% in excess of \$500 million
Tax Years Beginning in 1990	At least 101%, but less than 101.5%	2% of the applicable ITC base
	In excess of 101.5%	2.5% of the applicable ITC base
Tax Years Beginning After 1990	At least 101%, but less than 102%	1.5% of the applicable ITC base
	At least 102%, but less than 103%	2% of the applicable ITC base
	At least 103%	2.5% of the applicable ITC base

Rehabilitation Credit for Historic Barns

Taxpayers may claim a tax credit for the rehabilitation of historic barns in New York State. The credit equals 25 percent of qualified rehabilitation expenditures. The definition of a qualified rehabilitated barn has the same meaning as a “qualified rehabilitated building” for purposes of the federal rehabilitation credit under Section 47 of the Internal Revenue Code. In accordance with federal law for rehabilitation of historic buildings, the barn must have been placed in service before 1936 and would only qualify for the credit based on substantial rehabilitation. Generally, a building will have been considered substantially rehabilitated only if the expenditures exceed the greater of the adjusted basis of the barn or \$5,000. A taxpayer may not claim both the regular investment tax credit on manufacturing property and the investment tax credit for rehabilitation of historic barns on the same property.

Rehabilitation Credit for Retail Enterprises

Taxpayers registered as vendors under Tax Law Article 28 and at least 50 percent engaged in retail sales can claim a credit for expenditures for retail enterprises that also qualify for the federal rehabilitation credit. The credit rate is the same as the traditional ITC. The credit is limited to expenditures attributable to property used in retail sales and located in New York.

Credit for Research and Development Property Under the ITC

Research and development (R&D) property acquired on or after January 1, 1987 qualifies for the ITC. Taxpayers may elect the regular ITC rate including the EIC, or an optional rate on R&D property of 9 percent for taxable years beginning in 1990. If taxpayers elect the higher rate, they cannot claim the EIC on the same investment.

ITC for the Financial Services Industry

An ITC is allowed for qualified property used in the financial services industry. Brokers or dealers in securities can receive the ITC for equipment or buildings used in broker/dealer activity and in activities connected with broker/dealer operations, such as the provision of investment advisory services for a regulated investment company and lending activities associated with the purchase and sale of securities. The rate of credit, maximum amounts, carryforward provisions, and recapture rules are generally the same as for the regular ITC.

To be eligible, the property must be principally used in the course of the taxpayer's business: as a broker or dealer in connection with the purchase or sale of stocks, bonds, commodities, or other securities; as a provider of lending, loan arrangement or loan origination services to customers in connection with the purchase or sale of securities; or as a provider of investment advisory services for a regulated investment company. In addition, qualified property includes property used in a course of the taxpayer's business as an exchange registered as a national securities exchange or a board of trade, or an entity wholly owned by one or more national security exchanges or boards of trade that provides automation or technical services to the national security exchanges or boards of trade.

Eligibility for the credit requires all or substantially all of the taxpayer's or affiliate's employees performing the administrative and support functions resulting from or relating to the qualifying uses of the property to be located in New York State. Taxpayers that lease property to an affiliated broker/dealer or exchange are also eligible for credit. Property must be placed in service prior to October 1, 2011.

Special Additional Mortgage Recording Tax Credit

A credit is allowed equal to the State Special Additional Mortgage Recording Tax paid on mortgages recorded after December 31, 1978. The special additional mortgage recording tax is imposed at the rate of 25 cents per \$100 on the indebtedness secured by a mortgage recorded on or after July 1, 1969. The credit is not allowed for such taxes paid on residential mortgages recorded after May 1, 1987, where the real property is located in Erie County or one or more of the counties comprising the Metropolitan Commuter Transportation District.

For periods beginning on or after January 1, 1994, taxpayers may elect to treat the unused portion of the special additional mortgage recording tax credit as an overpayment to be credited or refunded.

Empire Zone/
Zone Equivalent Area/
Qualified
Empire Zone
Enterprise Tax
Credits

In 1986, New York State enacted legislation to stimulate growth in economically distressed communities. The program provides a package of tax incentives for businesses that invest or provide jobs in designated areas called Empire Zones (EZs). Credits include a wage tax credit, a capital tax credit, and an investment tax credit.

The program has been amended periodically since its enactment. Generally, the changes consisted of adjustments to the credit calculation formulas, increases in the credit amounts, and expansions in the number of EZs. For complete details on changes made since the program's inception, see Appendix D.

EZ Wage Tax Credit/
ZEA Wage Tax Credit

Eligible taxpayers may claim a wage tax credit for up to five years for doing business and creating jobs in an EZ. The credit amounts differ for targeted and nontargeted employees. A higher credit amount applies to targeted employees (i.e., those with low incomes or on public assistance).

As originally implemented, the credit equaled 25 percent of targeted eligible wages for the first tax year, declining by 5 percent per year for each of the following five years.

The corresponding credit for non-targeted employees equaled one-half of these amounts. The total credit could not exceed 50 percent of pre-credit tax liability.

To qualify for the credit, taxpayers must have filled 20 percent of new zone jobs with zone residents, or with residents of census tracts bordering the zone. In addition, the employer must have shown a statewide and zonewide net employment gain. Ceilings limited the credits.

Beginning on or after January 1, 1994, the wage tax credit was simplified and shortened. The two-year wage tax credit was based on the average number of newly hired employees. The credit equaled the product of the average number of newly hired targeted employees multiplied by \$1,500 and nontargeted employees multiplied by \$750.

Beginning on or after January 1, 2001, the credit amounts increased to \$3,000 for each targeted employee and \$1,500 for each nontargeted employee. Both credits became available for five years. Starting with the 2005 tax year, taxpayers certified in Investment Zones¹ could claim an additional \$500 for each employee receiving wages in excess of \$40,000.

For tax years beginning on or after January 1, 1994, a similar credit was provided for eligible businesses located in zone equivalent areas (ZEAs) for wages paid to full-time employees in a ZEA. In year one, the credit equaled \$1,000 multiplied by the average number of newly hired targeted employees and \$500 multiplied by the average number of newly hired nontargeted employees. In year two, the credit decreased by one-half. Beginning on January 1, 2001, the ZEA credit amounts were changed to mirror the EZ wage tax credit amounts. The ZEA credit expired on June 13, 2004. Taxpayers could not earn new credit, but could use amounts carried forward from prior years.

The total EZ or ZEA wage tax credit cannot exceed 50 percent of tax due before credits. Taxpayers may carry forward unused credits indefinitely. In lieu of a carryforward, new business taxpayers may elect to have 50 percent of unused EZ wage tax credit refunded.

EZ Capital Tax Credit

A credit applied to the consideration paid for original issue stock purchased from a zone capital corporation. Zone capital corporations are corporations designed to raise money for investment in zone businesses. The credit equaled 25 percent of the amount paid for the stock, up to a lifetime maximum of \$100,000. In any tax year, the credit could not exceed 50 percent of the taxpayer's pre-credit liability. Taxpayers could carry forward unused amounts indefinitely. A recapture provision applied if the taxpayer disposed of the investment within 36 months of acquisition.

For tax years beginning on or after January 1, 1994, the law was amended to allow the EZ capital tax credit for investments in zone capital corporations, direct equity investments in certified zone businesses, and contributions to community development projects. The new credit equals 25 percent of the sum of each type of investment. The lifetime maximum credit per taxpayer equals \$100,000 in each category for an aggregate limit of \$300,000.

Starting in the 2005 tax year, credit can no longer be earned for investments in or contributions to EZ capital corporations. Taxpayers can continue to carryforward any unused amounts of credit calculated for investments made prior to January 1, 2005, however.

EZ Investment Tax Credit Production property acquired or built in an EZ may qualify for an EZ-ITC of 10 percent. Like the regular ITC, this credit cannot reduce the tax due for any year to less than the higher of the tax on the minimum income base or the fixed dollar minimum. However, corporations may carry forward any unused EZ-ITC indefinitely.

An additional 3 percent credit rate (30 percent of the EZ-ITC) applies in the three years following the year in which the corporation claims the EZ-ITC. To qualify for this second credit, the EZ-EIC, the taxpayer's employment in the EZ (excluding general executive officers) must equal at least 101 percent of its average employment in the year prior to earning the EZ-ITC.

Effective January 1, 1994, the EZ-ITC was amended to allow new businesses to elect a 50 percent refund of the unused credit in lieu of a carryforward. Effective January 1, 2001, taxpayers could apply the EZ-EIC against the alternative minimum tax base.

EZ Investment Tax Credit for the Financial Services Industry

Brokers or dealers in securities that are located in an EZ can receive the EZ-ITC for equipment or buildings used in broker/dealer activity and in activities connected with broker/dealer operations. Qualifying activity includes the provision of investment advisory services for a regulated investment company and lending activities associated with the purchase and sale of securities. The credit allowances are the same as the EZ-ITC.

Qualified Empire Zone Enterprise Credits¹

In 2000, the "Empire Zones Program Act" established two new EZ credits. Businesses that become certified as Qualified Empire Zone Enterprises (QEZEs) can receive a credit against property taxes paid and a tax reduction credit in addition to the other EZ credits. In order to qualify for the QEZE credits, a taxpayer must first satisfy an annual employment test.

QEZE Real Property Tax Credit

The QEZE real property tax credit (RPTC) is fully refundable and is calculated differently, depending upon the date the taxpayer was certified by Empire State Development.

Certifications prior to April 1, 2005

For taxpayers certified prior to April 1, 2005, the credit for real property taxes paid is the product of three factors:

1. a benefit period factor which is based on the number of years the taxpayer has been certified as a QEZE;
2. an employment increase factor which varies depending upon the number of jobs created by the QEZE; and
3. eligible real property taxes paid by the QEZE.

For taxpayers certified on or after August 1, 2002, the amount of credit claimed is limited to the greater of the employment increase limitation or the capital investment limitation. The employment increase limitation is the product of \$10,000 and taxable year employment minus test year employment. The capital investment limitation is 10 percent of the cost or other basis of the real property multiplied by the greater of the percentage of the property which is physically occupied and used by the QEZE, or the percentage of the cost or other basis attributable to the construction, expansion, or rehabilitation of the real property (as opposed to the acquisition). If 50 percent or more of the cost is attributable to the aforementioned activities, then the percentage is deemed to be 100 percent.

Certifications on or after
April 1, 2005

For businesses certified on or after April 1, 2005, there are two separate credit calculations and the credit contains different restrictions depending upon whether the QEZE is located in an Investment Zone (IZ) or a Development Zone (DZ). Manufacturers calculate their credit as if they were located in an IZ. The credit equals the product of 25 percent of the wages, health benefits, and retirement benefits of net new employees. Net new employees are calculated by subtracting the base period employment from taxable year employment. Wages and benefits in excess of \$40,000 are excluded and the credit cannot exceed \$10,000 per employee.

QEZEs located in a DZ must reduce their credit by an employment increase factor:

Net New Employees	Employment Increase Factor
1 to 10	0.25
11 to 49	0.5
50 to 75	0.75
76+	Amount divided by 100, up to 1.0

Taxpayers claim the greater of the amount of credit or the capital investment limitation, but neither may exceed the amount of the taxpayer's eligible real property taxes for the taxable year.

QEZEs located in an IZ and all manufacturers calculate their capital investment limitation in the same manner as taxpayers certified on or after August 1, 2002, but taxpayers located in a DZ are subject to a more restrictive limitation.

The DZ investment limitation equals the product of the percentage of the property which is physically occupied and used by the QEZE, and 10 percent of the amount of the cost or other basis attributable to the construction, expansion, or rehabilitation of the real property (as opposed to the acquisition). If 50 percent or more of the cost is attributable to the aforementioned activities, then the percentage is deemed to be 100 percent.

For companies certified on or after April 1, 2009, the QEZE real property tax credit is reduced by an additional 25 percent.

QEZE Tax Reduction Credit The tax reduction credit is the product of four factors:

1. a benefit period factor, based on the number of years the taxpayer has been certified as a QEZE;
2. an employment increase factor that varies depending upon the number of jobs created by the QEZE;
3. a zone allocation factor that measures the economic presence of the QEZE in the EZ and in New York State; and
4. a tax factor that is the larger of the tax on the entire net income base or the minimum taxable income base.

The credit is non-refundable, but may be used against the alternative minimum tax base. If a taxpayer is wholly located within a zone (has a zone allocation factor of 100%), it may apply the credit against the fixed dollar minimum tax.

Alternative Minimum Tax Credit

Taxpayers began to accumulate the alternative minimum tax (AMT) credit in 1990. Beginning in 1991, taxpayers could claim the AMT credit against their regular tax (entire net income base) for a portion of AMT paid in 1990 and subsequent years. A taxpayer can use the AMT credit to reduce its regular tax liability to the fixed dollar minimum, the capital base, or the minimum taxable income base, whichever is highest. The credit cannot be used against the subsidiary capital base.

The calculation of the minimum tax credit involves a two-step process. The taxpayer calculates a “tentative” minimum tax by subtracting from the minimum tax the highest of the tax on entire net income, the tax on business and investment capital, or the fixed dollar minimum tax.

In the second step, corporations recalculate the minimum tax they would have paid, accounting for only two specific tax preferences.

The first is the preference related to depletion under IRC Section 57(a)(1). The second is the preference related to the appreciated property charitable deduction under IRC Section 57(a)(6)(b). In addition, prior to 1994, both minimum tax calculations disallowed the net operating loss deduction, and required single weighting of the receipts factor.

Corporations reduce this recalculated minimum tax by the highest of the tax on entire net income, the tax on business and investment capital, or the fixed dollar minimum tax. The result of subtracting the recalculated minimum tax from the “tentative” minimum tax equals the minimum tax credit available for subsequent years.

Effective for taxable years beginning in 1994, taxpayers may claim an AMT credit against ENI-base tax liability for part of the net operating loss deduction not used in computing the AMT. Taxpayers may calculate the AMT credit retroactively for taxable years after 1989 and carry forward the credit indefinitely.

The pre-1994 net operating loss component is subject to a five-year transition rule, beginning in taxable years after 1993 and ending before 1999. Under the transition rule, a taxpayer may use up to 20 percent of the credit in each of the five years beginning with the 1994 tax year. Taxpayers will have available the remainder of any unused credit for tax years after 1999.

Farmers' School Tax Credit²

Eligible farmers may claim a refundable real property tax credit against the corporate franchise tax. The credit is available to an eligible farmer, defined as a taxpayer whose gross income from farming is at least 2/3 of total gross income. Eligible farmers also include those who paid school district property taxes on qualified agricultural property pursuant to a land contract. The credit equals the total school property taxes paid on qualified agricultural property in the State up to the acreage limitation, and 50 percent of the school taxes paid on acres in excess of the limitation. The acreage limitation equaled 100 acres in 1997 and 250 acres after 1997. The credit is phased out for taxpayers with New York adjusted gross income (entire net income) in excess of \$100,000. Recapture provisions provide for an addback of the credit if the taxpayer converts the property to a nonqualified use in the two years subsequent to the first year of the credit.

Credit for Employment of Persons with Disabilities

Employers who employ individuals with disabilities may claim a credit for a portion of wages paid to such individuals. The credit equals 35 percent of the first \$6,000 of first year wages paid to the disabled employee (a maximum of \$2,100 per employee). However, if the first year's wages qualify for the federal work opportunity tax credit, the New York credit will apply to second year wages. The credit may be applied against the AMT, and unused credits are not refundable but may be carried forward indefinitely. To become eligible for the State credit, the disabled employee must work for the employer on a full time basis for at least 180 days or 400 hours, and must be certified as disabled by the State Education Department. Visually handicapped individuals may receive certification from the appropriate agency responsible for vocational rehabilitation of the blind and visually impaired.

Alternative Fuels Credit

Prior to 2005, a tax credit was allowed for electric vehicles, clean fuel vehicles using natural gas, methanol and other alternative fuels, qualified hybrid vehicles, and clean fuel refueling facility property.

Starting on January 1, 2005, only credit for clean-fuel vehicle refueling property is allowed. The credit equals 50 percent of the cost of property used more than 50 percent of the time in a trade or business located in New York State. The property is defined in the Internal Revenue Code³.

Carryforwards of credit from qualified vehicles and vehicle property is still allowed.

Qualified Emerging Technology Company (QETC) Tax Credits

There are three tax credits related to businesses that qualify as qualified emerging technology companies: an employment credit, a capital credit, and a facilities, operations, and training (FOT) credit.

For the employment and capital credits, a QETC is a businesses that is located in New York State, has total annual sales of \$10 million or less, and either: has a ratio of research and development (R & D) funds to net sales that equals or exceeds an average ratio for typical research and development companies; or has products or services classified as emerging technologies. The ratio is updated annually and is included in the instructions for the credit forms. Likewise, the definition of *emerging technologies* is included in the instructions.

To claim the employment credit, a QETC must also have an average number of individuals employed full-time in New York State equal to at least 101 percent of its base-year employment.

For the FOT credit, businesses must meet the base QETC criteria, but with additional restrictions and certain modifications. First, a businesses must have 100 employees or less, with at least 75 percent employed in New York State. Also, the R & D funds to net sales ratio must equal or exceed 6 percent. Finally, gross revenues may not exceed \$20 million for the immediately preceding tax year.

QETC Employment Credit	The employment tax credit equals \$1,000 for each individual employed over a base year level and is allowed for three years. Excess credit may be refunded.
QETC Capital Credit	<p>The capital tax credit is available to taxpayers making qualified investments in certified QETCs. The credit varies in amount depending on how long the investment is held. Investments held for four years from the close of the tax year in which the QETC capital tax credit is first claimed qualify for a 10 percent credit. Investments held for nine years qualify for a 20 percent credit.</p> <p>The total amount of credit allowable to a taxpayer for all years may not exceed \$150,000 for credit computed at the 10 percent rate, and \$300,000 for credit computed at the 20 percent rate. Also, the credit and any carryforwards may not exceed 50 percent of the tax due prior to the application of any other tax credits.</p>
QETC Facilities, Operations, and Training Credit	<p>The credit consists of three components:</p> <ol style="list-style-type: none"> 1. 18 percent of R & D property, costs, and fees incurred in connection with emerging technology activities; 2. 9 percent of qualified research expenses; and 3. 100 percent of qualified high-technology training expenses, limited to \$4,000 per employee per year. <p>The total amount of credit is limited to \$250,000 per year and is fully refundable.</p> <p>The credit may be claimed for four consecutive years. However, taxpayers relocating from an academic incubator facility may claim credit for an additional year and elect to defer the start of the five year period until after they leave the facility.</p> <p>No credit may be earned in taxable years beginning on or after January 1, 2012.</p>

Industrial or
Manufacturing
Business Credit

Industrial or manufacturing businesses (IMBs) are allowed a credit to be taken against taxes due under Article 9-A. The credit is the sum of taxes paid during the taxable year by their suppliers, due under the provisions of Tax Law Sections 186-a, 186-c, 189, and 189-a of Article 9 for gas, electricity, steam, water, or refrigeration; or the services of providing such, which are used or consumed in New York. Energy providers will provide taxpayers, on request, information on the amounts due and paid for these taxes during the taxpayer's liability year.

To qualify for the IMB credit, a taxpayer must be a business which during the taxable year is principally engaged in: manufacturing, processing, assembling, refining, mining, extracting, farming, agriculture, horticulture, floriculture, viticulture, commercial fishing, or research and development; or is an industrial waste treatment facility or an air pollution control facility; or is principally engaged in a combination of such activities.

The credit expires for tax years ending on or after January 1, 2007.

Mortgage Servicing Tax
Credit

Mortgage bankers, registered under Article 12-D of the Banking Law and meeting certain regulatory requirements established by the State of New York Mortgage Agency (SONYMA), may claim a credit against their franchise tax. The credit equals 2.93 percent of the total principal and interest collected by the bank for each SONYMA mortgage secured by a one-to-four family residence. In addition, mortgage bankers may receive an amount equal to the interest collected during their taxable year on each SONYMA mortgage, secured by a five or more family residence, multiplied by a fraction. The fraction depends on the types of properties which secure the serviced mortgage loans. The credit may be applied against the mortgage banker's liability to reduce their liability to zero. There is no carryforward of excess credit.

Low-Income
Housing Credit

The New York State Low-Income Housing Tax Credit Program, based on the existing federal program, requires an agreement between the taxpayer and the Commissioner of the New York State Division of Housing and Community Renewal for a long-term commitment to low-income housing. The amount of the credit depends on the applicable percentage of the qualified basis of each low-income building. The credit amount allocated is allowed as a credit against tax for ten tax years. Unused credits may be carried forward indefinitely.

Green Building Credit

The green building credit provides incentives for the construction, rehabilitation, and maintenance of buildings with high environmental standards and energy efficiency. The credit rewards the use of environmentally preferable building materials and renewable and clean energy technologies.

There are six different credit components for which a taxpayer may be allowed a credit. Each credit component has its own requirements, formula for calculating the amount of the credit, and cap. A taxpayer may be allowed one or more of these components, with certain restrictions. The components are:

- whole building credit component (owner or tenant) - where base building and all tenant space are green;
- base building credit component (owner) - applies to areas not intended for occupancy by either a tenant or owner;
- tenant space credit component (owner or tenant);
- fuel cell credit component;
- photovoltaic module credit component; and
- green refrigerant credit component.

To obtain eligibility for the green building credit, the taxpayer must first apply to the Department of Environmental Conservation for an *initial credit component certificate*. The certificate will set forth the first taxable year for which the credit may be claimed and the maximum credit amount allowable to the taxpayer. The credit may be claimed for five taxable years beginning with the first taxable year allowed pursuant to the certificate. In addition, for each taxable year that a credit is claimed, a taxpayer will have to obtain an eligibility certificate issued by a licensed architect or engineer certifying that the project meets the standards for green buildings.

Where a credit has been allowed to an owner who sells a building or to a tenant who terminates his or her tenancy within the period for allowance of the credit, the successor owner or successor tenant will be allowed the credit for the remainder of the period, as long as the property continues to meet the applicable environmental standards.

Credit for Purchase of an Automated External Defibrillator

Taxpayers may claim a credit for the purchase of an automated external defibrillator. The amount of the credit is equal to the cost of the defibrillator, but is capped at \$500 per unit. There is no limit on the number of units for which the credit may be taken. The credit is nonrefundable and excess credit may not be carried forward.

Long-Term Care Insurance Credit

Taxpayers may claim a credit equal to 20 percent⁴ of the premiums paid during the tax year for the purchase of, or for continuing coverage under, a long-term care insurance policy that qualifies for the credit pursuant to Insurance Law section 1117. The credit is nonrefundable, but may be carried forward indefinitely.

A qualifying long-term care insurance policy is one that is:

- approved by the New York State Superintendent of Insurance pursuant to section 1117(g) of the Insurance Law; or
- a group contract delivered or issued for delivery outside of New York State that is a qualified long-term care insurance contract as defined in Internal Revenue Code section 7702B.

Empire State Film Production Credit

A taxpayer that is a qualified film production company subject to tax under Articles 9-A or 22 can apply to the Governor's Office for Motion Picture and Television Development (MP/TV) to receive a refundable, 10 percent⁵ Empire State film production credit.

To become a qualified production company, 75 percent of film production facility expenditures must be spent at a *qualified film production facility*, defined as a facility in New York in which television shows and films are or are intended to be regularly produced, and which contains at least one sound stage of at least 7,000 square feet. Productions that qualify for the credit are feature length films or television films, pilots, or series. Generally, documentaries, news or current affairs programs, interview or talk shows, instructional videos, sport shows or events, daytime soap operas, reality programs, commercials, and music videos do not qualify for the credit.

Taxpayers meeting the test above can qualify for a credit of 10 percent on qualified costs incurred at the facility. *Qualified costs* are costs for tangible property or services used or performed within New York directly and predominantly in the production (including post production) of a qualified film. Qualified production costs generally include most below the line items such as costs of technical and crew production, expenditures for facilities, props, makeup, wardrobe, set construction, and background talent, and generally exclude costs of stories and scripts, and wages for writers, directors, producers, and performers (other than extras without spoken lines).

Generally, *above the line* and *below the line* are terms of art in the film and television industry referring to divisions of categories or types of spending on the budget form. *Above the line* typically means fees and salaries for the creative team (director, producers,

actors, writers) and the cost of purchase of the story and/or script, while *below the line* refers to all the other the “hard” costs of production (crew salaries, equipment and facilities rental, film and lab costs, construction, materials, props, makeup, wardrobe, locations, editing, and catering -- essentially everything else involved in production of the film).

If a production has met the 75 percent test for production facility expenditures as described above, it may also qualify for the tax credit based upon qualified expenditures outside the qualified facility that are related to pre-production, location production, and post production in New York in one of two possible ways:

- a) if the qualified New York expenditures related to the qualified production facility total \$3 million or more, then all qualified expenditures related to pre-production, location, and post production in New York State qualify for the credit;
- b) if expenditures on the qualified production facility days are less than \$3 million, then the production must shoot at least 75 percent of all its location days in New York State in order to include expenditures incurred in New York State outside the qualified production facility on pre-production, production, and post production. The 75 percent threshold applies to a percent of the total location days only, not to the total shoot days. Shooting days spent at facilities are not used to calculate this threshold; only the ratio of shooting days spent on locations anywhere in New York State compared to shooting days on locations outside of New York State are used.

As enacted, the credit was refundable in equal amounts over a two-year period. For tax years beginning on or after January 1, 2008, the credit was entirely refundable in the year in which it is claimed.

The 2009-10 State budget “trifurcated” the utilization of the credit, effective for tax years beginning on or after January 1, 2009:

If the amount of the credit is:	it is claimed:
under \$1 million	in the taxable year in which the film is completed
at least \$1 million but less than \$5 million	over a two year period, with half claimed each year
at least \$5 million	over a three year period, with one-third claimed each year

Brownfields Tax Credits

Three refundable tax credits are available to taxpayers that remediate a site under the Brownfield Cleanup Program. The credits are effective for tax years beginning on or after April 1, 2005.

Brownfield Redevelopment Tax Credit⁶

The brownfield redevelopment tax credit equals the sum of three credit components:

- site preparation credit component;
- on-site groundwater remediation credit component; and
- tangible property credit component.

The credit equals 12 percent of costs associated with each component. The credit increases by two percent if the site is remediated to a Track 1 cleanup level (determined by the Department of Environmental Conservation), and by another eight percent if at least one half of the site is located in an Environmental Zone (En-Zone).

An En-Zone is an area designated by the Commissioner of Economic Development and, as of the 2000 census, has a poverty rate of at least 20 percent and an unemployment rate of at least 1¼ times the statewide unemployment rate.

Remediated Brownfield Credit for Real Property Taxes

The remediated brownfield credit for real property taxes equals 25 percent of the product of the taxpayer's employment factor (a percentage based on the number of persons employed by the taxpayer on a qualified site) and the taxpayer's eligible real property taxes. If the site is located in an En-Zone the credit increases to 100 percent.

Employment Number Factor Table	
Average number of full-time employees is at least:	Factor:
25 but less than 50	0.25
50 but less than 75	0.50
75 but less than 100	0.75
100	1.00

There is a credit limitation equal to the product of the number of full time employees at the qualified site multiplied by \$10,000.

Environmental Remediation Insurance Credit

The environmental remediation insurance credit is allowed one time for premiums paid for environmental remediation insurance up to the lesser of \$30,000 or 50 percent of the cost of the premiums.

Security Training Tax
Credit

Owners of commercial buildings over 500,000 square feet can receive a \$3,000 credit for each security guard employed who has undergone training certified by the New York State Office of Homeland Security (OHS) and is paid a certain minimum wage. The credit is administered by OHS and is refundable.

Fuel Cell Electricity
Generating
Equipment Credit

Taxpayers may claim a credit equal to qualified fuel cell electric generating equipment expenditures for the tax year in which the equipment is placed in service, starting with costs incurred on or after July 1, 2005.

Qualified expenditures are associated with the purchase of on-site electricity generation systems utilizing proton exchange membrane fuel cells up to 100 kilowatts of rated capacity. The maximum credit is \$1,500 per generating unit and the taxpayer may carryforward any unused credit indefinitely.

The SFY2009-10 budget repealed this credit, effective for tax years beginning on or after January 1, 2009. Taxpayers will be allowed to carry forward any unused credit indefinitely.

Handicapped
Accessible Taxicabs
and Livery Service
Vehicles Credit

Corporations and individuals providing a taxicab or livery service can claim a credit equal to the incremental cost associated with the purchase of a handicapped accessible vehicle or the conversion of a conventional vehicle to a handicapped accessible vehicle. The maximum credit is \$10,000 per vehicle. The credit can be used to reduce tax to zero and any remaining credit may be carried forward indefinitely. The credit applies to qualifying expenses incurred on or after January 1, 2006 but before January 1, 2011.

Biofuel Production
Credit

Taxpayers are allowed to claim a refundable credit for the production of biofuel in New York State. The credit equals 15 cents per gallon after the production of the first 40,000 gallons per year presented to market.

Biofuel means biodiesel, ethanol, and any other fuel that meets standards approved by the New York State Energy and Research Development Authority.

The credit is capped at \$2.5 million per taxpayer per year for up to four consecutive years per biofuel plant. The credit sunsets after December 31, 2012.

Land Conservation
Easement Credit

Land that is under a conservation easement is eligible for a refundable credit equal to 25 percent of the taxpayer's school district, county, and city/town real property taxes paid.

The maximum allowable tax credit is \$5,000. Also, this credit in combination with any credit based on property taxes cannot exceed the total amount of school district, county, and town real property taxes.

A conservation easement is defined as a perpetual and permanent conservation easement that serves to protect open space, biodiversity, or scenic, natural, agricultural, watershed, or historic preservation resources. It must be filed with the Department of Environmental Conservation.

Clean Heating Fuel
Credit

A refundable tax credit is available for the purchase of bioheat used for space heating or hot water production for residential purposes within New York State. The credit is equal to one cent for each percent of biodiesel per gallon of bioheat, up to 20 cents per gallon.

The credit applies to purchases made on or after July 1, 2006, and before July 1, 2007, and on or after January 1, 2008, and before January 1, 2012.

Fixed Dollar Minimum Tax

Many of New York's tax credits cannot reduce a taxpayer's liability below the alternative minimum tax or the fixed dollar minimum tax. The fixed dollar minimum tax varies according to a taxpayer's gross payroll.

Gross Payroll Amount	Fixed Dollar Amount
\$6,250,000 or more	\$1,500
\$1,000,001 to \$6,249,999	\$ 425
\$500,001 to \$1,000,000	\$ 325
\$250,001 to \$500,000	\$ 225
\$250,000 or less	\$ 100

A fixed dollar minimum of \$800 applies to essentially inactive (i.e., shelf) corporations that meet certain conditions, including:

- gross payroll of \$1,000 or less;
- total gross (i.e., everywhere) receipts of \$1,000 or less; and
- gross assets with an average value of \$1,000 or less.

Legislation enacted in 2004 created two temporary thresholds for taxable years beginning in 2004 and 2005. Taxpayers with a gross payroll of \$25 million or more would be subject to a \$10,000 fixed dollar minimum tax. Taxpayers with a gross payroll of less than \$25 million but more than \$6,250,000 would be subject to a \$5,000 fixed dollar minimum tax.

For tax years beginning on or after January 1, 2008, the base of fixed dollar minimum tax is changed from gross payroll to New York receipts. The tax will range from \$25 to 5,000.

Endnotes

1. This description of the QEZE credits refers to the law as it existed during the time period covered by the data in this report. A description of the structure of the program following amendments made in and after the 2005-06 budget is included in Appendix D.
2. Chapter 62 of the Laws of 2006 made several changes to the farmers' school tax credit, effective for taxable years beginning on or after January 1, 2006. The enhancements: increased the base acreage from 250 to 350 acres; raised the income phase-out range from \$100,000-\$150,000 to \$200,000-\$300,000; expanded credit eligibility to include Christmas tree farms; and allowed the flow through of income of corporate farms to shareholders.
3. To be eligible for the alternative fuels credit, property initially must have been qualified for the federal clean-fuel deduction under Internal Revenue Code (IRC) section 179A. Federal legislation converting the deduction to a credit necessitated an amendment to the New York credit. For tax years beginning on or after January 1, 2006, qualified property must be eligible for the federal credit under IRC section 30C.
4. For tax years beginning after 2003, the credit doubled from 10 percent to 20 percent.
5. For tax years beginning on or after January 1, 2008, the credit rate increases from 10 percent to 30 percent.
6. This description of the brownfield redevelopment tax credit refers to the law as it existed during the time period covered by the data in this report. A description of the credit following amendments made in 2008 is included in Appendix D.

Appendix B: Credit Provisions Effective for Tax Years Beginning After the 2006 Tax Liability Year

Appendix B describes the tax credits that were available to taxpayers for periods following the 2006 tax year. Although these tax credits are generally available in the year in which this report is produced, final data is not yet available due to filing extensions, fiscal year considerations, and verification and processing procedures.

Credits Available for Tax Years Beginning On or After January 1, 2007

Empire State Commercial Production Credit

The Governor's Office for Motion Picture and Television Development administers a three part credit designed to encourage the production of commercials in New York State. \$7 million in aggregate credit is allowed annually, allocated as follows:

- Incremental cost component - \$3 million: 20 percent of qualified production costs in excess of the average of the three prior years' costs. The credit is distributed on a pro-rata basis among all credit applicants, although no individual company shall receive an annual allocation greater than \$300,000;
- MCTD component - \$3 million: 5 percent of qualified production costs in excess of \$500,000 during the calendar year for work within the Metropolitan Commuter Transportation District (MCTD). This component is also awarded on a pro-rata basis, but with no per-company limitation.
- Outside MCTD component - \$1 million: 5 percent of qualified production costs in excess of \$200,000 during the calendar year for work outside the MCTD. This component is allocated in the same manner as the MCTD component.

Fifty percent of the credit is refundable, with the remainder fully refundable in the following year. The credit sunsets on December 31, 2011.

Credit for
Rehabilitation of
Historic Properties

Taxpayers may claim a tax credit for the rehabilitation of historic properties located in New York State. The amount of the credit is equal to 30 percent of the credit amount allowed under subsection (c)(3) of section 47 of the Federal Internal Revenue Code (IRC) for the same taxable year. The credit is capped at \$100,000 and any credit taken must be recaptured if the federal credit upon which it is based is recaptured by the taxpayer. Taxpayers may carry forward unused credit amounts to subsequent tax years.

For taxable years beginning on or after January 1, 2010, the rate is increased to 100 percent of the federal credit and the credit cap is raised to \$5 million. The rate and cap revert to pre-2010 tax year levels starting on January 1, 2015.

Appendix C: Article 9-A Tax Credit Forms and Credit Ordering Rules

Forms for Credits Available to Taxpayers During the 2006 Tax Year¹	
Form Number	Form Name
CT-38	<i>Minimum Tax Credit</i>
CT-40	<i>Claim for Alternative Fuels Credit</i>
CT-41	<i>Claim for Credit for Employment of Persons with Disabilities</i>
CT-43	<i>Claim for Special Additional Mortgage Recording Tax Credit</i>
CT-44	<i>Claim for Investment Tax Credit for the Financial Services Industry</i>
CT-46	<i>Claim for Investment Tax Credit and Employment Incentive Credit</i>
CT-46-ATT	<i>Credit for Rehabilitation Expenses for Retail Enterprises and Historic Barns</i>
CT-47	<i>Claim for Farmers' School Tax Credit</i>
CT-239	<i>Claim for Handicapped Accessible Taxicabs and Livery Service Vehicles Credit</i>
CT-241	<i>Claim for Clean Heating Fuel Credit</i>
CT-242	<i>Claim for Conservation Easement Tax Credit</i>
CT-243	<i>Claim for Biofuel Production Credit</i>
CT-248	<i>Claim for Empire State Film Production Credit</i>
CT-249	<i>Claim for Long-Term Care Insurance Credit</i>
CT-250	<i>Credit for Purchase of an Automated External Defibrillator</i>
CT-259	<i>Claim for Fuel Cell Electric Generating Equipment Credit</i>
CT-601/601.1	<i>Claim for EZ Wage Tax Credit/Claim for ZEA Wage Tax Credit²</i>
CT-602	<i>Claim for EZ Capital Tax Credit</i>
CT-603	<i>Claim for EZ Investment Tax Credit and EZ Employment Incentive Credit</i>

Forms for Credits Available to Taxpayers During the 2005 Tax Year (continued)	
Form Number	Form Name
CT-604	<i>Claim for QEZE Tax Reduction Credit^{3,4}</i>
CT-605	<i>Claim for EZ ITC and EZ EIC for the Financial Services Industry</i>
CT-606	<i>Claim for QEZE Credit for Real Property Taxes^{3,4}</i>
CT-611	<i>Claim for Brownfield Redevelopment Tax Credit</i>
CT-612	<i>Claim for Remediated Brownfield Credit for Real Property Taxes</i>
CT-613	<i>Claim for Environmental Remediation Insurance Credit</i>
CT-631	<i>Claim for Security Officer Training Tax Credit</i>
DTF-619	<i>Claim for QETC Facilities, Operations, and Training Credit</i>
DTF-621	<i>Claim for QETC Employment Credit</i>
DTF-622	<i>Claim for QETC Capital Tax Credit</i>
DTF-623	<i>Claim for Industrial or Manufacturing Business (IMB) Credit</i>
DTF-624	<i>Claim for Low-Income Housing Credit</i>
DTF-630	<i>Claim for Green Building Credit</i>
Forms for Credits Available to Taxpayers After 2006 Tax Year	
CT-238	<i>Claim for Rehabilitation of Historic Properties Credit</i>
CT-246	<i>Claim for Empire State Commercial Production Credit</i>

Tax Credit Ordering Rules

Taxpayers are instructed to apply tax credits in the following order:

- non-carryover, non-refundable credits;
- Empire Zone/Zone Equivalent Area Wage Tax Credits;
- carryovers of limited duration;
- carryovers of unlimited duration;
- refundable credits.

The appropriate application of multiple credits is illustrated in the following table. Credits that were available after the 2006 tax liability year, and therefore not covered by this report, are shaded.

Noncarryover Credits
Automated external defibrillator credit
Qualified Empire Zone Enterprise (QEZE) tax reduction credit
Mortgage servicing tax credit
Empire Zone (EZ) and Zone Equivalent Area (ZEA) Wage Tax Credits
EZ wage tax credit
EZ wage tax credit for new businesses only ^{5,6}
ZEA wage tax credit
Carryover Credits of Limited Duration
Investment tax credit (ITC) for financial services
Employment incentive credit (EIC) for the financial services industry
ITC, including retail enterprises and historic barns credit
EIC
Carryover Credits of Unlimited Duration
Alternative minimum tax credit
Alternative fuels credit ⁷
Credit for employing individuals with disabilities
Special additional mortgage recording tax credit
Long-term care insurance credit
EZ capital tax credit
EZ-ITC ⁶
EZ-EIC ⁶
EZ-ITC for the financial services industry ⁶
EZ-EIC for the financial services industry ⁶
QETC capital tax credit
Low-income housing credit
Green building credit
Fuel cell electricity generating equipment credit
Handicapped Accessible Taxicabs and Livery Service Vehicles Credit
Credit for Rehabilitation of Historic Properties (available for tax years beginning on/after 1/1/07)
Refundable Credits
Special additional mortgage recording tax credit for residential mortgages only
ITC for the financial services industry for new businesses only
ITC, including retail enterprises and historic barns credit, for new businesses only
Farmers' school tax credit
EZ-ITC for new businesses only ⁶
QEZE real property tax credit
EZ-ITC for financial services for new businesses only ⁶
Industrial or manufacturing business credit
QETC employment credit ⁸
Empire State film production credit

Refundable Credits (continued)
QETC facilities, operations, and training credit
Security training tax credit
Brownfields tax credits
Biofuel production credit
Conservation easement tax credit
Clean heating fuel credit (available for purchases occurring on/after 7/1/06 and before 7/1/07 and on/after 1/1/08 and before 1/1/12.)
Empire State commercial production credit (available for tax years beginning on/after 1/1/07)

Endnotes

1. The amount of the credit for servicing certain mortgages, which is available only to mortgage bankers, is reported on a letter from the New York State Mortgage Association to the taxpayer.
2. Because taxpayers can no longer earn ZEA wage tax credit, the CT-601.1 form is only used to report amounts of credit claimed from prior periods, amounts used in the current period, and amounts carried forward for use in future periods.
3. Corporate partners of a QEZE complete form CT-604-CP, *Claim for QEZE Credit for Real Property Taxes and QEZE Tax Reduction Credit for Corporate Partners*.
4. The two QEZE credits were split into separate credit forms starting in the 2005 tax year. The tax reduction credit remained on form CT-604, but the credit for real property taxes is now calculated on form CT-606.
5. Despite the fact that the EZ wage tax credit is refundable to new businesses, the Tax Law requires the credit to be applied prior to carryover-eligible credits or other refundable credits.
6. Legislation enacted as part of the 2006-07 Executive Budget created two special EZ project designations: qualified investment project (QUIP) and significant capital investment project (SCIP). Owners of QUIPs or SCIPs may refund 50 percent of excess EZ wage tax credit, EZ investment tax credit, and EZ employment incentive credit attributable to activity occurring at the project.
7. Beginning on January 1, 2005, the alternative fuels credit is only available for refueling property. The credit was refundable prior to that date, but only for electric vehicles manufactured in New York State, or clean-fuel vehicle property installed in or manufactured as a part of a motor vehicle in New York State, if those vehicles were sold or first leased during the tax year to a governmental unit.
8. For tax years prior to 2005, the QETC employment credit was only refundable to new businesses. For tax years beginning on or after January 1, 2005, the credit is refundable to all businesses.

Appendix D: History of Legislative Actions Impacting Article 9-A Tax Credits

This appendix provides a brief summary of changes to tax credits that were contained in state budgets or as separate legislation. Each year, the Office of Tax Policy Analysis publishes a *Summary of Tax Provisions* which offers a more detailed discussion of budget and tax credit provisions. Also, the Tax Department typically publishes an annual Technical Services Bureau memorandum (TSB-M) that summarizes changes to the Tax Law.

Changes in 1996-97 State Budget Year

- *Credit for Rehabilitation of Historic Barns*

Effective for taxable years beginning on or after January 1, 1997, the investment tax credit (ITC) was expanded to allow a corporate franchise tax credit for the rehabilitation of historic barns in New York State.

- *Farmers' School Tax Credit*

The farmers' school tax credit was enacted, effective for taxable years beginning in 1997.

Changes in 1997-98 State Budget Year

- *Alternative Fuels Credit*

The alternative fuels credit was enacted, available for property placed in service in taxable years beginning on or after January 1, 1998.

- *Credit for Employment of Persons with Disabilities*

The credit for employment of persons with disabilities was enacted, effective for tax years beginning on or after January 1, 1998, with respect to workers who begin work on or after January 1, 1997.

-
- *Investment Tax Credit Carryover*

The budget extended the ITC carryforward from ten to 15 years. Any unused pre-1987 credits were available until 2002 and post-1986 credits have a 15-year carryforward.

Changes in 1998-99 State Budget Year

- *Investment Tax Credit for Broker/Dealers in the Financial Securities Sector*

The ITC available to corporations for manufacturing operations, was extended to corporations, banks and personal income taxpayers that are brokers or dealers in securities. The credit is available for property placed in service for the five year period between October 1, 1998, and September 30, 2003.

- *“New York State Emerging Industry Jobs Act”*

The “New York State Emerging Industry Jobs Act” provided Article 9-A tax credits for qualified emerging technology companies (QETCs) that invest in research and development in New York State.

The provisions include an employment tax credit equal to \$1,000 for each individual employed full time over a base year level. The law also established capital credits that vary depending on how long the investment is held. The credit provisions apply to tax years beginning on or after January 1, 1999.

Changes in 1999-00 State Budget Year

- *Expansion of Qualified Emerging Technology Company Credit to the Remanufacturing of Certain Commodities*

The existing definition of qualified emerging technologies for purposes of the QETC employment tax credit and capital investment tax credits was broadened. The new definition includes companies that use remanufacturing processes to restore eligible commodities.

The expanded definition provision took effect for taxable years beginning on or after January 1, 2001.

- *Automated External Defibrillator Tax Credit*

The automated external defibrillator tax credit was enacted, effective for taxable years beginning on or after January 1, 2001.

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- *Merger and Acquisition Provisions Relating to the Investment Tax Credit*

The budget legislation repealed provisions relating to mergers, acquisitions, and consolidations, and as a result prevented the elimination of ITC for these companies. The provisions took effect for taxable years beginning on or after January 1, 2000.

- *Economic Development Zone, Zone Equivalent Area Wage Tax Credit Expansion*

The budget legislation doubled the existing wage tax credit for wages paid in Economic Development (EDZs) and Zone Equivalent Areas (ZEAs). The credit increased from \$1,500 to \$3,000 for targeted employees and from \$750 to \$1,500 for other individuals. In addition, the legislation increased, from two to five years, the period in which taxpayers may claim the ZEA wage credit. The provisions took effect for taxable years beginning on or after January 1, 2001.

- *Alternative Fuels Credit Expansion*

The availability of existing alternative fuels credits for electric vehicles and clean fuel vehicle property was expanded. The credits apply to such vehicles sold or leased to governmental entities in taxable years beginning on or after January 1, 2000. The credit was capped at \$2.5 million for the total amount allowed, with a sunset on December 31, 2001.

Changes in 2000-01 State Budget Year

- *“Empire Zones Program Act”*

The “Empire Zones Program Act” changed the term, “Economic Development Zone” to “Empire Zone” (EZ) and created two new credits. Businesses that meet an annual employment test can become certified as Qualified Empire Zone Enterprises (QEZEs) and receive a credit for real property taxes and a tax reduction credit. The credits apply to taxable years beginning on or after January 1, 2001.

- *Empire Zone Employment Incentive Credit and the Alternative Minimum Tax*

The budget amended the EZ employment incentive credit, allowing it to be used against the alternative minimum tax base. The change was effective for tax years beginning on or after January 1, 2001.

- *Green Building Credit*

The green building credit was enacted. The total credit pool available is \$25 million over 10 years, and the Department of Environmental Conservation determines the amount of credit available to individual taxpayers. The credits apply to costs incurred on or after June 1, 1999, for property placed in service or that has received a final certificate of occupancy in tax years beginning on or after January 1, 2001.

- *Industrial or Manufacturing Business Credit*

The industrial or manufacturing business (IMB) credit was enacted, effective for taxable years ending on or after January 1, 2000.

- *Merger and Acquisition Retroactive Investment Tax Credit*

The budget provided for the law preventing the unfair elimination of ITC for companies involved in mergers and acquisitions to apply retroactively to tax years beginning on or after January 1, 1997. Amended returns could not be filed prior to April 1, 2001.

- *Alternative Fuels Credit Extension*

Special provisions under Article 9-A relating to the sale or lease of electric vehicles or clean fuel vehicle property installed in motor vehicles to governmental entities were extended to include taxable years beginning in 2002 and 2003.

- *Low-Income Housing Credit*

The budget established the “New York State Low-Income Housing Tax Credit Program.” The credit is administered by the New York State Division of Housing and Community Renewal (DHCR) and is effective for tax years beginning on or after January 1, 2000, with respect to commitments for construction agreed upon on or after May 15, 2000.

- *Investment Tax Credit Transfer*

This provision allowed taxpayers to transfer their ITC to a transferee corporation in a qualified, stock-for-assets spinoff transaction. The credit transfer is allowed for ITC property

transferred as part of the spinoff, where recapture or limitation of the ITC would otherwise be required. If both parties jointly elect, the transferor would not be required to recapture its ITC on the transferred property. The transferee would then acquire the transferor's unused ITC. If they do not jointly elect the first option, the transferor would be required to recapture its ITC. The transferee would obtain the recaptured amount as its credit. Under either option, the transferee would treat the transferor's holding period and original cost as if it were its own for purposes of possible recapture. If the transferred credit exceeds the transferee's tax, the transferee would be entitled to a refund in the year of the credit. The credit allowed to the transferee is available in four equal portions beginning in the second succeeding taxable year following the transaction year. This provision applies to transfers of property occurring on or after January 1, 1999, in connection with qualified transactions completed prior to June 1, 1999, where the transfers occur in a taxable year of the transferee of the property which began in 1999.

- *Long-term care insurance credit*

The long-term care insurance credit was enacted, effective for tax years beginning on or after January 1, 2002.

Changes in 2001-02
State Budget Year

- *Empire Zone program expansion*

Eight new Empire Zones were authorized.

Changes in 2002-03
State Budget Year

- *Special Investment Tax Credit Provisions*

Special provisions were enacted for dealing with property damaged or destroyed in the September 11th terrorist attacks. Ordinarily, a taxpayer would be required to recapture the ITC in the year in which such property ceases to be in qualified use, but in this instance, such recapture may be deferred to the next taxable year. If, in that year, a taxpayer retains a significant number of employees, no recapture is required. Also, no recapture is required if a taxpayer lost more than 50 percent of its employees. If a taxpayer elects not to defer recapture and purchases replacement property, the ITC base is determined without regard to the normal required basis reduction.

- *Investment Tax Credit for the Financial Services Industry Extended*

The sunset date for the ITC for the financial services industry was extended from October 1, 2003 to October 1, 2008. This provision applies to property placed in service before October 1, 2008.

- *Low-Income Housing Credit Doubled*

The Statewide aggregate credit limit for the low-income housing tax credit was doubled from \$2 million to \$4 million.

- *Empire Zone Technical Corrections*

The EZ program was amended to clarify certain provisions and implement new components for several credit calculations. The changes fall into three main categories:

New Business Definition

The five-year new business period concept was clarified and simplified for the purpose of claiming refunds of credits. The new language clarified that a new business can receive an EZ-ITC refund in each of its first five years.

QEZE Technical Corrections

Technical issues were addressed regarding: the interplay of the effective date of the QEZE program with the General Municipal Law (GML) statutory provisions; the real property tax credit calculation; the treatment of payments in lieu of taxes; the employment test; and the definition of "employment number."

The effective date correction allows a certified QEZE to continue to receive QEZE benefits for the full term to which they are entitled, even in the event that the GML provisions authorizing the QEZE program were not extended past their expiration date of July 31, 2004.

The real property tax credit calculation was amended to include a limitation which is the greater of the employment increase limitation or the capital investment limitation. It also incorporated a recapture provision for instances where the amount of property taxes used in the property tax factor are reduced.

The corrections also codified Tax Department policy that the term *eligible real property taxes* included certain payments in lieu of taxes (PILOT payments). However, the amendment included a requirement that the PILOT payments be made pursuant to a written agreement approved by both the New York State Department of Economic Development and Office of Real Property Services as satisfying generally accepted and recognized standards of real property tax appraisals.

The employment test was modified so that: if a QEZE is certified in at least one EZ, all qualified employees working in any EZ will be considered employees for purposes of the employment test, regardless of whether the QEZE is certified in all of the EZs; for QEZEs that have a base period of zero years and an employment number in EZs greater than zero, the employment test will be met only if the QEZE is a new business; a taxpayer located in an EZ as a result of a boundary revision or in a newly designated EZ, will calculate the test as if they were always in that location and as if that location was always included in that EZ; and when a business enterprise relocates to an EZ from a business incubator facility, the test will be calculated as if the business enterprise was located in the EZ during its base period.

The term “employment number” was modified to exclude any individual who was employed in the preceding sixty months by a related person to the QEZE (as related person is defined in IRC section 465(b)(3)(c)).

EZ Wage Tax Credit Amendments

The new language specified that, in order for a related business to claim a wage tax credit, the employee for which the credit is being claimed must not have been employed by the related business within the preceding 60 months. This requirement can be waived if the individual had never previously generated a wage tax credit. The budget also clarified that the wage tax credit allowance period is five years from the date of original certification.

- *Empire Zone Expansion*

Ten new EZs were authorized, bringing the total number of EZs across the State to 72. Four zones were previously approved but not designated, while of the six new zones, four will contain two square miles, and two will contain one square mile. Also, this provision required that 75 percent of all unused zone acreage

designated after January 1, 2003, must be limited to three primary non-contiguous areas. The remaining 25 percent of "floater" acreage can only be designated outside of three primary areas if certain specific job creation criteria are met.

Changes in 2003-04
State Budget Year

There were no tax credit provisions enacted or affected by the 2003-04 State Budget. Separate legislation, Part H of Chapter 1 of the Laws of 2003, enacted the Brownfields tax credits.

- *Brownfields Tax Credit Program*

The brownfields tax credit program consists of three components:

Brownfield Redevelopment Tax Credit

The refundable credit equals 12 percent of the expenses related to site remediation, tangible personal property (i.e. structures) development, and groundwater remediation. A two percent bonus rate applies if the cleanup achieves a "Track 1" standard, established by the Department of Environmental Conservation (DEC). An eight percent bonus rate applies if the project is in an "En-Zone," defined as an area with a poverty rate of at least 20 percent and an unemployment rate of at least 1.25 times the statewide rate.

Remediated Brownfield Credit for Real Property Taxes

The refundable credit is based on the number of full-time employees hired and property taxes paid. To qualify, the taxpayer must hire at least 25 employees. The credit is capped at 25 percent of property taxes, but if the property is located in an En-Zone, the cap is removed.

Remediation Insurance Credit

The refundable credit is available only in the year in which the certificate of remediation is issued by DEC. The credit equals the lesser of \$30,000 or 50 percent of the premiums paid by the taxpayer for environmental remediation insurance.

Changes in 2004-05
State Budget Year

- *Empire State Film Production Credit*

The budget established a new tax credit for film production activity in New York State. If the taxpayer satisfies certain criteria regarding a threshold level of activity in the State, the credit equals 10 percent of qualified production costs incurred in the production of films and television shows. Fifty percent of excess credit is refundable, and any excess credit carried forward

is fully refundable in the second year. The aggregate amount of credit available in any calendar year is \$25 million. The credit is administered by the Governor's Motion Picture Office. The credit sunsets in four years.

- *Low-Income Housing Credit Increased*

The Statewide aggregate credit limit for the low-income housing tax credit was increased from \$4 million to \$6 million.

- *Alternative Fuels Credit Extension*

The alternative fuels credit was extended for vehicles and property placed in service in taxable years beginning on or after January 1, 2004. The credit sunsets for taxable years beginning after December 31, 2004.

- *QETC Credits Expanded*

The QETC employment and capital tax credits were expanded to cover businesses engaged in biotechnology.

- *Empire Zone Extension and Clarification*

The budget extended the Empire Zones program to March 31, 2005.

A separate law, Chapter 209 of the Laws of 2004, was enacted which clarified that taxpayers who are certified before the expiration of the EZ program would be allowed to continue to claim the benefits to which they are entitled for the full benefit period.

- *Long-Term Care Insurance Credit Doubled*

Health-related budget legislation (Chapter 58 of the Laws of 2004) increased the credit for long-term care insurance from 10 to 20 percent of premiums paid, effective for tax years beginning after 2003.

Changes in 2005-06 State Budget Year

- *Empire Zone/Qualified Empire Zone Enterprise Reform and Extension*

Part W of Chapter 61, as amended by Part A of Chapter 63, of the Laws of 2005 contained significant reforms to the Empire Zones (EZ)/Qualified Empire Zone Enterprise (QEZE) program.

Changes to the zone boundaries affect all taxpayers, while changes to eligibility and benefits apply to taxpayers certified on or after April 1, 2005. The entire program was extended to June 30, 2011.

Zone Structure

- Zones will now be designated as either Investment Zones (IZ) or Development Zones (DZ). Generally, IZs encompass economically distressed areas and DZs are “county zones.”
- The zone boundaries will be redrawn and will attempt to encompass as much of the old boundaries as possible.
- IZs may only contain three areas; DZs may only contain six areas. However, if the DZ is located in more than one county, it may contain 12 areas.
- Both IZs and DZs can apply to have one additional area within their borders.
- DZs can apply to have three areas designated as IZs.
- Current beneficiaries that cannot be included in the redrawn boundaries will continue to be eligible for their benefits until they are decertified.
- Certain projects can be located outside of the designated areas within IZs and DZs. These include: manufacturers who create 50 or more jobs; agri-businesses; hi-tech or biotech companies making a \$10 million capital investment and creating 20 or more jobs; and financial or insurance services firms or distribution centers creating 300 or more jobs.
- Twelve new zones will be created. Each of the 11 counties that do not currently have a zone will be eligible to apply for one, as will Chinatown.

Taxpayer Eligibility

- For purposes of the QEZE employment test, taxpayers will include their employees within EZs in their statewide employment number.
- The number of employees in the current tax year must exceed the number in the base period.
- If a corporation has zero base period employment or a base period of zero, they must qualify as a new business.
- The base period is shortened from five to four years.
- The QEZE employment number can include employees from a related person only if they were not employed within New York State within the preceding 60 months.
- Corporations identical in ownership and operation can qualify as a new business if they are expanding operations in a different county. The benefit period is the same for both QEZEs however.

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- Businesses certified prior to August 1, 2002 with zero base years or zero base period employment will not be deemed new businesses unless they were formed for a valid business purpose and not solely to gain Empire Zone benefits.

Taxpayer Benefits

- The benefit period is shortened from 15 years to 10 years.
- The QEZE real property tax credit calculation is amended to be 25 percent of the product of the wages and health and retirement benefits of net new employees, up to \$10,000 per employee. Wages in excess of \$40,000 will not be counted.
- If a taxpayer is located in a DZ, they are subject to an additional employment increase factor which will reduce the credit. The factor is scaled to reward greater employment increases. Manufacturers will not be subject to this factor, regardless of location.
- The credit limitation is amended to be the greater of the credit calculation or the capital investment amount.
- For QEZEs in an IZ and QEZE manufacturers, the limitation is the existing credit limitation. For QEZEs in a DZ, the limitation is the product of 10 percent of the cost of construction, expansion, or rehabilitation, as opposed to acquisition, of real property owned by the QEZE and located in the EZ, and the percent of property occupied and used by the QEZE or a related person.
- The credit is further limited to the amount of real property taxes paid.
- Real property taxes will include property taxes paid by a lessee under certain circumstances.
- The language regarding PILOTs is amended to restrict the amount of the PILOT for purposes of the credit to the product of the taxpayer's basis in the property and the county full value tax rate.

Agricultural Co-operatives

- The bill adds a fixed dollar minimum limitation for agricultural co-ops for the QEZE real property tax credit.
- The EZ investment tax credit, employment incentive credit, and wage tax credit are extended to agricultural co-ops.
- These changes are retroactive to 2004.

EZ Wage Tax Credit

- Honorably discharged veterans are added to the list of targeted employees.
- If a taxpayer is located in an IZ, the credit is increased by \$500 per each employee paid over \$40,000 in wages.

EZ Capital Tax Credit

- The credit for investments in or contributions to EZ capital corporations is eliminated.
- *QETC Facilities, Operations, and Training Credit*

A new qualified emerging technology company credit was created for certain QETCs. To qualify, a QETC must have fewer than 101 employees, 75 percent of which are employed in New York State. They must also have a ratio of research and development funds to net sales which equals or exceeds six percent. Finally, gross revenues may not exceed \$20 million for the tax year immediately preceding the year in which the taxpayer is claiming the credit. A taxpayer may claim the credit for four consecutive years. However, if relocating from an academic incubator facility, a taxpayer is entitled to one additional year. The credit is capped at \$250,000 per taxpayer per year and is refundable. No credit is allowed for taxable years beginning on or after January 1, 2012.

The credit consists of three components:

Research and Development Property

Research and development property is eligible for an 18 percent credit rate. Qualified property is the same as that eligible for the investment tax credit, although the base is expanded to specifically include property used for testing or inspection, or costs associated with quality control, research, development, fees for use of facilities or processes for such activities, or production or distribution of materials and products resulting from the research.

Research Expenses

Qualified research expenses are eligible for a 9 percent credit rate. Qualified expenses include expenses associated with in-house research and processes, and costs associated with the dissemination of research and development results and the patent process.

High-technology Training Expenditures

A taxpayer may take a credit equal to qualified training expenses, up to \$4,000 per employee per year. Training includes courses related to the activities of the QETC completed at a post-secondary college or university located in New York State. Training expenses include items such as costs of tuition and fees, software, and textbooks.

- *Green Buildings Tax Credit Period Two*

A second allocation of green buildings tax credits was authorized.

An aggregate of \$25 million in credit component certificates may be issued by the Department of Environmental Conservation (DEC) in tax years beginning in 2005 through 2009. The amount on any one certificate is limited to \$2 million, but a taxpayer may obtain multiple certificates if they are an owner or tenant of more than one qualified building. The aggregate credit components of \$25 million are applicable for years beginning in 2006 and ending in 2014. The budget also addressed circumstances where a taxpayer is unable to claim the credit they have been allocated. DEC may reallocate such credit either to an existing qualified recipient or to a new qualified applicant, provided the reallocation does not exceed the \$2 million limit for period two.

- *Low-Income Housing Credit Increased*

The Statewide aggregate credit limit for the low-income housing tax credit was increased from \$6 million to \$8 million.

- *Alternative Fuels Credit*

Chapter 310 of the Laws of 2005 extended the alternative fuels credit to cover only clean-fuel vehicle refueling property placed in service during the taxable year. The term "clean-fuel" means natural gas, liquefied petroleum gas, hydrogen, electricity, and any other fuel which is at least 85 percent, singly or in combination, methanol, ethanol, any other alcohol, or ether.

- *Investment Tax Credit Extended to Film Production Facilities*

Chapter 393 of the Laws of 2005 extended the ITC to property owned by a qualified film production facility and used by another for film production activity. For the taxpayer to qualify, they must provide three or more services to a qualified film production company using the facility, such as studio lighting grids, lighting and grip equipment, multi-line phone service, broadband information technology access, industrial scale electrical capacity, food services, security services, and heating, ventilation and air conditioning.

- *Security Training Tax Credit Enacted*

Chapter 537 of the Laws of 2005 created a tax credit for owners of buildings over 500,000 square feet who employ qualified security guards. The credit is \$3,000 for each guard who has undergone training certified by the New York State Office of Homeland Security (OHS) and is paid a certain minimum wage. The credit is administered by OHS and is refundable.

- *Fuel Cell Electricity Generating Equipment Credit*

The tax credit for fuel cell electricity generating equipment available under the personal income tax is extended to the corporate franchise tax. Effective for costs incurred on or after July 1, 2005, a taxpayer may claim a credit equal to qualified fuel cell electric generating equipment expenditures. Qualified expenditures are associated with the purchase of on-site electricity generation systems utilizing proton exchange membrane fuel cells up to 100 kilowatts of rated capacity. The maximum credit is \$1,500 per generating unit and the taxpayer may carryforward unused credit indefinitely.

Changes in 2006-07 State Budget Year

- *Enhanced Farmers' School Tax Credit*

The budget increased the base acreage from 250 to 350 acres, raised the income phase-out range from \$100,000-\$150,000 to \$200,000-\$300,000, included Christmas tree farms as eligible for the credit, and allowed the flow through of income of corporate farms to shareholders.

- *Land Conservation Easement Credit*

The budget created a refundable tax credit equal to 25 percent of the taxpayer's school district, county and city/town real property taxes paid on land that is under a conservation easement held by a public or private conservation agency. The maximum allowable tax credit is \$5,000.

- *Empire Zone (EZ)/Qualified Empire Zone Enterprise (QEZE) Program Amendments*

The budget created several new taxpayer designations for purposes of the EZ/QEZE benefits and made additional technical changes to the program. The designations require certification by Empire State Development.

New Designations

- Qualified Investment Projects (QUIPs)
Owners of a qualified investment project may choose between the date of certification of the business enterprise at the location of the QUIP or the date when property constituting the QUIP is first placed in service as the starting date of their benefit period. A QUIP is a project located in an EZ at which 500 or more new jobs will be created and which will consist of tangible personal property and other tangible property, including buildings and structural components of buildings, with a basis of \$750 million or more. Also, the owner of the QUIP may not employ more than 200 persons in New York State at the time the project commences.
- Significant Capital Investment Projects (SCIPs)
Owners of a significant capital investment project can receive a ten year benefit period extension, starting with the tax year in which the property comprising the SCIP investment is placed in service. The original ten year benefit period and the extension are considered one continuous benefit period for purposes of the QEZE credits. A SCIP is a project located in an EZ which will be either a newly constructed facility or an addition or expansion of a QUIP consisting of tangible personal property and other tangible property, including buildings and structural components of buildings, with a basis of \$750 million or more. In addition, the SCIP must be constructed after the basis of the QUIP equals or exceeds \$750 million and will create 500 or more new jobs.
- New Business Designation
Taxpayers are deemed new if they meet four criteria. They must be approved as a QUIP or SCIP, have a base period of zero years, place property, or a project which includes such property, in service which comprises a QUIP or SCIP, and be certified by December 31, 2007.

In addition, owners of QUIPs and SCIPs may receive a refund of 50 percent of excess EZ-ITC, EZ wage tax credit, and EZ-EIC. Generally, the first two credits are only refundable to new businesses and the EZ-EIC is non-refundable. Taxpayers claiming the EZ-ITC and EZ-EIC will be allowed the refunds for a maximum of ten taxable years with respect to the QUIP and SCIP, starting with the first taxable year in which property

comprising such project is placed in service.

- Clean Energy Research and Development Enterprises (CERDEs)

This new designation classifies a CERDE as a regionally significant project which allows it to be located outside of the EZ's investment or development zone boundaries. A CERDE is defined as "any electric generating facility that used pulverized coal technology, circulating fluidized bed technology or integrated gasification combined cycle technology and that is capable of capturing carbon dioxide for sequestration or capable of being retrofitted to capture carbon dioxide for sequestration."

- Clean Energy Enterprises (CEEs)

A business designated as a CEE may be located anywhere in the state and will compute its benefits as if located in an investment zone. A CEE is defined as "any business primarily engaged in research, development or manufacturing of renewable energy or energy efficiency technologies or products; provided, however, that an initial clean coal electric generating facility capable of capturing carbon dioxide for sequestration or capable of being retrofitted to capture carbon dioxide for sequestration." A business is primarily engaged in research, development or manufacturing of renewable energy or energy efficiency technologies or products if eighty percent or more of its property in New York is utilized for such purposes.

Technical Changes

- QEZE Employment Number Definition

For taxpayers meeting certain criteria in their first taxable year, the employment number will not require employment full-time for at least one-half of the taxable year. Instead, the employment number will be computed using full-time employment on the last day of the taxable year. The criteria are:

1. the taxpayer acquired real or tangible personal property during its first taxable year from an unrelated entity;
2. the first taxable year is a short taxable year of not more than seven months; and
3. the number of individuals employed full-time on the last day of the first taxable year shall be at least 190 and substantially all of the individuals must have been

previously employed by the entity from whom such enterprise purchased its assets.

- EZ Wage Tax Credit Wages Paid Requirement

The credit requirement that an employee must receive EZ wages for more than half the taxable year will not apply in the first taxable year under certain criteria. In these instances, the credit will be computed by using the number of individuals employed full time on the last day of the first taxable year. The criteria are:

1. the taxpayer acquired real or tangible personal property during its first taxable year from an unrelated entity;
2. the first taxable year is a short taxable year of not more than seven months; and
3. the number of individuals employed full-time on the last day of the first taxable year shall be at least 190 and substantially all of the individuals must have been previously employed by the entity from whom such enterprise purchased its assets.

- QEZE Employment Test and Real Property Tax Credit Calculations

The employment test and real property tax credit calculations for QEZEs certified on or after April 1, 2005 were extended to QEZEs certified between August 1, 2002 and March 31, 2005 that conduct operations on real property that they own or lease that is both located within an EZ and is subject to a brownfield site cleanup agreement executed prior to January 1, 2006.

EZ Designation Acceleration

Finally, the schedule for the designations of Empire Zones was accelerated. Originally, 12 new zones were to be phased in equally over a four-year period. Now, the 4th year's allotment is moved to year two, so that three EZs will be designated in year one, six in year two, and three in year three.

- *Biofuel Production Credit*

The budget created a refundable credit for the production of biofuel. The credit is equal to 15 cents per gallon after the production of the first 40,000 gallons per year presented to market. The credit is capped at \$2.5 million per taxpayer per year for up to four consecutive years per plant. The credit sunsets after December 31, 2012.

- *Empire State Film Production Credit Amendments*

The film credit was amended to increase the annual credit cap and extend the sunset date of the credit. The cap was raised from \$25 million annually to \$60 million annually in 2006 through 2011. The original sunset date was extended from four years after enactment of the original bill (2008) to December 31, 2011.

- *Empire State Commercial Production Credit*

A new credit was created to encourage production of commercials in New York State. The Governor's Office for Motion Picture and Television Development will administer the credit, determining credit eligibility and allocating the \$7 million aggregate credit amount allowed annually. The credit consists of three components:

1. *Incremental cost component* - \$3 million: 20 percent of qualified production costs in excess of the average of the three prior years' costs. The credit is distributed on a pro-rata basis among all credit applicants, although no individual company shall receive an annual allocation greater than \$300,000.
2. *MCTD component* - \$3 million: 5 percent of qualified production costs in excess of \$500,000 during the calendar year for work within the Metropolitan Commuter Transportation District (MCTD). This component is also awarded on a pro-rata basis, but with no per-company limitation.
3. *Outside MCTD component* - \$1 million: 5 percent of qualified production costs in excess of \$200,000 during the calendar year for work outside the MCTD. This component is allocated in the same manner as the MCTD component.

Fifty percent of the credit is refundable, with the remainder fully refundable in the following year. The credit sunsets on

December 31, 2011.

- *Extension of Environmental Zones (EN-Zones) for the Brownfield Redevelopment Tax Credit and the Tax Credit for Remediated Brownfields*

Taxpayers claiming brownfields credits on sites located in EN-Zones can receive enhanced credit rates. For an area to be designated as an EN-Zone, it must meet one of two tests. It must have a poverty rate of at least 20 percent and an unemployment rate of at least 1.25 times the statewide rate, or have a poverty rate of at least two times the poverty rate for the county in which the area is located. Under the latter provision, the site also had to be the subject of a brownfield site cleanup agreement pursuant to section 27-1409 of the Environmental Conservation Law entered into prior to a certain date. The budget extended that date from September 1, 2006 to September 1, 2010.

- *Low-income Housing Credit*

The budget increased the statewide, aggregate credit limit for the low-income housing credit from \$8 million to \$12 million. The New York State low income housing tax credit program is based on the existing Federal program and requires an agreement between the taxpayer and the Commissioner of the New York State Division of Housing and Community Renewal for a long-term commitment to low-income housing. The amount of the credit depends on the applicable percentage of the qualified basis of each low-income building. The credit amount allocated is allowed as a credit against tax for ten tax years. Unused credits may be carried forward indefinitely. The total amount of credit available is \$12 million each year.

- *Alternative Fuel Vehicle Refueling Property Technical Fix*

The budget updated Internal Revenue Code references in the alternative fuel vehicle refueling property credit statute to conform to federal changes. Previously, the credit was tied to a federal deduction, but the deduction was changed to a federal tax credit this past year. The budget also extended the sunset date of the credit from July 26, 2008 to December 31, 2010.

- *Handicapped Accessible Taxicabs and Livery Service Vehicles Credit*

Chapter 522 of the Laws of 2006 created a credit for corporations who provide a taxicab or livery service. The credit is equal to the incremental cost associated with the purchase of a handicapped accessible vehicle or the conversion of a conventional vehicle to a handicapped accessible vehicle, up \$10,000 per vehicle.

- *Clean Heating Fuel Credit*

Chapter 35 of the Laws of 2006 created a refundable tax credit for the purchase of bioheat used for space heating or hot water production for residential purposes within New York State. The credit is equal to one cent for each percent of biodiesel per gallon of bioheat purchased on or after July 1, 2006, and before July 1, 2007. The credit is only available in tax years beginning in 2006 and 2007. The amount of the credit may not exceed 20 cents per gallon.

- *Credit for Rehabilitation of Historic Properties*

Chapter 547 of the Laws of 2006 created a tax credit for the rehabilitation of historic properties located in New York State. The amount of the credit is equal to 30 percent of the credit amount allowed under subsection (c)(3) of section 47 of the Federal Internal Revenue Code (IRC) for the same taxable year. The credit is capped at \$100,000.

- *Brownfield Redevelopment Tax Credit Expansion*

Chapter 420 of the Laws of 2006 expanded the tangible property credit component of the brownfield redevelopment tax credit. The chapter amended the definition of “qualified tangible property” to allow the credit to apply to co-operative and condominium units.

Changes in 2007-08 State Budget Year

- *Low-income Housing Credit*

The budget increased the statewide, aggregate credit limit for the low-income housing credit from \$12 million to \$16 million. The amount of the credit depends on the applicable percentage of the qualified basis of each low-income building. The credit amount allocated is allowed as a credit against tax for ten tax years.

Changes in 2008-09
State Budget Year

- *Empire State Film Production Credit*

The budget amended the Empire State film production credit to increase the credit rate, accelerate the credit refund, and increase the statutory credit allotment.

The credit rate was increased from 10 percent to 30 percent of qualified production costs. The credit refund language was amended to allow the entire amount of excess credit to be refunded in one year, instead of across two tax years. Finally, the total amount of credit that can be awarded by the Governor's Office for Motion Picture and Television Development was increased from \$60 million annually in 2008 through 2011 to \$65 million in 2008, \$75 million in 2009, \$85 million in 2010, \$90 million in 2011 and 2012, and \$110 million in 2013.

- *Empire Zones*

The budget made two amendments to the Empire Zones (EZ) Program pertaining to qualified investment projects (QUIPs) and significant capital investment projects (SCIPs).

EZ Wage Tax Credit - QUIPs and SCIPs will be able to delay the start of the five-year period in which to claim the EZ wage tax credit. The five-year period will begin in the first year of the QUIP's or SCIP's QEZE tax benefit period. Generally, the five-year period begins in the first year a taxpayer pays EZ wages. *EZ wages* are defined as wages paid by a certified taxpayer for fulltime employment (excluding general executive officers) during the tax year in an area designated or previously designated as an EZ, if the employment is in a job created in the EZ during the period of its designation as an EZ, or within four years of the expiration of the EZ designation.

QUIP/SCIP Designation Deadlines - The deadline to submit applications to Empire State Development to become certified as the owner of a QUIP was extended from December 31, 2007 to December 31, 2009. Applications to become certified as the owner of a SCIP submitted by an entity previously qualified as a QUIP, or a related person, must be submitted by June 30, 2011.

- *Low-Income Housing Credit*

The budget increased the statewide aggregate credit limit for the low-income housing credit from \$16 million to \$20 million.

- *Financial Services ITC*

The budget extended the sunset date for the financial services investment tax credit (ITC) from October 1, 2008 to October 1, 2011.

Chapter 637 of the Laws of 2008 made further changes to the credit. Property purchased by a taxpayer affiliated with a registered investment advisor, or property leased to an affiliated registered investment advisor will be eligible for the credit if the property is principally used in qualifying activities.

Also, to determine if the property is principally used in qualifying uses, the uses by a taxpayer and its affiliated brokers, dealers, and registered investment advisors may be aggregated.

Finally, Chapter 637 addressed the employment eligibility test that is a prerequisite to claiming the credit. The 80 percent current-year formula and the 95 percent three-year back-office formula that were established by Tax Department guidance memoranda were codified. Additionally, a new formula - the 90 percent end-of-year test was created. This test requires the number of New York State employees in the current year to be equal to or greater than 90 percent of the employees on:

- a) December 31, 1998, for calendar year filers subject to tax in 1998 or;
- b) the last day of the first tax year ending after December 31, 1998.

- *Credit for Taxicabs and Livery Service Vehicles Accessible to Persons with Disabilities*

The budget extended the credit for two years. The credit is now available through December 31, 2010.

- *Bioheat Tax Credit*

The budget reinstated the tax credit for the purchase of bioheat for residential customers. The credit expired June 30, 2007, and was reinstated for period January 1, 2008 through December 31, 2011.

- *Brownfield Tax Credits*

Chapter 390 of the Laws of 2008 made several changes to the brownfield redevelopment tax credit, effective for taxpayers accepted by the Department of Environmental Conservation into the Brownfield Cleanup Program (BCP) after June 23, 2008.

First, the tangible property credit component was limited to the lesser of \$35 million or three times the costs included in the site preparation and on-site groundwater remediation components. For sites that will be used primarily for manufacturing or the activities of a qualified emerging technology company, the limit is the lesser of \$45 million or six times the costs included in the calculation of the other two credit components.

Also, the basis of property eligible for the tangible property component must be adjusted to exclude any cost of acquisition when a Certificate of Completion is transferred or sold if the previous taxpayer already claimed credit on such property.

Finally, an additional 2 percent bonus credit rate was created for sites located in a Brownfield Opportunity Area and developed accordingly.

Chapter 390 also amended the credit rates under the site preparation and on-site groundwater remediation credit components for sites accepted into the BCP after June 23, 2008. The new rates range from 22 percent to 50 percent of qualified costs.

Finally, two new reports were mandated. The Tax Department must publish an annual report listing taxpayers claiming any of the brownfield tax credits, the credit amounts, and the respective brownfield sites. Developers of brownfield sites must file an annual report with the Tax Department containing actual or estimated amounts of state and local taxes generated by the activities of businesses and employees operating on the site.

Changes in 2009-10 State Budget Year

- *Tax Credit Repeal*

The budget repealed two tax credits: the fuel cell electric generating equipment credit and the transportation improvement contribution credit. Taxpayers will no longer be able to earn these tax credits for tax years beginning on or after January 1, 2009.

- *Empire State Film Production Credit*

The budget provided an additional authorization of \$350 million in Empire State film production credit for 2009. The credit is administered by the Governor's Office for Motion Picture and Television Development. Also, effective for taxable years beginning on or after January 1, 2009, the utilization of the credit is spread across several years, depending on the size of the credit:

If the amount of the credit is:	it is claimed:
under \$1 million	in the taxable year in which the film is completed
at least \$1 million but less than \$5 million	over a two year period, with half claimed each year
at least \$5 million	over a three year period, with one-third claimed each year

- *Low-Income Housing Credit*

The budget increased the statewide aggregate credit limit for the low-income housing credit from \$20 million to \$24 million. The credit is administered by the Division of Housing and Community Renewal. In addition, to conform with a recent change to the Federal low-income housing credit, the budget eliminated the security bond in lieu of recapture option. Previously, taxpayers disposing of an interest in a low-income housing building were not required to recapture the credit immediately. Instead, they could post a bond intended to satisfy any liability stemming from credit recapture in the event the building fell out of compliance as low-income housing in the future. As a result of the change, taxpayers will no longer post a bond, but recapture is deferred if it is reasonably expected that the building will remain in compliance. Should the building cease to qualify, the period to issue a deficiency assessment arising from credit recapture is extended to three years beyond the date the taxpayer notified the Commissioner of DHCR that the building was no longer in compliance.

- *Empire Zones Reform*

The budget made numerous changes to the Empire Zones Program. The changes fall into several categories: administration, tax law changes, and public reporting.

Administration

- In 2009, Empire State Development (ESD) will conduct a performance review of all companies that have been certified for at least three years. Companies receiving tax benefits in excess of the amount of their wages, benefits, and investment, and firms certified prior to August 1, 2002 that used reincorporation strategies to manipulate eligibility for and calculation of tax benefits will be decertified.
- ESD will issue an Empire Zone Retention Certificate (EZRC) to all qualifying firms. Qualifying firms are existing certified businesses with less than three years in the Program and those with three or more years that pass the review. Businesses that do not qualify will be notified by mail with information on the appeals process.
- ESD will conduct its review based on business annual reports submitted by certified businesses during the 2001 to 2007 period.
- 2008 tax returns claiming EZ credits without the EZRC will not be accepted.
- Firms seeking certification by ESD after April 1, 2009 are required to meet a ratio comparing wages, benefits, and investments to EZ tax benefits. The general ratio is 20:1, although manufacturers are subject to a 10:1 ratio. ESD retains some discretion to certify companies not meeting the ratios.
- All previous criteria for certification and decertification remain.
- The EZ Program sunset date is accelerated from June 30, 2011 to June 30, 2010.

Tax Law Changes

Decertifications resulting from ESD's review will preclude taxpayers from claiming benefits starting with the 2008 tax year.

This has several implications:

- Taxpayers that do not receive an EZRC will not be allowed to use carryforwards of EZ wage tax credit, investment tax credit, employment incentive credit, and capital credit.
- Taxpayers with an understatement of 2008 liability solely because they failed ESD's review and were denied the use of EZ credits will not be assessed an underpayment penalty.

For taxpayers that are granted a retention certificate by ESD:

- The period of time in which the Tax Department pays no interest on overpayment refunds is extended to 180 days after the filing of a 2008 tax return with an EZRC.

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- Generally, when taxpayers have not received a refund within six months of timely filing a return, they may petition the Tax Department for the refund. The Executive Budget moved the start of the six month period from the date an original return was filed to the date a return was filed with an EZRC.

These two changes are intended to allow time for ESD's review, the issuance and dissemination of EZRCs, and, for taxpayers that already filed returns before receiving an EZRC, the filing and processing of a return accompanied by a retention certificate.

The budget also converted the Qualified Empire Zone Enterprise (QEZE) sales and use tax exemption to a refund or credit of tax paid on qualifying property and services (with local option).

Finally, the budget made two prospective changes applicable to companies certified on or after April 1, 2009:

- The QEZE real property tax credit is reduced by 25 percent.
- The company is not eligible for the QEZE sales tax refund/credit unless the sale or use qualifies for a refund or credit of the county or city sales and use tax.

Annual Report

The annual QEZE report submitted to the Governor, the Temporary President of the Senate, the Speaker of the Assembly, and the Chairs of the Senate and Assembly fiscal committees is repealed, effective January 1, 2012. In its place, the Department will issue a more expansive report that will be fully available to the public. The new report will list the name of every business entity claiming EZ/QEZE credits (including the sales tax refund/credit) and the corresponding amounts of credit claimed. Reporting will be limited to the entity earning the credit; individual taxpayers receiving credit because they are partners, members, or shareholders in a pass-through entity will not be listed in the report.

- *Credit for Rehabilitation of Historic Properties*

Chapter 239 of the Laws of 2009 made two significant changes to the amount of the credit. First, the credit rate is increased from 30 percent to 100 percent of the amount of the federal historic properties credit. Also, the maximum credit allowed is increased from \$100,000 to \$5 million. The rate and cap revert to pre-2010 levels on January 1, 2015.

Table of Tax Credit Changes: 1996-2009

Credit	Budget Year	Object of Change
Alternative Fuels Credit	1997-98	credit enacted
	1999-00	credit expanded to cover sales/leases to governmental entities
	2000-01	sunset date extended
	2004-05	sunset date extended
	2005-06	sunset date extended only for refueling property
	2006-07	IRC references updated and sunset date extended
Automated External Defibrillator Tax Credit	1999-00	credit enacted
Biofuel Production Credit	2006-07	credit enacted
Brownfields Tax Credit Program	2003-04	credit enacted
	2006-07	site cleanup agreement cutoff date for EN-Zones extended
		credit extended to co-operatives and condominiums
2008-09	TPP component capped, BOA rate, basis adjustment, site prep & groundwater remediation rates increased, 2 report mandates	
Clean Heating Fuel Credit	2006-07	credit enacted with June 30, 2007 sunset
	2008-09	credit reinstated for period of 1/1/08 through 12/31/11.
Credit for Employment of Persons with Disabilities	1997-98	credit enacted
Credit for Rehabilitation of Historic Properties	2006-07	credit enacted
	2009-10	credit rate increased from 30% to 100% of federal credit; cap increased from \$100,000 to \$5 million
Empire State Commercial Production Credit	2006-07	credit enacted
Empire State Film Production Credit	2004-05	credit enacted
	2006-07	aggregate credit cap increased and sunset extended
	2008-09	cap increased and additional years added, rate tripled, refund change
2009-10	additional \$350 million allocated for 2009; credit utilization trifurcated, depending upon size of credit	
Empire Zone Credits	1999-00	EZ/ZEA wage tax credit amounts doubled, period lengthened
	2000-01	QEZE tax reduction credit and real property tax credit enacted
		EZ employment incentive credit allowed against alternative minimum tax

Credit	Budget Year	Object of Change
Empire Zones Credits (continued)	2001-02	creation of additional zones authorized
	2002-03	EZ technical corrections enacted
		creation of additional zones authorized
	2004-05	sunset date extended
		full term of benefits language adopted
	2005-06	program reform and extension
	2006-07	new designations: QUIP, SCIP, CERDE, CEE
		EZ-ITC, EZ-WTC, EZ-EIC refundable to QUIPs/SCIPs
		technical changes for EZ-WTC and QEZE credits
		zone designations accelerated
	2008-09	QUIP/SCIP designation deadline extended WTC start delay
	2009-10	ESD review of all certified businesses; EZ retention certificate required
		QEZE real property tax credit reduced by 25% for certs on/after 4/1/09
		QEZE sales tax exemption changed to credit
		QEZE sales tax credit only allowed if local credit also available
sunset accelerated from 6/30/11 to 6/30/10		
	public report mandate enacted, effective 1/1/12	
Farmers' School Tax Credit	1996-97	credit enacted
	2006-07	base acreage and income phase-out range increased
		Christmas tree farms made eligible
	flow-thru of corporate farm income to shareholders election enacted	
Fuel Cell Electricity Generating Equipment Credit	2005-06	credit enacted
	2009-10	credit repealed
Green Building Credit	2000-01	credit enacted
	2001-02	period two and technical fixes enacted
Handicapped Accessible Taxicab and Livery Service Vehicles Credit	2006-07	credit enacted
	2008-09	credit extended to 12/31/10
Industrial or Manufacturing Business Credit	2000-01	credit enacted
Investment Tax Credit	1996-97	allowed for historic barns
	1997-98	carryover period extended

Credit	Budget Year	Object of Change
Investment Tax Credit (continued)	1998-99	allowed for broker/dealer activity
	1999-00	merger and acquisition technical fix
	2000-01	merger and acquisition retroactive technical fix
		allowed transfer of ITC in limited cases
	2002-03	recapture rules amended regarding property damaged on 9/11/01
		broker/dealer activity sunset date extended
	2005-06	credit extended to qualified film production facilities
	2008-09	investment advisors, aggregation allowed, codified 3 employment tests
Land Conservation Easement Credit	2006-07	credit enacted
Long-Term Care Insurance Credit	2000-01	credit enacted
	2004-05	credit percentage doubled
Low-Income Housing Credit	2000-01	credit enacted
	2002-03	aggregate statewide credit amount doubled
	2004-05	aggregate statewide credit amount increased
	2005-06	aggregate statewide credit amount increased
	2006-07	aggregate statewide credit amount increased
	2007-08	aggregate statewide credit amount increased
	2008-09	aggregate statewide credit amount increased
	2009-10	aggregate statewide credit amount increased
Qualified Emerging Technology Company Credits	1998-99	employment and capital credits enacted
	1999-00	credits expanded to cover re-manufacturers of certain commodities
	2004-05	credits expanded to cover biotechnology companies
	2005-06	facilities, operations, and training credit enacted
Security Training Tax Credit	2005-06	credit enacted

Appendix E: Legislative Mandate

Section 109(a) of the Business Tax Reform and Rate Reduction Act of 1987 (Chapter 817 of the Laws of 1987) requires the Commissioner of Taxation and Finance to conduct a study regarding corporate tax credits. The legislative mandate follows.

On or before December first, nineteen hundred eighty-eight and on or before December first of each year thereafter, the commissioner of taxation and finance shall submit a written report and such data and supporting documentation as are available and meaningful regarding the number of taxpayers claiming, using, and carrying forward tax credits and the total amount of such credits claimed, used and carried forward and the median, mean and distribution of such credits for taxable years beginning during nineteen hundred eighty-four, and each subsequent year, to the extent that such information is available. Such reports shall present the latest information available reflecting amended returns filed by taxpayers and adjustments upon audit by taxpayer liability period as well as the impact of such credits upon state fiscal year revenues.

Copies of these reports shall be submitted by the commissioner of taxation and finance to the governor, the temporary president of the senate, the speaker of the assembly, the chairman of the senate finance committee and the chairman of the assembly ways and means committee. Such reports shall contain, but need not be limited to, information by industrial classification, by basis of taxation, by size of credit and taxpayer income ranges. In preparing such reports, the commissioner of taxation and finance shall ensure that the statistics are classified in a manner consistent with the secrecy requirements of tax law.

For more information concerning the data provided in this publication, please contact:

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