



Instructions for Form IT-229 Real Property Tax Relief Credit

General information

For tax years beginning on or after January 1, 2021, eligible individual taxpayers may claim the real property tax relief credit on qualified real properties.

Any unused amount of the credit 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.

Note: If you itemize deductions on your New York State income tax return, you must reduce the amount of real property taxes claimed by the amount of this credit (see Form IT-196).

Eligibility

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

- you are subject to tax under Tax Law Article 22;
- you were a NYS resident for all of the tax year;
- you owned and primarily resided for six months or more of the tax year in real property that received the STAR exemption or that qualified you for the STAR credit;
- any rent you received from nonresidential use of your residence was 20% or less of the rental income;
- you are the one that paid the real property taxes on the property fully or partially; and
- your qualified gross income must be \$250,000 or less.

Definitions

Qualified gross income (QGI) means the adjusted gross income (AGI) of the qualified taxpayer for the tax year for federal income tax purposes and, for tax year 2021 computed without regard to New York State decoupling from changes to the IRC that would normally be required. In computing QGI, the net amount of loss reported on each of federal Schedule C, D, E, or F cannot exceed \$3,000 per schedule. In addition, the net amount of any other separate category of loss cannot exceed \$3,000. The aggregate amount of all losses included in computing QGI cannot exceed \$15,000.

Residence:

- is a dwelling owned and used by the taxpayer as primary residence;
- may consist of a part of a cooperative or condominium; and
- includes a trailer or mobile home used for residential purposes.

Qualifying real property taxes (QRPT) means:

- All real property taxes, special ad valorem levies and special assessments (exclusive of penalties and interest) on the residence owned and occupied by a qualified taxpayer, and paid by the qualified taxpayer, less STAR credit.
- A qualified taxpayer who is receiving the senior citizens exemption authorized by the Real Property Tax Law § 467 may elect to include any additional amount that would have been levied by a taxing jurisdiction and paid by the qualified taxpayer in the absence of that exemption.
- If tenant-stockholders in a co-op or condominium are allowed a deduction on real estate taxes under IRC § 2016, the amount of taxes so allowable, or which would be allowable if the taxpayer had filed returns on a cash basis, is QRPT.

- If a residence is an integral part of a larger unit, QRPT is reasonably apportioned to such residence.
- If a taxpayer owned and occupied two residences in the same tax year, QRPT is the sum of the prorated QRPT attributable to the taxpayer during the periods such taxpayer occupied each residence.
- A taxpayer who owned and occupied a residence and rented a residence in the state for part of the same tax year, may include the proration of QRPT on the residence owned. For purposes of the credit allowed under § 606(e-2), QRPT may be included by a qualified taxpayer only to the extent that such taxpayer or the spouse of such taxpayer occupied such residence for 183 days or more of the tax year, owned the residence and paid such taxes.

Excess real property tax is the excess of QRPT over 6% of QGI.

Specific instructions

See the instructions for your tax return for the *Privacy notification* or if you need help contacting the Tax Department.

Part 1 – Determine taxpayer and property eligibility

Line 2 – The amount from line 8 is your QGI. If your QGI is more than \$250,000, then you are not eligible for the credit.

Line 5 – The credit is not allowed to a property owner if that person has more than 20% of the rental income from the property.

Note: If no rent was received, then mark an **X** in the Yes box on this line.

Part 2 – Determine qualified gross income (QGI)

In computing QGI, the net amount of loss reported on **each** federal Schedule C, D, E, or F or any other separate category of loss, cannot exceed \$3,000 per schedule. In addition, the total amount of all losses included in computing QGI cannot exceed \$15,000.

(continued)

Part 2, Line 7 Worksheet

Column A – Enter all losses reported on **each** federal schedule filed as a positive amount. Enter **0** if the amount reported is a gain for any schedule. If you have more than three schedules for each category, use an additional worksheet following a similar format. Add the amounts in each category and enter the total on lines 1, 2, 3, 4, and 5.

Column B – Enter the amount from column A; however, if the total amount in column A, lines 1, 2, 3, 4, or 5 is \$3,000 or more, enter **3000**. **Note:** The total of all losses allowed cannot exceed \$15,000.

Part 2, Line 7 Worksheet

Federal schedules	A Amount of losses reported on federal schedules	B Amount of losses allowed per category <i>(enter amount from column A, if over 3,000, enter 3000)</i>	C Excess losses <i>(subtract column B from column A)</i>
Schedule C			
1a Amount of loss reported on the 1 st Schedule C			
1b Amount of loss reported on the 2 nd Schedule C			
1c Amount of loss reported on the 3 rd Schedule C			
1d Total losses reported on additional Schedule Cs			
1 Total Schedule C losses <i>(add lines 1a, 1b, 1c, and 1d)</i>			
Schedule D			
2 Total amount of loss reported on Schedule D			
Schedule E			
3 Total amount of loss reported on Schedule E			
Schedule F			
4a Amount of loss reported on the 1 st Schedule F			
4b Amount of loss reported on the 2 nd Schedule F			
4c Amount of loss reported on the 3 rd Schedule F			
4d Total losses reported on additional Schedule Fs			
4 Total Schedule F losses <i>(add lines 4a, 4b, 4c, and 4d)</i>			
Other losses			
5a Amount of other loss included in federal adjusted gross income (FAGI)			
5b Amount of other loss included in FAGI			
5c Amount of other loss included in FAGI			
5d Total additional other losses included in FAGI			
5 Total other losses included in FAGI <i>(add lines 5a, 5b, 5c, and 5d)</i>			
Total			
6 Total excess losses <i>(add all amounts in column C, and enter on Form IT-229, line 7)</i>			

Part 3 – Residence information and computation of qualified real property taxes (QRPT) paid

Schedule A, column C – Divide column B by total number of days in tax year and carry the result to four decimal places.

Schedule B, columns B, C, and D – Each column amount is only for the residence listed.

Schedule B, column B – Enter all amounts of real property taxes paid timely in 2021. You may include installment payments for real property taxes made in 2021 for the prior tax year if paid timely. However, you may only include installment payments for 2021 real property taxes if the payments were made in 2021.

Schedule B, column C – Report any penalty and interest paid included in the real property taxes.

Schedule B, column D – Enter the amount of STAR credit received this tax year.

Schedule B, column G – If you occupied the residence only part of the year, QRPT is based on the prorated QRPT attributable to you during the periods you occupied the residence.

Line 9 – QRPT is the sum of the prorated QRPT attributable to you during the periods you occupied each residence.

Part 4 – Compute the credit

Line 12

The amount from line 8 is your QGI.

- If QGI is **\$75,000 or less**, enter **.1400** on line 12.
- If QGI is **\$75,001 or more**, use worksheets below.

Worksheet 1 (QGI from \$75,001 - \$150,000)

- | | |
|--|----------------|
| 1 Enter QGI amount | 1 _____ |
| 2 Subtract 75,000 from line 1 | 2 _____ |
| 3 Divide line 2 by 75,000
(carry result to four decimal places) | 3 _____ |
| 4 Multiply line 3 by .05
(carry result to four decimal places) | 4 _____ |
| 5 Subtract line 4 from .1400 and enter the
result on Form IT-229, line 12 | 5 _____ |

Worksheet 2 (QGI from \$150,001 - \$250,000)

- | | |
|--|----------------|
| 1 Enter QGI amount | 1 _____ |
| 2 Subtract 150,000 from line 1 | 2 _____ |
| 3 Divide line 2 by 100,000
(carry result to four decimal places) | 3 _____ |
| 4 Multiply line 3 by .06
(carry result to four decimal places) | 4 _____ |
| 5 Subtract line 4 from .0900 and enter the
result on Form IT-229, line 12 | 5 _____ |

Line 13 – The credit amount allowed is the product of the excess real property tax on line 11 and the applicable rate computed on line 12.

Line 14 – The maximum amount of the credit allowed is \$350.

Line 15 – No credit is allowed if the amount of the credit computed on line 13 is less than \$250. Enter the amount from line 15 and code **229** on Form IT-201-ATT, line 12.