New York State Department of Taxation and Finance

# New York State Depreciation Schedule

**IT-399**

1993

**New York State does not allow property placed in service during 1981, 1982, 1983, 1984 and fiscal tax years beginning in 1984 to be depreciated under the federal Accelerated Cost Recovery System (ACRS).**

In addition, the ACRS deduction (including ACRS depreciation figured in accordance with the federal Tax Reform Act of 1986) is not allowed for property placed in service outside New York State in taxable years beginning after December 31, 1984. However, for property subject to the provisions of section 280F of the Internal Revenue Code (such as luxury automobiles), the ACRS deduction still applies for taxable years ending after June 18, 1984.

For property on which federal ACRS depreciation is not or was not allowed, you must figure your New York State depreciation by using one of the methods provided for in section 167 of the Internal Revenue Code as it was in effect on December 31, 1980 (e.g., straight line, declining balance, etc.). The deduction for New York depreciation may be taken until the property is fully depreciated or disposed of.

| Name(s) as shown on return | Identifying number as shown on return |
|---|---|
| | |

Check one box to show the income tax return you are filing:

☐ IT-201, Resident ☐ IT-203, Nonresident and Part-Year Resident ☐ IT-204, Partnership ☐ IT-205, Fiduciary

## Part I Depreciation information for property placed in service in taxable years beginning after December 31, 1980, but before January 1, 1985, and for property placed in service outside New York State in taxable years beginning after December 31, 1984, except for section 280F property (see instructions).

| A<br>Description of Property<br>*(attach schedule if needed)* | B<br>Date Placed in Service | C<br>Depreciable Basis | D<br>Depreciation Method | E<br>Life or Rate | F<br>New York Depreciation | G<br>Federal ACRS Deduction |
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| 1 Enter the column F and column G totals ........ | | | | 1 | | |

| If you are filing Form: | transfer the column F total to: | transfer the column G total to: |
|---|---|---|
| IT-201 ........ | line 28 ........ | line 22 |
| IT-203 ........ | line 28 ........ | line 22 |
| IT-204 ........ | Schedule B, Part II, line 12 ........ | Schedule B, Part II, line 10 |
| IT-205 ........ | Schedule B, line 28 ........ | Schedule B, line 25 |

**Attach this form to the return you are filing.**

**Part II Year-of-disposition adjustment for property placed in service in taxable years beginning after December 31, 1980, but before January 1, 1985, and for property placed in service outside New York State in taxable years beginning after December 31, 1984, except for section 280F property (see instructions).**

| A<br>Description of Property<br>*(attach schedule if needed)* | B<br>Date of Disposition | C<br>Method of Disposition | D<br>Amount of New York Depreciation | E<br>Amount of ACRS Deduction |
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| 2 | Enter the column D and column E totals | 2 | |
| 3 | Enter amount from line 2, column D or column E, whichever is larger | 3 | |
| 4 | Enter amount from line 2, column D or column E, whichever is smaller | 4 | |
| 5 | Subtract line 4 from line 3 | 5 | |

| If you are filing Form: | and column D is larger than column E, transfer line 5 amount to: | and column E is larger than column D, transfer line 5 amount, to: |
|---|---|---|
| IT-201 | line 22 | line 28 |
| IT-203 | line 22 | line 28 |
| IT-204 | Schedule B, Part II, line 11 | Schedule B, Part II, line 13 |
| IT-205 | Schedule B, line 25 | Schedule B, line 28 |

# Instructions

Use this form to figure your New York adjustments for New York depreciation and federal ACRS depreciation.

If you have an interest in a passive activity, the modifications required under sections 612(b)(25) and (c)(26) of the Tax Law for ACRS depreciation and New York depreciation must be made for the full amounts allowable as a federal depreciation deduction (100%), even though the activity may be subject to federal loss deduction limitations. It is only under Internal Revenue Code section 469 *(Passive Activity Losses and Credits Limited)* that there is a limitation on passive loss deductions.

In the case of a partnership using ACRS to determine depreciation, the individual partners will make the adjustments to income on their personal income tax returns. The adjustments for partners will be their distributive share of New York depreciation and federal ACRS depreciation determined by the partnership as of the end of the partnership year ending within the partner's taxable year. Form IT-399 will be completed only by the partnership, and not by each individual partner. This treatment will be the same for a beneficiary of an estate or trust that is on a fiscal-year basis.

If you are a shareholder of an electing New York State S corporation, your proportionate share of the S corporation's depreciation deduction will be provided to you by the S corporation.

If you are a nonresident or part-year resident, you must complete Form IT-399 as if you were a New York State resident for the entire year. Transfer the amounts from Part I and Part II to your nonresident and part-year resident income tax return, Form IT-203.

If you are married and file a joint federal return but are required to file separate New York returns, complete only one Form IT-399 showing the amounts from your joint federal return. Attach a schedule to each return showing each spouse's separate amounts, as if separate federal returns were filed, and explain any differences.

## Specific Instructions

Enter your name and your social security number or employer identification number in the spaces provided on the front of this form. Check the box that indicates which New York State income tax return you are filing.

## Part I — Depreciation

Depreciation is an amount you can deduct each year for assets you buy to use in your business or hold to produce income. (Land is never depreciable.) Depreciation starts when you place the property in service and ends when you take the property out of service or it reaches the end of its useful life. (See Part II for the deduction to be taken in the year you dispose of the property.)

*Column C* — Enter the depreciable basis of the assets you place in service in the same year. Depreciable basis is the cost or other basis reduced by any salvage value, the part of the basis you elected to amortize or expense under section 179 of the Internal Revenue Code and any federal investment credit subtracted in figuring the federal unadjusted basis of the asset.

*Column D* — Enter the depreciation method you elect. You must use a method that is allowed under section 167 of the Internal Revenue Code, as it was in effect on December 31, 1980.

*Column E* — Enter the useful life of the property. You **cannot** use the ACRS recovery period in figuring your New York State depreciation. You must use the useful life or rate provided for in section 167 of the Internal Revenue Code. In some cases the useful life under section 167 may be the same as the recovery period.

*Column F* — Enter your New York depreciation deduction in column F, based on the method you elected in column D.

*Column G* — Enter the ACRS deduction you took on your federal return.

## Part II — Year-of-Disposition Adjustment

If you dispose of property that you placed in service after December 31, 1980, but before January 1, 1985, or property placed in service outside New York State after December 31, 1984 (except for section 280F property), you **must** adjust your New York State income by the difference between the total New York depreciation deduction and the total federal ACRS deduction claimed on that property.

*Column C* — Enter the method used to dispose of the property. Disposition includes but is not limited to sale, exchange, transfer and obsolescence.

*Column D* — Enter the total New York depreciation you claimed on the property you disposed of. (If the property was placed in service during 1981, do not include the amount of ACRS depreciation claimed for the property on your 1981 New York State return.)

*Column E* — Enter the total federal ACRS deduction you claimed on your federal return for the property you disposed of. (If the property was placed in service during 1981, do not include the amount of ACRS depreciation claimed for the property on your 1981 federal return.)