FINANCE
NEW • YORK

NYC 9.5

NEW YORK CITY DEPARTMENT OF FINANCE

CLAIM FOR CREDIT APPLIED TO GENERAL CORPORATION TAX AND BANKING CORPORATION TAX

(Under Sections 11-604.15, 11-604.17, 11-604.17-a and 11-643.7 of the Administrative Code)

ATTACH TO FORM NYC-3L, NYC-3A, NYC-1 or NYC-1A

USE FORM NYC-9.6 IF YOU ARE FILING A CLAIM FOR EITHER A REAL ESTATE TAX ESCALATION CREDIT OR AN EMPLOYMENT OPPORTUNITY RELOCATION COSTS CREDIT.

▶ Print or Type ▶

Name as shown on NYC-3L, NYC-3A or NYC-1

Type of Business: Check one: ❑ COMMERCIAL ❑ INDUSTRIAL ❑ RETAIL

Corporation Tax year for which claim is made: Year ended (month)_____, 19 ____

EMPLOYER IDENTIFICATION NUMBER

☐☐ - ☐☐☐☐☐☐☐

PRINCIPAL BUSINESS ACTIVITY

PART I Computation of credit

1. Sales and compensating use tax credit (from page 2, Schedule A, line 6) ..... 1.
2. REAP credit (from page 4, Schedule B, line 9) (enter on Form NYC-1, Sch. A, line 9b; Form NYC-1A, Schedule A, line 11b) ..... 2.
3. **TOTAL CREDITS CLAIMED** (add lines 1 and 2) (enter on Form NYC-3L, Sch. A, line 12a; Form NYC-3A, Sch. A, line 14a) ..... 3.

The adjustments in part II below must be included in the New York City General Corporation Tax Return for the tax year covered by this claim for credit. If the General Corporation Tax Return has been filed without these adjustments, an amended return must be submitted with this claim form.

PART II Adjustments increasing and decreasing federal taxable income

4. ADJUSTMENT *INCREASING* FEDERAL TAXABLE INCOME
Sales and compensating use tax excluded or deducted (line 1 above) (enter on Form NYC-3L, Schedule B, line 6a) ..... 4.

5. ADJUSTMENT *DECREASING* FEDERAL TAXABLE INCOME
Sales and compensating use tax refunded or credited (enter on Form NYC-3L, Schedule B, line 14 and Schedule A, line 10 or Form NYC-3A, Sch. A, line 12) ..... 5.

INSTRUCTIONS FOR PARTS I AND II

Form NYC-9.5 must be attached to and submitted with General Corporation Tax Return (Form NYC-3L), Combined General Corporation Tax Return (Form NYC-3A), Banking Corporation Tax Return (Form NYC-1) or Combined Banking Corporation Tax return (Form NYC-1A) in order to claim the credits described in Schedules A and B.

PART I

Enter the amounts of the credits claimed in Schedules A and B on the appropriate lines (lines 1 and 2) of part I. Enter REAP credit from line 2 on Form NYC-1, page 1, Schedule A, line 9b or Form NYC-1A, page 1, Schedule A, line 11b. The total credit amount claimed (line 3) is to be entered on Form NYC-3L, page 1, Schedule A, line 12a or Form NYC-3A, page 1, Schedule A, line 14a.

PART II

Taxpayers claiming these credits must make certain adjustments in computing entire net income. The amounts of the various credit items claimed must be *added* to entire net income if an exclusion or deduction for the credit item was taken in computing federal taxable income. *(See NYC Administrative Code Section 11-602.8(b), subparagraphs (4a)(B) and (4d).)*

Enter the required adjustments at line 4 of part II *and* on Form NYC-3L, page 2, Schedule B, line 6a.

In addition, a taxpayer who in prior tax periods claimed a credit for sales and compensating use taxes paid on electricity or electric service and who received a refund or credit of such sales and compensating use taxes during the current tax period must *add* the amount of such refunded or credited sales and use taxes to the General Corporation Tax due for the current tax year (on Form NYC-3L, page 1, Schedule A, line 10) and *subtract* that amount in computing entire net income (on Form NYC-3L, page 2, Schedule B, line 14) if it was included in federal taxable income. Enter the amount of such refunds or credits on part II, line 5, and make the required entries on Form NYC-3L.

SCHEDULE A Sales and compensating use tax credit

1.	Cost of electricity or electric service purchased or used during tax year eligible for sales and compensating use tax credit under Section 11-604.15(a)(1) of the Administrative Code *(see instructions)*	**1.**
2.	Purchase price or cost of use of services of installing, repairing, maintaining or servicing machinery, equipment, parts, tools or supplies used in production	**2.**
3.	Sales and compensating use taxes, imposed during tax year, on costs included in line 1 under Section 1107 Tax Law and paid *(see instructions and attach schedule)*	**3.**
4.	Sales and compensating use taxes paid after January 1, 1996. on costs included in line 2	**4.**
5.	Less: credits or refunds of taxes included in lines 3 and 4 *(see instructions)*	**5.**
6.	Claim for New York City sales tax credit (enter on page 1, parts I and II, lines 1 and 4)	**6.**

INSTRUCTIONS FOR SCHEDULE A

Sections 11-604.15 and 11-604.17-a of the Administrative Code allow a taxpayer a credit equal to the amount of sales and compensating use taxes:

1) imposed by Section 1107 of the State Tax Law during the taxpayer's taxable year which became legally due during the tax year and were paid, less any credit or refund, with respect to the purchase or use by the taxpayer of electricity or electric service (but not gas) of whatever nature for use or consumption directly and exclusively in the production of tangible personal property for sale by manufacturing, processing or assembling.

2) imposed by Section 1107 of the State Tax Law during the taxpayer's taxable year and paid, less any credit or refund, with respect to the purchase or use of the services of installing, repairing, maintaining or servicing machinery, equipment, parts, tools or supplies used directly and predominantly in the production of tangible personal property, gas, electricity, refrigeration or steam for sale, or certain telephone central office equipment or station apparatus or comparable telegraph equipment. Interest paid in connection with payment of such sales and use taxes will also be allowed as a credit.

LINE 1

Enter on line 1 the total cost of electric service eligible for credit.

LINE 3

Taxpayers claiming the credit on line 3 must prepare and attach to Schedule A a statement explaining the manufacturing process and the nature and kind of tangible personal property produced for sale. Prepare and attach a schedule showing how you determined the portion of total electricity usage eligible for sales and compensating use tax credit for electricity or electric service. The acceptable methods for computing the allocation of electricity qualifying for credit are detailed on page 3.

In addition, submit a schedule, as outlined below, giving the details of the credit requested. The credit claimed should be 4% of the total of the column entitled "qualifying electricity cost." Below is an example of headings which could be used in such a schedule.

INVOICE DATE	TOTAL INVOICED KILOWATT HOURS	QUALIFYING % FOR PERIOD	COST OF ELECTRICITY FOR INVOICE PERIOD	QUALIFYING ELECTRICITY COST

NOTE: If you neglected to claim a sales tax credit in the period in which the sales tax became legally due, you cannot claim the credit for the current tax year. Instead, you must file a claim for a refund on Form NYC-8 and attach a revised Form NYC-9.5.

Section 11-604.12 of the Administrative Code allows a credit for sales and use tax paid after July 1, 1977, on the purchase or use of machinery or equipment used in production. Those purchases were exempted from sales and use tax effective December 1, 1989.

If the credit claimed is on *the purchase of machinery or equipment*, you must use Form NYC-9.5 for 1990 or other prior year.

LINE 4

Taxpayers claiming the credit on line 4 must prepare and attach to Schedule A a rider listing each item and indicating with respect to each item, the type of service or maintenance used, the invoice date, the name of the supplier from whom it was purchased, the purchase price and the sales and compensating use tax paid.

LINE 5

Enter on line 5 the amount of any credits or refunds of sales and compensating use taxes included on lines 3 and 4 received during the tax period covered by the return from either a vendor or the New York State Sales Tax Bureau.

SALES AND USE TAXES PAID AS A RESULT OF AN AUDIT

A taxpayer that has paid eligible sales and compensating use taxes as a result of an audit and determination made by the New York State Department of Taxation and Finance may be entitled to claim the sales and use tax credit for that payment. A credit may be claimed for the interest paid in connection with the State determination of sales or compensating use tax for services performed on eligible machinery, parts and tools but not for interest paid with respect to the sales tax on electricity or electric service. No credit may be claimed for penalties paid with respect to these taxes.

To claim the credit in these circumstances, an amended General Corporation Tax Return (Form NYC-3L) or Claim for Refund (Form NYC-8) must be filed for the taxable year (or years) for which such sales or compensating use taxes were determined to be due, accompanied by a completed Form NYC-9.5. A taxpayer who cannot supply the detailed schedule required in the instructions for line 3 or 4 should instead submit copies of the State determination and all supporting audit work papers, and a copy of the cancelled check or other evidence of payment of the State determination.

SCHEDULE A SUPPLEMENT

Determining the electricity used in the production of tangible personal property for sale

When electricity is purchased for consumption for purposes which qualify for the credit and purposes which do not qualify for the credit, and the use of the electricity is recorded on a single meter, the purchaser may allocate the use of electricity according to its qualifying or nonqualifying consumption. At such time as variations occur affecting the use of electricity (e.g., the addition of new equipment), a new allocation should be computed.

When claiming a sales and compensating use tax credit under Section 11-604.15 of the Administrative Code, one of the following must be submitted:

a) an electrical engineer's survey, showing computations, in substantiation of the allocation made for use of electricity for both qualifying and nonqualifying purposes;

b) computations using the guidelines that follow. Computations forming the basis for a claim for refund or credit should be submitted with Form NYC-9.5.

▼ CALCULATING KILOWATTS PER HOUR ▼

To determine the portion of purchases of electricity qualifying for the credit, the ratio of kilowatt-hours of qualifying use to total kilowatt- hours of use must be calculated. The resulting ratio is then applied to electricity purchases to determine the amount qualifying for credit.

$$\frac{\text{KILOWATT-HOURS QUALIFYING USE PER MONTH}}{\text{KILOWATT-HOURS ALL PURPOSES PER MONTH}} = \text{PROPORTION OF PURCHASES QUALIFYING FOR CREDIT}$$

Kilowatt-hours of use is determined by multiplying kilowatts per hour of operation by hours of operation. Methods for determining kilowatts per hour of operation and average hours are outlined below.

MOTORS ▼

Horsepower known:

Multiply the number of horsepower by 746 and divide by 1,000 to determine approximate kilowatts used per hour of operation.

$$\frac{\text{HORSEPOWER X 746}}{1{,}000} = \text{KILOWATTS PER HOUR}$$

Horsepower not known:

Multiply volts by amperes indicated on manufacturer's name plate and divide by 1,000 to determine approximate kilowatts used per hour of operation.

$$\frac{\text{VOLTS X AMPERES}}{1{,}000} = \text{KILOWATTS PER HOUR}$$

LIGHTS ▼

Incandescent lights:

For incandescent bulbs, add rated wattages and divide by 1,000.

$$\frac{\text{WATTS}}{1{,}000} = \text{KILOWATTS PER HOUR}$$

Fluorescent lights:

For fluorescent lights, add rated wattages plus an additional 20% of rated wattages,* then divide by 1,000.

$$\frac{\text{WATTS + .20 (WATTS)}}{1{,}000} = \text{KILOWATTS PER HOUR}$$

** The additional 20% of rated wattage is attributable to the energy usage of the fluorescent lamp ballasts.*

DEVICES OTHER THAN MOTORS OR LIGHTS ▼

For these devices, use wattage rating given by manufacturer and divide by 1,000 to obtain approximate kilowatts used per hour of operation.

$$\frac{\text{WATTS}}{1{,}000} = \text{KILOWATTS PER HOUR}$$

DETERMINING HOURS OF OPERATION ▼

When determining monthly hours of operation, variations in use throughout the year must be taken into consideration. Approximate hours of use for each month of the year must be added and the result divided by twelve.

$$\frac{\text{TOTAL HOURS PER YEAR}}{12} = \text{AVERAGE HOURS PER MONTH}$$

THE CHART BELOW IS A SIMPLIFIED EXAMPLE OF A WORKSHEET FOR DETERMINING THE PORTION OF PURCHASES OF ELECTRICITY QUALIFYING FOR CREDIT WHEN A SINGLE METER RECORDS BOTH QUALIFYING AND NONQUALIFYING USE.

EXAMPLE	KILOWATTS PER HOUR OF OPERATION	X	AVERAGE HOURS OF OPERATION PER MONTH	=	AVERAGE KILOWATT-HOURS PER MONTH
ALL QUALIFYING USAGE					
Production machine #1	10		100		1000
Production machine #2	10		100		1000
Other	10		100		1000
Total qualifying usage					3000(A)
ALL NONQUALIFYING USAGE					
Air conditioners	10		300		3000
General lighting	10		300		3000
Office equipment	10		300		3000
Space heaters	10		300		3000
Other	10		300		3000
Total nonqualifying usage					15000(B)

TOTAL
(A) + (B) = 18,000 (C)

TOTAL - ALL USAGES ➡ $\frac{3000}{18000}$ *OR* $\frac{A}{C}$ = **PROPORTION OF ELECTRICITY PURCHASE QUALIFYING FOR CREDIT**

NOTE: *Once the qualifying portion (percentage) has been established, that percentage must be applied against the actual electricity purchased for any given period for which you are requesting a credit or refund. Any time a change in production occurs (addition or deletion of production equipment, etc.), the qualifying percentage must be recomputed.*

SCHEDULE B Relocation and Employment Assistance Program (REAP) Credit

▲ Attach annual certificate of eligible aggregate employment shares received from NYC Department of Finance.

▲ Complete the carryover schedule below regardless of whether you will carry over credits to the current year. Enter in column B (the applied column) the amount applied to each carryover year until the total applied agrees with the amount on line 6.

SECTION I - Credit applied against General Corporation Tax and Banking Corporation Tax

1. Current year's tax, including sales tax addback less the UBT Paid Credit (NYC-3L, page 1, Schedule A, line 6 plus line 8 less line 10; NYC-3A, page 1, Schedule A, line 8 plus line 10 less line 12; NYC-1, page 1, Schedule A, line 5 less line line 8; or NYC-1A, page 1, Schedule A, line 7 less line 10) ..... 1.
2. Computation of current year's credit: (number of eligible aggregate employment shares: _____ X the applicable amount (see instructions)) ..... 2.
3. If line 2 is greater than line 1, enter the difference and skip lines 4 through 7. Transfer amount on line 1 to line 9 ..... 3.
4. If line 2 is less than line 1, enter the difference. Complete carryover schedule below ..... 4.
5. Total carryover credits from prior taxable years (line 8f, column A below) ..... 5.
6. Amount of carryover credit that may be carried over to the current year. Enter lesser of line 4 or line 5 ..... 6.
7. Total allowable credit for current year. Sum of the current year credit plus the applicable carryover from prior years. Add lines 2 and 6. Enter amount on line 9 ..... 7.

REAP carryover schedule *You may not carry over the 5th preceding year's credit to next year.*	COLUMN A CARRYOVER TO CURRENT YEAR (unused credit)	COLUMN B APPLIED	COLUMN C CARRYOVER TO NEXT YEAR (column A minus column B)
8a. Carryover from 5th preceding year ..... 8a.			
8b. Carryover from 4th preceding year ..... 8b.			
8c. Carryover from 3rd preceding year ..... 8c.			
8d. Carryover from 2nd preceding year ... 8d.			
8e. Carryover from 1st preceding year ..... 8e.			
8f. Total ..... 8f.			

9. Allowable REAP credit for current year (amount from line 1 or line 7, whichever is less) ..... 9.
Transfer amount to page 1, part I, line 2.

SECTION II - Deduction applied against quarterly/annual Commercial Rent Tax Return

The relocation and employment assistance program also affords a reduction of base rent for Commercial Rent Tax purposes. *For information refer to the instructions for Form CR-A or contact:*

NYC Department of Finance
Desk Audit Unit
25 Elm Place, 3rd Floor
Brooklyn, NY 11201

INSTRUCTIONS FOR SECTION I, LINE 2

If your certification of eligibility for REAP is dated before July 1, 1995, the applicable amount is $500. If it is dated on or after July 1, 1995, the applicable amount is $1,000.

REAP INFORMATION

1. REAP benefits are available only to taxpayers that have previously applied to the New York City Department of Finance and received a Certificate of Eligibility.

   Attach annual certificate of eligible aggregate employment shares (ACEAES) received from the New York City Department of Finance.

2. The amount of credit allowable for any taxable year is limited to the tax imposed for such year less the UBT Paid Credit. The REAP credit must be taken *before* all other credits except the UBT Paid Credit.

3. If the allowable credit exceeds the tax imposed for such year less the UBT Paid Credit, the excess may be carried over, in order, to the five immediately succeeding taxable years and, to the extent not previously utilized, may be credited against the taxpayer's tax for such years.