



New York State Department of Taxation and Finance

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Hurricane Sandy – 11/14/12 Update

- Relief for deadlines for the period 10/26/12 – 11/26/12 is 11/26/12 includes but not limited to
 - filing any returns - personal, corporate, sales
 - paying any tax or installment of tax
 - filing any requests for extensions
 - filing for a credit or refund (includes MCTMT)

- Interest at the appropriate underpayment rate must be paid on tax payments received after 11/26/12

- Does NOT apply to the payment or collection of real property taxes or school property taxes

Hurricane Sandy – 11/14/12 Update

- Taxpayers eligible for relief, taxpayers:
 - whose records necessary to meet tax filing, payments or deadlines are not available due to storm;
 - who have difficulty in meeting above due to disruptions in the transportation/delivery of documents by mail due to disruptions in communications;
 - taxpayers whose tax practitioners were unable to complete work to meet above on behalf of their clients;
 - all workers assisting in the relief activities

Hurricane Sandy – 11/14/12 Update

■ Relief provided:

- Returns filed in accordance with these rules – not subject to any late filing, late payment, or underpayment penalties or interest for period 10/26/12-11/26/12.
- If you receive a penalty notice – call # on notice – we will abate any interest and any late filing or late payment penalties that would otherwise apply.
- NO penalty or interest will be abated for a taxpayer who does not have a filing or payment due date during this period.
- Abatement of penalties on all other late filings of returns or late penalties not made by date and not cover in this announcement – CASE- BY-CASE basis.

Tax Law Updates

Personal Income Tax Rate Changes

Income Level	Previous Tax Rate	New Tax Rate
\$40,001 - \$150,000	6.85%	6.45%
\$150,001 - \$300,000	6.85%	6.65%
\$300,000 - \$2 million	7.85% - 8.97%	6.85%
Over \$2 million	8.97%	8.82%

Married filing jointly example, new tax rates effective January 1, 2012 (through tax year 2014). New rates have reduced the tax rate for at least 4.4 million middle-class taxpayers, resulting in an income tax reduction of \$690 million

Changes to Personal Income Tax Returns

- **Foreign account information required on Form IT-201** - Taxpayers must now acknowledge if they have a financial account located in a foreign country.
- **Dependent exemption information must be entered on Form IT-201** - Taxpayers must now enter information for each dependent for whom they claimed a dependent exemption on Form IT-201.
- **Itemized deduction schedule now a separate form** - The itemized deduction schedule has been moved from Form IT-201 to new Form IT-201-D, *Resident Itemized Deduction Schedule*. See the instructions for Form IT-201-D



Resident Income Tax Return

New York State • New York City • Yonkers

IT-201

For the full year January 1, 2012, through December 31, 2012, or fiscal year beginning ...
and ending ...

For help completing your return, see the instructions, Form IT-201-I.

Your first name and middle initial		Your last name (for a joint return, enter spouse's name on line below)		Your date of birth (mm-dd-yyyy)		Your social security number	
Spouse's first name and middle initial		Spouse's last name		Spouse's date of birth (mm-dd-yyyy)		Spouse's social security number	
Mailing address (see instructions, page 13) (number and street or rural route)				Apartment number		New York State county of residence	
City, village, or post office		State	ZIP code	Country (if not United States)		School district name	
Permanent home address (see instructions, page 13) (number and street or rural route)				Apartment number		School district code number <input type="text"/>	
City, village, or post office		State	ZIP code	Decedent information		Taxpayer's date of death	Spouse's date of death
		NY				<input type="text"/>	<input type="text"/>

- A Filing status**
(mark an X in one box):
- ① Single
 - ② Married filing joint return
(enter spouse's social security number above)
 - ③ Married filing separate return
(enter spouse's social security number above)
 - ④ Head of household (with qualifying person)
 - ⑤ Qualifying widow(er) with dependent child

B Did you itemize your deductions on your 2012 federal income tax return? Yes No

C Can you be claimed as a dependent on another taxpayer's federal return? Yes No

NEW D Did you have a financial account located in a foreign country? (see page XX) Yes No

E (1) Did you or your spouse maintain living quarters in NYC during 2012? (see page 14) .. Yes No
(2) Enter the number of days spent in NYC in 2012 (any part of a day spent in NYC is considered a day)

F NYC residents and NYC part-year residents only (see page 14):
(1) Number of months you lived in NYC in 2012
(2) Number of months your spouse lived in NYC in 2012

G Enter your 2-character special condition code if applicable (see page 14)

If applicable, also enter your second 2-character special condition code

Itemized deduction from schedule IT-201-D

New York additions (see page 15)

20	Interest income on state and local bonds and obligations (but not those of NYS or its local governments)	20	.00
21	Public employee 414(h) retirement contributions from your wage and tax statements (see page 16)	21	.00
22	New York's 529 college savings program distributions (see page 16)	22	.00
23	Other (see page 17) Identify:	23	.00
24	Add lines 19 through 23	24	.00

New York subtractions (see page 20)

25	Taxable refunds, credits, or offsets of state and local income taxes (from line 4)	25	.00
26	Pensions of NYS and local governments and the federal government (see page 20)	26	.00
27	Taxable amount of social security benefits (from line 14)	27	.00
28	Interest income on U.S. government bonds	28	.00
29	Pension and annuity income exclusion (see page 20)	29	.00
30	New York's 529 college savings program deduction/earnings	30	.00
31	Other (see page 21) Identify:	31	.00
32	Add lines 25 through 31	32	.00
33	New York adjusted gross income (subtract line 32 from line 24)	33	.00

Standard deduction or itemized deduction (see page 25)

34	Enter your standard deduction (table on page XX) or your itemized deduction (from Form IT-201-D) Mark an X in the appropriate box: <input type="checkbox"/> Standard - or - <input type="checkbox"/> Itemized	34	.00
35	Subtract line 34 from line 33 (if line 34 is more than line 33, leave blank)	35	.00
36	Dependent exemptions (not the same as total federal exemptions; see page 28)	36	000.00
37	Taxable income (subtract line 36 from line 35)	37	.00

Changes to Personal Income Tax Returns

- **Whole dollar amounts required on income tax forms** - For tax years 2012 and after, taxpayers may enter only whole dollar amounts on income tax forms.
- **Additional line added for Rental real estate**
- **Forms IT-2, IT-1099-R, and IT-1099-UI are eliminated for Paper filed returns.** If filing a paper return you **must include** the state copy of certain federal forms with their New York State returns.

2011

Federal income and adjustments

Only full-year New York State residents may file this form. For lines 1 through 18 below, enter your income items and total adjustments as they appear on your federal return (see page 15). Also see page 4 instructions for showing a loss.

	Dollars	Cents
1 Wages, salaries, tips, etc.	1.	
2 Taxable interest income	2.	
3 Ordinary dividends	3.	
4 Taxable refunds, credits, or offsets of state and local income taxes (also enter on line 25)	4.	
5 Alimony received	5.	
6 Business income or loss (attach a copy of federal Schedule C or C-EZ, Form 1040)	6.	
7 Capital gain or loss (if required, attach a copy of federal Schedule D, Form 1040)	7.	
8 Other gains or losses (attach a copy of federal Form 4797)	8.	
9 Taxable amount of IRA distributions. If received as a beneficiary, mark an X in the box <input type="checkbox"/> ..	9.	
10 Taxable amount of pensions and annuities. If received as a beneficiary, mark an X in the box <input type="checkbox"/> ..	10.	
11 Rental real estate, royalties, partnerships, S corporations, trusts, etc. (attach copy of federal Schedule E, Form 1040) ..	11.	
12 Farm income or loss (attach a copy of federal Schedule F, Form 1040)	12.	
13 Unemployment compensation	13.	
14 Taxable amount of social security benefits (also enter on line 27)	14.	
15 Other income (see page 15) Identify:	15.	
16 Add lines 1 through 15	16.	
17 Total federal adjustments to income (see page 15) Identify:	17.	
18 Federal adjusted gross income (subtract line 17 from line 16)	18.	

2012

Page 2 of 4 IT-201 (2012)

Your social security number

Federal income and adjustments (see page xx)

	Whole dollars only	
1 Wages, salaries, tips, etc.	1	.00
2 Taxable interest income	2	.00
3 Ordinary dividends	3	.00
4 Taxable refunds, credits, or offsets of state and local income taxes (also enter on line 25)	4	.00
5 Alimony received	5	.00
6 Business income or loss (submit a copy of federal Schedule C or C-EZ, Form 1040)	6	.00
7 Capital gain or loss (if required, submit a copy of federal Schedule D, Form 1040)	7	.00
8 Other gains or losses (submit a copy of federal Form 4797)	8	.00
9 Taxable amount of IRA distributions. If received as a beneficiary, mark an X in the box <input type="checkbox"/> ...	9	.00
10 Taxable amount of pensions and annuities. If received as a beneficiary, mark an X in the box <input type="checkbox"/> ..	10	.00
11 Rental real estate, royalties, partnerships, S corporations, trusts, etc. (submit copy of federal Schedule E, Form 1040) ..	11	.00
12 Rental real estate included in line 11	12	.00
13 Farm income or loss (submit a copy of federal Schedule F, Form 1040)	13	.00
14 Unemployment compensation	14	.00
15 Taxable amount of social security benefits (also enter on line 27)	15	.00
16 Other income (see page 15) Identify:	16	.00
17 Add lines 1 through 11 and 13 through 16	17	.00
18 Total federal adjustments to income (see page 15) Identify:	18	.00
19 Federal adjusted gross income (subtract line 18 from line 17)	19	.00

Changes to Personal Income Tax Returns

- **Additional account information required on Form IT-201** - For direct deposit or electronic funds withdrawal, **taxpayers must now designate whether the checking or savings account is a personal or business account .**
- **Penalty and interest line added to Form IT-201** Taxpayers may now enter and pay any penalty and interest they owe directly on Form IT-201. However, volunteer income tax preparers should not calculate interest and penalties.

Line 83 must be completed if using electronic funds withdrawal

62 Enter amount from line 61 **62**00

Payments and refundable credits (see page 35)

63 Empire State child credit	63	.00
64 NYS/ NYC child and dependent care credit	64	.00
65 NYS earned income credit (EIC)	65	.00
66 NYS noncustodial parent EIC	66	.00
67 Real property tax credit	67	.00
68 College tuition credit	68	.00
69 NYC school tax credit (also complete F on page 1; see page 35)	69	.00
70 NYC earned income credit	70	.00
71 Other refundable credits (Form IT-201-ATT, line 18)	71	.00
72 Total New York State tax withheld	72	.00
73 Total New York City tax withheld	73	.00
74 Total Yonkers tax withheld	74	.00
75 Total estimated tax payments and amount paid with Form IT-370	75	.00
76 Total payments (add lines 63 through 75)	76	.00

Your refund, amount you owe, and account information (see pages 37, 38, and 39)

77 Amount overpaid (if line 76 is more than line 62, subtract line 62 from line 76) **77**00

78 Amount of line 77 to be refunded **Mark one refund choice:** direct deposit (fill in line 83) - or - debit card - or - paper check **78**00

79 Amount of line 77 that you want applied to your 2013 estimated tax (see instructions) **79**00

See page 71 for information about your three refund choices.

80 Amount you owe (if line 76 is less than line 62, subtract line 76 from line 62). To pay by electronic funds withdrawal, mark an X in the box and fill in line 83 **80**00

81 Estimated tax penalty (include this amount in line 80 or reduce the overpayment on line 77; see page 38) **81**00

See page 41 for the proper assembly of your return.

82 Other penalties and interest (see page xx) **82**00

83 Account information for direct deposit or electronic funds withdrawal (see page 39).

If the funds for your payment (or refund) would come from (or go to) an account outside the U.S., mark an X in this box (see pg. xx)

83a Account type: Personal checking - or - Personal savings - or - Business checking - or - Business savings

83b Routing number 83c Account number

Corporate Tax Changes

- The entire net income tax rate was reduced from 6.5 percent to 3.25 percent
- The alternative minimum taxable income rate was reduced from 1.5 percent to 0.75 percent, and the amounts of the fixed dollar minimum tax were cut in half for eligible qualified New York manufacturers.
- Effective for tax years beginning on or after January 1, 2012 and before January 1, 2015.

Qualified Emerging Technology Company (QETC) Tax Credits

- New guidance clarifies the following:
 - must be engaged in creating or developing emerging technologies referenced in section 3102-e of the Public Authorities Law to qualify under the *primary products or services test*;
 - must qualify under the *primary products or services test* to claim the QETC facilities, operations and training credit; and
 - may use an alternative method to compute the *primary products or services test* if the business does not make sales of products or services.

New York Youth Works Tax Credit

- Credit equals \$500/month for up to six months for each qualified full-time employee or \$250/month for each qualified part-time employee.
- Additional \$1,000 per full-time job or \$500 per part-time job is available if the employee remains employed for at least six additional months.
- Deadline to participate in the program extended

STAR Eliminated – Past Due Taxes

- If you owe \$4,500 or more targeted for program
- Suspension will begin 2013-14 school year.
- Taxpayers will receive at least 45 days notice from Tax that their exemption may be suspended if no action is taken to satisfy the liability.
- Notice will contain provisions steps a taxpayer to satisfy the past due liability and to have the suspension lifted.

Hotel Room Remarketer Sales Tax Compliance

- Provides a method to compute the portion of the bill taxable as rent when an occupancy is sold together with other items for a single price.
- Permits room remarketers to provide the information about the amount of the sales tax due on any invoice given to the customer prior to the completion of the occupancy.
- Allow room remarketers to report sales of occupancies in the sales tax filing period in which the occupancy ended, rather than in the sales tax period during which they collected the consideration for the occupancy.

Other Legislative Changes

- **Clean Heating Fuel Credit (Form IT-241)** - extended through tax years beginning before January 1, 2017.
- **Solar energy system equipment credit (Form IT-255)** - expanded to include leased property.
- **Noncustodial parent earned income credit (IT-209)** - This credit has been extended through tax years beginning before January 1, 2015.
- **Repealed \$25 penalty for individuals failing to e file**

Multilingual Assistance

- The Governor's Executive Order No. 26 aims to help remedy this frustration for the estimated 2.5 million New Yorkers whose ability to read, write, speak, or understand English is limited .
- The policy's overall goal is help those with limited English proficiency (LEP) understand and use the information and services offered by state agencies.

Multilingual Assistance

- Our call center staff will be able to connect quickly with an interpretation service already in use by our call centers to assist with calls and face-to-face communication.
- The Department has about 20 key documents translated into the six most common languages spoken by individuals with LEP that we now serve or expect to serve:
 - Spanish (1.2 million potential customers)
 - Chinese (300,000)
 - Russian (136,000)
 - Italian (80,000)
 - Korean (65,000)
 - French or Haitian Creole (52,000)

Multilingual Assistance

- Benefits of removing language barriers:
 - more have access to our services and programs
 - increase in voluntary compliance
 - greater awareness of taxpayer rights, responsibilities, available credits (such as the earned income tax credit), etc.
 - less reliance on others fluent in English for tax help

Multilingual Assistance

- Some project tasks:
 - identify key documents to translate
 - create a multi-language assistance information insert (Form TP-85) for bills and notices
 - Provide language content and related links on our public website
 - Develop online language-access training for all employees
 - create multi-language flyers and a poster
 - outreach (e.g., to groups that offer free income tax assistance, etc.)
 - develop ways to seek feedback and gauge success

Review: Reminder of Recent Changes

Offer in Compromise Reform

- Expands our ability to accept Offers in Compromise to include taxpayers, when payment in full would create undue economic hardship, in addition to those taxpayers who are insolvent or bankrupt.
- The new program is limited to taxes owed under the Personal Income Tax and business taxes for which a person can be held personally responsible.
- The Offer in Compromise program allows qualifying, financially distressed taxpayers the opportunity to put overwhelming liabilities behind them by paying a reasonable portion of their tax debt.

Offer in Compromise Reform

- Generally, undue economic hardship occurs when a taxpayer is unable to pay reasonable basic living expenses.
- Basic living expenses are those that provide for health, welfare, and production of income for taxpayer or the taxpayer's family.
- In addition to basic living expenses, we will consider other factors that can impact an individual's financial condition.
- Undue economic hardship, does not include the inability to maintain an affluent or luxurious lifestyle.

Offer in Compromise – How to apply?

- [Form DTF-4, Offer in Compromise \(For Liabilities Not Fixed and Final and Subject to Administrative Review\)](#) **OR** [Form DTF-4.1, Offer in Compromise \(For Fixed and Final Liability\)](#)
- [Form DTF-5, Statement of Financial Condition and Other Information](#)
- Taxpayers seeking hardship relief should include a statement describing the undue economic hardship they would experience, along with any supporting documents, when they file their Offer in Compromise application.
- Publication 220 – [Offer in Compromise Program](#) for additional information
- [TSB-M-\(11\)\(9\)C,\(9\)I,\(10\)M,\(2\)MCTMT,\(2\)R,\(14\)S, Changes to the Offer-In-Compromise Program](#)
- Offer in Compromise Office at 518-457-5434

Marriage Equality Act

- The Marriage Equality Act (Act) took effect on July 24, 2011, and provides that all marriages, whether between same-sex couples or different-sex couples, will be treated equally under the laws of New York.
- The Act amends New York law to recognize all legally performed marriages between same-sex and different-sex couples, whether or not the marriage took place in New York.
- ***TSB-M11(8)C, (8)I,(7)M,(1)MCTMT,(1)R,(12)S, - The Marriage Equality Act***
- ***TSB-M-11(8)M – Implementation of the Marriage Equality Act Related to the New York State Estate Tax***

Marriage Equality Act for Personal Income Taxes

- You **must** file your New York personal income tax return(s) using a married filing status even though your marital status isn't recognized for federal purposes.
- Because the law only applies starting for tax year 2011, you can't amend a prior year returns.
- To complete your New York return you must:
 - Recompute your federal income tax return (including all credit forms, schedules, and other attachments) using a married filing status.
 - Don't submit this *federal married filing status* return to the IRS.
 - Use it only to complete your New York return and keep it with your tax documents.
 - You must enter special condition code *M3*

Statute of Limitations to Collect Tax Liabilities

- The Tax Law was amended to revise the 20-year statute of limitations on the Tax Department's time to collect tax liabilities that have been assessed and for which a notice and demand has been issued.
- This statute of limitations is applicable to all taxes, and any special assessments, fees, interest, additions to tax, penalties, or other impositions administered by the tax department.
- ***TSB-M- 11(10)C,(10)I,(11)M,(3)MCTMT,(4)R,(15)S 20-Year Statute of Limitations to Collect Tax Liabilities***

Statute of Limitations to Collect Tax Liabilities

- The tax liability will not be enforceable and will be extinguished after 20 years from the first date a warrant could be filed by the tax department.
- A payment by the taxpayer or an acknowledgment of an indebtedness in writing by the taxpayer no longer extends the 20-year time limit as under prior law.
- This new law is effective August 17, 2011 regardless of when the liability was first assessed.

Statute of Limitations to Collect Tax Liabilities regarding income executions

- An income execution will be release if any one of the following circumstances exists:
 - All assessments (tax bills) have a zero balance;
 - The assessment is being disputed;
 - The taxpayer files for bankruptcy or is deceased; or
 - *The 20 year limit to collect the tax liability has expired.*

Office of Taxpayer Rights Advocate

- Provide free and independent assistance to taxpayers.
- Assist taxpayers whose tax problems are causing undue economic harm.
- Help taxpayers who have been unable to resolve protracted tax problems through normal channels.
- Identify systemic problems, including those that compromise taxpayer rights or unduly burden taxpayers.
- Recommend administrative and legislative reforms through an Annual Report to the Commissioner of Taxation and Finance.

Office of Taxpayer Rights Advocate 2012

- Total New Applications for Assistance Received (calendar year 2012 through 9/30/2012): 952
- Closed Cases from total assigned: 841 (88%)
- Full or Partial Relief Provided of Total Closed: 349 (46%)
- Relief Denied of Total Closed: 137 (18%)
- Informational/Guidance Only Provided of Total Closed: 149 (19%)
- Rejected – cases not meeting OTRA criteria for acceptance of Total Closed: 206 (27%)
- OTRA Cases by Program Area: CCED (36%); OPTS (35%); Audit (29%); BCMS (<1%).

Office of Taxpayer Rights Advocate 2012

- A reasonable effort needs to be taken to resolve prior to Office of Taxpayer Rights Advocate contact.
- Form DTF-911 should be completed resolve clients issues
http://www.tax.ny.gov/pdf/current_forms/misc/dtf911.pdf
- Department is focused on appointing a new Advocate and is committed to the continuation of the Advocate office.
- The Office should not be contacted for refund claims.

Changes to Personal Income Tax Refunds

- Three options for refund: direct deposit, check, or DEBIT CARD
- Debit Cards:
 - Secure
 - Easy to use: Use the card like any other debit card.
 - Avoid check cashing fees for those that are “unbanked.”
- Flexible use of debit card:
 - Easy, free cash withdrawal from a bank.
 - Make purchases from stores that accept credit cards.
 - Deposit it into your bank account (why not consider direct deposit instead).
 - Make ATM withdrawals.
 - In most instances there is no charge for using your debit card.

Personal Income Tax Refunds

- Three options for refunds:
 - direct deposit, **DEBIT CARD** or paper check
- If an individual does not have a bank account for direct deposit, the **DEBIT CARD** option is available.
- **DEBIT CARDS** – the process to receive the debit card is simple: check the debit card box on the refund line.

Your refund/amount overpaid (see page 37)

77 Amount overpaid (if line 76 is more than line 62, subtract line 62 from line 76) 77. , , .

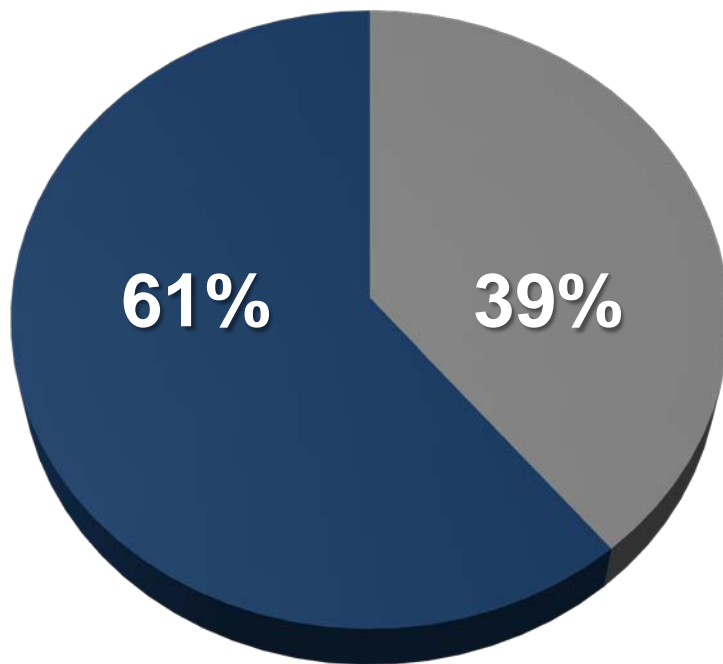
78 Amount of line 77 to be refunded
Mark one refund choice: direct deposit (fill in line 82) - or - debit card - or - paper check ... 78. , , .

79 Amount of line 77 that you want applied to your 2012 estimated tax (see instructions) 79. , , .

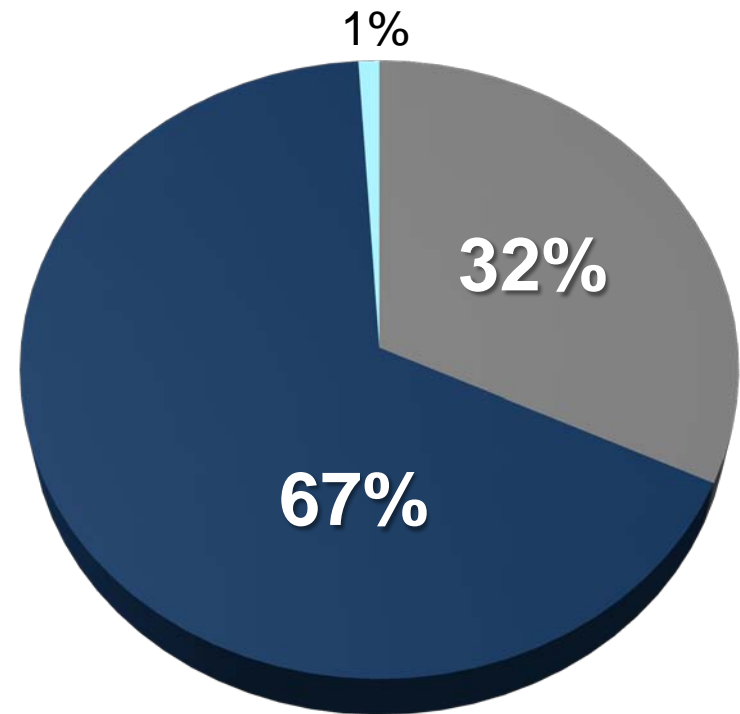
See page 71 for information about your three refund choices.

Personal Income Taxes: Non-Paper Check Refunds Expand

Tax Year 2010



Tax Year 2011*



■ Direct Deposit ■ Paper Checks ■ Debit Cards

* through 4/30/12

The Solution – Case Identification and Selection System (CISS)

■ What is CISS

- A tool that applies business rules and predictive models to categorize and score returns received nightly.
- Identifies the “next best case” for pre-processing audit selection.
- Provides a web based application for screening and resolving cases.
- Triggers automated downstream processes.

Case Inventory Selection System

Internationally recognized system employs advanced analytics

- Screens and scores every New York tax return
- Selection not limited to EITC or refundable credits
 - itemized deductions
 - rental losses
- Allows New York to issue valid refunds quicker
- Allows us to predict and identify possible large-scale fraud
- Selection criteria continuously reviewed and rules refined
- Less manual review = \$ dollars saved

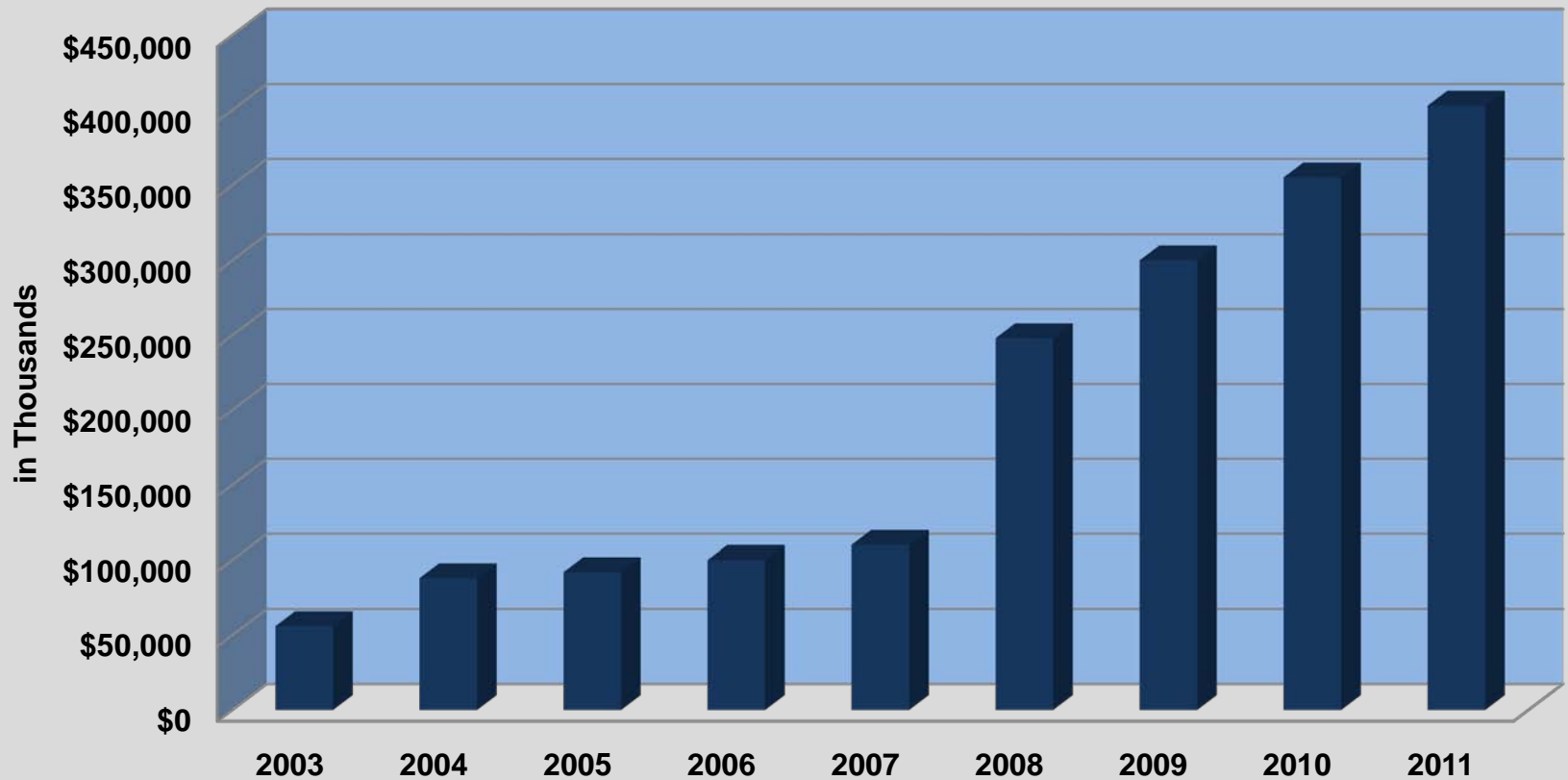
New York CISS Audit Results

ALL PIT REFUNDS

Processing Year	2004	2005	2006	2007	2008	2009	2010	2011
Inquiry Letters	92,000	99,000	105,000	74,000	205,000	181,584	197,909	284,086
Denied Refunds	\$88 M	\$92 M	\$100 M	\$110 M	\$248 M	\$300 M	\$355 M	\$431 M

Refunds Denied

Case Identification Selection System



Earned Income Tax Credit

Recordkeeping Suggestions for Self-employed Persons

If you're a self-employed person who has applied for the Earned Income Tax Credit (EITC) (also known as the Income Credit or EIC), it's important that you maintain good records. The Tax Department may ask you to produce records that prove the amount of income and income tax return.

- The department will use that information to confirm that you're entitled to the credit.
- If you don't keep records, or if your records don't prove what you claimed, you won't get your money.
- If you're required to pay any other New York State taxes, such as sales tax, you'll also have to pay those taxes.

If you're required to pay any other New York State taxes, such as sales tax, you'll also have to pay those taxes. For these reasons, it's important that you keep good records. These suggestions will help you do that.

How to Keep Good Records

As a general rule, you should keep records of your transactions - payments, purchases, etc. - at the time they happen. Don't wait until the Tax Department asks for your records. If you try to describe the details of your business months - or even years - later, your recollection may not be reliable. The Tax Department is less likely to accept records created long after the fact.

Maintain a daily log

It's a good idea to keep daily records of all your business transactions. Be sure to provide detailed information about each transaction.

- provide detailed information about each transaction
- update your records every time you make a purchase, pay an expense, or receive a payment

Keep receipts and other documents

You can keep a log book or keep records on your computer. See the back of this booklet for more information.

- Be sure to keep documentation that supports each entry in your log.
- copies of checks or money orders that you received as payments
- receipts and invoices for payments you made
- credit card statements and receipts

Use a bank account

Having a bank account can help establish your income, particularly if you receive payments by check. Slips, cashed checks, and bank statements can support your records.

Keep records for three years

The Tax Department may ask for your records as long as three years after you file your return.

Are you self-employed?

- You're considered self-employed if:
 - you're paid directly by customers
 - you don't get a regular salary
- Examples of self-employed persons include: builders, painters, plumbers, etc.

DTF-215 (5/12)

Claim for Child and Dependent Care Credit

Recordkeeping Suggestions for Child Care Expenses

If you're a taxpayer who has applied for the Child and Dependent Care Credit, it's important that you maintain good records. The Tax Department may ask you to produce records that prove the amount of child care expenses claimed on your income tax return.

- The department will use that information to confirm that you're entitled to the credit.
- If you don't keep records, or if your records don't prove what you claimed, you won't get your money.

For these reasons, it's important that you keep good records. These suggestions will help you do that.

How to Keep Good Records

As a general rule, you should keep records of your transactions - payments, purchases, etc. - at the time they happen. Don't wait until the Tax Department asks for your records. If you try to describe the details of your business months - or even years - later, your recollection may not be reliable. The Tax Department is less likely to accept records created long after the fact.

Keep receipts and other documents

Be sure to keep documents that support the amount of child care expenses you claimed. Examples of supporting documentation include:

- copies of any checks and money orders that you used to pay expenses. Be sure to copy the front and back of the cashed check or money order
- itemized statement issued by a licensed child care provider
- cash receipts received at the time of payment that can be verified by the department

Use a bank account

Having a bank account can help establish your expenses, particularly if you make payments by check. It is easier for the department to verify your payments with copies of cashed checks.

Are you receiving public assistance?

You may only claim the actual amount you paid to the child care provider for the cost of child care. You may not claim expenses that were paid on your behalf by a social service agency. You would need to provide:

- A copy of the placement notice from the Administration for Children's Services or the Department of Social Services indicating the placement date and your parent fee

Keep records for three years

The Tax Department may ask for your records as long as three years after you file your return.

www.tax.ny.gov

DTF-216 (5/12)

Where to Seek Assistance

- ***Contacts by phone:***
 - ***E-file Hotline (518) 457-6387***
 - ***Online Service Center (518) 457 6387***
 - ***Tax Practitioner Hotline (518) 457-5451***
 - ***Offer in Compromise (518) 457-5434***
- **Speaking events and education:**
http://www.tax.ny.gov/help/outreach/speaking_events.htm
- **Videos and Demos:**
<http://www.tax.ny.gov/e-services/otc/demos/demo.htm>
- **Taxpayer Rights Advocate Office www.tax.ny.gov/tra**