New York State Department of Taxation and Finance

1993

Nonresident and Part-Year Resident Income Tax Return

IT-203-P Packet

New York State • City of New York • City of Yonkers

From the Commissioner

In addition to the information you will need to fill out your New York State nonresident return for tax year 1993, these instructions contain useful information about your rights under the Tax Law. Last year, New York State adopted a taxpayers' bill of rights that spells out your rights and obligations as a New York taxpayer. The New York State procedures ensure that you will receive reasonable and fair treatment in dealing with the Tax Department should a problem arise concerning your income tax return.

The taxpayers' bill of rights is just one step taken in recent years toward a fairer and more equitable voluntary tax system. The Americans with Disabilities Act of 1990 prohibits discrimination against people with disabilities in any activity or service operated or funded by any branch of government. Under New York State and federal law, we have made and will continue to make every effort to ensure the accessibility of our programs, services and proceedings to persons with disabilities. For more information, see the *Need Help?* section on page 8 of these instructions.

This packet contains Form IT-203-C, *Nonresident or Part-Year Resident Spouse's Certification*. If you are married and are required to file a joint return on Form IT-203, and only one spouse has New York source income, only the spouse with New York source income must sign the return. That spouse must also complete Form IT-203-C and attach it to the front of Form IT-203. There is more information on Form IT-203-C on pages 4 and 5 of these instructions.

New York State and New York City income tax rates, brackets and standard deduction amounts are unchanged from last year.

If you use a paid preparer (or, for any other reason, do not need the tax packet that we mail to you each year), please remember to check the box at Item (D) on the front of your Form IT-203. Then, instead of sending you the entire packet next year, we will simply send you a mailing label that you or whoever prepares your return should use on your 1994 return. This will help us reduce printing and mailing costs.

Whether you choose to receive the entire packet or just the mailing label, please be sure to attach the preprinted label to your return; if you do not, it may cause a delay in processing your return and any refund that you may be entitled to.

You can also avoid delays by reviewing the checklist on page 22 and avoiding the kinds of errors that make it necessary for us to send back or adjust your return. By way of reminder, if you owe a past-due, legally enforceable debt to a New York State agency, your refund can be applied to that debt.

When you've completed your return, it may be a good time to plan for next year's taxes. If you owe taxes for 1993, you may want to increase your withholding for 1994 so that more tax is withheld from each paycheck. Or, if you get a large refund, your withholding may be higher than necessary, and unless your income is expected to change, you may want to have less tax withheld for 1994. If you decide for any reason that your withholding needs to be adjusted, file Form IT-2104, *Employee's Withholding Allowance Certificate*, with your employer.

Remember, too, that if you need help with your 1993 return, you can call toll free (from New York State only) 1 800 CALL TAX (1 800 225-5829). From areas outside New York State, call (518) 438-8581. Trained representatives are available to answer any questions you may have about your 1993 New York State income tax return.

James W. Wetzler

James W. Wetzler
Commissioner

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▲ Peel off this label and place it in the address area of the return you file. Make any necessary corrections on label.

NYS INCOME TAX
W A HARRIMAN CAMPUS
ALBANY NY 12227-0125

Form IT-203 Highlights for Tax Year 1993

The 1992 New York State and New York City income tax rates and brackets and standard deduction amounts are retained.

- **Addback for Public Employee 414(h) Retirement Contributions Now Includes Tier I Members Who Are Participants in the Twenty-Year Improved Benefit Retirement Program for Captains and Above**
  If you are a participant in the twenty-year improved benefit retirement program for Captains and above and you are either a correction member or a member of the uniformed correction force, you must now enter the amount of 414(h) retirement contributions shown on your wage and tax statement(s) on Form IT-203, line 21. For information on how to enter this amount on your return, see the instructions for line 21, on page 13.

- **Itemized Deductions** (lines 31 through 39)
  If your federal adjusted gross income is more than $108,450, you may not be able to deduct all of your itemized deductions. For those taxpayers with income above this amount, the total on Form IT-203, lines 31 through 38, will not in most instances equal the amount on line 39. The difference represents itemized deductions disallowed for federal purposes.

- **New Addition Modification for Members of the New York City Employees' Retirement System and the New York City Board of Education Retirement System**
  If you are a career pension plan member of the New York City employees' retirement system and the New York City Board of Education retirement system, you must add back to income on line 22, Form IT-203, the IRC 125 amount deducted from your salary for health insurance and the welfare benefit fund surcharge. For more information, see the instructions for addition A-22 on page 15.

- **This Year's Packet Contains Form IT-203-C**
  This packet contains the recently developed Form IT-203-C, *Nonresident or Part-year Resident Spouse's Certification*. If you are married and are required to file a joint return on Form IT-203, and only one spouse has New York source income, only the spouse with New York source income must sign the return. That spouse must also complete Form IT-203-C and attach it to the front of Form IT-203. For more information, see *Joint and Separate Returns for Married Taxpayers* beginning on page 4 of these instructions.

- **Do you need a tax packet?**
  If you use a paid preparer, or if you use computer software to prepare your return, or if for any other reason you do not need a tax packet mailed to you for next year's taxes, please check the box at item D of your Form IT-203. By checking this box, you will help us reduce printing and mailing costs.

  When you check the box, we will send you a mailing label that you or whoever prepares your return should use on your 1994 return. Be sure to use your preprinted mailing label; if you do not, it may cause a delay in processing your return and your refund, if you are entitled to one.

How to avoid mistakes that slow down the processing of your return and refund:

- **Public employee 414(h) retirement contributions must be entered on line 21.**
  If you are a Tier III or Tier IV member of the New York State and Local Retirement Systems (including the New York State Employees' Retirement System and the New York State Policemen's and Firemen's Retirement System), New York State Teachers' Retirement System, or an employee of the State or City University of New York who belongs to the TIAA/CREF Optional Retirement System or any tier member of the New York City Employees' Retirement System, the New York City Teachers' Retirement System, the New York City Board of Education Retirement System, the New York City Police Pension Fund or the New York City Fire Department Pension Fund, you must enter the amount of public employee 414(h) retirement contributions you made in 1993 on line 21.

- **Be sure to check either the *Yes* or *No* box at Item C.**
  Item C asks whether or not you can be claimed as a dependent on another taxpayer's federal return. Be sure to check either the *Yes* or *No* box, especially if you are single, since the answer determines the amount of standard deduction allowed.

- **Check the New York standard deduction table on page 17 and make sure that you have claimed the correct standard deduction for your filing status on line 47.**
  For example, do not claim a head of household filing status and then claim a standard deduction for a single or married filer.

- **Complete the New York *Dependent Exemption Worksheet* on page 18 and enter the line *c* number on line 49.**
  Some taxpayers make the mistake of entering the number of exemptions that they claimed on their federal return on line 49 of their Form IT-203. In general, federal exemptions include both personal and dependent exemptions. However, only dependent exemptions are allowed on your New York State return. The value of each New York dependent exemption is $1,000. To ensure that you receive credit for the correct number of New York dependent exemptions, complete the worksheet on page 18 of these instructions before making an entry at line 49 of your return.

- **Be sure to claim the correct amount for your New York State child and dependent care credit.**
  This credit is limited to 20% of your federal child care **credit** before any limitations. Some taxpayers erroneously claim 20% of their federal child and dependent care **expenses** instead of 20% of their credit.

  Be sure that, on line 52, you enter 20% of the federal child and dependent care credit, not expenses (from federal Form 1040A, Schedule 2, Part II, line 10; or, if you filed federal Form 2441, from line 10, before any limitations).

  Taxpayers who file federal Form 2441 and are required to complete the worksheet on page 2 of the Form 2441 instructions may find that their federal child care credit is reduced on this worksheet. Some taxpayers claim 20% of this reduced federal child and dependent care credit on their state return; however, you are actually allowed 20% of the credit **before any limitations.**

- **Nonobligated spouses should attach Form IT-280 to their returns.**
  If you are a nonobligated spouse who is filing Form IT-280 to disclaim your spouse's debt, use the original Form IT-280. Do not use a photocopy. If you need to order this form, call toll free (from New York State only) 1 800 462-8100. From areas outside New York State, call (518) 438-1073.

- **Enter your refund or amount you owe on the correct line of your return.**
  Taxpayers sometimes enter the amount they owe on the **refund** line (line 75) instead of on the **amount you owe** line (line 77). The taxpayer then expects a refund, when in fact he or she owes tax. This will result in a bill for the tax owed plus interest and possible penalty. This situation can be avoided by making sure that if you owe tax, you enter the amount owed on the correct line and pay this amount when you file your return.

- **New York City IRC 125 flexible benefits program must be entered on line 22.**
  IRC section 125 amounts deducted or deferred from your salary under a flexible benefits program established by the city of New York and certain other New York City public employers must be entered on line 22 of Form IT-203.

- **Notice to Estimated Tax Filers**
  The Tax Department plans to begin mailing estimated tax vouchers in mid-February. Estimated tax filers can expect to receive their IT-2105 payment vouchers in late February or early March. The first installment is due on or before April 15, 1994.

- **Americans with Disabilities Act**
  In compliance with the Americans with Disabilities Act, we will ensure that our lobbies, offices, meeting rooms and other facilities are accessible to persons with disabilities. If you have questions about special accommodations for persons with disabilities, please call the ***Information*** number listed under ***Need Help?*** on page 8.

How Nonresidents and Part-Year Residents are Taxed

If you were a nonresident of New York State and received income in 1993 from New York State sources, or if you moved into or out of New York in 1993, you must file Form IT-203, *Nonresident and Part-Year Resident Income Tax Return*. You are subject to New York State tax on income you received from New York sources while you were a nonresident and on all income you received while you were a New York State resident.

First, you must compute a base tax as if you were a resident of New York for the entire year, including items of income, gain, loss and deduction from all sources. You must then divide your New York source income by your federal adjusted gross income to determine an income percentage. The base tax is multiplied by the income percentage to arrive at the amount of tax apportioned to New York based on New York source income.

If you were a resident of New York for all of 1993, you should get a resident income tax return, Form IT-200 or Form IT-201.

Who Must File

New York Nonresidents

You must file a New York State nonresident return, Form IT-203, if you meet any of the following conditions:

— You have New York source income included in your federal adjusted gross income and your federal adjusted gross income plus New York additions is more than your New York standard deduction.

New York source income is the sum of the net amount of items of income, gain, loss and deduction derived from or connected with New York sources, including your share of those items from partnerships, S corporations and estates and trusts. See *New York Source Income* on this page for more information.

— **Your federal filing status is:**	**and you had New York source income, *and* your federal adjusted gross income (plus New York additions)* is more than:**
single, and you can be claimed as a dependent on another taxpayer's federal return	$2,800
single, and you cannot be claimed as a dependent on another taxpayer's federal return	$6,000
married filing joint return	$9,500
married filing separate return	$4,750
head of household	$7,000
qualifying widow(er)	$9,500

**** (New York additions are explained on pages 13 through 15 of these instructions; see the federal instructions to find your filing status and figure your federal adjusted gross income if you do not have to file a federal return.)***

— You want to claim a refund of any New York State, city of New York or city of Yonkers income taxes withheld from your pay.

— You are subject to the minimum income tax on tax preference items derived from or connected with New York sources. For further information, see *Other Forms You May Have to File* (Form IT-220, *Minimum Income Tax)* on page 6 of these instructions.

— You are subject to a separate tax on any lump-sum distributions derived from or connected with New York sources. See *Other Forms You May Have to File* (Form IT-230, *Separate Tax on Lump-Sum Distributions)* on page 6 of these instructions.

— You incurred a net operating loss for New York State personal income tax purposes for the tax year without incurring a similar net operating loss for federal income tax purposes.

If you need help, call New York taxpayer assistance toll free (from New York State only) at **1 800 CALL TAX** (1 800 225-5829). From areas outside New York State, call (518) 438-8581. Also see ***Need Help?*** on page 8 of these instructions.

Did you use federal Form 8814 or federal Form 8615 to report your child's investment income?

If you elected to file federal Form 8814 with your federal return, the amount of your child's investment income over $1,200 that was included in your federal gross income must be reported in the *Federal Amount* column of your Form IT-203 and taxed at your rate. In this case, you will not file a New York return for your child. However, it will be to your advantage to file a New York return for your child since there will not be any New York tax on the first $2,800 of your child's investment income. To qualify for filing a New York return for your child, you must first file a federal income tax return and federal Form 8615 (instead of federal Form 8814) to report your child's investment income.

New York Source Income

Nonresident — The New York source income of a nonresident is the sum of the income, gain, loss or deduction derived from or connected with New York State included in your federal adjusted gross income. This includes income from:

— real or tangible personal property located in New York;

— services performed in New York;

— a business, trade, profession or occupation carried on in New York;

— a corporation in which you are a shareholder and which makes an election under section 660 of the Tax Law to be taxed as an S corporation;

— your distributive share of New York State partnership income or gain; and

— your share of New York State estate or trust income or gain.

New York source income of a nonresident does **not** include the following income even if it was included in your federal adjusted gross income:

— annuities and pensions which meet the definition of an annuity, unless the annuity is employed in or used as an asset of a business, trade, profession or occupation carried on in New York;

— interest, dividends or gains from the sale or exchange of intangible personal property, unless they are part of the income you received from carrying on a business, trade, profession or occupation in New York;

— compensation you received for active service in the United States military (see *Members of the Armed Forces* on page 5);

— your income as a shareholder of a corporation which did **not** have an election in effect to be taxed as an S corporation under section 660 of the Tax Law; or

— your distributive or pro rata share for federal income tax purposes of income, gain, loss or deduction from an insurance business doing business as a member of the New York Insurance Exchange; or

— compensation you received from an interstate rail carrier, interstate motor carrier or an interstate motor private carrier for regularly assigned duties performed in more than one state.

Part-year resident — The New York source income of a part-year resident is the sum of the following with adjustments for the special accruals defined on this page and page 4:

1. all income reported on your federal return for the period you are a resident of New York State; and
2. the New York source income for the period you were a nonresident of New York State.

Part-Year Residents

The filing requirements for part-year residents are the same as for nonresidents. However, the New York source income of a part-year resident is the sum of the following, with adjustments for special accruals (for further information, see *Special Accruals* below):

— your federal adjusted gross income for the period of residence, computed as if your tax year for federal income tax purposes were limited to the period of residence; and

— your New York source income for the period of nonresidence determined as if your tax year for federal income tax purposes were limited to the period of nonresidence.

Special Accruals

Your accrued income as an individual **moving out** of New York State is income you earned in your New York resident period but received after you became a nonresident of New York State. Your accrued income as an individual **moving into** New York State is non-New York source income you earned in your nonresident period but received after you became a New York State resident. Income accrues to you as a taxpayer when the amount becomes fixed and determinable and you have an unrestricted right to receive it. An accrued expense is a cost that has been incurred but not yet paid.

Who Must File *(continued)*

Special Accruals *(continued)*

If you **moved out** of New York State, you must accrue any item of income, gain, loss or deduction which, under an accrual method of accounting, would be reportable at the time you changed your residence. This includes income or gain you elected to report on the installment basis. You also have to accrue to New York State items of tax preference subject to the minimum income tax (Form IT-220) and the total taxable amount of lump-sum distributions subject to the separate tax on lump-sum distributions (Form IT-230).

Accruals are not required if you file a bond or other acceptable security in an amount equal to or greater than the amount of additional New York State income tax that would be due if the accrued items were included on your part-year resident return, and you include the accrued amounts on your New York nonresident return for subsequent tax years as if no change in resident status occurred. If you elect to file a bond or other acceptable security instead of accruing income, you will need Form IT-260, *Surety Bond Form*, or Form IT-260.1, *Change of Resident Status - Special Accruals*. For more information on how to file a bond or other acceptable security, see Form IT-260-I, *Instructions for Forms IT-260 and IT-260.1*.

As a resident, if you received proceeds from lottery winnings (the amount of winnings less the amount of wager) of more than $5,000 from the New York State lottery, the proceeds are subject to New York State, New York City (if applicable) and Yonkers (if applicable) income tax withholding. Form IT-2102-G, *Report of Certain Gambling Winnings*, will serve as an acceptable security in lieu of making a special accrual of lottery winnings as required by section 638(c) of the Tax Law.

If you became a New York State resident during the tax year, you must accrue any item of income, gain, loss or deduction which, under an accrual method of accounting, would be reportable at the time you changed your residence, except that no accrual is required or allowed for items of income, gain, loss or deduction derived from or connected with New York State sources.

Any item of income, gain, loss or deduction accrued up to the time you changed your residence must be excluded in determining your New York source income, New York adjusted gross income, minimum taxable income or total taxable amount of lump-sum distributions, for the year of change or any subsequent year.

The New York adjusted gross income of a part-year resident must include special accruals and any applicable modifications (see *New York Additions* beginning on page 13 and *New York Subtractions* beginning on page 15) as if the accrued items were includable or allowable for federal income tax purposes.

Resident, Nonresident and Part-Year Resident Defined

You may have to pay income tax as a New York State resident even if you are not considered a resident for other purposes. For income tax purposes, your resident status depends on where you were domiciled and where you maintained a permanent place of abode during the taxable year.

In general, your *domicile* is the place you intend to have as your permanent home. Your domicile is, in effect, the **state** where your permanent home is located. It is the place you intend to return to whenever you may be away (as on vacation abroad, business assignment, educational leave, or military assignment).

You can have only one domicile. Your New York domicile is not changed until you can demonstrate that you have abandoned your New York domicile and established a new permanent domicile outside New York State.

If you move to a new location but intend to stay there only for a limited amount of time (no matter how long), your domicile does not change. For example: Mr. Green of ABC Electronics in Elmira, New York, was temporarily assigned to the Atlanta, Georgia branch office for two years. After his stay in Atlanta, he returned to his job in New York. His domicile did not change during his stay in Georgia; it remained New York State.

If your domicile is New York State and you go to a foreign country because of a business assignment by your employer, or for study, research or any other purpose, your domicile does not change unless you show that you definitely do not intend to return to New York.

A *permanent place of abode* is a residence (a building or structure where a person can live) you permanently maintain, whether you own it or not, and usually includes a residence your husband or wife owns or leases. A place of abode is not permanent if you maintain it only during a temporary or limited period of time for a particular purpose. For more information, see Publication 88, *General Tax Information for New York State Nonresidents and Part-Year Residents*.

Resident — You are a New York State resident if:

a) Your domicile is not New York State but you maintain a permanent place of abode in New York and spend *184 days or more* in New York during the taxable year. However, if you are a member of the armed forces, and your domicile is not New York State, you are not a resident under this definition; or

b) Your domicile is New York State unless you meet **all three** of the conditions in either Group A or Group B as follows:

Group A

1) You did not maintain any permanent place of abode in New York State during the taxable year; and

2) You maintained a permanent place of abode outside New York State during the entire taxable year; and

3) You spent *30 days or less* in New York State during the taxable year.

Group B

1) You were in a foreign country for at least 450 days during any period of 548 consecutive days; and

2) You spent *90 days or less* in New York State during this 548-day period, and your spouse (unless legally separated) or minor children spent *90 days or less* in New York during this 548-day period in a permanent place of abode maintained by you; and

3) During the nonresident portion of the taxable year in which the 548-day period either begins or ends, you were present in New York State for no more than the number of days which bears the same ratio to 90 as the number of days in such portion of the taxable year bears to 548. This condition is illustrated by the following formula:

$$\frac{\text{Number of days in the nonresident portion}}{548} \times 90 = \text{Maximum number of days allowed in New York State}$$

For more information, see Publication 88, *General Tax Information for New York State Nonresidents and Part-Year Residents*.

Nonresident — You are a New York State nonresident if you were not a resident of New York State for any part of the year.

Part-year resident — You are a New York State part-year resident if you meet the definition of resident or nonresident for only part of the year.

Joint and Separate Returns for Married Taxpayers

If you filed a joint federal return and:

— both spouses are nonresidents and both have New York source income, **or**

— one spouse is a part-year resident and the other is a nonresident with New York source income, **or**

— both spouses are part-year residents,

you must file a joint New York State return using filing status ②. Both spouses must sign the return and will be jointly and severally (individually) liable for the entire tax, penalty or interest due. **Do not complete or attach Form IT-203-C to your return.**

Exception: If you meet one of the preceding three conditions but are unable to file a joint New York return because the address or whereabouts of your spouse is unknown or your spouse refuses to sign a joint New York return, you **may** file a separate New York return using filing status ③.

A separate return may be filed using the above exception **only** if you meet at least one of the following conditions:

— you can demonstrate that the address and whereabouts of your spouse are unknown, reasonable efforts have been made to locate your spouse and good cause exists for the failure to file a joint New York return; **or**

— reasonable efforts have been made to have your spouse sign a joint return, there exists objective evidence of alienation from your spouse, such as judicial order of protection, legal separation under a decree of divorce or separate maintenance, or living apart at all times during the preceding year, and good cause exists for the failure to file a joint New York Return.

If you filed a joint federal return and:

— both spouses are nonresidents but only one has New York source income, **or**

— one spouse is a part-year resident and the other is a nonresident with no New York source income,

you must file a joint New York State return using filing status ② and include in the *Federal Amount* column the joint income as

Who Must File *(continued)*

Joint and Separate Returns for Married Taxpayers *(continued)*

reported on your federal income tax return. However, only the spouse with New York source income (or the part-year resident spouse) should sign Form IT-203. **That spouse must also complete Form IT-203-C**, *Nonresident or Part-Year Resident Spouse's Certification*, and attach it to the front of Form IT-203. In this case, any refund or notice of tax, penalty or interest due will be issued only in the name of the spouse required to sign Form IT-203.

If you filed a joint federal return and one spouse is a New York State resident and the other is a nonresident or part-year resident, you must file separate New York State returns, using filing status ③. The New York State resident must use either Form IT-200 or Form IT-201; the nonresident or the part-year resident, if required to file a New York return, must use Form IT-203. However, if both of you choose to file as New York residents, you may elect to file a joint New York State resident return, using filing status ② on Form IT-200 or Form IT-201. Both spouses must sign the joint return and will be jointly and severally (individually) liable for the entire tax, penalty or interest due.

Generally, you must file a joint New York return if you wish to claim the New York State child and dependent care credit. However, if one spouse is a nonresident or part-year resident and the other spouse is a resident and both spouses have New York source income, and they file separate New York returns, the credit may be claimed on the separate return of the spouse with the lower taxable income.

If you each filed a separate federal return, each spouse having New York source income must file a separate New York State return.

Members of the Armed Forces

If your permanent home (domicile) was outside New York State when you entered the military, you do not become a New York State resident even if you were assigned to duty in New York State and established a place of abode in New York State. If you are a New York State nonresident, your military pay is not subject to New York State tax. However, any other income that you receive from New York State sources while you are a nonresident (including your spouse's income) may be subject to tax. If you have a civilian job in New York during your off-duty hours, the income you receive is subject to income tax. Income or gain from property located in New York or from a business, trade or profession carried on in this state is also subject to tax.

If your permanent home (domicile) was in New York State when you entered the military, you are still a New York State resident and must file a resident return even if you are presently assigned to duty in another state or country. Generally, your domicile does not change when you are serving temporarily in the armed forces of the United States. However, **if you meet all three conditions in Group A** on page 4 and want to file for a refund of any New York State income tax withheld, file nonresident Form IT-203 and attach an explanation which contains the following information:

— a statement that you had no permanent place of abode in New York State during the taxable year; and

— the location and a brief description of the permanent place of abode you maintained outside New York State and the beginning and ending dates of your stay there; and

— the exact number of days you were in New York State during the tax year.

Your barracks, bachelor officer's quarters or quarters on ship generally do not qualify as a permanent place of abode.

If you meet all three conditions in Group B on page 4 and want to file for a refund, file Form IT-203 and attach a statement explaining how you meet the three conditions.

If you are stationed in a foreign country when your return is due and you qualify for an automatic two-month extension of time to file your federal return, you are automatically granted a two-month extension of time to file your New York return.

For more information, see Publication 361, *New York State Income Tax Information for Military Personnel and Veterans*.

City taxes: If you were a New York City or Yonkers resident when you entered the military and if your military pay is subject to New York State income tax, it is also subject to New York City or Yonkers taxes. However, if you meet the conditions for nonresident status, your military pay is not subject to the New York City or Yonkers nonresident earnings tax.

US Nonresident Aliens

If you are a US nonresident alien for federal income tax purposes and are required to file federal Form 1040NR, *U.S. Nonresident Alien Income Tax Return*, you may be required to file a New York State nonresident return, Form IT-203. See *Who Must File* on page 3 of these instructions.

If you must file a New York return and you checked filing status box 3, 4 or 5 on federal Form 1040NR, you must compute your New York State tax as married filing separately and check box 3 at item A on your Form IT-203. It is important to note that some income items and line references used on Form IT-203 do not correspond with those shown on federal Form 1040NR. Item E on the front page of Form IT-203 asks you to enter the number of exemptions from line 6e of your federal Form 1040 or 1040A. For a nonresident alien, the corresponding line to obtain this information is line 7e of federal Form 1040NR. Line 12 of federal Form 1040NR is used to report income from scholarships and fellowships. Since there is no corresponding line on the New York nonresident return, this income should be reported as other income on line 16 of Form IT-203.

Also, if you filed federal Form 1040NR you should claim the New York deduction (itemized or standard) that is more advantageous to you.

Complete your return using the line instructions beginning on page 9.

Deceased Taxpayers

If a taxpayer died before filing a return for 1993, the taxpayer's spouse or personal representative may have to file and sign a return for that taxpayer. A personal representative can be an executor, administrator or anyone who is in charge of the deceased taxpayer's property. If a taxpayer did not have to file a federal return but had New York State tax withheld, a New York return must be filed to get a refund. If a joint federal income tax return was filed for the deceased taxpayer and the surviving spouse, a joint New York State return can be filed on Form IT-203. The filing due date is the same as if the taxpayer had lived. The person who files the return for the deceased should write the taxpayer's first name and date of death in the area indicated at the top of the return.

If a refund over $10,000 is requested and (1) the return is not signed by the fiduciary or (2) you are a court-appointed representative and are claiming a refund for a deceased taxpayer, file the return and attach a copy of the certificate that shows your appointment. All other filers requesting the deceased taxpayer's refund must file the return and may have to attach Form AU-281.17, *Survivor's Affidavit*. Call or write us for this form. See *How to Get Forms* on page 6 of these instructions.

Estates and Trusts

Estates and trusts are subject to the New York State personal income tax. The fiduciary for an estate or trust must file Form IT-205, *New York State Fiduciary Income Tax Return*. Each nonresident and part-year resident beneficiary of an estate or trust must include his or her share of the estate or trust income, if any portion of that income is derived from or connected with New York sources, on Form IT-203. For more information on responsibilities of beneficiaries, see *Beneficiaries (estates and trusts)* on page 13 of these instructions.

Partnerships

Partnerships are not subject to the New York State personal income tax but individual members of the partnership are. If your partnership has a partner who is a New York State resident, or if the partnership has any income from New York State sources, it must file Form IT-204, *Partnership Return*. If you were a partner with New York source income, transfer your share of income (or loss), deductions and adjustments from Form IT-204 to your Form IT-203. For more information see Form IT-204-I, *Instructions for Form IT-204*. If your partnership carried on a business in New York City, it may also be required to file Form NYC-204, *City of New York Unincorporated Business Tax Partnership Return*. For more information, see the instructions for Form NYC-204. You can get this form and its instructions by calling the NYC Department of Finance. See *How to Get Forms* on page 6. Since New York State does not administer the New York City unincorporated business tax, do not file your Form NYC-204 with your state return.

Nonresidents of New York City and Yonkers

If you were not a New York City or Yonkers resident for 1993 but you earned wages or self-employment income there and you have to file a New York State income tax return, you must also file Form NYC-203, *City of New York Nonresident Earnings Tax Return*, and/or Form Y-203, *City of Yonkers Nonresident Earnings Tax Return*.

If you are married, you cannot file jointly on Form NYC-203 or Form Y-203. If you each have taxable earnings, you must each file a separate Form NYC-203 and/or Form Y-203.

Forms NYC-203 and Y-203 are due at the same time as your state return and must be attached to it. For more information, see the instructions for these forms.

Part-Year Residents of New York City and Yonkers

If you changed your New York City or Yonkers resident status during the year, you must complete Form IT-360.1, *Change of City Resident Status*, and pay New York City resident tax or Yonkers resident income tax surcharge for the part of the year that you lived in New York City or Yonkers. If you earned wages in one of these cities or conducted a trade or business there (either as an individual or a member of a partnership) during the part of the year that you were not a New York City or Yonkers resident, you must complete Form NYC-203, *City of New York Nonresident Earnings Tax Return*, or Form Y-203, *City of Yonkers Nonresident Earnings Tax Return*, and pay any tax due. For more information, see Form IT-360.1-I, *Instructions for Form IT-360.1*.

Other Forms You May Have to File

Form IT-203-ATT, *Summary of Other Credits and Taxes, Attachment to Form IT-203*. Complete this form if you are subject to any other New York State or New York City taxes. You can also use this form to claim other New York State credits. You must complete Schedule A on the back of this form if you worked both in and out of New York State for an employer, and your income is not based on the volume of business transacted. You must complete Schedule B on the back of this form if you or your spouse maintained living quarters in New York State during any part of 1993. For more information, see *Instructions for Form IT-203-ATT, Summary of Other Credits and Taxes*, beginning on page 24.

Form IT-220, *Minimum Income Tax.* Complete this form if you have federal tax preference items totaling more than the allowable specific deduction. You may have to file Form IT-220 even if you are not required to file federal Form 6251, *Alternative Minimum Tax - Individuals*. For more information, see the instructions for Form IT-220.

Form IT-221, *Disability Income Exclusion.* Complete this form to figure the amount of your disability income that may be excluded from income on Form IT-203. To qualify, you must have retired due to permanent and total disability and you must not have reached age 65 when your tax year ended. For more information, see Form IT-221.

Form IT-230, *Separate Tax on Lump-Sum Distributions.* Complete Form IT-230 if you used federal Form 4972 to figure your federal tax on a lump-sum distribution from a qualified retirement plan. For more information, see the instructions for Form IT-230.

Form IT-399, *New York State Depreciation Schedule.* Complete this form if you are an individual, partnership, estate or trust to figure your New York depreciation deduction for property placed in service during taxable years beginning in 1981, 1982, 1983 and 1984, and for property placed in service outside New York State in taxable years beginning after December 31, 1984 (including property on which ACRS depreciation was figured in accordance with the federal Tax Reform Act of 1986). Also use Form IT-399 to figure your adjustment for the federal ACRS deduction and the year of disposition adjustment. For more information, see Form IT-399.

Form IT-2105, *Estimated Income Tax Payment Voucher.* The total amount you must pay for 1994 through withholding and estimated tax is the lesser of:

— 90% of the tax shown on the 1994 return, **or**

— 100% of the tax shown on the 1993 return. The return must cover all 12 months (see the caution below).

Caution: You cannot use your 1993 tax as your required annual payment if it is the lesser of the two amounts above, and if **all** of the following conditions are met:

- ☐ You are subject to the federal limit on the use of the prior year's tax.
- ☐ You made an estimated tax payment for 1991, 1992, or 1993, or you were charged a penalty for not paying estimated tax for any of those years. (Do not include withholding or use a credit from your prior year's tax as a payment of estimated tax.)
- ☐ Your 1994 New York adjusted gross income (NYAGI) as shown on line 1 of your 1994 Estimated Tax Worksheet will be more than $75,000 (more than $37,500 if you are married filing separately).
- ☐ Your 1994 modified New York adjusted gross income will exceed the amount of the NYAGI shown on your return for 1993 by more than $40,000 (more than $20,000 if you are married filing separately).
- ☐ 90% of your 1994 modified New York expected tax will be more than your 1993 tax.

For more information, see Publication 150, *Estimated Tax Rules Limiting Use of Prior Year's Tax*.

If you paid estimated tax for 1993 and filed a New York State income tax return, you will automatically receive a 1994 estimated tax packet in the mail. Included in your packet will be your account statement for tax year 1993. It will show the total amount recorded in your account as of the date shown on the statement. Review this statement carefully. If you disagree with any of the information, complete Form IT-2105.1 and attach it to the front of your Form IT-203.

If you did not receive your 1994 estimated tax packet by the date your first payment is due (generally April 15) or you would like to begin making estimated tax payments, call or write us for forms and instructions. See *How to Get Forms* on this page.

Estimated income tax for estates and trusts - Estates and trusts are required to make estimated tax payments. However, estates (and certain grantor trusts that receive the residue of the decedent's estate under the decedent's will) are exempt from paying estimated tax for the first two years after the decedent's death. Generally, an estate or trust must pay estimated tax if the estate or trust is expected to owe, after subtracting its withholdings and credits, at least $100 in New York income tax for 1994.

A fiduciary of an estate or trust who makes an election to allocate the estate's or trust's estimated tax overpayment among the beneficiaries must file Form IT-205-T, *Allocation of Estimated Tax Payments to Beneficiaries*. For more information, see the instructions for Form IT-205.

Amended Returns or Federal Changes
Generally, an amended return claiming credit for, or a refund of, an overpayment must be filed within three years of the date that the original return was filed, or within two years of the date the tax was paid, whichever is later. However, if you file an amended federal return showing a change in your taxable income, tax preference items, total taxable amount or capital gain or ordinary income portion of a lump-sum distribution, or credit for child and dependent care expenses, you must also file an amended New York State return within 90 days from the date you amend your federal return if the change increases or decreases your New York State tax.

You must also file an amended return to correct any error on your original nonresident and part-year resident return and to report changes made by the Internal Revenue Service.

If the Internal Revenue Service changes the taxable income, tax preference items, total taxable amount or capital gain or ordinary income portion of a lump-sum distribution, or disallows your refund claim or credit for child and dependent care expenses that you reported on your federal return and the change increases or decreases your New York State tax, you must report these changes to the New York State Tax Department within 90 days from the date the Internal Revenue Service makes its final determination. Attach a copy of the federal report of examination changes and a signed statement indicating you concede the federal audit changes. If you do **not** concede the federal audit changes, attach a signed statement explaining why.

To amend your original Form IT-203, get a blank Form IT-203 for the tax year involved and write ***Amended*** at the top of the front page. Complete the form by entering the corrected information. Attach payment for any additional tax plus interest that may result from these changes. Send it to: NYS Income Tax, W A Harriman Campus, Albany NY 12227-0125.

Since we cannot act on your amended return until we have completed the processing of all original returns, there may be some delay in processing your amended return.

For more information, see Publication 380, *How to Amend Your New York State Income Tax Return*.

Form CT-33-D, *Tax on Premiums Paid or Payable to an Unauthorized Insurer on Risks Located Within New York State.* Complete this form if you have purchased or renewed a taxable insurance contract from an insurer not authorized to transact business in New York State under a Certificate of Authority from the Superintendent of Insurance. You will be liable for a tax of 3.6% of the premium. The return must be filed within 60 days following the end of the calendar quarter in which the contract was purchased or renewed. For more information, see Form CT-33-D and TSB-M-90(9)C.

How to Get Forms

You can get forms and publications at many banks and public libraries, or by using the *Forms Order Blank* in the tax packet mailed to you. You can also get forms by calling toll free (from New York State only) 1 800 462-8100. From areas outside New York State, call (518) 438-1073. If you want to write instead of calling, address your letter to **NYS Tax Department, Taxpayer Assistance Bureau, W A Harriman Campus, Albany NY 12227.**

If you need to get forms and instructions from the **NYC Department of Finance**, you can get them by calling Taxpayer Assistance at (718) 935-6000 or by visiting the **NYC Department of Finance, Taxpayer Assistance, 25 Elm Place 4th floor, Brooklyn NY.** This office is open from 9 a.m. to 5 p.m., Monday through Friday.

Reminders

Refunds

Even if you do not have to file a return, you should file to get a refund if New York State, New York City or Yonkers income taxes were withheld from your pay.

Name and Social Security Number

You must enter your name and social security number on all forms you send to us. **If you are making a payment, write your social security number and *1993 Income Tax* on your check or money order.**

Whole Dollar Amounts

You may round all money items on your return to the nearest dollar. For example, round $10.49 to $10; round $10.50 to $11. If you round to the nearest dollar, round for all amounts.

Wage and Tax Statements

Your employer must give you a wage and tax statement — either federal Form W-2 or New York State Form IT-2102. This statement shows your total earnings and the amount of New York State, New York City and Yonkers taxes withheld from your pay during the year.

If you received periodic annuity, pension, retired pay or IRA payments and income tax was withheld, the payer must give you a statement, either federal Form 1099-R or New York State Form IT-2102-P. This statement shows the amount of your gross and taxable retirement plan payments, and the New York State, New York City and Yonkers tax withheld from your payments during the year.

If you received payments of lottery distributions or horse racing proceeds as a New York State resident and income tax was withheld from those payments, you will receive federal Form W-2G or New York State Form IT-2102-G, *Report of Certain Gambling Winnings*. This statement shows your total payments and the amount of New York State, New York City and Yonkers taxes withheld during the year.

You must attach the New York State copy of federal Form W-2 (Copy 2) or New York State Form IT-2102 (Copy 1) to the back of your return as shown in Step 7, *Return Assembly*, on page 22 of these instructions. If you have not received your wage and tax statement by February 15, 1994, or if the statement you received is incorrect or lost, contact your employer.

Estimated Tax Paid - Enter the amount of estimated tax payments made for New York State, New York City and Yonkers. Before completing this section of your return, review the account statement that was included with your estimated tax packet. Report any discrepancies by completing Form IT-2105.1 provided in your packet and attaching this form to the front of your Form IT-203.

Paid Preparers Must Sign Your Return

Anyone you pay to prepare your return must sign it and fill in the other blanks in the paid preparer's area of your return. The preparer required to sign your return must sign it by hand; signature stamps or labels are not acceptable. If someone prepares your return and does not charge you, that person should not sign it.

Paid preparers may be subject to a penalty for failure to comply with certain requirements. For more information, see *Penalties and Interest* on page 23. Paid tax return preparers should get Publication 50, *Information for Paid Preparers of New York Income Tax Returns*, for more details.

Computer Filled-In Returns

If you use a computer to fill in your return, be sure you meet these requirements:

— If you do not use the official income tax forms that we provide, any computer-generated form you use must comply with the guidelines in Publication 75, *Specifications for Reproduction of 1993 New York State Income Tax Forms*.

— Your software must conform to current federal and state income tax laws.

Keep Copies of Your Tax Records

Please remember to keep a copy of your income tax return and all supporting schedules. Also keep any books, records, statements or other related documents.

You may be asked by the Tax Department to provide copies of these records subsequent to filing your income tax return.

Don't Delay Your Refund

We want to send your refund to you as soon as possible. You can help us by filing an error-free return. Be sure that you have checked your correct filing status and that you have signed your return and attached your wage and tax statements so that we do not have to send your return back to you. Please check the figures on your return and carefully follow steps 5, 6, 7, 8 and 9 on pages 21 and 22 of these instructions.

Your Rights Under the Tax Law

The Taxpayer Bill of Rights requires, in part, that the Tax Department advise you, in writing, of your rights and obligations during an audit, when appealing a departmental decision and when your appeal rights have been exhausted and you need to understand enforcement capabilities available to the department to obtain payment. For a complete copy of the information contained in all of these statements, you may request Publication 131, *Your Rights and Obligations Under the Tax Law*, by calling toll free (from New York State only) 1 800 462 8100. From areas outside New York State, call (518) 438-1073.

When to File

File your return as soon as you can after January 1, 1994, but not later than the due date, **April 15, 1994**. If you file late, you may have to pay penalties and interest. See *Penalties and Interest* on page 23.

Extension of time to file — If you know that you cannot meet the filing deadline, ask for an extension of time by filing Form IT-370, *Application for Automatic Extension of Time to File for Individuals*. The time to file will be automatically extended for four months if you file Form IT-370 on time and, if required, pay any tax you owe with it. If you expect to receive a refund or anticipate having no amount of New York State, New York City or Yonkers income tax remaining unpaid as of the due date of the return, we will accept a copy of federal Form 4868, *Application for Extension of Time to File U.S. Individual Income Tax Return*. Send us a copy of federal Form 4868 on or before the due date of the return. Attach another copy to your return when you file it. Write ***New York State Copy*** at the top of the form.

If you are required to pay your tax when you request your extension, mail Form IT-370 with your payment to NYS Income Tax, Processing Center, P O Box 1195, Albany NY 12201-1195.

If you are not required to pay any tax when you request your extension, mail Form IT-370 (or the copy of your federal Form 4868) to NYS Income Tax, W A Harriman Campus, Albany NY 12227-0125.

If you are a US citizen or a US resident living and working abroad and you qualify for an automatic two-month extension of time to file your federal return, you are automatically granted a two-month extension to file your New York return. For more information, see Publication 88, *General Tax Information for New York State Nonresidents and Part-Year Residents*.

Where to File

Use the preaddressed envelope that came with your tax packet. If you do not have one, address your envelope as follows:

For refund returns —
NYS INCOME TAX
W A HARRIMAN CAMPUS
REFUND '93
ALBANY NY 12227-0125

For all other returns —
NYS INCOME TAX
W A HARRIMAN CAMPUS
ALBANY NY 12227-0125

Federal/State Tax Agreement

Under authority of federal and New York State laws, the New York State Department of Taxation and Finance and the Internal Revenue Service have entered into a federal/state agreement for the mutual exchange of tax information.

Need Help?

Information

We will answer your tax questions if you call us, but we cannot fill in your return for you.

For **information** or answers to your New York State tax questions, call toll free (from New York State only) **1 800 CALL TAX (1 800 225-5829).** From areas outside New York State, call (518) 438-8581. Telephone assistance is available from 8:30 a.m. to 4:25 p.m., Monday through Friday. To make sure that Tax Department employees give courteous responses and correct information to taxpayers, a Tax Department supervisor sometimes monitors telephone calls. No record is kept of any taxpayer's name, address or social security number.

If you want to write instead of calling, address your letter to **NYS Tax Department, Taxpayer Assistance Bureau, W A Harriman Campus, Albany NY 12227.**

When to Call About Your Refund

Generally, early filers get their refund checks first. If you file after April 1, you may not receive your refund check for at least 12 weeks. If you have to call to ask where your refund check is, please wait until April 18, then call our automated system toll free (from New York State only) 1 800 443-3200. From areas outside New York State, call (518) 438-6777. Have a copy of your tax return available when you call.

Trying to Resolve a Problem with the Tax Department?

New York State has a Problem Resolution Program for taxpayers who have been unable to resolve a problem with the Tax Department. If you have a tax problem that you cannot clear up through normal channels, you may seek help from one of our Problem Resolution Officers (PROs).

You may call or write to the PRO serving your area. You can get the address and telephone number by calling us (see *Information* above).

Hotline for the Hearing and Speech Impaired

If you have a hearing or speech impairment and have access to a Telecommunications Device for the Deaf (TDD), you can get answers to your New York State tax questions by calling our toll free hotline **1 800 634-2110** (within New York State). Assistance is available from 9 a.m. to 4:15 p.m., Monday through Friday. If you do not own a TDD, check with independent living centers or community action programs to find out where machines are available for public use.

In compliance with the Americans with Disabilities Act, we will ensure that our lobbies, offices, meeting rooms and other facilities are accessible to persons with disabilities. If you have questions about special accommodations for disabled persons, please call the numbers listed under *Information* above.

When you Return a Gift to Wildlife

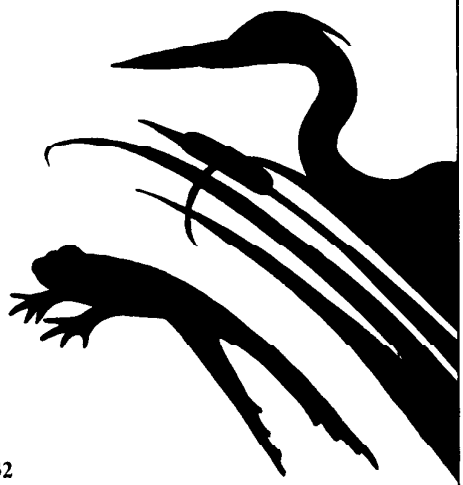
you are investing in the future of New York State's fish and wildlife. The return of the bald eagle and the peregrine falcon, for example, would not have been possible without your gifts.

We all have a vested interest in our natural resources. The dividends are endless for you and future generations.

Return a Gift to Wildlife is a fund dedicated to the maintenance and enhancement of our fish and wildlife. Don't forget to Return a Gift to Wildlife on your New York State Tax Form.

If you would like to donate directly or to receive additional information do so by writing to:

RETURN A GIFT TO WILDLIFE
NYS DEC, 50 WOLF ROAD - ROOM 532
ALBANY NY 12233-4830



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Steps for Preparing Your Return

Prepare your federal return first; much of the information on your New York State nonresident return will be the same. In many cases when New York State and federal tax laws are similar, the New York instructions do not repeat all the requirements, but instead, explain the differences.

If you elected to file federal Form 8814 with your federal return, the amount of your child's investment income over $1,200 that was included in your federal gross income must be reported in the *Federal Amount* column of your Form IT-203 and taxed at your rate. In this case, you will not file a New York return for your child. However, it will be to your advantage to file a New York return for your child since there will not be any New York tax on the first $2,800 of your child's investment income. To qualify for filing a New York return for your child, you must first file a federal return and federal Form 8615 (instead of federal Form 8814) to report your child's investment income.

Step 1

Get all forms and publications you need.

If you need any forms or publications, see *How to Get Forms* on page 6.

Step 2

Get your tax records together.

If you received a salary or wages, get all your 1993 wage and tax statements together. These can be either federal Form W-2 or New York Form IT-2102. Only your employer can issue or correct these forms. If you have not received your wage and tax statements by February 15, or if the form you received is incorrect, contact your employer.

If you had tax withheld from annuities, pensions, retired pay or IRA payments, get together all of your federal Form(s) 1099-R or New York Form(s) IT-2102-P. If you had tax withheld from lottery distributions or horse racing proceeds, you will need your federal Form W-2G or New York State Form IT-2102-G.

If you are a part-year resident and you paid income taxes to another state, a local government within another state, the District of Columbia or a province of Canada during your period of New York State residence, get a copy of the income tax return you filed with that taxing authority.

If you made payments during the year for New York State, New York City or Yonkers estimated tax, compare your account statement included in your estimated tax packet with your records.

If you plan to take any credits or deductions, get all the supporting information and records you will need.

Step 3

Fill in your return

Fill in your return using the line instructions for Form IT-203 that begin on the next page. Then continue with Step 4 on page 21.

Line Instructions for Form IT-203

All information on your return, except for your mailing address, should be for the calendar year January 1 through December 31, 1993, or for your fiscal year. If you are filing for a fiscal year, enter the month and day your tax year began, and the month, day and year that it ended at the top of the front page.

Make your entries in the **white** areas of Form IT-203.

Name and Address Box

Do not write in this box or attach your mailing label until you have completed and checked your return.

You may be required to complete the *Permanent home address* lines on the front of Form IT-203.

Step 5 on page 21 of these instructions will tell you how to complete this section of your return.

Item A

Filing status

After determining your New York filing status, check only one box at Item A on your New York return. In most cases, you must use the same filing status on your New York State return that you used on your federal return. The only exception to this rule applies to married taxpayers. See page 4 of these instructions for filing status information for married taxpayers.

Item B

Did you itemize your deductions on your 1993 federal return?

If you itemized your deductions on your 1993 federal income tax return, check the *Yes* box. If you claimed the standard deduction on your federal return, check the *No* box.

Item D

Do you need a tax packet?

If you use a paid preparer, or if you use computer software to prepare your return, or if for any other reason you do not need a tax packet mailed to you for next year's taxes, please check the box at item D. When you check the box, we will send you a mailing label that you or whoever prepares your return should use on your 1994 return. This will help us reduce printing and mailing costs.

Item F

Part-year residents

If you were a New York State resident for part of the year, check the box which describes your situation on the last day of the tax year.

— If you moved into New York State, check box 1 and enter the date you moved into New York. The Tax Department will mail you a resident tax packet next year.

— If you moved out of New York State and you continue to receive income from New York State sources, check box 2 and enter the date you moved. The Tax Department will mail you a nonresident and part-year resident tax packet (IT-203-P) next year.

— If you moved out of New York State and no longer receive income from New York State sources, check box 3 and enter the date you moved out of New York. The Tax Department will not mail you a tax packet next year.

Item G

Nonresidents - Did you maintain living quarters in New York State?

If you or your spouse had living quarters available for your use in New York State during any part of 1993, check the *Yes* box and complete Schedule B on Form IT-203-ATT. These living quarters would include a house, apartment, co-op or any other living quarters maintained or paid for by you or your spouse, or any New York State living quarters **maintained for your primary use** by another person, family member or employer.

Federal Income and Adjustments

Lines 1 through 19 are a summary of the items that make up your federal adjusted gross income.

***Federal Amount* column** - Enter in the *Federal Amount* column the total amount reported on your federal return for each of the items listed. If you were a part-year resident also include in the *Federal Amount* column all items you would be required to include if you were filing a federal return on the accrual basis. For more information see *Special Accruals* beginning on page 3.

***New York State Amount* column** - Enter in the *New York State Amount* column the following:

— **Nonresidents** - report all the income included in the *Federal Amount* column that you received from New York State sources.

— **Part-year residents** - report the income included in the *Federal Amount* column that you received from all sources earned while you were a New York State resident and your New York State source income for the part of the year you were a nonresident of New York State. Complete the income allocation worksheet provided on page 12 to determine your New York source income. The worksheet instructions are provided on page 13. Transfer each line amount from Column A of the worksheet to the corresponding line of Form IT-203 in the *Federal Amount* column. Add the amounts in Columns B and D for each line of the worksheet and transfer the total to the corresponding line of Form IT-203 in the *New York State Amount* column.

For more information, see *New York Source Income* on page 3.

Line 1

Wages, salaries, tips, etc.

***Federal Amount* column** - Enter the total of all wages, salaries, fees, commissions, bonuses, tips, fringe benefits, etc., reported on your 1993 federal return. Include all of these items even if they were not reported by your employer on a wage and tax statement or other income statement.

***New York State Amount* column** - Enter that part of the *Federal Amount* column that represents services performed in New York State as a nonresident.

If you were a part-year resident, you must also add the part of the federal amount that was earned while you were a resident.

Nonresident income earned partially in New York State — If any amount included in the *Federal Amount* column, line 1, is income earned partly in New York State and does not depend directly on the volume of business transacted, figure the amount earned in New York State by completing Schedule A, *Allocation of Wage and Salary Income to New York State*, on the back of Form IT-203-ATT.

Figure the amount allocable to New York State by determining the ratio of days (excluding nonwork days such as Saturdays, Sundays, holidays, sick leave, vacation, etc.) you worked in New York State to the total number of days you worked both in and out of the state during the year. Multiply this ratio by your total wage or salary income subject to allocation.

Work days are days on which you were required to perform the usual duties of your job. This does not ordinarily include duties performed at your home.

If your income subject to allocation depends entirely on the volume of business transacted, as in the case of a salesperson working on commission, do not use Schedule A. Divide your volume of business transacted in the state by your total volume of business transacted both in and out of New York State. Multiply your total income subject to allocation by this percentage. This is the amount of your income allocated to New York State. The location where the services or sales activities were actually performed determines where business is transacted. Attach a schedule to your return showing how you figured this allocation.

If you allocate your personal service income differently than explained above, attach a separate schedule showing complete details.

Form IT-203-ATT, Schedule A — Allocation of Wage and Salary Income to New York State.

Enter on line *a* of Schedule A any amount reported on line 1 of Form IT-203 in the *Federal Amount* column that was earned partly in New York State. Complete lines *b* through *f* and use the allocation formula on line *g* to find the amount of wage or salary income you earned in New York State. Enter this amount on line 1 of Form IT-203 in the *New York State Amount* column.

If you have to allocate income received from more than one employer, attach to your return a separate schedule (similar to Schedule A) showing the income and work days that apply to each job.

If the period of employment is less than a full year, base the figures you enter in Schedule A on the actual period of employment. For example, if you were employed in and out of New York State for separate periods of 170 days by one employer and 195 days by another employer, enter 170 days and 195 days on line *b (Total days in year)* of your separate allocation schedules.

If you are married and both you and your spouse work in New York State and are subject to allocation, each of you must complete a separate Schedule A. Enter the combined amount on line 1 in the *New York State Amount* column.

Failure to complete Schedule A and attach it to your Form IT-203 will result in a delay in the processing of your return.

Line 2

Taxable interest income

***Federal Amount* column** - Enter the taxable interest income reported on your federal return.

***New York State Amount* column** - Enter that part of the *Federal Amount* column that represents interest income earned as a nonresident that is part of the receipts of a business, trade, profession or occupation carried on in New York State and not otherwise exempt from New York State income tax. If you carry on business both in and out of New York State, see the instructions for line 6.

If you were a part-year resident, you must also add the part of the federal amount that was earned while you were a resident.

Line 3

Dividend income

***Federal Amount* column** - Enter the dividend income reported on your federal return.

***New York State Amount* column** - Enter that part of the *Federal Amount* column that represents dividend income earned as a nonresident that is part of the receipts of a business, trade, profession or occupation carried on in New York State and not otherwise exempt from New York State income tax. If you carry on business both in and out of New York State, see the instructions for line 6.

If you were a part-year resident, you must also add the part of the federal amount that was earned while you were a resident.

Line 4

Taxable refunds, credits, or offsets of state and local income taxes

***Federal Amount* column** - Enter the total taxable state and local income tax refunds, credits, or offsets included as income on your federal return. Also enter this amount on line 24.

***New York State Amount* column** - If you were a part-year resident, enter that part of the *Federal Amount* column that you received while you were a New York State resident.

Do not enter any amount received for the period you were a nonresident.

Line 5

Alimony received

***Federal Amount* column** - Enter the total alimony received as reported on your federal return.

***New York State Amount* column** - If you were a part-year resident, enter only that part of the *Federal Amount* column which represents the total alimony received while you were a New York resident.

Do not enter any alimony received for the period you were a nonresident.

Line 6

Business income or (loss)

***Federal Amount* column** - Enter your business income or (loss) reported on your federal return and attach a copy of your federal Schedule C or Schedule C-EZ.

***New York State Amount* column** - Enter that part of the *Federal Amount* column that represents business income or (loss) you received as a nonresident from a business, trade or profession carried on in New York State.

If you were a part-year resident, you must also add the part of the federal amount that represents business income or (loss) you received while you were a resident.

Business carried on — Your business, trade, profession or occupation (not including personal service as an employee) is considered to be carried on in New York State if you have, maintain, operate or occupy desk space, an office, a shop, a store, a warehouse, a factory, an agency or other place where your affairs are regularly carried on in New York State. This definition is not exclusive. Your business is considered to be carried on in New York State if it is transacted here with a fair measure of permanency and continuity.

Business carried on both in and out of New York State — If your business, trade or profession is carried on both in and out of New York State and you maintain accounts clearly reflecting income from the New York operations, enter the net profit or (loss) from business carried on in New York State on line 6 in the *New York State Amount* column.

If the New York State income of the business cannot be determined from your books, income from business carried on both in and out of New York State must be allocated according to a prescribed formula or an approved alternative method. Form IT-203-A, *Nonresident Business Allocation Schedule*, containing the statutory formula and other instructions pertaining to the allocation of business income, must be completed for this purpose and attached to Form IT-203. If you submit an alternative method of allocation, you must also complete Form IT-203-A and submit all information about your own method of allocation.

If you are self-employed and carry on a trade, business or profession in New York City, you may also be required to file Form NYC-202, *City of New York Unincorporated Business Tax Return*. For more information, see *Instructions for Form NYC-202*. You can get this form and its instructions by calling the NYC Department of Finance. See *How to Get Forms* on page 6. Since New York State does not administer the New York City unincorporated business tax, **do not** file your NYC-202 with your state return.

Line 7

Capital gain or (loss)

***Federal Amount* column** - Enter your capital gain or (loss) from the sale or exchange of property, including securities, as reported on your federal return. Attach a copy of federal Schedule D and any related schedules.

***New York State Amount* column** - As a nonresident, figure the amount to be included on line 7, *New York State Amount* column, as capital gain or (loss) from New York State sources in accordance with federal provisions for determining capital gains and losses. This includes a deduction for any capital loss carryover from New York State sources. Use a copy of federal Schedule D (Form 1040) as a worksheet in determining your New York capital gain or (loss). Include in your computations only transactions that were from New York State sources. If these computations result in a net capital loss for New York State purposes, the loss is limited to $3,000 ($1,500 if you are married and filing separately) on the New York State return. Any balance of a 1993 net capital loss (in excess of the amount claimed on the 1993 return) will be treated as a carryover loss to be claimed on returns for later years.

If you were a part-year resident, you must also add any capital gains or (losses) occurring while you were a resident.

Capital transactions from New York sources — Include capital gains or (losses) derived from real or tangible personal property located within 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 include your share of any capital gain or (loss) derived from New York sources of a partnership of which you are a member (from Form IT-204), an estate or trust of which you are a beneficiary (from Form IT-205 or IT-205-A) or an electing New York State S corporation of which you are a shareholder (from Form CT-3-S, *New York S Corporation Franchise Tax Return*). If any capital gains or (losses) are from business property (other than real property) of a business carried on both in and out of New York State, apply the business allocation percentage (Form IT-203-A) or approved alternative method in determining the New York capital gain or (loss). Gains and losses from the sale or disposition of real property are not subject to allocation. In all cases, use the federal basis of property in computing capital gains or (losses).

Line 8

Capital gain distributions not reported on line 7

***Federal Amount* column** - Enter the amount reported on your federal return. Attach a copy of federal Schedule D and any related schedules.

***New York State Amount* column** - Enter that part of the *Federal Amount* column that represents amounts derived from or connected with New York State sources and subject to New York State tax as a nonresident.

If you were a part-year resident, you must also add the part of the federal amount that was received while you were a resident.

Line 9

Other gains or (losses)

***Federal Amount* column** - Enter the other gains or (losses) from the sale or exchange of assets used in a trade or business, as reported on your federal return. Attach a copy of federal Form 4797.

***New York State Amount* column** - As a nonresident, figure the amount(s) to be included on line 9, in the *New York State Amount* column, as the gain or (loss) from the sale or exchange of noncapital assets by applying the federal provisions for determining gains or (losses) from the sale or exchange of other than capital assets to your New York State transactions.

If you were a part-year resident, you must also add the part of the federal amount that was from other gains or (losses) from the sale or exchange of noncapital assets while you were a resident.

Noncapital transactions from New York State sources are those noncapital transactions includable in your federal return pertaining to property used in connection with a business, trade, profession or occupation carried on in New York State. Also included is your share of any noncapital gain or (loss) from a partnership of which you are a member (from Form IT-204) or an estate or trust of which you are a beneficiary (from Form IT-205 or IT-205-A) or an electing New York State S corporation of which you are a shareholder (from Form CT-3-S or Form CT-4-S). Use Form IT-203-A if an allocation is required.

Line 10

Taxable amount of IRA distributions

***Federal Amount* column** - Enter the amount reported on your federal return.

***New York State Amount* column** - Enter that part of the *Federal Amount* column that was derived from or connected with New York State sources and subject to New York State tax as a nonresident.

If you were a part-year resident, you must also add the part of the federal amount that was received while you were a resident.

Line 11

Taxable amount of pensions and annuities

***Federal Amount* column** - Enter the taxable amount of pensions and annuities reported on your federal return.

***New York State Amount* column** - Enter that part of the *Federal Amount* column that represents:

- a pension or other retirement benefit that **does not** meet the definition of an annuity and was received because of services performed in New York State even though you became a nonresident before payments were received; or
- the taxable amount of pensions and annuities received while a New York State resident if you were a part-year resident.

Do not enter that part of the *Federal Amount* column that represents:

- an annuity or other pension or other retirement benefit you received as a nonresident, that meets the definition of an annuity, unless the annuity is employed or used as an asset of a business, trade, profession or occupation carried on in New York State; or
- any pension or other benefit paid by a New York State or municipal retirement system or the United States, its territories or possessions, political subdivisions of these territories or possessions, the District of Columbia or any agency or instrumentality of any of the above (including the military).

Line 12

Rents, royalties, partnerships, estates, trusts, etc.

***Federal Amount* column** - Enter the amount reported on your federal return and attach a copy of federal Schedule E.

***New York State Amount* column** - Enter that part of the *Federal Amount* column that was derived from or connected with New York State sources as a nonresident. See the instructions below relating to each type of income received from these sources.

If you were a part-year resident, you must also add the part of the *Federal Amount* column that was received from these sources while you were a resident.

Rent and royalty income — As a nonresident, report in the *New York State Amount* column rents and royalties from: (1) real property located in New York State, whether or not used in connection with a business; (2) tangible personal property not used in a business if such property is located in New York State; and (3) tangible and intangible personal property used in or connected with a business, trade, profession or occupation carried on in New York State.

If a business is carried on both in and out of New York State, apply the business allocation percentage (Form IT-203-A) or alternate method to items included in (3) in the preceding paragraph to determine the income from New York State sources. However, do not allocate income from real property. That income must be entirely included if the real property is located in New York State and entirely excluded if the real property is located outside New York State.

Also report in the *New York State Amount* column your share of any rental or royalty income from a partnership of which you are a member (from Form IT-204) or an estate or trust of which you are a beneficiary (from Form IT-205 or IT-205-A).

Partnerships — As a nonresident, enter in the *New York State Amount* column your distributive share of partnership income obtained from Form IT-204. If your distributive share includes any other items of partnership income taxable to a nonresident, those items must be included elsewhere in the *New York State Amount* column on the appropriate lines. For example, your share of a partnership's New York capital gain would be included in determining the amount to be reported on line 7.

S corporation shareholders — As a nonresident, enter in the *New York State Amount* column your pro rata share of an electing New York S corporation's items of income and loss from Form CT-3-S, *New York S Corporation Franchise Tax Return* or Form CT-4-S, *New York S Corporation Franchise Tax Return - Short Form for Small Businesses*. If your share includes any other items of income, such as dividends or capital gains, those items must be included elsewhere in the *New York State Amount* column on the appropriate lines. If the corporation carried on business both in and out of New York State, the corporation's business allocation percentage and investment allocation percentage, determined under Article 9-A, must be used to figure the amount of your income or loss that was derived from or connected with New York State sources.

Part-year resident of a partnership or part-year resident of an S corporation — if you were a **part-year resident**, you must determine your distributive share of partnership income and your pro rata share of S corporation income to be reported on the *Part-Year Resident Income Allocation Worksheet*, according to **your resident status when the taxable year of the partnership or New York S corporation ends**.

Estates and trusts — Report in the *New York State Amount* column your share of estate or trust income as a nonresident or part-year resident from New York State sources obtained from information provided by the fiduciary from Form IT-205 and Form IT-205-A. If your share includes any items of taxable estate or trust income from New York State sources not reported on line 12, those items should be included elsewhere in the *New York State Amount* column on the appropriate line describing that income.

Passive activity loss limitations — Any deduction for passive activity losses for a nonresident must be recomputed to determine the amounts which would be allowed if the federal adjusted gross income took into account only items of income, gain, loss or deduction derived from or connected with New York sources.

If you were a **part-year resident**, you must recalculate your passive activity loss limitations as if separate federal returns were filed for your resident and nonresident periods.

Line 13

Farm income or (loss)

***Federal Amount* column** - Enter the amount reported on your federal return and attach a copy of your federal Schedule F, Form 1040.

***New York State Amount* column** - Enter that part of the *Federal Amount* column that represents income or (loss) from farming carried on in New York State as a nonresident.

Reporting farm income is similar to reporting business income. See the instructions for reporting business income (line 6) on page 10, including the instructions for reporting when business is carried on both in and out of New York State.

If you were a part-year resident, you must also add the part of the federal amount that represents farm income or (loss) for the period you were a resident.

Line 14

Unemployment compensation

***Federal Amount* column** - Enter the amount reported on your federal return.

***New York State Amount* column** - Enter that part of the *Federal Amount* column that represents taxable unemployment compensation received as a nonresident and derived or resulting from employment in New York State.

If the unemployment compensation received from New York State sources is based on wage or salary income earned partly in and partly out of New York State, figure the amount allocable to New York State in the same manner as the wage and salary income on which it is based.

If you were a part-year resident, you must also add the part of the federal amount that was received while you were a resident.

Line 15

Taxable amount of social security benefits

***Federal Amount* column** - Enter the amount of taxable social security (and tier 1 railroad retirement benefits) reported on your federal return. Also enter this amount on line 25.

***New York State Amount* column** - If you were a part-year resident, enter that part of the *Federal Amount* column that represents any taxable amount of social security (and tier 1 railroad retirement benefits) you received while you were a New York State resident.

Do not enter any amount received for the period you were a nonresident.

Line 16

Other income

***Federal Amount* column** - Enter the total other income reported on your federal return. Write each type of income and its amount in the white area on line 16. If you need more room, make a list showing each type of income and its amount, and attach the list to your New York return.

***New York State Amount* column** - Enter the part of the federal amount derived from or connected with New York State sources as a nonresident.

If you have a net operating loss derived from New York sources (without a corresponding federal net operating loss) that you are carrying forward to 1993, enter the amount of the loss in the *New York State Amount* column on line 16 in parentheses. Attach a statement explaining the loss.

If you were a part-year resident, you must also add the part of the federal amount that was received while you were a resident.

Line 18

Total federal adjustments to income

***Federal Amount* column** - Enter the total adjustments to income reported on your federal Form 1040, line 30. These include penalty on early withdrawal of savings, IRA deduction and spouse's IRA deduction, deduction for self-employment tax, and other adjustments. (If you filed federal Form 1040A, use the amount reported on line 15c). Write each adjustment and its amount in the white area on line 18. If you need more room, make a list showing each adjustment and its amount and attach the list to your New York return.

If you did not have to file a federal return, claim the same adjustments to income that you would have claimed for federal income tax purposes.

***New York State Amount* column** - Enter the part of the federal amount which represents adjustments connected with income from New York State sources while you were a nonresident.

If you were a part-year resident, you must also add the part of the federal adjustment deductible while you were a New York State resident.

The federal adjustment for alimony paid is not a deduction from New York sources for nonresidents (see Tax Law, section 631(b)(6)). If you were a part-year resident, include in the *New York State Amount* column only the portion of your alimony adjustment attributable to the part of the year you were a New York State resident.

Any adjustment item that relates to wage or salary income earned partly in New York State or to income from a business which is carried on both in and out of New York State must be allocated to New York State on the same basis as the income to which it relates.

Example — You are allowed an adjustment of $800 on your federal return for payments by a self-employed person to a retirement plan, and these payments were made in connection with a business you operated both in and out of New York State.

If, in determining your business income from New York State sources, you figure your business allocation percentage to be 75% (see instructions for line 6), then 75% of this adjustment, or $600, should be included in the *New York State Amount* column on line 18.

Line 19

Federal adjusted gross income

Subtract line 18 from line 17 in each column and enter the result on line 19. Generally, the amount in the *Federal Amount* column will be the same as the adjusted gross income reported on your federal return. If you are a **part-year resident**, this amount will include special accruals. (For further information, see *Special Accruals*, beginning on page 3 of these instructions.)

Also enter the amounts from line 19 in the *Federal Amount* column and in the *New York State Amount* column in the area next to the income percentage on line 56. If either the amount on line 19 in the *Federal Amount* column or the *New York State Amount* column is zero or less, skip lines 20 through 56; enter "0" on line 57 and continue on line 58.

Part-Year Resident Income Allocation Worksheet *(see instructions on the next page)*

Adjusted Gross Income

Married persons filing separate New York State returns should complete separate worksheets.

			Federal Income (all sources)	New York State Resident Period	New York State Nonresident Period	
			Column A Income from federal return	Column B Income from Column A for this period	Column C Income from Column A for this period	Column D Income from Column C from New York State sources
1	Wages, salaries, tips, etc.	1				
2	Taxable interest income	2				
3	Dividend income	3				
4	Taxable refunds, credits or offsets of state and local income taxes	4				
5	Alimony received	5				
6	Business income or (loss) *(from federal Schedule C or C-EZ)*	6				
7	Capital gain or (loss) *(from federal Schedule D)*	7				
8	Capital gain distributions not reported on line 7	8				
9	Other gains or (losses) *(from federal Form 4797)*	9				
10	Taxable amount of IRA distributions	10				
11	Taxable amount of pensions and annuities	11				
12	Rents, royalties, partnerships, estates, trusts, etc. *(from federal Schedule E)*	12				
13	Farm income or (loss) *(from federal Schedule F)*	13				
14	Unemployment compensation	14				
15	Taxable amount of social security benefits	15				
16	Other income	16				
17	Add lines 1 through 16	17				
18	Total federal adjustments to income *Identify:*	18				
19	**Subtract line 18 from line 17** *(see instructions above).* **This is your federal adjusted gross income**	19				

The combined total of Columns B and C should equal Column A. Add the amounts in Column B and D for each line of the worksheet above and transfer the total to the corresponding line of Form IT-203 in the *New York State Amount* column.

Worksheet Instructions

If you moved into or out of New York State during 1993, the *Part-Year Resident Income Allocation Worksheet* will help you figure your New York State source income for the entire taxable year. You may round all money amounts on your return to the nearest dollar. For example, round $10.49 to $10; round $10.50 to $11. If you round to the nearest dollar, round for all amounts.

Column A — Enter the amounts of income and adjustments reported on your federal return plus all items you would be required to include if you were filing a federal return on the accrual basis.

Column B — Enter that part of the amount from Column A that you received during the period you were a New York State resident.

Column C — Enter that part of the amount from Column A that you received during the period you were a New York State nonresident.

Column D — Enter that part of the amount from Column C that you received from:

- services you performed in New York State;
- property located in New York State; and
- businesses, trades, professions or occupations conducted in New York State.

Refer to each specific line instruction to determine the income from New York State sources earned during your nonresident period.

Example 1 — You moved from Indiana to New York on September 15, 1993. On your federal return, you report $35,000 in total wages. Of this amount, $12,000 was earned while you were a New York State resident. On line 1, you would enter $35,000 in Column A, $12,000 in Column B, $23,000 in Column C and $0 in Column D (no income was earned in New York State prior to the move).

Report in Column B if you moved out of New York State, or Column C if you moved into New York State, all items you would be required to report if you were filing a federal return on the accrual basis for the period before you changed your resident status. These accrual amounts are to be combined with their corresponding income on lines 1 through 19. See *Special Accruals* beginning on page 3.

Example 2 — You moved from New York State to Georgia on June 10, 1993. On June 1, 1993, your employer awarded you a guaranteed bonus of $2,000 which was paid to you on July 1, 1993. You must enter the $2,000 bonus in Column B, line 1, since this is income accruable to your resident period.

Example 3 — You moved from New Jersey to New York on May 10, 1993. You own stock in the XYZ Corporation which, on May 1, 1993, declared a $1,000 dividend payable on June 1, 1993. You also received $500 a month from rental property which was sold on April 30, 1993, and located in New York. You must report the $1,000 dividend income in Column C on line 3, since this is considered to be income accruable to the nonresident period. The rental income is reported in Column C and in Column D on line 12, since this income is derived from New York State sources during your nonresident period.

Transfer the amount in Column A of the worksheet to the corresponding line on Form IT-203 in the ***Federal Amount*** **column**.

Add the amounts in Columns B and D for each line of the worksheet. Transfer the total to the corresponding line on Form IT-203 in the ***New York State Amount*** **column**.

If your salary or wages were earned partially in New York State, you have to determine how much should be allocated to New York State and enter that amount in Column D. Complete Schedule A on the back of Form IT-203-ATT. When reading the instructions for completing Schedule A, substitute *nonresident period* for *year* or *full-year*.

New York Adjustments/ New York Adjusted Gross Income

Certain items of income not taxed by the federal government are taxed by New York State. These *New York additions* must be included in your federal adjusted gross income. Enter any of the listed additions on lines 20 through 22. There are also certain items of income taxed by the federal government but not taxed by New York State. These *New York subtractions* must be deducted from your federal adjusted gross income. Enter any of the listed subtractions on lines 24 through 28. See the instructions for these lines to identify any additions and subtractions that apply to you. For more information on additions and subtractions, see Publication 382, *How to Figure Your New York Additions and Subtractions*.

Partners — If you have income from a partnership, include any New York additions and subtractions that apply to that income. Determine your share of partnership additions and subtractions from the partnership return, Form IT-204.

Beneficiaries (estates and trusts) — If you have income from an estate or trust, any New York additions and subtractions that apply to that income, as well as any additions to or subtractions from federal itemized deductions, will be shown in your share of a single fiduciary adjustment. Do not include addition modifications relating to sections 612(b)(1), 612(b)(2) and 612(b)(20) of a resident fiduciary in a nonresident beneficiary's share of the fiduciary adjustment unless the addition is attributable to a business, trade, profession or occupation carried on in New York State. Attach a schedule showing how the fiduciary adjustment was figured. If the adjustment is a net addition, enter this amount on line 22; if the adjustment is a net subtraction, enter this amount on line 28. Identify this item as a ***fiduciary adjustment***.

If you filed federal Form 4970, *Tax on Accumulation Distribution of Trusts*, the income you reported on line 1 of Form 4970 is not included on Form IT-203, line 12. Since the Internal Revenue Code considers the distribution part of federal gross income, you must include it on Form IT-203, line 22, and be sure to identify the source of this income as ***Form 4970 income***.

S Corporation Shareholders — If you are 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, include any of the following additions and subtractions that apply to your pro rata share of S corporation items of income, loss or deduction. Additions A-17, A-18 and A-19 and subtraction S-22 do **not** apply to you since they apply only to nonelecting S corporations. If the election to treat the corporation as a New York S corporation terminated during the taxable year, you must allocate those items (see Publication 382 for more information). Obtain your share of S corporation items of income, loss and deduction from the S corporation's Form CT-3-S or Form CT-4-S.

If you were not eligible to make the election to treat your corporation as a New York S corporation because the corporation was not subject to Article 9-A franchise tax, include any of the additions and subtractions below that apply to your pro rata share of S corporation items of income, loss or deduction. Additions A-16, A-17, A-18 and A-19, and subtractions S-21 and S-22 do **not** apply to you since they apply only to electing and nonelecting New York S corporations.

If gain or loss is recognized on your federal income tax return due to the disposition of stock or indebtedness of an S corporation that did not elect to be a New York S corporation for any taxable year after December 31, 1980, make addition A-19 or subtraction S-21, whichever applies to you.

You must make the adjustments for the taxable year of the S corporation that ends in your taxable year.

New York Additions

Line 20

Interest income on state and local bonds (but not those of New York State or its localities)

Enter any interest income on state and local bonds (but not those of New York State and local governments within the state) that you received or that was credited to you for the period you were a resident of New York State during 1993 if it was **not** included in your federal adjusted gross income (section 612(b)(1) of the Tax Law). Do **not** make this addition for any period you were a **nonresident** unless the addition is attributable to a business, trade, profession or occupation carried on in New York State.

Line 21

Public employee 414(h) retirement contributions

Enter the amount of 414(h) retirement contributions shown on your wage and tax statement(s), Form IT-2102 (Copy 1) or federal Form W-2 (Copy 2) made by:

— a Tier III or Tier IV member of the New York State and Local Retirement Systems, which include the New York State Employees' Retirement System and the New York State Policemen's and Firemen's Retirement System; **or**

— a Tier III or Tier IV member of the New York State Teachers' Retirement System; **or**

— an employee of the State or City University of New York who belongs to the TIAA/CREF Optional Retirement System; **or**

— any tier member of the New York City Employees' Retirement System, the New York City Teachers' Retirement System, the New York City Board of Education Retirement System, the New York City Police Pension Fund or the New York City Fire Department Pension Fund.

Do not enter on line 21 contributions to a section 401(k) deferred arrangement, section 403(b) annuity or section 457 deferred compensation plan.

Line 22 - Other additions

Identify any of the following additions (below and on page 15) that apply to you by writing the item number and the amount of each addition in the white area on line 22. Enter the total amount of these other additions on line 22 in the money column.

A-1 Interest or dividend income received by you or credited to you for the period you were a resident of New York State during 1993, on bonds or securities of any United States authority, commission or instrumentality that federal laws exempt from federal income tax but not from state income taxes (section 612(b)(2) of the Tax Law). Do **not** make this addition for any period you were a **nonresident** unless the addition is attributable to a business, trade, profession or occupation carried on in New York State.

A-2 State, local and foreign income taxes, including unincorporated business taxes that were deducted from your federal gross income (section 612(b)(3) of the Tax Law). For example, if you operated a business and deducted New York City unincorporated business tax on your federal Form 1040, Schedule C as an expense of doing business, include this tax on line 22.

Partners — Include on line 22 your distributive share of state, local and foreign income taxes, including unincorporated business taxes, deducted in figuring net income.

S corporation shareholders — If you are a shareholder of a federal S corporation for which the election to be a New York S corporation was in effect, include on line 22 your pro rata share of state, local and foreign income taxes imposed under Article 9-A that were deducted in figuring net income.

However, no addition modification will be required for state, local and foreign income taxes imposed upon or paid by the S corporation to another state, political subdivision of another state, or the District of Columbia.

A-3 Interest expense on loans used to buy bonds and securities whose interest income is exempt from New York State tax if you made a deduction for this interest expense in figuring your federal adjusted gross income. Also include on line 22 amortization of bond premiums whose interest income is exempt from New York State tax and expenses relating to income exempt from New York State tax, if you made a deduction in figuring your federal adjusted gross income (sections 612(b)(4) and (5) of the Tax Law).

A-4 The amount of special additional mortgage recording tax that was excluded or deducted in figuring your federal adjusted gross income to the extent the credit was taken (section 612(b)(15) of the Tax Law). For information about the special additional mortgage recording tax credit, see the *Instructions for Form IT-203-ATT*, line 4, on page 24 of these instructions.

A-5 The amount of special additional mortgage recording tax you paid when the property for which the tax was paid is sold or disposed of at a gain or loss and the basis of such property was not adjusted for the special additional mortgage recording tax credit (section 612(b)(16) of the Tax Law).

A-6 Any amount that has to be added to your federal adjusted gross income if you made an election for tax years beginning before 1987 for special depreciation or research and development expenditures, waste treatment facility expenditures, air pollution control equipment expenditures or acid deposition control equipment (section 612(b)(6) of the Tax Law). See subtraction S-13 on page 15 of these instructions.

A-7 Any deduction for percentage depletion on mines, oil and gas wells, and other natural deposits made in figuring your federal adjusted gross income (section 612(b)(10) of the Tax Law). See subtraction S-12 on page 15 of these instructions.

A-8 Amounts required under the Tax Law relating to your distributive or pro rata share of allocated entire net income, or your distributive or pro rata share of loss included in your federal adjusted gross income, from an insurance business operating as a member of the New York Insurance Exchange (section 617-a of the Tax Law). See subtraction S-14 on page 15 of these instructions.

A-9 Any gain that would have been realized for New York State tax purposes from the sale or other disposition of property acquired from a decedent and valued by the executor under New York State Tax Law because the estate had an insufficient amount of assets to require the filing of a federal estate tax return (section 612(b)(17) of the Tax Law).

A-10 Solar and wind energy systems — The amount of New York State solar and wind energy credit you claimed for residential property later sold or disposed of at a gain if the basis of that property included the cost of your energy system (sections 606(g) and 612(b)(29) of the Tax Law).

A-11 New business investment-deferral recognition — The amount of capital gain deferred on the sale of a capital asset if the new business investment property is sold (section 612(b)(22) of the Tax Law).

A-12 Safe harbor leases — The amount that was deducted in figuring your federal adjusted gross income (except for mass transit vehicles) solely because of an election made under section 168(f)(8) of the Internal Revenue Code, as it was in effect for agreements entered into prior to January 1, 1984 (section 612(b)(23) of the Tax Law).

A-13 Safe harbor leases — Any amount that would have been included in federal adjusted gross income (except for mass transit vehicles) had the election under section 168(f)(8) of the Internal Revenue Code, as it was in effect for agreements entered into prior to January 1, 1984, **not** been made (section 612(b)(24) of the Tax Law).

A-14 Accelerated cost recovery system (ACRS) deduction — The amount that was deducted in figuring your federal adjusted gross income for property placed in service during taxable years 1981, 1982, 1983 and 1984 and for property placed in service outside New York State in taxable years beginning after December 31, 1984 (including property on which ACRS depreciation was figured in accordance with the Federal Tax Reform Act of 1986), except for property subject to the provisions of section 280F of the Internal Revenue Code (section 612(b)(25) of the Tax Law).

A-15 Accelerated cost recovery property — year of disposition adjustment — In the year that you dispose of property, the amount by which the total depreciation allowed for New York State purposes is greater than your total federal accelerated cost recovery deductions on that property (including ACRS depreciation figured in accordance with the Federal Tax Reform Act of 1986) (section 612(b)(27) of the Tax Law). Use Form IT-399, *New York State Depreciation Schedule* to figure your adjustment. See subtraction S-20 on page 16 of these instructions.

A-16 S corporation shareholders — If you are a shareholder of an S corporation for which the election to be a New York S corporation is in effect for the taxable year, your pro rata share of the corporation's reductions for taxes described in sections 1366(f)(2) and (3) of the Internal Revenue Code (section 612(b)(18) of the Tax Law).

A-17 S corporation shareholders — If you are a shareholder of an S corporation for which the election to be a New York S corporation was **not** in effect for the taxable year, any S corporation loss or deduction taken into account in figuring your federal adjusted gross income pursuant to section 1366 of the Internal Revenue Code (section 612(b)(19) of the Tax Law).

A-18 S corporation shareholders — S corporation distributions not included in federal adjusted gross income due to the application of section 1368, 1371(e) or 1379(c) of the Internal Revenue Code, and not previously subject to New York personal income tax because the election to be a New York S corporation was **not** in effect for the period you were a resident of New York State (section 612(b)(20) of the Tax Law). Do **not** make this addition for any period you were a **nonresident** unless the S corporation stock is held as an asset of another business carried on by the **shareholder** in New York State. For example, if the S corporation's stock is held as an asset of a sole proprietorship operated by the shareholder in New York State, the shareholder would be required to add back any distributions received, since they are attributable to a business carried on in New York State. The Internal Revenue Code sections mentioned above refer to distributions, cash distributions during post termination transition period and distributions of undistributed taxable income, respectively.

A-19 S corporation shareholders — Where gain or loss is recognized on a shareholder's federal income tax return due to the disposition of stock or indebtedness of an S corporation that did **not** have an election to treat the corporation as a New York S corporation in effect for any taxable year beginning after December 31, 1980, the increase in basis of stock or indebtedness due to the application of sections 1376(a) (as it was in effect for taxable years beginning before January 1, 1983) and 1367(a)(1)(A) and (B) of the Internal Revenue Code for each taxable year that the New York election was **not** in effect (section 612(b)(21) of the Tax Law). The Internal Revenue Code sections mentioned above refer to S corporation undistributed taxable income that was required to be included in the shareholder's federal adjusted gross income.

A-20 Five percent of your deduction for interest related to corporate acquisitions to the extent the interest was deducted in figuring your New York adjusted gross income (section 612(b)(30) of the Tax Law). If this addition applies, complete Form IT-244, *Acquisition Information Report*. Attach a separate schedule to your return showing your computation.

A-21 New York City flexible benefits program (IRC 125) — The IRC 125 amount shown on your wage and tax statement(s), Form IT-2102 (Copy 1) or federal Form W-2 (Copy 2), that was deducted or deferred from your salary under a flexible benefits program established by the city of New York and certain other New York City public employers (City University of New York, New York City Health and Hospitals Corporation, New York City Transit Authority, New York City Housing Authority, New York City Off-Track Betting Corporation, New York City Rehabilitation Mortgage Insurance Corporation, New York City Board of Education, New York City School Construction Authority, Manhattan and Bronx Surface Transit Operating Authority or the Staten Island Rapid Transit Authority), on your behalf (section 612(b)(31) of the Tax Law).

A-22 New York City Health Insurance and Welfare Benefit Fund — The amount shown on your wage and tax statement(s), New York State Form IT-2102 (Copy 1) or federal Form W-2 (Copy 2), that was deducted from your salary (section 612(b)(32) of the Tax Law) for health insurance and the welfare benefit fund surcharge if you were a career pension plan member of:

— the New York City Employees' Retirement System, or

— the New York City Board of Education Retirement System.

New York Subtractions

Line 26

Interest income on US government bonds

Enter the amount of interest income from US government bonds or other US government obligations that is included in the amount you reported on line 2 in the *Federal Amount* column. (This may be all or part of the line 2 amount or it may be zero. Check your interest income records to determine the correct amount to enter on line 26.) Interest income on bonds or other obligations of the U.S. government is **not** taxed by New York State. Dividends you received from a regulated investment company (mutual fund) that invests in obligations of the U.S. government and meets the 50% asset requirement each quarter qualify for the subtraction at line 26. Once this requirement is met, the portion of the dividends you receive that may be subtracted is based upon the portion of taxable income received by the mutual fund that is derived from federal obligations (section 612(c)(1) of the Tax Law).

Further information relating to meeting the 50% asset requirement and figuring your allowable subtraction (if any), can be obtained from the mutual fund.

If you include an amount on line 26 from more than one line on Form IT-203, attach a schedule showing the breakdown of the subtraction being claimed for each line.

Do not list the same interest more than once on lines 26 and 28; see line 28, subtractions S-1 and S-4, on this page.

Line 27

Pension and annuity income exclusion

If you were age 59½ before January 1, 1993, enter the qualifying pension and annuity income included in your 1993 federal adjusted gross income, **but not more than $20,000.** If you became 59½ during 1993, enter only the amount received after you became 59½, **but not more than $20,000.**

Do **not** enter any pension income that you received from New York State, local governments within the state, and the United States here; see the instructions for line 28, subtraction S-2, on this page.

Qualifying pension and annuity income includes:

— periodic payments for services you performed as an employee before you retired;

— periodic and lump-sum payments from an IRA, but **not** payments derived from contributions made after you retired;

— periodic payments from an HR-10 (Keogh) plan, but **not** payments derived from contributions made after you retired; and

— lump-sum payments from an HR-10 (Keogh) plan, but only if federal Form 4972 is not used. Do **not** include that part of your payment that was derived from contributions made after you retired.

— distributions from a cafeteria plan (IRC section 125) or a qualified cash or deferred profit sharing or stock bonus plan (IRC 401(k)) but not distributions derived from contributions made after you retired.

If you and your spouse both qualify, each of you can subtract up to $20,000 of your own pension and annuity income. However, you cannot claim any unused part of your spouse's exclusion.

If you received the pension and annuity income of a decedent, you may make this subtraction if the decedent would have qualified to make this subtraction at the time of death.

If you are also claiming the disability income exclusion, the total of your pension and annuity income exclusion and disability income exclusion cannot exceed $20,000.

For more information, see Publication 99, *New York State Tax Credits, Retirement Benefits and Deductions*.

Line 28

Other subtractions

Identify any of the following subtractions (below and on page 16) that apply to you by writing the item number and amount of each subtraction in the white area on line 28. Enter the total amount of your other subtractions on line 28.

S-1 Interest or dividend income on bonds or securities of any United States authority, commission or instrumentality included in your federal adjusted gross income but exempt from state income taxes under federal laws (section 612(c)(2) of the Tax Law).

S-2 Any pension you received as an officer, employee, or as a beneficiary of an officer or employee of:

— New York State and local governments within the state that was included in your federal adjusted gross income;

— the United States, its territories or possessions, political subdivisions of these territories or possessions, the District of Columbia or any agency or instrumentality of any of the above (including the military) that was included in your federal adjusted gross income (section 612(c)(3) of the Tax Law).

S-3 The amount of supplemental annuity and tier 2 benefits received under the Railroad Retirement Act of 1974 and the amount of Railroad Unemployment Insurance Act benefits that were included in your federal adjusted gross income but exempt from state incomes taxes under Title 45 of the United States Code.

S-4 Any interest or dividend income included in your federal adjusted gross income on bonds or securities that is exempt from New York State income taxes (section 612(c)(6) of the Tax Law).

S-5 Interest expense on money borrowed to purchase or carry bonds or securities whose interest income is subject to New York State income tax but exempt from federal income tax, provided this interest was a 1993 business expense and was not deducted in figuring your federal adjusted gross income (section 612(c)(9) of the Tax Law).

S-6 Ordinary and necessary business expenses paid or incurred during 1993 in connection with income, or property held to produce income, that is subject to New York State income tax but exempt from federal income tax, provided these expenses were not deducted in arriving at your federal adjusted gross income (section 612(c)(10) of the Tax Law).

S-7 Amortization of bond premium attributable to 1993 on any bond whose interest income is subject to New York income tax but exempt from federal income tax, provided this amortization was a 1993 business expense and was not deducted in figuring your federal adjusted gross income (section 612(c)(10) of the Tax Law).

S-8 The amount necessary to prevent taxation of amounts properly included in total New York income in prior taxable years by a shareholder of a professional service corporation (section 612(c)(12) of the Tax Law).

S-9 The amount of wages and salaries paid or incurred during the taxable year for which a salaries deduction is not allowed with regard to claiming the federal targeted jobs credit (section 612(c)(15) of the Tax Law).

S-10 The part of any gain included in your federal adjusted gross income from the sale or other disposition of (1) property which had a higher basis for New York State income tax purposes than for federal income tax purposes on December 31, 1959 (or on the last day of a fiscal year ending during 1960), and (2) property held in connection with mines, oil or gas wells, and other natural deposits which has a higher adjusted basis for New York State income tax purposes, which does not exceed this difference in basis. When the gain on the sale or other disposition of jointly owned property is divided between you and your spouse on your separate state returns, any subtraction due to a higher New York than federal basis must also be divided (sections 612(c)(4) and 612(c)(13) of the Tax Law).

S-11 Any amount of income (including annuity income) or gain included in your federal adjusted gross income that was properly reported as income or gain on a prior New York State return filed under former Article 16 of the Tax Law by you or a decedent, or an estate or trust from whom you acquired this income or gain (section 612(c)(5) of the Tax Law).

S-12 Cost depletion figured according to federal tax law on property where percentage depletion was added on line 22 (section 612(c)(13) of the Tax Law). See addition A-7 on page 14 of these instructions.

S-13 Special depreciation expenditures or carryover of research and development expenditures incurred in taxable years beginning before 1987 in connection with depreciable, tangible business property located in New York State (section 612(c)(11) of the Tax Law). For more information, see Form IT-211, *Special Depreciation Schedule*, and instructions. Also see addition A-6 on page 14 of these instructions.

S-14 Any amount included in your federal adjusted gross income which is your distributive or pro rata share of income or gain from an insurance business operating as a member of the New York Insurance Exchange (section 617-a of the Tax Law). See addition A-8 on page 14 of these instructions.

S-15 Any loss that was to have been realized for New York State tax purposes from the sale or other disposition of property acquired from a decedent and valued by the executor under New York State Tax Law because the estate had an insufficient amount of assets to require the filing of a federal estate tax return (section 612(c)(19) of the Tax Law).

S-16 New business investment exclusion — The amount of gain to be subtracted from the sale of a New York new business investment that was included in your federal adjusted gross income (section 612(c)(20) of the Tax Law).

S-17 Safe harbor leases — Any amount that was included in federal adjusted gross income (except for mass transit vehicles) solely because of an election made under section 168(f)(8) of the Internal Revenue Code, as it was in effect for agreements entered into prior to January 1, 1984 (section 612(c)(24) of the Tax Law).

S-18 Safe harbor leases — Any amount that could have been excluded from federal adjusted gross income (except for mass transit vehicles) had the election under section 168(f)(8) of the Internal Revenue Code, as it was in effect for agreements entered into prior to January 1, 1984, **not** been made (section 612(c)(25) of the Tax Law).

S-19 New York State depreciation — The amount of depreciation allowed for property placed in service during taxable years 1981, 1982, 1983 and 1984 and for property placed in service outside New York State in taxable years beginning after December 31, 1984 (including property on which ACRS depreciation was figured in accordance with the Federal Tax Reform Act of 1986), except for property subject to the provisions of section 280F of the Internal Revenue Code (section 612(c)(26) of the Tax Law).

S-20 Accelerated cost recovery property — year of disposition adjustment — In the year that you dispose of property, the amount by which your total federal accelerated cost recovery deductions (including ACRS depreciation that was figured in accordance with the Federal Tax Reform Act of 1986) were greater than the total depreciation you took for New York State purposes on that property (section 612(c)(28) of the Tax Law). Use Form IT-399, *New York State Depreciation Schedule*, to figure your adjustment. See addition A-15 on page 14 of these instructions.

S-21 S corporation shareholders — Where a gain or loss is recognized on a shareholder's federal income tax return due to the disposition of stock or indebtedness of an S corporation that did **not** have an election to treat the corporation as a New York S corporation in effect for any taxable year beginning after December 31, 1980, the reduction in basis of stock or indebtedness due to the application of sections 1376(b) (as it was in effect for taxable years beginning before January 1, 1983) and 1367 (a)(2)(B) and (C) of the Internal Revenue Code for each taxable year that the New York election was **not** in effect.

Also, the amount of any additions to federal adjusted gross income under section 612(b)(20) of the Tax Law (see addition A-18 on page 14 of these instructions) that were made with respect to the stock described above (section 612(c)(21) of the Tax Law).

The Internal Revenue Code sections mentioned above refer to the shareholder's pro rata share of S corporation net operating loss and S corporation loss and deduction that was required to be taken into account in figuring the shareholder's federal adjusted gross income.

S-22 S corporation shareholders — If you are a shareholder of an S corporation for which the election to be a New York S corporation was **not** in effect for the taxable year, any S corporation income included in federal adjusted gross income pursuant to section 1366 of the Internal Revenue Code (section 612(c)(22) of the Tax Law).

S-23 Disability income exclusion — Any amount that could have been excluded from federal adjusted gross income based on section 105(d) of the Internal Revenue Code as it was in effect prior to January 1, 1984. However, the sum of disability income excluded and pension and annuity income excluded may **not** exceed $20,000 (section 612(c)(3-b) of the Tax Law). Use Form IT-221, *Disability Income Exclusion*, to figure your disability income exclusion and attach it to your return.

If you claim this exclusion, the physician's statement at the bottom of Form IT-221 must also be completed and signed by your doctor.

S-24 Accelerated death benefits — The amount received by any person as an accelerated payment or payments of part or all of the death benefit or special surrender value under a life insurance policy or a payment received as a viatical settlement, as a result of terminal illness defined as a life expectancy of 12 months or less, or of a medical condition requiring extraordinary medical care or treatment regardless of life expectancy to the extent the amount is includable in federal gross income for the taxable year (section 612(c)(30) of the Tax Law).

Tax Computation

If you do not have to file a federal return or you took the standard deduction on federal Form 1040, skip lines 31 through 45 and transfer the line 30 amount to line 46.

If you itemized your deductions on federal Form 1040, fill in lines 31 through 45, compare the line 45 amount to your allowable standard deduction amount from the *Standard Deduction Table* on the next page and enter the larger amount on line 47.

Lines 31 through 39

Enter on each line the total of each group of itemized deductions (medical and dental, taxes, moving expenses, etc.) and total itemized deductions exactly as you reported them on your federal Schedule A (Form 1040), *Itemized Deductions*. If your federal adjusted gross income is more than $108,450, you may not be able to deduct all of your itemized deductions. For those taxpayers with income above this amount, the total of Form IT-203, lines 31 through 38, in most instances will not equal the amount on line 39. The difference represents itemized deductions disallowed for federal purposes.

Line 40

State, local and foreign income taxes and other subtraction adjustments

If your Form IT-203, line 19, federal amount is **$108,450 or less** ($54,225 or less if you are married filing separately), and you itemized your deductions on your federal return:

— enter the amount of state, local and foreign income taxes included on line 32 and any other subtraction adjustments (from itemized deductions), *A* through *F*, listed in the next column.

If your Form IT-203, line 19, federal amount is **more** than $108,450 (more than $54,225 if you are married filing separately), and you itemized your deductions on your federal return, you may elect to either:

— enter the amount of state, local and foreign income taxes included on line 32 and any other subtraction adjustments (from itemized deductions), *A* through *F*, listed in the next column; or

— complete the *Subtraction Adjustment Limitation Worksheet* on the next page.

If you elect to complete the *Subtraction Adjustment Limitation Worksheet*, add to the result on line 2 or line 7 of the worksheet (whichever applies), any other subtraction adjustments (from itemized deductions) A through F listed on this page that apply to you and are related to federal itemized deductions not subject to the 3% limit (e.g., investment interest expense related to tax exempt US obligations). Enter the total of your subtraction adjustments on Form IT-203, line 40.

Exception for city of New York nonresident earnings tax — If you included the New York City nonresident earnings tax on federal Schedule A, line 5, you do **not** have to include on line 40 the difference between the New York City nonresident earnings tax on wages figured at the old rate (0.25%) and the tax figured at the current rate (0.45%). To figure the amount of New York City nonresident earnings tax you have to include on line 40, multiply your New York City taxable wages (from Form NYC-203, line 3) by .0020 and subtract the result from your state, local and foreign income tax deduction included on federal Schedule A, line 5.

Example — Your federal Schedule A, line 5 amount includes your New York City nonresident earnings tax, as well as other state, local and foreign income taxes, for a total income tax deduction of $1,000. Your taxable wages from Form NYC-203, line 3, are $16,000. Multiply $16,000 by .0020 which equals $32, the amount you do ***not*** *have to include on line 40. Then subtract $32 from $1,000 to find the difference of $968, the amount to enter on line 40.*

The above also applies to the New York City nonresident earnings tax on net earnings from self-employment. The amount you do not have to include on line 40 is the difference between the tax figured at the old rate (0.375%) and the tax figured at the current rate (0.65%). To figure the amount you have to include on line 40, multiply your New York City taxable net earnings from self-employment (Form NYC-203, line 7) by .00275 and subtract the result from your state, local and foreign income tax deduction included on federal Schedule A, line 5.

Other subtraction adjustments from itemized deductions

On a separate sheet marked ***Line 40 - Other Subtraction Adjustments,*** identify by item letter (from the list of subtractions below) other subtraction adjustments that apply to you. Show the amount of each and attach this sheet to your return. Total all your subtractions and include that amount in the total for line 40.

A Interest expense on money borrowed to purchase or carry bonds or securities whose interest is exempt from New York income tax.

B Ordinary and necessary expenses paid or incurred in connection with income, or property held for the production of income, which is exempt from New York income tax, but only to the extent deducted in figuring your federal taxable income.

C Amortization of bond premium attributable to 1993 on any bond whose interest income is exempt from New York income tax, but only to the extent deducted in figuring your federal taxable income.

D Your distributive or pro rata share of deductions from an insurance business operating as a member of the New York Insurance Exchange (section 617-a of the Tax Law).

E If you are a shareholder of a federal S corporation that did not elect to be a New York S corporation, any S corporation deductions included in your federal itemized deductions. If an S corporation short year is involved, you must allocate those deductions (for more information see Publication 362, *How to Figure Your New York Additions and Subtractions).*

F Five percent of your deduction for interest related to corporate acquisitions to the extent the interest was deducted in figuring the New York itemized deduction (section 615(c)(7) of the Tax Law). If this subtraction applies, complete Form IT-244, *Acquisition Information Report.* Attach a separate schedule to your return showing your computation.

Partners — Include on line 40 the subtractions described above that apply to your share of partnership deduction items (if not included in your New York subtractions on the front page). Determine your share of partnership items from Form IT-204, *Partnership Return*.

S corporation shareholders — If you are a shareholder of a federal S corporation for which the election to treat the corporation as a New York S corporation was in effect for the tax year, or if you were not eligible to make the election to treat your corporation as a New York S corporation because the corporation is not subject to Article 9-A franchise tax, include on line 40 subtractions *A* through *D* and *F*, described on page 16, that apply to your pro rata share of S corporation items of income, loss or deduction. If the election to be a New York S corporation terminated during the tax year, you must allocate those items (for more information see Publication 382, *How to Figure Your New York Additions and Subtractions)*. Obtain your share of S corporation items from the S corporation's Form CT-3-S, *New York S Corporation Franchise Tax Return* or Form CT-4-S, *New York S Corporation Franchise Tax Return-Short Form for Small Businesses.*

If you are a shareholder of a federal S corporation that did not elect to be a New York S corporation, include subtraction *E* only.

Subtraction Adjustment Limitation Worksheet

1. Federal itemized deductions subject to the federal limitation from federal worksheet, line 3 . . 1. ____
2. Amount of state, local and foreign income taxes and other subtraction adjustments included in line 1* . . . . . 2. ____
3. Subtract line 2 from line 1 . . . . . 3. ____
4. Enter amount from federal itemized deduction worksheet, line 9 . . . . . 4. ____
5. Multiply line 3 by 80% (.80). If line 5 is greater than or equal to line 4, transfer the above line 2 amount to Form IT-203, line 40. **Do not continue with this worksheet.** If line 5 is less than line 4, complete lines 6 and 7 . . . . . 5. ____
6. Subtract line 5 from line 4. . . . 6. ____
7. **Subtract line 6 from line 2.** Add this amount to any other applicable subtraction adjustments (A through F) listed on page 16. Enter the total on Form IT-203, line 40. . . . . 7. ____

* For a description of subtraction adjustments, see the instructions for line 40 on page 16.

Line 42

Addition adjustments for itemized deductions

On a separate sheet marked *Line 42 - **Addition Adjustments to Itemized Deductions***, identify by item letter (from the list of additions below) addition adjustments that apply to you. Show the amount of each and attach this sheet to your return. Total all your additions and include that amount in the total for line 42.

G Interest expense on money borrowed to purchase or carry bonds or securities whose interest is subject to New York income tax, but exempt from federal income tax, if this interest expense was not deducted on your federal return or shown as a New York subtraction on the front page of your state return.

H Ordinary and necessary expenses paid or incurred during 1993 in connection with income, or property held for the production of income, which is subject to New York income tax but exempt from federal income tax, if these expenses were not deducted on your federal return or shown as a New York subtraction on the front page of your state return.

I Amortization of bond premium attributable to 1993 on any bond whose interest income is subject to New York income tax, but exempt from federal income tax, if this amortization was not deducted on your federal return or shown as a New York subtraction on the front page of your Form IT-203.

Partners — Include on line 42 the additions described above that apply to your share of partnership deduction items (if not included in your New York additions on the front page). Determine your share of partnership items from Form IT-204, *Partnership Return*.

S corporation shareholders — If you are a shareholder of a federal S corporation for which the election to treat the corporation as a New York S corporation was in effect for the tax year, or if you were not eligible to make the election to treat your corporation as a New York S corporation because the corporation is not subject to Article 9-A franchise tax, include on line 42 additions *G* through *I*, previously described, that apply to your pro rata share of S corporation items of income, loss or deduction. If the election to be a New York S corporation terminated during the 1993 tax year, you must allocate those items. (For more information see Publication 382, *How to Figure Your New York Additions and Subtractions*.) Obtain your share of S corporation items from the S corporation's Form CT-3-S, *New York S Corporation Franchise Tax Return*, or Form CT-4-S, *New York S Corporation Franchise Tax Return - Short Form for Small Businesses*.

Line 44

Itemized deduction adjustment

Enter the amount of your itemized deduction adjustment. If Form IT-203, line 30 is:

— $100,000 or less, enter "0" on line 44.

— more than $100,000 but not more than $475,000, fill in **Worksheet A** below.

— more than $475,000 but not more than $525,000, fill in **Worksheet B** in the next column.

— more than $525,000, enter 50% (.50) of line 43 on line 44.

Worksheet A

1. New York adjusted gross income from Form IT-203, line 30 . . . . . 1. ____
2. Filing status ① or ③ enter $100,000, **or** filing status ④ enter $150,000 **or** filing status ② or ⑤ enter $200,000 . . . . . 2. ____
3. Subtract line 2 from line 1. (If line 2 is more than line 1, enter "0" on Form IT-203, line 44. **Do not continue with this worksheet.**) . . . . . 3. ____
4. Enter the lesser of line 3 or $50,000 . . . . . 4. ____
5. Divide line 4 by $50,000 and carry the result to four decimal places . . . . . 5. ____
6. Enter 25% of Form IT-203, line 43 . . . . . 6. ____
7. Multiply line 5 by line 6 . . . 7. ____

Transfer this amount to Form IT-203, line 44.

Worksheet B

1. Enter the excess of New York adjusted gross income over $475,000 (cannot exceed $50,000) . . . . . 1. ____
2. Divide line 1 by $50,000 and carry the result to four decimal places . . . . . 2. ____
3. Enter 25% of Form IT-203, line 43 . . . . . 3. ____
4. Multiply line 2 by line 3 . . . . . 4. ____
5. Add lines 3 and 4 . . . . . 5. ____

Transfer this amount to Form IT-203, line 44.

Line 47

Standard or itemized deduction

The deduction you take on line 47 depends on which deduction you took on your federal return.

— If you took the standard deduction on your federal return or you did not have to file a federal return, you must take the standard deduction on line 47. Find the correct amount for your filing status in the following table and be sure to check the standard deduction box on line 47.

Standard Deduction Table

Filing Status	Standard Deduction - enter on Form IT-203, line 47
① Single and you checked item C *Yes*	$2,800
① Single and you checked item C *No*	6,000
② Married filing joint return	9,500
③ Married filing separate return	4,750
④ Head of household (with qualifying person)	7,000
⑤ Qualifying widow(er) with dependent child	9,500

— If you itemized your deductions on your federal return, fill in lines 31 through 45 and compare the line 45 amount to your standard deduction shown in the table above. Your tax will be less if you enter on line 47 the **larger** of these amounts (if you checked filing status ③, see *Caution* below). To show which deduction you are taking, be sure to check either the standard or the itemized deduction box on line 47.

Caution - If you are married and filing separate returns (filing status ③), both of you must take the standard deduction unless both of you itemized deductions on your federal returns and both of you elect to itemize deductions on your New York returns.

Line 49

Dependent exemptions

Enter on line 49 the number of your dependent exemptions from the *Dependent Exemption Worksheet* below. If you filed federal Form 1040EZ, enter "0."

If you did not have to file a federal return, enter on lines *a* and *b* of the worksheet the number of exemptions that would be allowed for federal income tax purposes.

Dependent Exemption Worksheet

Exemptions are allowed only for your dependents. Personal exemptions for you and for your spouse, if you are married, are not allowed.

a. Enter the number of exemptions claimed on federal Form 1040A or 1040, line 6e. . . . . a. _____

b. Enter the total number of boxes checked on federal Form 1040A or 1040, line 6a and line 6b. . . . . b. _____

c. Subtract line b from line a. This is the number of your dependent exemptions to enter in the white space on Form IT-203, line 49. . . . . c. _____

***Example** - If the result on line c above was "2," the entry on Form IT-203, line 49 would be:*

49	2 ,000 00

Since the value of each dependent exemption is $1,000, the total value of dependent exemptions in this example is $2,000.

Privacy Notification

Our authority to require personal information, including social security numbers, is found in sections 651, 652, 658, 697, 1306, 1312, 1332 and 1342 of the Tax Law, Article 2-E of the General City Law, and related parts of our personal income tax regulations.

We will use this information primarily to process your tax return and collect your personal income tax for the state or city of New York, the income tax surcharge on residents for the city of Yonkers or the earnings tax on nonresidents for the city of New York or Yonkers, whichever may apply to you. We may also use it to help enforce other taxes under the Tax Law, for tax refund offset programs and exchange of tax information programs authorized by sections 171-a, 171-b, 171-c, 171-d, 171-e, 171-f, 171-g and 697 of the Tax Law, and for any other purposes authorized by law.

Your failure to provide the required information may subject you to civil or criminal penalties, or both, under the Tax Law or the Penal Law.

Our authority to maintain this information is found in section 697(e) of the Tax Law and a related section of our personal income tax regulations. This information will be maintained by the Director Data Management Services Bureau, NYS Tax Department, Building 8 Room 905, W A Harriman Campus, Albany NY 12227; telephone (from New York State only) 1 800 CALL TAX (1 800 225-5829); from outside New York State, call (518) 438-8581.

Line 51

New York State Tax

If your New York adjusted gross income is $100,000 or less, find your New York State tax on the amount on line 50 using the *New York State Tax Table* on green pages 27 through 34 of these instructions. Be sure you use the correct column. After you have found the correct tax, enter that amount on line 51.

If Form IT-203, line 46 is more than $100,000, but not more than $150,000, you must compute your tax using *Tax Computation Worksheet I* below.

If Form IT-203, line 46 is more than $150,000, you must compute your tax using *Tax Computation Worksheet II* below.

Tax Computation Worksheet I

1. Enter your New York adjusted gross income from Form IT-203, line 46 . . . . . 1. _____
2. Enter your taxable income from Form IT-203, line 50 . . . . . 2. _____
3. Multiply line 2 by 7.875% (.07875) . . . . . 3. _____
4. Enter your New York State tax on the line 2 amount above from the *New York State tax table* on green pages 27 through 34 . . . . . 4. _____
5. Subtract line 4 from line 3 . . . . . 5. _____
6. Enter the excess of line 1 over $100,000 (cannot exceed $50,000) . . . . 6. _____
7. Divide line 6 by $50,000 and carry the result to four decimal places (cannot exceed 1.0000) . . . . . 7. _____
8. Multiply line 5 by line 7 . . . . . 8. _____
9. **Add lines 4 and 8.** Enter here and on Form IT-203, line 51 . . . . . 9. _____

Tax Computation Worksheet II

1. Enter your taxable income from Form IT-203 line 50 . . . . . 1. _____
2. Multiply line 1 by 7.875% (.07875). Enter here and on Form IT-203, line 51 . . . . . 2. _____

Credits/Other Taxes/Gift/Totals

Line 52

New York State child and dependent care credit

Enter the amount of New York State child and dependent care credit. You can claim this credit if you were allowed a credit for child and dependent care on your federal income tax return.

Enter in the boxes on line 52 the number of qualifying persons cared for in 1993 and the amount of **federal credit (not expenses)** for child and dependent care from federal Form 2441, line 10, before any limitation (if you filed federal Form 1040) or from federal Form 1040A, Schedule 2, Part II, line 10. To figure your New York credit, multiply the federal credit before any limitations by 20% (.20) and enter the result on line 52.

Line 53 New York State household credit

Enter your New York State household credit. You qualify to claim this credit if you checked the *No* box for item C on the front page of your Form IT-203 and if you checked:

- ☐ filing status ① **only (Single)** and the amount on Form IT-203, line 19, *Federal Amount* column, is **not** over $28,000; or
- ☐ filing status ②, ③, ④, or ⑤ and the amount on Form IT-203, line 19, *Federal Amount* column, is **not** over $32,000.

Filing status ① only (Single) - Use *Household Credit Table I* below to find the amount of your New York State household credit.

Filing status ②, ④ and ⑤ - Use *Household Credit Table II* below to find the amount of your New York State household credit. Married 1040EZ filers use column 2.

Filing status ③ only (Married filing separate return) - Use *Household Credit Table III* below to find the amount of your New York State household credit.

New York State
Household Credit Table I
Filing status ① only (Single)

If Form IT-203, line 19, *Federal Amount* column is: Over	but not over	enter on Form IT-203, line 53:
.....	$ 5,000*	$75
$ 5,000	6,000	60
6,000	7,000	50
7,000	20,000	45
20,000	25,000	40
25,000	28,000	20
28,000		No credit is allowed; enter "0" on Form IT-203, line 53.

* This may be any amount up to $5,000, including "0" or a negative amount.

New York State
Household Credit Table II
Filing status ②, ④ and ⑤

If Form IT-203, line 19, *Federal Amount* column is: Over	but not over	And the number of exemptions from your federal return, line 6e (married 1040EZ filers use column 2), is: 1	2	3	4	5	6	7	over 7 **
		Enter on Form IT-203, line 53:							
.....	$ 5,000*	$ 90	105	120	135	150	165	180	15
$ 5,000	6,000	75	90	105	120	135	150	165	15
6,000	7,000	65	80	95	110	125	140	155	15
7,000	20,000	60	75	90	105	120	135	150	15
20,000	22,000	60	70	80	90	100	110	120	10
22,000	25,000	50	60	70	80	90	100	110	10
25,000	28,000	40	45	50	55	60	65	70	5
28,000	32,000	20	25	30	35	40	45	50	5
32,000		No credit is allowed; enter "0" on Form IT-203, line 53.							

* This may be any amount up to $5,000, including "0" or a negative amount.
** For each exemption over 7, add amount in this column to column 7 amount.

New York State
Household Credit Table III
Filing status ③ only (Married filing separate return)

If Form IT-203, line 19, *Federal Amount* column total from both returns is: Over	but not over	And the number of exemptions from both federal returns, line 6e, is: 1	2	3	4	5	6	7	over 7 **
		Enter on both Forms IT-203, line 53:							
.....	$ 5,000*	$ 45	52.50	60	67.50	75	82.50	90	7.50
$ 5,000	6,000	37.50	45	52.50	60	67.50	75	82.50	7.50
6,000	7,000	32.50	40	47.50	55	62.50	70	77.50	7.50
7,000	20,000	30	37.50	45	52.50	60	67.50	75	7.50
20,000	22,000	30	35	40	45	50	55	60	5
22,000	25,000	25	30	35	40	45	50	55	5
25,000	28,000	20	22.50	25	27.50	30	32.50	35	2.50
28,000	32,000	10	12.50	15	17.50	20	22.50	25	2.50
32,000		No credit is allowed; enter "0" on Form IT-203, line 53.							

* This may be any amount up to $5,000, including "0" or a negative amount.
** For each exemption over 7, add amount in this column to column 7 amount.

Line 56

Income percentage

To figure your income percentage, divide the amount on line 19 in the *New York State Amount* column by the amount on line 19 in the *Federal Amount* column. **Carry your result to four decimal places.** For example, if the amounts used were $12,000 divided by $36,000, the result would be .3333.

If the amount on line 19 in the *Federal Amount* column or *New York State Amount* column is zero or less, enter "0" on line 56.

If the amount on line 19 in the *New York State Amount* column is more than the amount on line 19 in the *Federal Amount* column, **the income percentage will be more than 100%.** For example, if the amounts used were $25,000 divided by $15,000, the result would be 1.6667.

If you used Form IT-230, Part II, you must complete the *Nonresident and Part-Year Resident Income Percentage Schedule* on the back of Form IT-230-I, *Instructions for Form IT-230*, to figure the income percentage to enter on line 56.

Line 58

Other New York State credits

Enter the total amount of other New York State credits from Form IT-203-ATT, line 7. These are: resident credit, accumulation distribution credit, investment credit, special additional mortgage recording tax credit, solar and wind energy credit carryover and economic development zone (EDZ) credit. For more information, see *Instructions for Form IT-203-ATT, Part I*, on page 24.

Line 60

Other New York State taxes

Enter the total amount of other New York State taxes from Form IT-203-ATT, line 16. These are: separate tax on lump-sum distributions, minimum income tax, add-back of investment credit on early dispositions, add-back of EDZ investment credit on early dispositions, add-back of resident credit for taxes paid to a province of Canada and New York State tax on capital gain portion of lump-sum distributions. For more information, see *Instructions for Form IT-203-ATT, Part II*, beginning on page 24.

Lines 62 through 66 apply only to New York City and Yonkers taxes. If you are not subject to New York City or Yonkers taxes, do not fill in these lines.

Line 62

City of New York nonresident earnings tax

Complete line 62 only if you are subject to the New York City nonresident earnings tax.

If you were not a New York City resident but earned wages or conducted a trade or business there (either as an individual or a member of a partnership), you are subject to the New York City nonresident earnings tax. Fill in Form NYC-203, *City of New York Nonresident Earnings Tax Return*, and enter the tax on line 62. Attach Form NYC-203 to the back of your Form IT-203. For more information, see Form NYC-203-I, *Instructions for Form NYC-203*.

Line 63

Other city of New York taxes

Enter on this line the total amount of other New York City taxes from Form IT-203-ATT, line 21. These are: part-year city of New York resident tax, city of New York minimum income tax, city of New York separate tax on lump-sum distributions and part-year city of New York resident income tax on capital gain portion of lump-sum distributions. For more information, see *Instructions for Form IT-203-ATT, Part III*, on page 25.

If you are self-employed and carry on a trade, business or profession in New York City, you may also be required to file Form NYC-202, *City of New York Unincorporated Business Tax Return*. For more information, see the *Instructions for Form NYC-202*. You can get this form and its instructions by calling the NYC Department of Finance. See *How to Get Forms* on page 6. Since New York State does not administer the New York City unincorporated business tax, **do not** file your NYC-202 with your state return.

Line 64

City of Yonkers nonresident earnings tax

Complete line 64 only if you are subject to the Yonkers nonresident earnings tax.

If you were not a Yonkers resident but earned wages or conducted a trade or business there (either as an individual or a member of a partnership), you are subject to the Yonkers nonresident earnings tax. Fill in Form Y-203, *City of Yonkers Nonresident Earnings Tax Return*, and enter the tax on line 64. Attach Form Y-203 to the back of Form IT-203. For more information, see the instructions for Form Y-203.

Line 65

Part-year city of Yonkers resident income tax surcharge

Enter your part-year Yonkers resident income tax surcharge. If you were a Yonkers resident for only part of 1993, fill in Form IT-360.1 and attach it to your return. If you were subject to the Yonkers nonresident earnings tax for the remainder of the year, see the instructions for Form Y-203. For more information, see IT-360.1-I, *Instructions for Form IT-360.1*.

Line 67

Return a gift to wildlife

If you want to return a gift to wildlife, enter the amount of your gift on line 67.

The amount you give must be in whole dollars: $5, $10, $20, or any other dollar amount. Your gift will reduce your refund or increase your tax payment. Also, you cannot change the amount you give after you file your return.

Payments

Line 69

Total New York State tax withheld

Enter your total **New York State** tax withheld as shown on your wage and tax statement(s), New York State Form IT-2102 or federal Form W-2.

If you checked filing status ②, enter the total New York State tax withheld for you and your spouse.

Staple your wage and tax statement(s), Form IT-2102 (Copy 1) or federal Form W-2 (Copy 2), to the **back** of your return as shown in Step 7, *Return Assembly*, on page 22 of these instructions. Unless you are claiming an investment credit refund, the amount on line 69 should be the same as the total **New York State** tax withheld on your statement(s).

If New York State tax was withheld from annuities, pensions, retirement pay or IRA payments, staple Copy 1 of Form IT-2102-P or Copy 2 of federal Form 1099-R to the back of your return.

If New York State tax was withheld from New York State lottery distributions or horse racing proceeds, staple Copy 1 of Form IT-2102-G or Copy 2 of federal Form W-2G to the back of your return.

Also include the amount of your investment credit refund for new businesses in the total for line 69. In the white space to the left of this total, write ***ICR*** and show the amount.

If you did not have New York City tax withheld, skip line 70.

Line 70

Total city of New York tax withheld

Enter your total **New York City** tax withheld as shown on your wage and tax statement(s).

If you checked filing status ②, enter the total New York City tax withheld for you and your spouse.

Staple your wage and tax statement(s), Form IT-2102 (Copy 1) or federal Form W-2 (Copy 2), to the **back** of your return as shown in Step 7, *Return Assembly*, on page 22 of these instructions. The amount on line 70 should be the same as the total **city of New York** tax withheld on your statement(s).

If New York City tax was withheld from annuities, pensions, retirement pay or IRA payments, staple Copy 1 of Form IT-2102-P or Copy 2 of federal Form 1099-R to the back of your return.

If New York City tax was withheld from New York State lottery distributions or horse racing proceeds, staple Copy 1 of Form IT-2102-G or Copy 2 of federal Form W-2G to the back of your return.

If you did not have Yonkers tax withheld, skip line 71.

Line 71

Total city of Yonkers tax withheld

Enter your total **Yonkers** tax withheld as shown on your wage and tax statement(s).

If you checked filing status ②, enter the total Yonkers tax withheld for you and your spouse.

Staple your wage and tax statement(s), Form IT-2102 (Copy 1) or federal Form W-2 (Copy 2), to the **back** of your return as shown in Step 7, *Return Assembly*, on page 22 of these instructions. The amount on line 71 should be the same as the total **city of Yonkers** tax withheld on your statement(s).

If Yonkers tax was withheld from annuities, pensions, retirement pay or IRA payments, staple Copy 1 of Form IT-2102-P or Copy 2 of federal Form 1099-R to the back of your return.

If Yonkers tax was withheld from New York State lottery distributions or horse racing proceeds, staple Copy 1 of Form IT-2102-G or Copy 2 federal Form W-2G to the back of your return.

Line 72

Estimated tax paid/Amount paid with Form IT-370

Enter on this line the total of your estimated tax payments for New York State, New York City and Yonkers. Also enter the amount you paid with Form IT-370, *Application for Automatic Extension of Time to File for Individuals*.

☐ **Estimated tax paid**
Include on line 72 the total of your 1993 estimated tax payments (include your last installment, even if paid in 1994) and any overpayment from your 1992 return that you asked us to apply to your 1993 estimated tax. If this amount was adjusted by the Tax Department after you filed your 1992 return, enter the adjusted amount.

If you checked filing status ② but made **separate** 1993 estimated tax payments (Form IT-2105), enter your combined total estimated tax paid. If the amount does not agree with the account statement(s) included in your estimated tax packet(s), complete Form IT-2105.1 and attach it to the front of your Form IT-203. If you have separate estimated tax accounts, there will be separate account statements. You should submit both statements.

If you are the beneficiary of a trust and are claiming your share of any overpayment of estimated taxes allocated to you by the trust, include your amount on line 72 and attach a copy of the notification issued by the trust to the front of your return. This notification must include the name and identifying number of the trust and the amount allocated to you.

Do not include any amounts you paid for the **New York City** unincorporated business tax. File the New York City unincorporated business tax directly with the New York City Department of Finance.

☐ **Amount paid with Form IT-370**
If you filed Form IT-370 to get an extension of time to file Forms IT-203, NYC-203 and Y-203, include on line 72 the amount you paid with Form IT-370. **Attach a copy of Form IT-370 to your return.**

If you checked filing status ② but filed **separate** Forms IT-370, enter the total amount paid by you and your spouse with your separate Forms IT-370.

Refund/ Amount You Owe

Line 74

Overpayment

If line 73 is more than line 68, subtract line 68 from line 73. This is your overpayment. If you owe an estimated tax penalty (see line 78 instructions) subtract the penalty amount from the overpayment and enter the net result on line 74.

Your net overpayment can be: (1) refunded to you, (2) applied to your 1994 estimated tax, or (3) apportioned between (1) and (2). Any overpayment credited toward your 1994 estimated tax cannot be refunded after April 15, 1994.

Enter the amount of your estimated tax penalty on line 78. If your estimated tax penalty is greater than your overpayment (line 74), enter the difference on line 77.

Line 75

Refund

Enter the amount of overpayment from line 74 that you want refunded to you. You must file a return to get a refund. The Tax Department will not refund an amount of one dollar or less unless you attach to your return a signed statement asking for it.

Collection of debts from your refund — We will keep all or part of your refund if (1) you owe a federal, New York State, New York City or Yonkers tax liability; or (2) we have been notified by the New York State Department of Social Services that you owe past-due support, or (3) you owe a past-due debt because you have defaulted on (or a judgment was filed against you because you have not repaid) a student loan guaranteed by the New York State Higher Education Services Corporation or a Perkins/National Defense/National Direct, health professions or nursing student loan provided to students at state-operated units of the State University of New York or the City University of New York.

We will also keep all or part of your refund if you owe a past-due legally enforceable debt to a New York State agency. A state agency

includes any state department, board, bureau, division, commission, committee, public authority, public benefit corporation, council, office, or other governmental entity performing a governmental or proprietary function for the state.

Any amount over your debt will be refunded.

Disclaiming of spouse's debt — If you checked filing status ② and you do not want to apply your part of the refund to your spouse's debt because you are not liable for it, complete Form IT-280, *Nonobligated Spouse Allocation* **and attach it (not a photocopy) to your original return.** We need the information on it to process your refund as quickly as possible. Once you have filed your return, you cannot file an amended return to disclaim your spouse's defaulted student loan, past-due support liability or past-due legally enforceable debt owed to a state agency. (However, you will be notified if your refund is applied against your spouse's defaulted student loan, past-due support or past-due legally enforceable debt owed to a state agency and you did not attach Form IT-280 to your return. You will then have ten days from the date of notification to file Form IT-280. However, this will result in a delay in your refund and extra work for you.) For more information, see Form IT-280.

If you have any questions about whether you owe a past-due legally enforceable debt to a state agency, contact that particular state agency.

If you have any questions about whether you owe a federal, New York State, New York City or Yonkers tax liability, past-due support liability, whether you have repaid your HESC guaranteed or state or city university student loan, or about the amount owed, call or write to the appropriate agency shown below.

☐ **For a federal tax liability only —**

(518) 472-3608
IRS SPECIAL PROCEDURES FUNCTION
LEO O'BRIEN FEDERAL BUILDING
CLINTON AND NORTH PEARL STREETS
ALBANY NY 12207

(718) 596-3770
INTERNAL REVENUE SERVICE
P O BOX 911 G P O
BROOKLYN NY 11202

1 800 829-1040
INTERNAL REVENUE SERVICE
P O BOX 1040 NIAGARA SQUARE STATION
BUFFALO NY 14202

(212) 732-0100
INTERNAL REVENUE SERVICE
625 FULTON STREET
BROOKLYN NY 11201

☐ **For a New York State, New York City or Yonkers tax liability only —**

1 800 835-3554 (from the continental U.S. only)
or (518) 402-0770

NYS TAX DEPARTMENT
TAX COMPLIANCE DIVISION
W A HARRIMAN CAMPUS
ALBANY NY 12227

☐ **For past-due support only —**

(518) 473-8029
NYS DEPARTMENT OF SOCIAL SERVICES
OFFICE OF CHILD SUPPORT ENFORCEMENT
FISCAL OPERATIONS UNIT
P O BOX 14 - ONE COMMERCE PLAZA
ALBANY NY 12260

☐ **For HESC guaranteed student loans only —**

1 800 666-0991
NYSHESC
99 WASHINGTON AVENUE
ALBANY NY 12255

☐ **For State University student loans only — (Federal Perkins/NDSL/HPSL/NSL only)**

(518) 443-5626
STUDENT LOAN SERVICE CENTER
STATE UNIVERSITY OF NEW YORK
SUNY PLAZA
ALBANY NY 12246

☐ **For City University student loans only —**

(212) 397-5620
FEDERAL PERKINS/NDSL/NSL DEPARTMENT
ROOM 1696
CITY UNIVERSITY OF NEW YORK
UNIVERSITY ACCOUNTING OFFICE
555 WEST 57TH STREET
NEW YORK NY 10019

Line 76

New York State, city of New York and city of Yonkers estimated tax for 1994

Enter the amount of overpayment from line 74 that you want credited to your New York State, New York City and Yonkers estimated tax for 1994. Do not include any amount that you claimed as a refund on line 75.

Line 77

Amount you owe

If line 73 is less than line 68, subtract line 73 from line 68. This is the amount you owe.

If you owe more than one dollar, include full payment with your return. (You do not have to pay one dollar or less.) Make your check or money order payable to ***New York State Income Tax*** and write your social security number and ***1993 Income Tax*** on it. **Do not send cash.** If you also have to pay an underpayment of estimated tax penalty (line 78), that amount must be included with any tax you owe on line 77. Send one check or money order for the total amount (penalty plus tax due).

Attach your payment to the area indicated on the front of your return.

If you include penalties or interest with your check or money order, identify and enter these amounts in the right margin of the back page of Form IT-203 (but not underpayment of estimated tax penalty; see line 78).

Line 78

Estimated tax penalty

Generally, you are not subject to a penalty if your 1993 prepayments equal at least 100% of your 1992 tax (based upon a return covering 12 months). However, if line 77 is at least $100 and, in addition, represents more than 10% of the tax shown on your return or you underpaid your estimated tax liability for any payment period, you may owe a penalty. For more information, see Publication 150, *Estimated Tax Rules Limiting Use of Prior Year's Tax*, and get Form IT-2105.9, *Underpayment of Estimated Tax by Individuals and Fiduciaries*, to see if you owe a penalty and to figure the amount. If you owe a penalty, enter the penalty amount on line 78 and add the penalty amount to any tax due and enter the total on line 77. If you are due a refund, subtract the penalty amount from the overpayment and enter the net result on line 74. Be sure to attach Form IT-2105.9 to your return.

Do not include any other penalty or interest amounts on line 78. **If you include penalties or interest with your check or money order, identify and enter these amounts in the right margin on the back page of Form IT-203.**

Now continue with *Step 4* below.

Step 4

Check the figures on your return and any attachments.

Step 5

Complete the top of the front page of your return.

Mailing label — Remove the peel-off label from the cover of your packet and place it in the name and address box at the top of Form IT-203. Check the label to make sure the information on it is complete and correct. The series of numbers along the top of the label shows your social security information and a single letter that indicates the New York State form you filed last year.

- ☐ If your name (or your spouse's name) or address is wrong, cross it out and make the corrections directly on the label.
- ☐ If your social security number is incorrect or missing - or if you do not have a mailing label - enter the correct information in the white space at the top of Form IT-203. (Your social security number is printed on the upper left corner of the label.)
- ☐ If you file a joint return and you and your spouse have different last names, separate the names with the word *and* (e.g., Brown, Mary L. and Smith, John C.). Be sure your social security numbers are in the same order as your names.
- ☐ If you were a part-year resident, enter in the white space at the top of Form IT-203 the county of the last residence you occupied in New York State. If you were a **nonresident** of New York State for the **entire** year, enter the abbreviation ***NR***.

School district name and code number

If you were a part-year resident, enter the name and code number of your public school district for the period you were a New York resident. This is the district where you were a resident on December 31, 1993, or the district where you were a resident of New York before you moved out of the state. School districts and code numbers are on pages 39 through 42 of these instructions. If you do not know the name of the school district, contact the nearest public school to your New York State home.

You must enter your school district name and code number even if you were absent from the school district temporarily, if the school your children attended was not in your school district, or if you had no children attending school. School aid may be affected if the school district or code number is not correct.

If you were a **nonresident** of New York State for the **entire** year, enter the abbreviation ***NR***.

Permanent home address

Part-year resident - Enter your permanent home address for the portion of the year that you were a resident of New York State, if it is **not** the same as your mailing address.

If you moved into the state, enter your permanent home address as of December 31, 1993.

If you moved out of the state prior to December 31, 1993, enter as your permanent home address, the address of the New York State residence you occupied last in 1993.

We ask for your permanent home address to verify your school district name and code number, which are used in figuring state aid to local school districts.

Your permanent home address is the address of the dwelling place in New York State that you occupied last in the taxable year, whether you or your spouse own or rent it. A summer or vacation home is not your permanent home.

Your permanent home address is not always the same as the mailing address that is entered on your income tax return. For example, you may use a post office box number for your mailing address; this is not your permanent home address.

— If you use a paid preparer and you use the preparer's address as your mailing address, enter the address of your permanent home in the space provided.

— If you are a permanent resident of a nursing home, enter the nursing home address as your permanent home address.

— If you are married and maintain separate New York State residences and are filing separate New York State returns, enter as your permanent home address the address of your own residence.

Nonresidents - Enter the address of your residence outside New York State that you consider to be your domicile and your permanent place of abode if it is different from your mailing address. For a definition of *domicile* and *permanent place of abode*, see *Resident, Nonresident and Part-Year Resident Defined* on page 4 of these instructions.

If you moved into New York State after December 31, 1993, enter the address of the residence that you maintained during 1993 outside New York State that you considered to be your domicile and your permanent place of abode.

Members of the Armed Forces - If your permanent home was in New York State when you entered the military, enter your New York permanent home address regardless of where you were stationed during 1993.

Death of taxpayer - If a taxpayer is deceased, enter the decedent's **first name** and **date of death**.

If you do not have a mailing label, enter all of the following information on the lines at the top of the front page of your return:

- ☐ **name and address** (both names if filing a joint return),
- ☐ **permanent home address** (if different from mailing address);
- ☐ **the decedent's first name and date of death** (if taxpayer is deceased);
- ☐ **social security number(s);**
- ☐ **New York State county of residence** (on December 31, 1993 or the date you last occupied your New York residence, if you are a part-year resident);
- ☐ **school district name and code number** (if you are a part-year resident).

Step 6

Sign and date your return at the bottom on the back page

You must sign and date your return. If you are married filing a joint return and you are not required to attach Form IT-203-C to your return, you must both sign Form IT-203. If you are married filing a joint return and you are required to attach Form IT-203-C to your return, only the spouse with New York source income (shown in the *New York State Amount* column) must sign Form IT-203. **Your return cannot be processed if you do not properly sign it and attach Form IT-203-C, if required.**

You should keep a copy of your return and any attachments in a safe place in case you need to refer to them at a later date. If someone prepares your return for you, be sure to get a copy for your records.

If the return is for someone who died and there is no surviving spouse to sign it, the name and address of the person signing it must be printed or typed below the signature.

If you pay someone to prepare your return, **the paid preparer must also sign it** and fill in the other blanks in the paid preparer's area of your return. A person who prepares your return and does not charge you should not fill in the paid preparer's area.

Step 7

Return Assembly

Illustrated below is the correct way to assemble your return and the various attachments for the most efficient handling. You can help ensure that your return (and your refund, if you are entitled to one) is processed as quickly as possible by taking a few moments to assemble your forms as shown.

— If you are filing Form IT-280, *Nonobligated Spouse Allocation*, please clip it, along with any correspondence and payments, to the front of your return, with the payments on top.

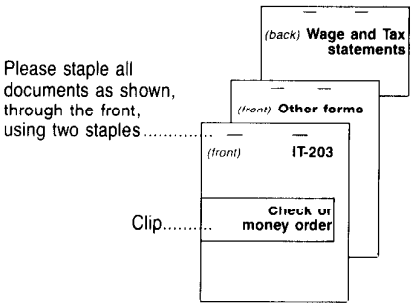
— **Clip** payments, if any, to the front of your return.

— Form IT-203, face up.

— Attach any other forms you may have had to fill out, face up, behind your return.

— Staple your wage and tax statements last, face down.

— Please attach photocopied forms back to back.



Step 8

Checklist

Before you mail your return, a quick check will help you avoid common errors that may delay your refund. **Did you:**

- ☐ **attach your peel-off label?** If you do not have a label, did you enter your name, address and social security number(s) and other information required in Step 5 if you are a part-year resident, at the top of your return?
- ☐ **enter your permanent home address,** if required? See **Step 5** *Permanent home address*, beginning on page 21.
- ☐ **check your filing status box at item A?**
- ☐ **check the *Yes* or *No* box at items B, C and G?**
- ☐ **check the box at item D if you do not need forms mailed to you next year?**
- ☐ **enter the number of exemptions claimed on your federal return at item E?**
- ☐ **check box 1, 2 or 3 at item F because you moved into or out of New York State in 1993?**
- ☐ **check the standard or itemized deduction box on line 47 of Form IT-203?**
- ☐ **enter your dependent exemption amount on line 49 of Form IT-203?**
- ☐ **use the correct column of the tax table?**
- ☐ **figure your New York State child and dependent care credit by entering the number of qualifying persons cared for in 1993 and the amount of federal credit for child and dependent care in the boxes on line 52 of Form IT-203?**
- ☐ **claim any adjustments or credits that you may qualify for?**
- ☐ **sign your return** (both husband and wife must sign a joint return)?
- ☐ **staple your wage and tax statement(s), Form IT-2102 (Copy 1) or federal Form W-2 (Copy 2), to the back of your return?**
- ☐ **attach Form IT-203-ATT** if you: (1) are claiming other New York State credits; (2) are subject to other New York State or New York City taxes; (3) are allocating wage or salary income on Schedule A, *Allocation of Wage and Salary Income to New York State*; or (4) checked the *Yes* box at item G of Form IT-203 and must complete Schedule B, *Living Quarters Maintained in New York State by a Nonresident*?
- ☐ **make your check or money order payable to *New York State Income Tax* for the full amount you owe?**
- ☐ **write your social security number and *1993 Income Tax* on your check or money order?**

Check Your Withholding for 1994

If you want to change the amount of tax withheld from your paycheck, complete the enclosed Form IT-2104, *Employee's Withholding Allowance Certificate (1994)*, and give it to your employer.

Step 9

Use the preaddressed mailing envelope

To speed your refund, use the preaddressed envelope that came with your tax packet. If you are claiming a refund, mark an "X" in the box on the front of the envelope. If you do not have a preaddressed envelope, address your envelope —

For refund returns:
NYS INCOME TAX
W A HARRIMAN CAMPUS
REFUND '93
ALBANY NY 12227-0125

For all other returns:
NYS INCOME TAX
W A HARRIMAN CAMPUS
ALBANY NY 12227-0125

Penalties and Interest

Interest — Daily compounded interest will be charged on income tax that is not paid on or before April 15, 1994, even if you received an extension of time to file your return. Interest is a charge for the use of money and in most cases may not be waived.

If we have to pay interest to you because we don't issue your refund check by July 15, 1994 (or, if your return is filed after April 15, 1994, within 3 months from the date it is filed), it also will be compounded daily. However, interest will not be paid to you: (1) on the portion of your refund that is attributable to the real property tax credit or (2) if your return cannot be processed. To be processed, your return must show your name, address, social security number, signature and the information needed to mathematically verify your tax liability.

Late filing penalty — If you file late, you will be charged a penalty of 5% of the tax due for each month, or part of a month, the return is late, up to a maximum of 25%, unless you extend the time to file or attach to your return an explanation showing reasonable cause for the delay. If your return is more than 60 days late, this penalty will not be less than the lesser of $100 or 100% of the amount required to be shown as tax due on the return, reduced by any tax paid and by any credit that may be claimed. For information on getting an extension of time to file your return, see *When to File* on page 7.

Late payment penalty — If you do not pay your tax when due, you will be charged a penalty of ½ of 1% of the unpaid amount for each month or part of a month it is not paid, up to a maximum of 25%. This penalty is in addition to the interest charged for late payments.

This penalty may not be charged if you attach to your return an explanation showing reasonable cause for paying late.

If you figure your tax incorrectly — You may have to pay a penalty if the tax you report on your return is **less** than your correct tax. If you are off by more than 10% or $2,000, whichever is more, you may have to pay this penalty. The penalty is 10% of the difference between the tax you reported and the tax you actually owe.

Underpayment of estimated tax penalty — If your 1993 withholding and estimated tax payments do not equal at least 90% of the tax shown on the return for the taxable year or 100% of the tax shown on the return for the preceding taxable year (based on a return covering 12 months), you may be subject to a penalty for underpayment of estimated income tax. However, if your 1992 tax is the lesser of the two amounts above, you may not be able to use it as your required annual payment.

Certain taxpayers (other than farmers and fishermen) must make a special computation to figure their required estimated tax payments. For more information, see Publication 150, *Estimated Tax Rules Limiting Use of Prior Year's Tax*, and get Form IT-2105.9, *Underpayment of Estimated Tax by Individuals and Fiduciaries*, and the instructions, to see if you owe the penalty, how to figure the penalty or which exceptions to the penalty apply.

Negligence penalty — If your return does not show all of the tax imposed under the Tax Law, its rules or regulations, due to negligence or intentional disregard but not with intent to defraud, you will be charged a penalty of 5% of any deficient amount. In general, a deficiency is the difference between the correct tax and the tax shown on your return. In addition, 50% of the interest due on any underpayment resulting from negligence will be added to your tax.

Fraudulent returns — If any part of a deficiency is due to fraud, you will be charged a penalty of 50% of the deficiency. In general, a deficiency is the difference between the correct tax and the tax shown on your return. In addition, 50% of the interest due on any deficiency resulting from a fraudulent act will be added to your tax.

Frivolous returns — A penalty of up to $500 will be imposed on any person who files a frivolous tax return. A return is considered frivolous when it does not contain information needed to judge the correctness of the tax return, or reports information that is obviously and substantially incorrect, and intended to delay or impede the administration of Article 22 of the Tax Law or the processing of the return. This includes altering or striking out the preprinted language above the space provided for your signature. This penalty is added to any other penalty provided by law.

Failure of paid preparers to conform to certain requirements — A penalty of $50 per return or claim for refund will be assessed a paid preparer for failure to comply with any of the following requirements:

- failure to sign the tax return or claim for refund;
- failure to include the identifying number of the paid preparer (if an individual paid preparer is an employee of an employer or a partner in a partnership that is a paid preparer, the return or claim for refund must also include the identifying number of the employer or partnership);
- failure to furnish a completed copy of the tax return or claim for refund to the taxpayer not later than the time it is presented for the taxpayer's signature;
- failure to keep a completed copy of the return or claim for refund prepared for each taxpayer or to keep the name and identification number of each taxpayer for whom a return or claim for refund was prepared on a list and to make the copy or list available for inspection upon request.

The period for keeping a completed copy of the return or information on the list is three years after the due date of the return (without regard to extensions) or three years after the date the return was presented to the taxpayer for signature, whichever is later.

The period for keeping a completed copy of a claim for refund is three years from the time the claim for refund was presented to the taxpayer for signature.

For each of the requirements listed above, a paid preparer may be subject to a maximum penalty of $25,000.

Resolving Tax Problems

The best ways to avoid tax problems are to keep accurate tax records and to stay on top of current tax requirements. These instructions contain information that can help you do both; the instructions list free publications you can order and give telephone numbers you can call for answers to your specific questions.

Most tax problems can be resolved informally. If your refund is late, call our toll-free refund information number; if you receive a tax deficiency notice that you think is in error, promptly call the number listed on the notice. These instructions also list a toll free number for ordering any forms you might need.

If you have a problem with the Tax Department which you have not been able to resolve through normal channels, or if for any reason you have a complaint about the Tax Department, call toll free (from New York State only) 1 800 CALL TAX (1 800 225-5829). From areas outside New York State, call (518) 438-8581.

Our representatives will, depending upon the nature of your complaint, either give you the address and phone number of the Problem Resolution Officer in your area, or refer your complaint for further investigation and analysis.

Our Problem Resolution Officers are available to assist you when you have repeatedly attempted to clear up a difficulty and you have been unable to do so.

Problem Resolution Officers help remedy specific taxpayer circumstances that have not been resolved through routine department procedures.

Only a relative handful of tax problems fail to be resolved by these informal means. However, if you are issued a *Notice of Deficiency* or a refund denial and you feel that the Tax Department has made a mistake, you still have a number of options available to you:

- You can request a **conciliation conference** through the Bureau of Conciliation and Mediation Services. The conference is conducted informally by a conferee who issues an order that is binding on the Tax Department, but not on you (you can appeal by filing a petition for a formal hearing, as explained below). To set up a conference, get a *Request for Conciliation Conference* by calling toll free (from New York State only) 1 800 462-8100 (from areas outside New York State, call (518) 436-1073) or by writing to the Bureau of Conciliation and Mediation Services, NYS Tax Department, W A Harriman Campus, Albany NY 12227.
- You can request a **small claims hearing** before an impartial presiding officer if the disputed amount is within certain dollar limitations set by the *Rules of Practice and Procedure*. The presiding officer's decision is final, but at any time before the end of the small claims hearing, you can request a transfer to a formal hearing before an administrative law judge. A copy of the *Rules of Practice and Procedure* will be sent to you when you request a petition form as explained below.
- You can file a petition for a **tax appeals hearing.** The hearing is held before an administrative law judge, and both you and the Tax Department may appeal the judge's decision to the Tax Appeals Tribunal. The Tax Department cannot seek a review of the Tribunal's decision, but you can by instituting an Article 78 proceeding in the Appellate Division of the State Supreme Court. You can get the petition forms by writing to the Division of Tax Appeals, Riverfront Professional Tower, 500 Federal Street, 4th Floor, Troy NY 12180-2894.

Regardless of which appeal option you exercise, you may appear on your own behalf or you may have an authorized representative present your case for review. An authorized representative must have Power of Attorney from you in order to appear on your behalf. Further, your representative must be in compliance with the Ethics in Government Act which restricts appearances by former Tax Department employees. A summary of these restrictions is included on the back of Form DTF-14, *Power of Attorney (Individual)*.

Instructions for Form IT-203-ATT, Summary of Other Credits and Taxes

Purpose of Form IT-203-ATT — If you are claiming other New York State credits or if you are subject to other New York State or New York City taxes or if you are required to complete Schedule A, *Allocation of Wage and Salary Income to New York State*, or if you are required to complete Schedule B, *Living Quarters Maintained in New York State by a Nonresident*, fill in Form IT-203-ATT and attach it to your nonresident and part-year resident return. If you need more forms or schedules, see *How to Get Forms* on page 6 of these instructions.

Part I — Other New York State Credits

If you are claiming other New York State credits listed below, fill in Part I. These credits do not apply to New York City taxes. New York State does not allow any credits similar to those allowed under federal law for the elderly, earned income, etc.

Line 1

Resident credit

Enter the amount of resident credit. If your income was from sources outside New York State while you were a New York State resident and if you paid income taxes to another state, to a local government of another state, to the District of Columbia or to a province of Canada, you may qualify for a tax credit against your New York State tax (section 620 of the Tax Law).

If you qualify, figure this credit on Form IT-112-R, *Resident Tax Credit*, and transfer the amount to Form IT-203-ATT, line 1. Attach Form IT-112-R and a copy of the tax return filed with the other state, or province of Canada, to your New York State return. For more information, see Form IT-112-R. For information on the resident credit against the separate tax on lump-sum distributions, see line 9 instructions on this page.

Line 2

Accumulation distribution credit

Enter the amount of New York State accumulation distribution credit. If you are a beneficiary of a trust who received an accumulation distribution, you may be allowed a credit for New York State income taxes paid by the trust (sections 621 and 635 of the Tax Law). Attach a schedule showing how you figured your credit.

Line 3

Investment credit

Enter the amount of investment credit. You can claim an investment credit if 1) you produce goods by manufacturing, processing, mining, agriculture or similar activities; 2) you use certain property for research and development purposes, pollution control purposes, waste treatment purposes; or 3) if your business is a retail enterprise and you have qualified rehabilitation expenditures on property located in New York State (section 606(a) of the Tax Law). To figure this credit, fill in Form IT-212, *Investment Credit*, and attach it to your return. For more information, see IT-212-I, *Instructions for Form IT-212*.

Line 4

Special additional mortgage recording tax credit

If you are a shareholder of an electing New York S corporation, include on line 4 your prorated share of the S corporation's special additional mortgage recording tax credit from Form CT-3-S.

For all others, 1987 was the last year that this credit could be claimed. However, any unused credit from a prior year can be carried over. Include on line 4 your special additional mortgage recording tax credit carryover for 1993. Attach a schedule showing how you figured your credit carryover.

See additions A-4 and A-5 on page 14 of these instructions.

Line 5

Solar and wind energy credit carryover from 1992

Enter the amount of solar and wind energy credit carryover. This carryover can be claimed only if you previously figured the credit as a New York State resident and did not use all of the credit on your prior tax return. 1985 was the last year that this credit could be claimed. Section 606(g)(6) provides that any unused credit can be carried over to the following year or years. Taxpayers carrying over any unused credit from 1992 to 1993 must attach Form IT-218.1, *Solar and Wind Energy Credit Carryover*, to their 1993 return.

Line 6

Economic development zone (EDZ) credit

EDZ wage tax credit - Enter the amount of wage tax credit. In order to claim the wage tax credit, a taxpayer must be certified under Article 18-B of the General Municipal Law as eligible to receive the wage tax credit. The computation of the wage tax credit is limited to five tax years. The wage tax credit must be computed in the first tax year during which payments of EDZ wages are made and in each of the four following tax years (section 606(k) of the Tax Law).

If you qualify, figure this credit on Form DTF-601, *Claim for Economic Development Zone Wage Tax Credit*, and include the amount on Form IT-203-ATT, line 6. Attach Form DTF-601 to your return. For more information, see Form DTF-601 and its instructions, Form DTF-601-I.

EDZ capital corporation tax credit — Enter the amount of capital corporation tax credit. The EDZ capital corporation tax credit is 25% of the consideration paid for original issue stock purchased during the tax year from one or more economic development zone capital corporations established pursuant to section 964 of the General Municipal Law (section 606(l) of the Tax Law).

If you qualify, figure this credit on Form DTF-602, *Claim for Economic Development Zone (EDZ) Capital Corporation Tax Credit*, and include the amount on Form IT-203-ATT, line 6. Attach Form DTF-602 to your return. For more information, see Form DTF-602 and its instructions.

EDZ investment tax credit — Enter the amount of investment tax credit. The EDZ investment tax credit is 8% of the cost (or other federal basis) of qualified property which was acquired, constructed, reconstructed or erected in an economic development zone after its date of designation and prior to its date of expiration as an economic development zone. To claim this credit, you must also be certified pursuant to Article 18-B of the General Municipal Law (section 606(j) of the Tax Law).

If you qualify, figure this credit on Form DTF-603, *Claim for Economic Development Zone (EDZ) Investment Tax Credit and Additional EDZ Investment Tax Credit*, and include the amount on Form IT-203-ATT, line 6. Attach Form DTF-603 to your return. For more information, see Form DTF-603 and its instructions, Form DTF-603-I.

Part II — Other New York State Taxes

If you are subject to other New York State taxes as listed below, complete Part II.

Line 8

New York State separate tax on lump-sum distributions.

Enter your New York State separate tax on lump sum distributions which you received while a resident of New York or which were wholly or partly derived from or connected with New York sources while you were a nonresident. If you used federal Form 4972 to figure your federal tax on lump-sum distributions, figure your state separate tax on Form IT-230 for the lump-sum distributions you received while you were a resident of New York and for lump-sum distributions which were wholly or partly derived from or connected with New York sources while you were a nonresident. Attach Form IT-230 to your return. For more information, see IT-230-I. *Instructions for Form IT-230*.

Line 9

Resident credit against separate tax on lump-sum distributions

Enter the amount of resident credit you are claiming against the separate tax on lump-sum distributions. If you received a distribution which is considered a lump-sum distribution for federal income tax purposes, you may qualify for a credit against the state separate tax on lump-sum distributions reported on line 8. This distribution must be from sources outside New York State which you received while you were a resident of New York State and must be subject to income tax or to a separate tax by another state, by a local government of another state, by the District of Columbia, or by a province of Canada.

To claim this credit, fill in Form IT-112.1, *Resident Credit Against Separate Tax on Lump-Sum Distributions*. Attach Form IT-112.1 and a copy of the tax return filed with the other state or province of Canada to your New York State return.

Line 11

New York State minimum income tax

Enter your New York State minimum income tax. If you had tax preference items during the period you were a New York resident or if you had tax preference items from New York State sources during the period you were a nonresident totaling more than your allowable specific deduction of $5,000 ($2,500 if married filing a separate return), you may be subject to the state minimum income tax. Fill in Form IT-220 and attach it to your return. For more information, see Form IT-220-I, *Instructions for Form IT-220.*

Line 12

Add-back of investment credit on early dispositions

Enter the amount of add-back of investment credit on early dispositions of investment credit property. If you dispose of property on which an investment credit has been taken, or prior to January 1, 1987, a research and development credit was taken, or if the property ceases to be in qualified use before the end of its useful life or specified holding period ends, you must add back in the year of disposition the difference between the investment credit or research and development credit taken and the investment credit or research and development credit allowed. Fill in Form IT-212 and attach it to your nonresident and part-year resident return.

Line 13

Add-back of economic development zone investment tax credit on early dispositions

Enter the amount of add-back of economic development zone investment tax credit on early dispositions of qualified property located within the economic development zone. If you dispose of property on which an EDZ investment tax credit has been taken or if the property ceases to be in qualified use before the end of its useful life or specified holding period ends, you must add back in the year of disposition the difference between the EDZ investment tax credit taken and the EDZ investment tax credit allowed. Fill in Form DTF-603 and attach it to your nonresident and part-year resident return.

Line 14

Add-back of resident credit for taxes paid to a province of Canada

Enter the amount of add-back of resident credit for taxes paid to a province of Canada while you were a New York State resident from Form IT-112-R. If any part of the provincial tax that entitled you to a resident credit in a previous year is claimed as a foreign tax credit on your federal return in a succeeding year, you must add back the amount that exceeded your provincial resident tax credit in that succeeding tax year. Attach Form IT-112-R to your return.

Line 15

New York State income tax on capital gain portion of lump-sum distribution

Enter the amount of New York State tax on the capital gain portion of your lump-sum distribution after completing the *Worksheet for Front Page, Part II, Line 15* on the back page of Form IT-203-ATT. If you used federal Form 4972, Part II to figure your federal tax on the capital gain portion of a lump-sum distribution, figure your state tax on Form IT-230, Part II and attach it to Form IT-203. For more information, see Form IT-230-I, *Instructions for Form IT-230.*

Part III — Other City of New York Taxes

If you are subject to other New York City taxes as listed below, complete Part III.

Line 17

Part-year city of New York resident tax

Enter your part-year New York City resident tax. If you were a New York City resident for only part of 1993, fill in Form IT-360.1 and attach it to your nonresident and part-year resident return. If you were subject to the New York City nonresident earnings tax for the remainder of the year, see the instructions for Form NYC-203. For more information, see IT-360.1-I, *Instructions for Form IT-360.1.*

Line 18

City of New York minimum income tax

Enter your New York City minimum income tax. If you were a New York City resident for part of the year and you are subject to the New York State minimum income tax for that part of the year you were a resident of New York City, you must also figure your **New York City** minimum income tax on Form IT-220 and attach it to your nonresident and part-year resident return. For more information, see IT-220-I, *Instructions for Form IT-220.*

Line 19

City of New York separate tax on lump-sum distributions

Enter your New York City separate tax on lump-sum distributions which you received while a resident of New York City. If you were a part-year New York City resident and if you used federal Form 4972 to figure your federal tax on lump-sum distributions, figure your New York City separate tax on Form IT-230 for that part of the year you were a resident of New York City. Attach it to your nonresident and part-year resident return. For more information, see IT-230-I, *Instructions for Form IT-230.*

Line 20

Part-Year city of New York resident income tax on capital gain portion of lump-sum distribution

After completing the *Worksheet for Front Page, Part III, line 20* on the back page of Form IT-203-ATT, enter the amount of part-year city of New York tax on the capital gain portion of your lump-sum distribution received while you were a resident of New York City. If you used federal Form 4972, Part II to figure your federal tax on the capital gain portion of a lump-sum distribution, figure your part-year city of New York resident income tax on Form IT-230, Part II for that part of the year you were a resident of New York City and attach it to Form IT-203. For more information see Form IT-230-I, *Instructions for Form IT-230.*

Line 22

Investment credit refund for new businesses

Enter the amount of investment credit refund for new businesses. If your new business qualifies, you can claim a refund for the amount of your current year's unused investment credit, instead of carrying if over to next year. For more information see Form IT-212-I, *Instructions for Form IT-212.*

Also include the amount of your investment credit refund for new businesses on Form IT-203 in the total for line 69. On the dotted line to the left of this total, write *ICR* and show the amount.

Line 23

Net investment credit available for carryover to 1994.

Enter the amount of net credit available for carryover to 1994 from Form IT-212, line 30.

Line 24

Net economic development zone credit available for carryover to 1994

Enter the amount of net credit available for carryover to 1994 from Form(s) DTF-601 or DTF-603.

Schedule A

Allocation of Wage and Salary Income to New York State

Complete this schedule if you earned income in and out of New York State and your income is not based on the volume of business transacted.

Failure to complete Schedule A and attach it to your Form IT-203 will result in a delay in the processing of your return.

For more information about Schedule A, see the instructions for Form IT-203, line 1 on page 9 of these instructions.

Schedule B

Living Quarters Maintained in New York State by a Nonresident

Complete this schedule if you checked the *Yes* box for item G on the front of Form IT-203. If you or your spouse had living quarters available for your use in New York State during any part of 1993, enter the address(es). These living quarters would include a house, apartment, co-op or any other living quarters maintained or paid for by you or your spouse, or any living quarters **maintained for your use** by another person, family member or employer.

For example, if a company were to lease an apartment for the use of the company's president or chief executive officer, and the dwelling was principally available to that individual, the individual would be considered as maintaining living quarters in New York even though others might use the apartment on an occasional basis.

Give the number of days you were in New York State, even if on personal business. Do not count days you traveled through New York State to use a common carrier such as an airplane, train or bus.