

# CLAIM FOR CREDIT APPLIED TO UNINCORPORATED BUSINESS TAX

**2025**

ATTACH TO FORM NYC-202, NYC-202EIN OR NYC-204

Use this form to claim:

- ◆ the Real Estate Tax Escalation Credit
- ◆ the Employment Opportunity Relocation Costs Credit
- ◆ the Industrial Business Zone Credit.

USE FORM NYC-114.5 IF YOU ARE FILING A CLAIM FOR A RELOCATION AND EMPLOYMENT ASSISTANCE PROGRAM (REAP) CREDIT

For CALENDAR YEAR 2025 or FISCAL YEAR beginning \_\_\_\_\_

2025 and ending \_\_\_\_\_

PRINT OR TYPE	Name as shown on Form NYC-202, NYC-202EIN or NYC-204:		PARTNERSHIPS, ESTATES AND TRUSTS ONLY, ENTER EMPLOYER IDENTIFICATION NUMBER	
	Date moved into New York City: <input type="text"/> - <input type="text"/> - <input type="text"/>		Please enter entire 9-digit EIN	
	Inception date of lease: <input type="text"/> - <input type="text"/> - <input type="text"/>		<input type="text"/> - <input type="text"/> - <input type="text"/>	
	Principal business activity:		SOCIAL SECURITY NUMBER	
	Type of return filed: <input type="checkbox"/> NYC-202 <input type="checkbox"/> NYC-202EIN <input type="checkbox"/> NYC-204		<input type="text"/> - <input type="text"/> - <input type="text"/>	
Former address:				

## PART I

### Computation of credit

- Real estate tax escalation credit (Section 11-503 (e)) (from page 2, Schedule A, line 7) ..... 1.
- Employment opportunity relocation costs credit or IBZ Credit (Section 11-503 (f) and 11-503(n)) (from page 3, Schedule B, line 6 or page 4, Schedule C, line 10, ) ..... 2.
- TOTAL CREDITS CLAIMED** (add lines 1 and 2) (include on Form NYC-202 or NYC-202EIN, Schedule A, line 20b or Form NYC-204, Schedule A, line 22b, whichever is applicable) ..... 3.


The modifications in PART II below must be included in the New York City Unincorporated Business Tax Return (NYC-202, NYC-202EIN or NYC-204) for the tax year covered by this claim for credit. If the Unincorporated Business Tax Return has been filed without these modifications, an amended return must be submitted with this claim form.

## PART II

### Modifications increasing federal gross income

- Real estate tax escalation excluded or deducted (line 1 above) (enter on Form NYC-202 or NYC-202EIN, Schedule B, part 2, line 10a or Form NYC-204, Schedule B, line 14a) ..... 4.
- Employment opportunity relocation costs and IBZ relocation costs excluded or deducted (line 2 above) (enter on Form NYC-202 or NYC-202EIN, Schedule B, part 2, line 10a or Form NYC-204, Schedule B, part 2, line 14a) ..... 5.


## INSTRUCTIONS FOR PARTS I AND II

Form NYC-114.6 must be attached to and submitted with the Unincorporated Business Tax Return (Form NYC-202 or NYC-202EIN) or Partnership Tax Return (Form NYC-204) in order to claim the credits described in Schedules A, B and C.

### PART I

Enter the amounts of the credits claimed in Schedules A, B and C on the appropriate lines (lines 1 and 2) of part I. The total credit amount claimed (line 3) is to be included on Form NYC-202 or NYC-202EIN, Schedule A, line 20b, or Form NYC-204, Schedule A, line 22b, whichever is applicable.

### PART II

Taxpayers claiming these credits must make certain modifications in computing unincorporated business gross income. The amounts of the various credit items claimed must be *added* to the gross income if an exclusion or deduction for the credit item was taken in computing federal taxable income. (See *Administrative Code Section 11-506(b), paragraphs (6) and (7) and Section 11-503(n)(6).*)

Enter the required modifications at lines 4 and 5 of part II, and on Form NYC-202 or NYC-202EIN, Schedule B, part 2, line 10a or on Form NYC-204, Schedule B, part 2, line 14a, whichever is applicable.

**SCHEDULE A Real estate tax escalation credit (Administrative Code Section 11-503(e))**

The real estate tax escalation credit may be claimed only if the taxpayer's eligibility to receive the credit has been approved and certified by the Industrial and Commercial Incentive Board. **No** credit will be allowed unless a copy of the Certificate of Eligibility issued by the Industrial and Commercial Incentive Board is attached to Schedule A.

**A. General information**

1. Number of industrial employment opportunities relocated to New York City.....	1.	
2. Number of commercial employment opportunities relocated to New York City.....	2.	
3. <b>TOTAL</b> .....	3.	

**B. Computation of real estate tax escalation credit (see instructions)**

1. <i>Current rent information</i> - For the period covered by this report, enter the following amounts if payment is required under lease:	<b>COLUMN A</b>	<b>COLUMN B</b>	<b>COLUMN C</b>
a. Basic rent paid or required to be paid to landlord for premises.....1a.			
b. Real estate tax payments attributable to premises .....1b.			
c. Fuel adjustment expense paid to landlord (enter in columns A and B) ..... 1c.			
d. Maintenance expense paid to landlord (enter in columns A and B) ..... 1d.			
e. Other amounts paid to landlord (enter in columns A and B) ..... 1e.			
2. <i>Initial rent information</i> - Compute amounts as if the specified rent items below were paid for same number of months as covered by this report (see instructions)	<b>COLUMN A</b>	<b>COLUMN B</b>	<b>COLUMN C</b>
a. Original basic rent (see instructions) ..... 2a.			
b. Original payments required for real estate taxes attributable to premises (see instructions) ..... 2b.			
3. Increase in basic rent (line 1a less line 2a) ..... 3.			
4. <b>TOTAL</b> column B. Add lines 1a through 1e. (enter total in columns B and C)..... 4.			
5. <b>TOTAL</b> column A. Add lines 1c through 3. (enter total in columns A and C) ..... 5.			
6. Line 4 less line 5..... 6.			
7. Enter amount claimed as real estate tax escalation credit (payment actually made during period covered by this report attributable to an increase or addition to the real estate taxes imposed on leased premises). This should be the same as amount entered on line 6 (if not, explain on rider) - (enter on page 1, parts I and II, lines 1 and 4) ..... 7.			

**INSTRUCTIONS FOR SCHEDULE A**

A taxpayer subject to the Unincorporated Business Tax that has relocated to leased premises in New York City from a location outside New York State and has created at least 100 industrial or commercial employment opportunities in the City is allowed a credit against the Unincorporated Business Tax for the amount of any additional lease payments actually made to the taxpayer's landlord that are based solely and directly upon increased real estate taxes imposed upon the relocation premises. To the extent this credit exceeds the taxpayer's UBT liability calculated without this credit, it shall be refunded without interest. Before a taxpayer can claim the credit, the taxpayer's eligibility must be approved and certified by the Industrial and Commercial Incentive Board. The credit can be claimed annually for the length of the lease term, or for a period not to exceed ten years from the date of relocation, whichever period is shorter.

"Employment opportunity" means the creation of a full-time position (not less than 30 hours per week of gainful employment) for an industrial employee (one engaged in the manufacturing or assembling of tangible goods or the processing of raw materials) or commercial employee (one engaged in the buying, selling or otherwise providing of goods or services other than on a retail basis directly to the ultimate user or consumer) and the actual hiring of such employee for that position.

"Basic rent" means the rent provided for under a written lease for the use or occupancy of premises, excluding separately stated amounts required to be paid under the lease for such items as real estate taxes, maintenance expenses or fuel adjustments.

If more than one premises is included in the computation of the credit, attach a separate rider in the form of Schedule A for each such premises, and enter the sum of the amounts shown on such separate riders on Schedule A.

**PART B, LINE 2a**

Since the real estate tax escalation credit is the amount of the increased payments actually made that are solely and directly attributable to an increase or addition to the real estate taxes imposed upon the leased premises, the basic rent originally to be paid under the lease for the premises must be determined. It should be computed as an amount due for one month notwithstanding the manner in which it is expressed in the lease for the premises. The basic monthly rent as thus determined must then be multiplied by the number of months in the taxable period covered by this report so that the period covered by this report may be compared to a comparable period based upon the basic rent originally required to be paid.

**PART B, LINE 2b**

If, beginning with the inception of the term, the lease for the premises requires that an amount separate from the basic rent must be paid for real estate taxes attributable to the premises, you must enter on line 2b an amount to be determined by computing the amount that would be due per month, if such required payment were figured on a monthly basis and multiplying such amount by the number of months in the period covered by this report.

SCHEDULE B

Employment opportunity relocation costs credit (Administrative Code Section 11-503(f))

If the taxpayer did not both relocate from outside New York State and create a minimum of ten (10) industrial or commercial employment opportunities in New York City, **do not** complete Schedule B and make **no** entry on page 1, parts I and II, lines 2 and 5 respectively.

1.	Number of industrial employment opportunities relocated to New York City	NUMBER	x	\$500.00	1.		
2.	Number of commercial employment opportunities relocated to New York City	NUMBER	x	\$300.00	2.		
3.	TOTAL				3.		
4.	Employment opportunity relocation costs incurred by the taxpayer in the relocation of the taxpayer from outside the State of New York into the City of New York (Section 11-503 (f)(1)(B)):						
a.	Cost of moving furniture, files, papers and office equipment				4a.		
b.	Cost of moving and installing machinery and equipment				4b.		
c.	Cost of installing telephones and other communication equipment required as a result of relocation				4c.		
d.	Cost incurred in purchasing office furniture and fixtures required as a result of relocation				4d.		
e.	Cost of renovating the premises to be occupied as a result of the relocation, allowable only to the extent that it does not exceed seventy-five cents (75¢) per square foot				4e.		
5.	TOTAL (lines 4a through 4e)				5.		
6.	Enter line 3 or line 5, whichever is less. Enter on page 1, parts I and II, lines 2 and 5				6.		

INSTRUCTIONS FOR SCHEDULE B

**Effective August 30, 2005, taxpayers relocating to premises within an Industrial Business Zone established pursuant to section 22-626 of the Administrative Code for which a binding contract to purchase or lease was entered into by the taxpayer after June 30, 2005 MAY NOT take the relocation credit provided on this schedule for industrial employment opportunities but are entitled to a one time credit for tax years beginning after December 30, 2005. See Administrative Code §§11-503(f) and 11-503(n) as added by Chapter 635 of the Laws of 2005 and Schedule C below.**

Taxpayers subject to the Unincorporated Business Tax are allowed a credit against the tax for certain costs incurred in relocating commercial or industrial employment opportunities to New York City from an area outside the State of New York. To the extent this credit exceeds the taxpayer's UBT liability calculated without this credit, it shall be refunded without interest. In order to be eligible for this credit, a taxpayer must relocate to the City a minimum of ten such employment opportunities. The relocation costs for which the credit may be claimed are those incurred during the tax year in connection with employment opportunities relocated to the City during the tax year.

The allowable credit is based upon "employment opportunity relocation costs" incurred by the taxpayer during its taxable year, but may not exceed a maximum of:

- a) \$300 for each commercial employment opportunity; and
- b) \$500 for each industrial employment opportunity, relocated to the City from an area outside the State.

The relocation costs credit may be taken by the taxpayer in whole or in part in the year in which the employment opportunities are relocated by such taxpayer or in either of the two years succeeding such event.

For purposes of the credit, "employment opportunity relocation costs" means:

- a) the costs incurred by the taxpayer in moving furniture, files, papers and office equipment into the City from a location outside the State;

- b) the costs incurred by the taxpayer in moving and installing machinery and equipment into the City from a location outside the State;
- c) the costs of installing telephones and other communication equipment required as a result of the relocation to the City from a location outside the State;
- d) the cost incurred in the purchase of office furniture and fixtures required as a result of the relocation to the City from a location outside the State; and
- e) the cost of renovation of the premises to be occupied as a result of the relocation, provided, however, that such renovation costs shall be allowable only to the extent that they do not exceed seventy-five cents per square foot of the total area utilized by the taxpayer in the occupied premises.

OTHER DEFINITIONS

- a) "Employment opportunity" means the creation of a full-time position of gainful employment for an industrial or commercial employee and the actual hiring of such employee for the position.
- b) "Industrial employee" means one engaged in the manufacturing or assembling of tangible goods or the processing of raw materials.
- c) "Commercial employee" means one engaged in the buying, selling or otherwise providing of goods or services other than on a retail basis.
- d) "Retail" means the selling or otherwise disposing of tangible goods directly to the ultimate user or consumer.
- e) "Full-time position" means a position of gainful employment where the number of hours worked by the employee is not less than 30 hours during any given work week.

**SCHEDULE C Industrial Business Zone Credit (Administrative Code Section 11-503(n))**

1. Location(s) of business operations continuously during the 24 months immediately preceding relocation

PROPERTY LOCATION		
Street Address	City & State	Zip Code

2. Date of relocation \_\_\_\_\_

3. Address of business operations in the Industrial Business Zone

PROPERTY LOCATION		
Street Address	City & State	Zip Code

4. Description of Business: \_\_\_\_\_

5. Number of employees working at least 35 hours per week _____ X \$1,000 = _____	5.
6. Number of employees working at least 15 hours but less than 35 hours per week _____ X 1/2 = _____ X \$1,000 (see instr.) ...	6.
7. Total of lines 5 and 6 .....	7.
8. Relocation costs incurred by the taxpayer (see instructions):	
a. cost of moving furniture, files, papers and office equipment .....	8a.
b. cost of moving and installing machinery and equipment .....	8b.
c. cost of installing telephones and other communication equipment required as a result of relocation .....	8c.
d. Cost of floor preparation .....	8d.
e. Other (description and cost --attach rider if needed):	
_____	8e.
_____	8e.
9. Total (lines 8a-8e) .....	9.
10. Lesser of line 7 and 9 or \$100,000. Enter on page 1, parts I and II lines 2 and 5. ....	10.

**INSTRUCTIONS FOR SCHEDULE C**

For taxable years beginning on or after January 1, 2006, an eligible business that first enters into a binding contract on or after July 1, 2005 to purchase or lease eligible premises to which it relocates is allowed the industrial business zone tax ("IBZ") credit, a one-time credit to be credited against its UBT liability or refunded without interest to the extent it exceeds the taxpayer's UBT liability calculated without that credit. The amount of the credit is \$1,000 per full-time employee, provided that the amount of the credit may not exceed the lesser of the actual relocation costs or \$100,000. See Ad. Code § 11-503(n), as added by Chapter 635 of the Laws of 2005.

For purposes of this credit, the following definitions apply:

- "eligible business"** means any business subject to UBT that (1) has been conducting substantial business operations and engaging primarily in industrial and manufacturing activities at one or more locations within the City or outside New York State continuously during the 24 consecutive full months immediately preceding relocation, (2) has leased the premises from which it relocates continuously during the 24 consecutive full months immediately preceding relocation, (3) first enters into a binding contract on or after July 1, 2005 to purchase or lease eligible premises to which the business will relocate, (4) will be engaged primarily in industrial and manufacturing activities at the eligible premises, and (5) does not receive benefits under the REAP or Lower Manhattan REAP Program or through a grant program administered by the Business Relocation Assistance Corporation or through the New York City Printers Relocation Fund grant.
- "eligible premises"** means premises located entirely within an industrial business zone. For any eligible business, an industrial business zone credit will not be granted with respect to more than one eligible premises.
- "industrial business zone"** means an area within New York City established pursuant to section 22-626 of the Administrative Code.
- "industrial and manufacturing activities"** means activities involving the assembly of goods to create a different article, or the processing, fabrication, or packaging of goods. Industrial and manufacturing activities shall not include waste management or utility services.

**SPECIFIC LINE INSTRUCTIONS:**

**Line 2: "relocation"** means the physical relocation of furniture, fixtures, equipment, machinery and supplies directly to an eligible premises, from one or more locations

of an eligible business, including at least one location at which such business conducts substantial business operations and engages primarily in industrial and manufacturing activities. For purposes of determining the **"date of relocation"**, enter the earlier of (1) the date of the completion of the relocation to the eligible premises, or (2) ninety days from the commencement of the relocation to the eligible premises.

**Lines 5 and 6**

The amount of the credit is calculated based on the number of "full-time employees." **"Full-time employee"** means (1) one person gainfully employed in an eligible premises by an eligible business where the number of hours required to be worked by such person is not less than 35 hours per week; or (2) two persons gainfully employed in an eligible premises by an eligible business where the number of hours required to be worked by each such person is more than fifteen hours per week but less than 35 hours per week. The number of full-time employees for purpose of completing lines 5 and 6 is the average number of full-time employees, calculated on a weekly basis, employed in the eligible premises by the eligible business in the fifty-two week period immediately following the earlier of (1) the date of the completion of the relocation to eligible premises or (2) ninety days from the commencement of the relocation to the eligible premises. This credit must be taken in the taxable year in which such fifty-two week period ends.

**Line 5**

Enter the average number of employees working not less than 35 hours per week.

**Line 6**

Enter the average number of employees working more than 15 hours but less than 35 hours per week. If after multiplying by 1/2, the number is not a whole number, round down to the whole number.

**Line 8**

**"Relocation costs"** means costs incurred in the relocation of the furniture, fixtures, equipment, machinery and supplies, including, but not limited to, the cost of dismantling and reassembling equipment and the cost of floor preparation necessary for the reassembly of the equipment. Relocation costs include only such costs that are incurred during the ninety-day period immediately following the commencement of the relocation to an eligible premises. Relocation costs do not include costs for structural or capital improvements or items purchased in connection with the relocation.