



Department of Taxation and Finance

# Pass-Through Entity Tax Credit

# IT-653

New York State • New York City

Tax Law – Sections 606(kkk) and 1310(g)

Submit this form with Form IT-201, IT-203, or IT-205.

Name(s) as shown on return	Identifying number as shown on return

## Schedule A – Pass-through entity tax (PTET) and NYC PTET paid on your behalf *(see instructions)*

A Name of entity	B Employer identification number	C PTET credit amount	D NYC PTET credit amount
		.00	.00
		.00	.00
		.00	.00
		.00	.00
		.00	.00
		.00	.00
		.00	.00
		.00	.00
		.00	.00
		.00	.00
		.00	.00
		.00	.00
		.00	.00
		.00	.00
		.00	.00
		.00	.00
		.00	.00
		.00	.00
		.00	.00
		.00	.00
Total of column C and D amounts from any additional Forms IT-653 .....		.00	.00
1 Add column C amounts .....		.00	
2 Add column D amounts .....		.00	.00
3 Add lines 1 and 2 <i>(see instructions)</i> .....		.00	.00

## Instructions

### General information

#### Pass-through entity tax (PTET)

For tax years beginning on or after January 1, 2021, a partner, member, or shareholder of a partnership or S corporation that elected to be subject to the PTET under Article 24-A, may be eligible for a PTET credit.

#### NYC Pass-through entity tax (NYC PTET)

For tax years beginning on or after January 1, 2022, a partner, member, or shareholder of a city partnership or city resident S corporation that elected to be subject to the NYC PTET under Article 24-B, may be eligible for a NYC PTET credit.

### Eligibility

#### PTET

To be eligible for this credit, you must meet **all** of the following requirements:

- you are subject to tax under Tax Law Article 22;
- you are a direct partner or member in a partnership or a direct shareholder or member of an S corporation that has:
  - elected to be taxed under Tax Law Article 24-A; and
  - paid the PTET due;
- you have received documentation from the eligible, electing entity that provides your specific PTET amount.

#### NYC PTET

To be eligible for this credit, you must meet **all** of the following requirements:

- you are subject to tax under Tax Law Article 30;
- you are a direct partner or member in a city partnership or a shareholder or member of a city resident S corporation that has:
  - elected to be taxed under Tax Law Article 24-B; and
  - paid the NYC PTET due;
- you have received documentation from the eligible, electing entity that provides your specific NYC PTET amount.

Generally, you are required to add back to adjusted gross income an amount equal to the PTET and NYC PTET credits claimed. For more information, see Form IT-225-I, *Instructions for Form IT-225*.

### Credit details

#### PTET

The PTET credit is equal to the partner's, member's, or shareholder's direct share of pass-through entity tax. This amount should have been computed by the partnership or S corporation and reported to you.

If you are a partner, member, or shareholder in multiple electing partnerships or electing S corporations subject to PTET, your credit will be the sum of the credits calculated for each entity in which you have a direct ownership interest.

No credit will be allowed unless the electing partnership or electing S corporation paid the PTET imposed under Article 24-A and provided sufficient information to identify you on its PTET return.

#### NYC PTET

The NYC PTET credit is equal to the partner's, member's, or shareholder's direct share of NYC pass-through entity tax. This amount should have been computed by the city partnership or city resident S corporation and reported to you.

If you are a partner, member, or shareholder in multiple electing city partnerships or city resident S corporations subject to NYC PTET, your credit will be the sum of the credits calculated for each entity in which you have a direct ownership interest.

No credit will be allowed unless the electing city partnership or electing city resident S corporation paid the NYC PTET imposed under Article 24-B and provided sufficient information to identify you on its NYC PTET return.

**Note:** Any unused amount of the PTET or NYC PTET credits for the current tax year will be treated as a refund or overpayment of tax to be credited to the next year's tax. Interest will not be paid on the refund or overpayment.

### Line instructions

#### Schedule A – Pass-through entity tax (PTET) and NYC PTET paid on your behalf

In columns A through C, enter the information for each entity that paid a PTET on your behalf and in which you held direct ownership.

If an entity that you held direct ownership in also paid a NYC PTET on your behalf, enter that amount in column D.

**Additional forms** – If you have more entries than will fit on the lines provided in Schedule A, submit additional Forms IT-653. Include your name and taxpayer identification number on each form, and include the totals of columns C and D from all additional Forms IT-653 on the indicated lines. Place the additional forms behind the first Form IT-653 and submit them with your return.

**Line 3** – Enter the amount and code **653** on:

- Form IT-201-ATT, line 12; or
- Form IT-203-ATT, line 12.

For Form IT-205, include the amount on line 33.

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