

# NYC-206 City of New York Nonresident Fiduciary Earnings Tax Return

# 1985

Or fiscal year ending 1986

Attach this return to the back of Form IT-205	Name of estate or trust	Employer identification number
	Name and title of fiduciary	

A. Check  if the income reported on this return represents an allocated portion of income from services performed, or from sources, in and out of the City of New York. If so, attach a detailed statement of the allocation (see instructions below).

Calculation of Earnings Tax	Column A Wages	Column B Net earnings from self-employment
<b>1</b> Gross wages (enter in Column A; attach employee's withholding statement) Net earnings from self-employment (enter in Column B; attach detailed statement) ... <b>1</b>		
<b>2</b> Net earnings from self-employment:		
<b>a</b> Paid or permanently set aside for charitable purposes		<b>a</b>
<b>b</b> Distributed or distributable to residents of the City of New York (attach schedule; see instructions)		<b>b</b>
Add lines a and b		<b>2</b>
<b>3</b> Subtract line 2 from line 1		<b>3</b>
<b>4</b> Allowable exclusion prorated to Columns A and B (see instructions; use table below)	<b>4</b>	
<b>5</b> Subtract line 4 from line 1 in Column A; subtract line 4 from line 3 in Column B	<b>5</b>	
<b>6</b> Tax on wages: 45% (.0045) of amount in Column A, line 5		<b>6</b>
<b>7</b> Tax on net earnings from self-employment: 65% (.0065) of amount in Column B, line 5		<b>7</b>
<b>8 Total</b> (add lines 6 and 7). Enter on Form IT-205, line 19		<b>8</b>
Signature of fiduciary or officer representing fiduciary	Date	Paid preparer's signature
		Date

TABLE

Total of Wages and Net Earnings		Exclusion
over	but not over	
\$ 0	\$10,000	\$3,000
10,000	20,000	2,000
20,000	30,000	1,000
30,000		None

## Instructions

The fiduciary of a nonresident estate or trust must file a City of New York Nonresident Fiduciary Earnings Tax Return on Form NYC-206 if the estate or trust has income from wages earned or net earnings from self-employment in the City of New York. This form must be attached to New York State Form IT-205. Complete general instructions for the nonresident fiduciary earnings tax are in the instruction booklet IT-205-I.

Print or type the name of the estate or trust and the name and title of the fiduciary in the spaces provided. Enter the federal employer identification number of the estate or trust.

**Federal and State Privacy Notification:** For information about the authority to request personal data, including social security and other identifying numbers, see the instructions for Form IT-205.

**Item A:** If wages or net earnings from self-employment were earned partly in and partly out of the City of New York, you must determine the amounts allocable to the city.

**Wages:** If wages or salary income does not depend directly on the volume of business transacted, the amount allocable to the City of New York is that portion of such wages which the number of days worked in the city bears to the total number of days (exclusive of nonwork days, such as Saturdays, Sundays, holidays, sick leave, vacation, etc.) worked both in and out of the city during the year. "Days worked" are days on which the wage earner was required to perform the usual duties of his or her employment, which do not include activities carried on at home. Attach a schedule to the return showing the computation of this allocation.

(continued on page 2)

**Instructions** (continued)

If the wages subject to the allocation depend entirely on the volume of business transacted, as when a salesman is working on commission, the amount of such wages allocable to the City of New York is that portion of the wages which the volume of business transacted by the individual in the city bears to the total volume of business transacted by that person both in and out of the city. The location where the services or sales activities were actually performed determines where business is transacted. Attach a schedule to the return showing the computation of this allocation.

If the wages are allocated on a basis other than those covered in the preceding paragraphs, attach a schedule showing complete details.

**Net earnings from self-employment:** If the business that produces such earnings maintains no regular place of business outside the city, all net earnings from self-employment must be allocated to the city.

If books and records fairly and equitably show net earnings from self-employment in the city, the portion allocable to the city may be determined from such books and records.

If the City of New York net earnings cannot be determined from the books and records, make the allocation by multiplying total net earnings from self-employment by the average of the following three percentages:

**1. Property percentage.** The percentage computed by dividing (a) the average of the value, at the beginning and end of the taxable year, of real and tangible personal property connected with net earnings from self-employment and located in the city, by (b) the average of the value, at the beginning and end of the taxable year, of all real and tangible personal property connected with the net earnings from self-employment and located both in and out of the city. For this purpose, real property includes both owned and rented real property.

**2. Payroll percentage.** The percentage computed by dividing (a) the total wages, salaries and other personal service compensation paid or incurred during the taxable year to employees in connection with the net earnings from self-employment derived from a trade or business carried on in the city, by (b) the total of all wages, salaries and other personal service compensation paid or incurred during the taxable year to employees in connection with the net earnings from self-employment derived from a trade or business carried on both in and out of the city.

**3. Gross income percentage.** The percentage computed by dividing (a) the gross sales or charges for services performed by or through an agency located in the city, by (b) the total of all gross sales or charges for services performed in and out of the city. The sales or charges to be allocated to the city include all sales negotiated or consummated, and charges for services performed by an employee, agent, agency, or independent contractor chiefly situated at, connected by contract or otherwise with, or sent out from, offices or other agencies of the trade or business from which the estate or trust is deriving net earnings from self-employment, situated in the city.

**Special rule for real estate:** Income and deductions from the rental of real property and gain and loss from the sale, exchange or other disposition of real property are not subject to allocation but are considered as entirely derived from or connected with the place in which the property is located.

**Calculation of Earnings Tax**

In no event shall the estate or trust be liable for the City of New York earnings tax on nonresidents in an amount greater than it would be required to pay if it were a City of New York resident estate or trust subject to the tax on personal income of resident estates or trusts. Form IT-205 and instructions should be used to determine the tax liability as a resident estate or trust.

**Line 1 — Gross wages or net earnings from self-employment:** The definition of "wages" is in instruction booklet IT-205-I under *City of New York Nonresident Fiduciary Earnings Tax*. Enter in Column A wages earned during the taxable year. See instructions above if allocation is required.

"Net earnings from self-employment" is also defined in instruction booklet IT-205-I under *City of New York Nonresident Fiduciary Earnings Tax*. Enter in Column B such earnings during the taxable year. See preceding instructions if allocation is required. Attach a detailed statement showing the computation of the net earnings, including the gross income from the underlying trade or business and the deductions prescribed in Section 1402(a) of the Internal Revenue Code.

**Line 2a — Net earnings from self-employment:** Enter any amount included on line 1, Column B, that was paid or permanently set aside for charitable purposes in accordance with Section 642(c) of the Internal Revenue Code.

**Line 2b —** Enter any amount included on line 1, Column B, that was distributed or distributable to residents of the City of New York in accordance with Sections 651 or 661 of the Internal Revenue Code.

**Line 4 — Allowable exclusion prorated to Columns A and B:** The estate or trust is allowed an exclusion against the total wages and net earnings from self-employment (see table on front page).

If it had only wages during the taxable year, enter the allowable exclusion in Column A of line 4. If it had only net earnings from self-employment, enter the allowable exclusion in Column B of line 4. If it had both wages and net earnings from self-employment during the taxable year, prorate the exclusion between them and enter the amount excluded from each source in Columns A and B, respectively, of line 4.

**Line 8 — City of New York Earnings Tax:** Enter the total of lines 6 and 7 on line 8 and transfer the total earnings tax to New York State Form IT-205, line 19. Attach Form NYC-206 to Form IT-205.