



Instructions for Form IT-205-A Fiduciary Allocation

Refer to the front page of Form IT-205-A to determine which schedules of Form IT-205-A should be completed.

Schedule 1

Computation of New York tax of a nonresident estate or trust or part-year resident trust

Enter amounts in column a, lines 1 through 19 following line by line instructions below.

Enter in column b the portion of each amount which is derived from the City of New York.

Line 1/Enter in column a the amount from Schedule 4, line 17, column a.

Lines 2 through 4 of Schedule 1, column a, are similar to lines 18 through 20 on page 1 of federal Form 1041. Enter on each applicable line of Schedule 1, column a, the amount reported on the federal Form 1041.

Line 9/New York exemption: An exemption of \$600 is allowed every estate or trust, instead of the federal exemption.

Line 11/New York modifications relating to amounts allocated to principal:

The same modifications listed in the instructions for Form IT-205, page 1, line 6 are to be added or subtracted here to the extent they are applicable to amounts not includable in federal distributable net income of the estate or trust. Give full details of any modifications in an attached statement.

Line 14/Transfer the amount from Schedule 1, line 14, column b to the part-year City of New York Worksheet A, on this page.

Line 15/Base tax: Apply the New York State tax rates below to the amount on line 14, column a. Enter tax on line 15.

New York State Tax Rate Schedule

If taxable income is:

Over	Not over				
\$ 0	\$ 3,000	3%	of taxable income		
3,000	5,100	\$ 90 plus 4%	of amount over \$3,000		
5,100	7,300	174 plus 5%	" " "	5,100	
7,300	9,400	284 plus 6%	" " "	7,300	
9,400	12,400	410 plus 7%	" " "	9,400	
12,400	17,000	620 plus 8%	" " "	12,400	
17,000		988 plus 8.375%	" " "	17,000	

Line 16/Additional tax on unearned income: If the estate's or trust's New York adjusted gross income, computed as if an individual (from IT-205-I, line c of the **Additional Tax on Unearned Income Worksheet**) is more than \$50,000, enter the additional tax on unearned income from line t of the worksheet (from IT-205-I).

Line 18/Income percentage: Complete the following worksheet to compute the numerator for the income percentage:

- a) Enter the amount from Schedule 4, line 9, column b a) _____
- b) Enter the amount from Schedule 4, line 6, column b b) _____
- c) Subtract line b from line a c) _____
- d) Enter percentage from Schedule 2, column 2, fiduciary line d) _____
- e) Multiply line c by line d e) _____
- f) Enter amount from Schedule 7, line 58, column (2) Fiduciary f) _____
- g) Add line e and line f g) _____

This is your numerator for the income percentage equation.

To figure your income percentage, divide:

Amount from worksheet, line g above

Amount from Schedule 4, line 9, column a

Carry the result to four decimal places.

Note: New York State has legislation pending which may result in a change to the denominator. If you have any questions concerning this legislation call 1 800 CALL TAX (1 800 225-5829).

Line 19/Allocated New York State tax:

Multiply the amount on line 17 by the decimal on line 18.

Computation of City of New York and City of Yonkers tax of a part-year resident trust

Part-Year New York City resident tax —

Complete Worksheet A below to compute the trust's part-year New York City resident tax:

Part-Year New York City Resident Tax Worksheet A

- a) New York City taxable income (from Schedule 1, column b, line 14 a) _____
- b) Figure the part-year New York City tax on the amount on line a using the New York City tax rate schedule below

If the New York City taxable income is:

Over	Not over				
\$ 0	\$ 2,500	1.5%	of amount over \$ 0		
2,500	9,000	\$ 38 plus 2.2%	" " "	2,500	
9,000	15,000	181 plus 2.7%	" " "	9,000	
15,000	25,000	343 plus 3.2%	" " "	15,000	
25,000	60,000	663 plus 3.4%	" " "	25,000	
60,000		1,853 plus 3.5%	" " "	60,000	

Also enter tax on line 20 of Form IT-205 b) _____

Part-year Yonkers resident income tax surcharge —

Complete the following Worksheet B and Worksheet C on the last page to compute the trust's Yonkers resident income tax surcharge.

If the trust was a New York State resident trust the entire year but changed its Yonkers resident status, complete line 1, Worksheet C, on the last page.

If the trust was a New York State resident trust for only part of the year and also changed its Yonkers resident status, complete lines 2 through 6 of Worksheet C, on the last page.

City of Yonkers Income Percentage Worksheet B

- a) Enter the amount from Schedule 4, line 9, column d a) _____
- b) Enter the amount from Schedule 4, line 9, column a b) _____
- c) Divide line a by line b. Carry the result to four decimal places. c) _____

Worksheet C, line 8 — Net State Tax

If the trust was a New York State resident trust the entire year, compute its net state tax on line 8, page 4.

Worksheet C, line 9 — Net State Tax

If the trust was a New York State resident trust for only part of the year, compute its net state tax on line 9, page 4.

Worksheet C, line 11 — Part-year city of Yonkers resident trust income tax surcharge

If the trust was a New York State resident trust the entire year, multiply line 8 by line 10, page 4 and enter this amount on Form IT-205, line 25.

If the trust was a New York State resident trust for only a part of the year, multiply line 9 by line 10, page 4 and enter this amount on Form IT-205, line 25.

See Form NYC-206, *City of New York Nonresident Fiduciary Earnings Tax Return*, and NYC-206-I, *Instructions for Form NYC-206*, if the estate or trust received wages or net earnings from self-employment from New York City sources during the estate's or trust's city nonresident period. See Form Y-206, *City of Yonkers Nonresident Fiduciary Earnings Tax Return*, and Y-206-I, *Instructions for Form Y-206*, if the estate or trust received wages or net earnings from self-employment from Yonkers sources during your city nonresident period.

Schedule 2

Fiduciary's and beneficiary's share of income from New York State sources

The federal distributable net income from New York State sources (Schedule 4, line 25, column b) is to be allocated in Schedule 2 to the estate or trust (fiduciary) and its beneficiaries in proportion to their respective shares in the federal distributable net income of the estate or trust.

Column 1 — Enter the respective shares of federal distributable net income of each beneficiary and of the fiduciary on the appropriate lines of column 1. Use the same letter (a or b) as used in Schedule C of Form IT-205 to identify each beneficiary. Note that solely for purposes of determining the allocation of income from New York State sources that applies among the nonresident taxpayers, entries must be made for both resident and nonresident beneficiaries. If columns 3, 4 and 5 of Schedule C of Form IT-205 are required to be completed, the entries in columns 3 and 4 of Schedule C and columns 1 and 2 of Schedule 2 will be identical.

Column 2 — Determine the percentage interest of each beneficiary and the fiduciary in the federal distributable net income of the estate or trust based upon amounts in column 1. Enter these percentages in column 2.

Column 3 — Enter on the total line of column 3 the total income from New York sources included in federal distributable net income of the estate or trust (from page 2, line 25, column b). The share of each nonresident beneficiary or of the fiduciary of a nonresident estate or trust or part-year resident trust in such total amount is determined by multiplying the total income from New York sources (column 3 total) by the column 2 percentage. No entry is required in this column with respect to a resident beneficiary or the fiduciary of a resident estate or trust.

Schedule 3

Nonresident beneficiary's share of income, deduction and tax preference items from New York State sources

Use the same letter (a or b) as used in Schedule C, Form IT-205, to identify each beneficiary.

Columns 1-4 — Enter in the appropriate column each nonresident beneficiary's share of income, gain or loss included in his or her share of distributable net income from New York State sources as reported

on Form IT-205-A, Schedule 2, column 3, (See column 5 instructions below for separate attachment for reporting deductions.) Amounts are to be reported by the nonresident beneficiaries on the appropriate lines 1-19 of their nonresident return (Form IT-203) as income from New York State sources.

Column 5 — Attach a separate schedule showing each nonresident beneficiary's share of other deductions from New York State sources included in the beneficiary's total share of distributable net income.

Column 6 — On an attached schedule show each nonresident beneficiary's share of federal tax preference items derived from New York State sources and the amount of any modifications that apply. See Form IT-220-I.

Schedule 4

Details of federal distributable net income and amounts from New York State sources

Enter in column a the amount reported on federal Form 1041 for the applicable items listed in Schedule 4. **If the fiduciary was a part-year resident trust, also include in the Federal amount column all items the trust would be required to include if the trust were filing a federal return on the accrual basis.** Enter in column b the portion of each such amount that is derived from New York sources.

Enter in column c the portion of each amount that was received during the period of New York City residency. Enter in column d the portion of each amount that was received during the period of Yonkers residency.

New York City and Yonkers Resident Trust

If any amount from the trust is subject to the New York City or Yonkers resident income tax, substitute "New York City" or "Yonkers" for "New York State" in the following instructions and include that portion in the applicable column c or d.

Lines 1 and 2/Dividends and Interest: Report in column b, lines 1 and 2, income from dividends and interest included in column a that is income from a trade or business carried on in New York State. Do not include in column b any income that is exempt from state taxes under the laws of the United States or of New York State, such as interest on United States government bonds; exempt income on securities of United States authorities, commissions and instrumentalities; and interest on bonds of New York State or of its political subdivisions.

Line 3/Income (or losses) from partnerships, other estates or other trusts: The portion derived from New York State sources of the estate's or trust's share of income, gain, loss or deduction

from a partnership to be entered in column b may ordinarily be obtained from Form IT-204. The portion derived from New York State sources of the estate's or trust's share of income from other estates or trusts to be entered in column b may ordinarily be obtained from Form IT-205 (or from Form IT-205-A). Any portion of the estate's or trust's share of such income, gain, loss or deduction not reported here must be included elsewhere in column b of Schedule 4 on the appropriate line describing the nature of the income (e.g., a partnership New York capital gain would be included in column b on line 6 of Schedule 4).

Line 4/Net rent and royalty income (or loss): Include in column b net rents and royalties from (1) real property situated in New York State whether or not used in or connected with a business, (2) tangible personal property not used in a business if such property has an actual situs in New York State and (3) tangible and intangible personal property used in or connected with a trade or business carried on in New York State by the estate or trust. Note that the Schedule 5 business allocation percentage does not apply to income from tangible personal property not used in a business or real property, since such income is 100% includable if the property is located in New York State and 100% excludable if located outside New York State.

Line 5/Net business and farm income (or loss): Enter in column b the net profit from a trade or business (including farming) carried on in New York State by the estate or trust. If business is carried on both in and out of New York State and the New York income can be determined from the books and records of the business, enter in column b on line 5 the net profit from business carried on in New York State, and in column b on the property lines the other items relating to the New York operations. If the New York income of the business cannot be determined from the books of the business, income must be allocated to New York State in accordance with the formula in Schedule 5 or an approved alternate method. Apply the business allocation percentage (on line 30) to line 5 of column a and to each other allocable item of business income, gain, loss or deduction reported in column a on other lines of Schedule 4 to determine the New York amounts.

Line 6/Capital gain (or loss): Enter in column b the gain shown in Schedule 7, line 58, column 3. If line 58, column 3, is a net loss, compute the amount of the loss deductible on line 6 following the instructions for Part II of federal Schedule D. (See Schedule 7 instructions on page 3.)

Line 8/Other income: Enter in column b any New York source income which is not reportable elsewhere in Schedule 4.

If the trust or estate is a shareholder of a federal S corporation for which the election to be a New York S corporation was in effect for the taxable year, the estate's or trust's ordinary income to be entered in column **b** may be obtained from Form CT-3-S, *S Corporation Information Report*.

Report capital gains, dividends, etc. in column **b** on the appropriate lines.

Do not include in column **b**, lines 3 or 5, any income (or loss) from an insurance business doing business as a member of the New York Insurance Exchange.

Line 15/Other deductions: Report in column (b) other deductions that relate to the portion of income from New York sources including certain administration costs. Allowable administration costs are those incurred with the administration of the estate or trust which would not have been incurred if the property were not held in such estate or trust.

Schedule 5

Formula basis allocation of business income

Complete Schedule 5 if the estate or trust carries on business both in and out of New York State but does not maintain books and records from which the New York income of the business can be determined. Attach a schedule showing the exact location (street address, city and state) of each place, whether in or out of New York State, where the estate or trust carries on business. Describe each place (i.e., branch office, agency, factory, etc.) and state whether it is rented or owned by the estate or trust.

When Schedule 5 does not fairly and equitably reflect the income from New York State, an alternate allocation may be used. However, Schedule 5 must be completed, based on the statutory method, and a detailed explanation of the alternative method used to determine New York income must be attached.

Line 26a/Real property owned: Enter in column (1) the average value of all real property owned by the business. Enter in column (2) the average value of real property owned that is located in New York State.

The average value of property owned is figured by adding its fair market value at the beginning and at the end of the taxable year and dividing by two.

Line 26b/Real property rented from others: The value of real property rented to the business and to be included in line 26b generally is eight times the gross rent payable during the taxable year for which the return is filed.

Line 26c/Tangible personal property owned: Enter in column (1) the average value (determined in accordance with the

instruction for line 26a) of all tangible personal property owned by the business. Enter in column (2) the average value of tangible personal property owned that is located in New York State.

Line 27/Wages and salaries paid during the year: Enter wages, salaries and other personal service compensation paid only to **employees** of the business. Do not include payments to independent contractors, independent sales agents, etc. Enter the total of the compensation paid to employees during the taxable year in connection with business operations carried on both in and out of New York State on line 27 in column (1). Enter the part which represents the amount paid in connection with New York operations in column (2). Compensation is paid for services in connection with New York operations if the employee works in or travels out of an office or other place of business located in New York State.

Line 28/Gross sales or charges for services during year: Enter on line 28, column (1), total gross sales made, or charges for services performed, by employees, agents, agencies or independent contractors of the business in and out of New York State. Enter in column (2) the part which represents gross sales made, or charges for services performed, by employees, agents, agencies or independent contractors situated at, attached to or sent out from offices of the business (or its agencies) located in New York State. For example, if a salesperson working out of the New York office covers the states of New York and New Jersey, **all** sales made by him or her are to be allocated to New York and included in column (2).

Line 30/Business allocation percentage: The business allocation percentage is to be applied to each item of business income, gain, loss or deduction reported in column **a**, Schedule 4, to determine the amount required to be entered in column **b** of Schedule 4. Make appropriate entry in the space below line 30, attaching an additional schedule if needed.

The business allocation percentage is to be applied to the modification of amounts from New York State sources (IT-205, Schedule B) with respect to modifications affecting items of business income, gain, loss or deduction (except those attributable to real property) if business is carried on both in and out of New York State.

The business allocation percentage is not applied to income from tangible personal property not used in a business or to income from the rental of (or gains or losses from the sale of) real property. The entire income or gain from the sale of such property located in New York State is taxable and the entire loss in connection with that property is deductible. Conversely, no portion of the income or gain from the

sale of property of this type located out of New York State is taxable, nor is any portion of any loss sustained in connection with out-of-state property deductible.

Schedule 6

Computation of New York charitable deduction

Determine the charitable deduction by completing Schedule 6 in the same manner as Schedule A of federal Form 1041 but with respect to New York items only.

Enter on line 31 that portion of the amount reported on the corresponding line of Schedule A, federal Form 1041, which constitutes contributions to New York State, or any of its political subdivisions (cities, towns, counties, etc.), or to any corporation, trust, community chest, fund, foundation or other entity organized or operated under the laws of New York State.

Enter on line 32 that portion of the amount reported on the corresponding line of Schedule A, federal Form 1041, which reflects the New York charitable contributions included in line 31 attributable to income exempt from New York income tax or to income derived from sources out of New York State.

Schedule 7

Capital gains and losses from sales or exchanges of New York capital assets

If the estate or trust had any capital gains or losses from sales or exchanges of New York property, complete Schedule 7 in the same manner as federal Schedule D, Form 1041, but with respect to gains and losses from New York property only. The short-term capital loss carryovers from preceding taxable years at line 46 and the long-term capital loss carryovers at line 54 are computed only with respect to gains and losses from New York property.

Capital transactions from New York State sources include capital gains or losses derived from real or tangible personal property having an actual situs in New York State, whether or not connected with a trade or business and capital gains or losses from stocks, bonds and other intangible personal property used in or connected with a business, trade, profession or occupation carried on in New York State. Also included in the estate's or trust's share of any capital gain or loss derived from New York sources of a partnership or another estate or trust.

If business is being carried on both in and out of New York State, gain or loss on the sale or disposition of property (other than real property) used in the trade or business or carried as business assets is subject to the business allocation percentage (line 30, Schedule 5). Gains and losses from the sale or disposition of real property are not subject to allocation.

The amounts to be reported as capital gains and losses from New York State sources in Schedule 7 must be determined in accordance with applicable federal provisions for determining capital gains and losses.

If at line 58, a total net capital loss is reported in column 3 from sales or exchanges of New York property, the amount of loss allowed as a deduction on Schedule 4, line 6, column **b** is computed according to federal provisions for capital loss limitations. A copy of federal Schedule D (Form 1041), dealing with computation of fiduciary's capital loss limitation, should be used as a worksheet in determining the New York net capital loss allowable as a deduction, using the New York amounts shown in Schedule 7.

Schedule 8 Supplemental schedule of gains and losses from New York property

If the estate or trust had any gains or losses from the sale, exchange or involuntary conversion of New York property reported on federal Form 4797, complete Schedule 8 in the same manner as federal Form 4797, but only with respect to gains and losses from New York property. If any transactions involve property (other than real property) of a business carried on both in and out of New York State, apply the business allocation percentage (Schedule 5, line 30).

Compute the gains and losses from New York property to be included in Schedule 8

by applying the appropriate federal provisions for determining gains and losses reportable on federal Form 4797.

If the estate or trust had any gains or losses from involuntary conversion of New York property from casualty or theft, attach a copy of federal Form 4684 and a schedule showing the gain or loss from New York property.

If gain has been realized from the disposition of New York property under the provisions of federal internal Revenue Code sections 1245, 1250, 1251, 1252, 1254 or 1255, use a copy of page 2, federal Form 4797 as a worksheet in determining the gain from New York property reportable in Part I or Part II of Schedule 8.

Part-Year City of Yonkers Resident Income Tax Surcharge Worksheet C

		Full-year NYS resident	Part-year NYS resident
1 Total New York State taxes (from front page of Form IT-205, line 10)	1		
2 Base tax (amount from Form IT-205-A, Schedule 1, line 17)	2		
3 Other New York State credits (from Form IT-205, line 14)	3		
4 Subtract line 3 from line 2 (if line 3 is larger than line 2, enter "0")	4		
5 Other New York State taxes (from Form IT-205, lines 16 and 17)	5		
6 Add lines 4 and 5	6		
7 Income percentage (from Worksheet B, line c on the front page of these instructions)	7	%	%
8 Net state tax — full-year state resident (multiply line 1 by line 7)	8		
9 Net state tax — part-year state resident (multiply line 6 by line 7)	9		
10 City of Yonkers resident tax rate	10	.15	
11 Part-year city of Yonkers resident income tax surcharge (multiply line 8 by line 10 and also enter this amount on Form IT-205, line 25; or multiply line 9 by line 10, and also enter this amount on Form IT-205, line 25)	11		