



Resident Income Tax Return

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

IT-200-I
Instructions

Instructions for Form IT-200 and Fast Form IT-100

Highlights for 1995 (see page 2)

From the Commissioner

Legislation enacted with the 1995-96 budget contains a significant number of tax reductions aimed at reducing the tax burdens on individuals. The top income tax rate for tax year 1995 will fall from 7.875% to 7.59375%. Standard deduction amounts, which have been frozen since 1990, increase for tax year 1995. The household credit is retained, and the earned income credit is increased from 7.5% to 10%. There is also a new excess deductions credit designed to offset tax increases that the 1995 rate schedule would cause for certain taxpayers.

As standard deduction amounts increase, more and more taxpayers — even those who may have itemized on their federal returns — may find it advantageous to claim New York's standard deduction. You may also be able to file the shorter and simpler Form IT-200. Please read the instructions under the heading *Which Form to File* carefully. It could save you time and money.

As always, we will be working hard to get your refund to you as quickly as possible. Toward this end, we are continuing to develop machine-readable tax forms. The background ink color on this year's forms and the preprinted boxes where you make your entries represent refinements in our program to develop machine-readable

tax forms. This lets us use the latest computer imaging technology in the initial scanning and data entry of income tax returns. It also means more efficient handling of your return. You can help by making your entries carefully, as explained in these instructions, and by filing an original return, not a photocopy.

By way of reminder, you can prevent delays in processing your return and any tax refund that you may be entitled to by reviewing the checklist on page 14. This will help you avoid the kinds of errors that make it necessary for us to send back or adjust your return.

Remember, too, that if you need help with your 1995 New York State income tax return, you can call toll free (from New York State only) 1 800 CALL TAX (1 800 225-5829). From areas outside New York, call (518) 438-8581. Trained service representatives are on hand to answer any questions you may have.

Michael H. Urbach
Commissioner of Taxation and Finance

2 IT-200 Highlights for Tax Year 1995

Tax rate changes called for in the 1987 tax reform legislation, which were subsequently postponed, have been reinstated. For tax year 1995, the state maximum tax rate has been reduced from 7.875% to 7.59375%. New York City tax rate changes, which were also postponed, have been reinstated. The New York City tax tables have been changed accordingly.

New York State Earned Income Credit Percentage Increased

For 1995, the New York State earned income credit percentage is increased to 10% from 7½%. If you qualify, complete Form IT-215, *Claim for Earned Income Credit*, and transfer the allowable amount to your return. Your earned income credit will reduce the amount you owe or increase your refund. For more information about claiming the earned income credit, see the instructions for Form IT-215.

Refund Offsets for Overpayments of Public Assistance Benefits

Effective September 1, 1995, a taxpayer's New York State, New York City or Yonkers income tax refund will be applied against any overpayment of public assistance benefits which the taxpayer is required to repay to the Department of Social Services or a local social services district. The refund will be applied only if the taxpayer is in default in repaying the amount to the Department of Social Services or the local district.

Specific changes affecting IT-200 filers for tax year 1995 include the following:

Form IT-200 has been redesigned to be machine-readable.

Form IT-200 has been redesigned to let us use the latest scanning and image-processing technology. This will speed the handling of your return, and help us get your refund to you as quickly as possible. Please make your entries in the boxes carefully, as shown in the instructions. Also, please note that the boxes in which you make your dollar-amount entries on Form IT-200 are limited to the maximum number of allowable characters. Do not make numeric entries outside these boxes.

Taxable interest income and dividend income are now reported on separate lines.

Previously, these amounts were combined and reported together on a single line. You must now report taxable interest income on line 2 of Form IT-200 and dividend income on line 3.

You may qualify for the excess deductions credit.

If you itemized deductions on your federal return, you may qualify for the New York State excess deductions credit. If so, it may be to your advantage to file Form IT-201 instead of Form IT-200. See the *Worksheet for Figuring Which Return to File* on page 4 of these instructions for more information.

Earned Income Credit (EIC) space moved.

If you are claiming the New York State earned income credit on line 33 of Form IT-200 and you are having the Internal Revenue Service figure the amount of your federal credit, write *EIC* in the **space at the left** of the line 33 entry boxes (not in the boxes themselves).

Americans with Disabilities Act (ADA)

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 numbers listed under *Need Help?* on page 7.

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 Tax 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, call (518) 438-1073.

Use your preprinted mailing label

The mailing label on the front of the packet is designed to speed processing and prevent common errors that delay refund checks. However, do not attach the label until you have completed and checked your return. For more information, or if you do not have a label, see Step 5 on page 13 of the 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-200. 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 1996 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.

Returns sent to the State Processing Center

You may have noticed that both the preaddressed envelope in the tax packet and the return address in the instructions refer to the *State Processing Center*. This is a separate sorting facility whose purpose is to help us ensure that your return is processed efficiently, and that you receive any refund that you are entitled to as quickly as possible. Although your personal income tax return is no longer delivered directly to the W A Harriman Campus in Albany, the sorting operation at the Processing Center is conducted in strict conformity with the secrecy provisions of the Tax Law. No unauthorized access to any information contained on your return is permitted.

Who Must File

New York Residents

You must file a New York State resident return if you meet any of the following conditions:

- You have to file a federal return.
- You did not have to file a federal return but:

— **your federal filing status would have been:** **and you had federal adjusted gross income (plus New York additions)* of 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 or

married filing joint return or
married filing separate return or

head of household or
qualifying widow(er) **\$4,000**

**(New York additions are explained on page 7 of these instructions; see the federal instructions to find your filing status and figure your federal adjusted gross income.)*

- 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 want to claim a refund of the New York State earned income credit.
- You are subject to the minimum income tax.
- You are subject to the separate tax on lump-sum distributions.

If you need help, call New York State Taxpayer Assistance toll free at **1 800 CALL TAX (1 800 225-5829)** or see page 7 of these instructions.

Residents of New York City and Yonkers

If you were a resident of New York City or Yonkers for 1995 and you have to file a New York State return, report your New York City income tax or your Yonkers resident income tax surcharge on your state return.

Nonresidents of New York City and Yonkers

If you were not a New York City or Yonkers resident for 1995 but you earned wages or self-employment income in either of these

cities 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*, 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.

Homeowners and Renters

If you are a New York State resident and if your household gross income was \$18,000 or less, you may be entitled to a state tax credit for part of the real property taxes or rent you paid during the year. Qualified persons 65 or older can claim a credit of up to \$375. For qualified persons under 65, the maximum credit is \$75. To claim the credit, complete Form IT-214, *Claim for Real Property Tax Credit for Homeowners and Renters*, and attach it to your return.

If you do not have to file an income tax return, you may still claim the credit by filing only Form IT-214.

For more information, see *Instructions for Form IT-214* on page 19 and Publication 22, *General Information on New York State's Real Property Tax Credit for Homeowners and Renters*.

Residents of New York State Claiming the Earned Income Credit

If you are a New York State resident and claimed a federal earned income credit, you may be entitled to a state earned income credit. To claim the credit, complete Form IT-215, *Claim for Earned Income Credit*, and attach it to your return.

For more information, see *Earned Income Credit* on page 15.

Deceased Taxpayers

If a taxpayer died before filing a return for 1995, 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-200 or Form IT-201, depending on which federal form was filed. 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 5 of these instructions.

Members of the Armed Forces

If you are a member of the military and a New York State resident, the amount of your military pay that is subject to federal income tax is also subject to New York income tax. If your permanent home (domicile) was in New York State when you entered the military but you were assigned to duty outside the state, you are still a New York State resident and must file a resident return even if you are presently serving outside New York State. If your permanent home (domicile) was in New York State when you entered the military but you meet the conditions for nonresident status, your military pay is not subject to New York State income tax. 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.

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.

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

Nonresidents and Part-Year Residents

If you were not a New York State resident for 1995, or if your New York State resident status changed, and you had New York State source income, you may have to file Form IT-203, *Nonresident and Part-Year Resident Income Tax Return*. For more information, see the instructions for Form IT-203.

If you were a New York State resident for all of 1995, but a New York City or Yonkers resident for only part of the year, you cannot use Form IT-200. Instead, you must complete Form IT-201 and Form IT-360.1, *Change of City Resident Status*. For more information on change of city resident status, see IT-360.1-I, *Instructions for Form IT-360.1, Change of City Resident Status*.

Which Form to File

If you filed federal Form:

File your New York income tax return on:

1040EZ

Form IT-100 if you want us to figure your tax, and, if applicable, claim the earned income credit,

or

Form IT-200 if you want to figure your tax yourself or claim the real property tax credit (see *Homeowners and Renters* on page 3) or you want to disclaim a spouse's debt (see *Collection of debts from your refund and Disclaiming of spouse's debt*, page 12) or you want to claim the earned income credit (see page 15).

1040A

Form IT-100 if you want us to figure your tax and, if applicable, claim the earned income credit and you did not have individual retirement arrangement (IRA) distributions, pension or annuity income or social security benefits included in your federal adjusted gross income. (You must use **Form IT-200** if you are married and filing a separate federal return and you did not have individual retirement arrangement (IRA) distributions, pension or annuity income or social security benefits included in your federal adjusted gross income.)

or

Form IT-200 if you want to figure your tax yourself and you did not have individual retirement arrangement (IRA) distributions, pension or annuity income or social security benefits included in your federal adjusted gross income, or you want to claim the real property tax credit (see *Homeowners and Renters* on page 3) or you want to disclaim a spouse's debt (see *Collection of debts from your refund and Disclaiming of spouse's debt*, page 12) or you want to claim the earned income credit (see page 15).

1040

Form IT-201 (but see *Can you file Form IT-200 instead of Form IT-201?* below).

Can you file Form IT-200 instead of Form IT-201?

Even though you filed federal Form 1040, you should file New York's shorter return, Form IT-200, instead of Form IT-201 if:

- you itemized your deductions on federal Form 1040, but your New York standard deduction is larger than your New York itemized deduction and you do not qualify for the *excess deductions credit* (use worksheet in the next column); **and**
- your income was only from wages, interest, dividends, taxable refunds, credits or offsets of state and local income taxes or unemployment compensation; **and**

- your adjustments to income are only for IRA deductions, public employee 414(h) retirement contributions, IRC 125 amounts deducted or deferred from your salary under a flexible benefits program established by the city of New York or certain other New York City public employers, interest income on U.S. government bonds or taxable refunds, credits or offsets of state and local income taxes; **and**
- your taxable income is less than \$65,000; **and**
- your only New York tax credits are the child and dependent care, household, earned income or real property tax credits; **and**
- your only other income taxes are full-year New York City or Yonkers income taxes; **and**
- you didn't make estimated tax payments, you don't need to extend the time to file your return and you're a calendar-year filer.

Worksheet for Figuring Which Return to File

- a. Total itemized deductions from federal Schedule A, line 28 a. _____
- b. State, local and foreign income taxes from federal Schedule A, lines 5 and 8 . b. _____
- c. Subtract line b from line a . c. _____
- d. Enter the amount that applies to your filing status:
 Single and can be claimed as a dependent \$2,800
 Single and cannot be claimed as a dependent 6,000
 Married filing joint return 9,500
 Married filing separate return 4,750
 Head of household .. 7,000
 Qualifying widow(er) . 9,500 d. _____

If line d is larger than line c, you meet the first requirement in *Can you file Form IT-200 instead of Form IT-201?*, and you should file Form IT-200 if you meet the other requirements. If line c is larger than line d, your tax will be less if you file Form IT-201 and, if you qualify, take the **itemized deduction** and/or the **excess deductions credit**. If other adjustments to federal itemized deductions apply to you (for example, interest expense on money borrowed to purchase or carry bonds or securities whose interest is exempt from New York State income tax), adjust line c appropriately.

No matter which federal form you filed, you must use New York Form IT-201 if:

- Line c of the *Worksheet for Figuring Which Return to File* is larger than line d and you qualify to claim the itemized deduction and/or the excess deductions

credit. You qualify to claim this credit (from \$1 to \$89 maximum) if you itemized deductions on federal Form 1040, and your filing status is

- ① *Single* or ③ *Married filing separate return* and your taxable income is less than \$24,500; **or**
- ② *Married filing joint return* or ⑤ *Qualifying widow(er) with dependent child* and your taxable income is less than \$49,000; **or**
- ④ *Head of household* and your taxable income is less than \$33,400. For more information, see the instructions for Form IT-201.

- You have individual retirement arrangement (IRA) distributions, pension or annuity income or social security benefits included in your federal adjusted gross income.
- You have any of the following New York adjustments to income: **subtractions** for taxable social security benefits and the pension and annuity income exclusion (the subtraction for interest income on U.S. government bonds can be made on **all** New York returns); **additions** to income for interest income from state and local bonds (but not those of New York State and local governments within the state) and the accelerated cost recovery system (ACRS) deduction.
- You can claim any of these New York tax credits:
 - excess deductions credit
 - resident credit
 - accumulation distribution credit
 - investment credit
 - special additional mortgage recording tax credit (shareholder of electing New York S corporation only)
 - special additional mortgage recording tax credit carryover
 - solar and wind energy credit carryover
 - economic development zone credits.

The household credit, child and dependent care credit and earned income credit can be claimed on all New York returns. The real property tax credit can be claimed only on Forms IT-200 and IT-201.

- You are subject to any of these taxes:
 - minimum income tax
 - separate tax on lump-sum distributions
 - add-back of investment credit on early dispositions
 - part-year city of New York resident tax
 - part-year city of Yonkers resident income tax surcharge
 - add-back of EDZ investment tax credit
 - add-back of resident credit for taxes paid to a province of Canada.
- You are claiming a 1995 estimated tax payment or an overpayment credit from your 1994 return.

Which Form to File (continued)

- You want to apply any part of your 1995 overpayment to your estimated tax for 1996.
- You were a New York State resident for all of 1995, but a New York City or Yonkers resident for only part of the year. For more information on change of city resident status, see IT-360.1-1, *Instructions for Form IT-360.1*.
- You are filing for a taxable period other than the calendar year January 1 through December 31, 1995.
- You need an extension of time to file your return.

If you did not have to file a federal return but you must file a New York return, use your federal instructions to choose the federal form you would have filed if one had been required. Then use these instructions to choose your New York form. You will also need your federal instructions to determine your filing status, your income, adjustments to income, and the number of exemptions you may claim. If you need help, see page 7 of these instructions.

Separate returns are required for some married taxpayers who file a joint federal return. If one of you was a New York State resident and the other was a nonresident or part-year resident, you must each file a separate New York return. The New York State resident must use Form IT-200 or Form IT-201. The nonresident or 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 file a joint New York State return; use Form IT-200 or Form IT-201. Some Form IT-201 filers can use Form IT-200. See *Can you file Form IT-200 instead of Form IT-201?* on page 4. For the definition of resident, nonresident and part-year resident, see the instructions for Form IT-201.

Also, if you filed a joint federal return but are unable to file a joint New York return because the address or whereabouts of your spouse is unknown, you may be able to file a separate return. See **Line Instructions, Item A** on page 8.

Electronic Filing

Taxpayers eligible to file an IT-200 may file an IT-201 return electronically instead. Electronic filing offers the advantages of computer filing accuracy and rapid processing.

To file your return electronically:

- You must be requesting a refund.
- You must file your federal return electronically.
- You must use a New York State accepted preparer for electronic filing.
- You must ensure that a signed IT-201-E, *Declaration for Electronic Filing of Resident Income Tax Return*, and any required attachments are filed on your behalf. The Tax Department will not process an electronically filed return or pay any refund due until the IT-201-E is received.

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.

Other Forms You May Have to File

Form IT-201-X, Amended Resident Income Tax Return

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, earned income credit or credit for child and dependent care expenses, you must also file an amended New York State return within 90 days of the date you amend your federal return.

You must also file an amended return to correct any error on your original state 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, earned income credit or credit for child and dependent care expenses that you reported on your federal return, 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.

To amend your 1995 return, you must use 1995 Form IT-201-X. Since we cannot process your amended return until we have completed the processing of all original returns, there may be some delay in processing your amended return. If you need forms, see *How to Get Forms* on this page.

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.

When to File

File your return as soon as you can after January 1, 1996, but not later than the filing deadline, April 15, 1996. If you are required to file your 1995 federal return at the IRS Service Center in Andover, Massachusetts, the filing deadline for your 1995 New York return is April 16, 1996. If you file late, you may have to pay penalties and interest. See *Penalties and Interest* on pages 6 and 7.

Extension of time to file — If you know that you cannot meet the filing deadline, ask for an extension of time by filing New York State 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 pay any tax you owe with it. If you expect to either receive a refund or have no amount of New York State, New York City or Yonkers income tax remaining unpaid as of the due date of your return, and you are filing federal Form 4868 to extend the time to file your federal return, you can also use a copy of federal Form 4868 to extend the time to file your New York return instead of filing Form IT-370. Write **New York State Copy** at the top of the form.

If you are required to pay any tax when you request your extension, mail Form IT-370 with your payment to: Extension Request, P O Box 15106, Albany NY 12212-5106.

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: Extension Request - NR, P O Box 15105, Albany NY 12212-5105.

When you file, you must use Form IT-201; you cannot file Forms IT-100 or IT-200.

If, after asking for an extension of time to file using **paper** Form IT-370 or federal Form 4868, you choose to file your federal return electronically, you may still file your New York State resident income tax return electronically through August 15, 1996. Electronic returns may not be filed after this date.

If you are a U.S. citizen or a U.S. 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 of time 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 —
STATE PROCESSING CENTER-REFUND '95
ONE WATERVLIET AVE EXT
ALBANY NY 12261-0001

For all other returns —
STATE PROCESSING CENTER
ONE WATERVLIET AVE EXT
ALBANY NY 12261-0001

Reminders

Refunds/Real Property Tax Credit/ Earned Income Credit

Even if you do not have to file a return for any other reason, (see *Who Must File*, page 3) you cannot get a refund of New York State, New York City, or Yonkers income taxes withheld from your pay unless you file a return. You must also file a return to receive any refund to which you are entitled because you are qualified to claim the earned income credit. If you qualify, attach Form IT-215 to your IT-200 to claim the refund for this credit. For more information see *Earned Income Credit* on page 15 of these instructions.

You may also be eligible for a refund if you are qualified to claim the real property tax credit. If you qualify, file Form IT-214 to claim the refund for the credit. You do not have to file a tax return in order to file Form IT-214. For more information on the real property tax credit, see *Homeowners and Renters* on page 3 of these instructions.

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 1995 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 \$10.00; round \$10.50 to \$11.00. If you round to the nearest dollar, round for all amounts.

Household Credit

If you are single, with federal adjusted gross income of \$28,000 or less and cannot be claimed as a dependent on another taxpayer's federal return, you qualify for a \$20 to \$75 household credit.

If you are married filing jointly, head of household (with qualifying person) or a qualifying widow(er) with dependent child with federal adjusted gross income of \$32,000 or less and cannot be claimed as a dependent on another taxpayer's federal return, you qualify for a household credit of \$15 to \$75 plus \$5 to \$15 for each exemption you claim on your federal return.

If you are a New York City resident you may also qualify for a New York City household credit.

For more information on the **New York State** household credit, see the instructions for line 22 on page 10 of these instructions. For more information on the **New York City** household credit, see the instructions for line 25 on page 11 of these instructions.

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.

You must staple your wage and tax statement(s), New York State Form IT-2102 (Copy 1) or federal Form W-2 (Copy 2), to your return as shown in Step 7, *Return Assembly*, on page 13 of these instructions. If you have not received your wage and tax statement by February 15, 1996, or if the statement you received is incorrect, contact your employer.

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 on the back 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* below.

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 1995 New York State Income Tax Forms*.
- Your software must conform to current federal and state income tax laws.

Check Your Withholding for 1996

If, after completing your 1995 tax return, you want to change the amount of tax withheld from your paycheck, complete Form IT-2104, *Employee's Withholding Allowance Certificate*, and give it to your employer.

Keep Copies of Your Tax Records

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

You may be asked by the Tax Department to provide copies of these records after you have filed your income tax return.

Penalties and Interest

Interest — will be charged on income tax that is not paid on or before the due date of your return, 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. Interest is compounded daily and the rate is adjusted quarterly.

If you are due a refund, you may also be entitled to receive interest on your overpayment. Interest is compounded daily and the rate is adjusted quarterly. If the refund is made within 45 days after the due date of your return, no interest will be paid. If you file your return after the due date (including extensions), no interest will be paid if the refund is made within 45 days after the date you filed. If the refund is not made within this 45-day period, interest will be paid from the due date of the return or from the date you filed, whichever is later. However, interest will not be paid to you:

- on the portion of your refund that is attributable to the real property tax credit or earned income credit; or
- 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 filing an extension of time to file your return, see *When to File* on page 5 of these instructions.

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.

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.

Penalties and Interest *(continued)*

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 the return 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 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 (not counting extensions) or three years after the date the return was presented to the taxpayer for signature, whichever is later.

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

New York Additions

New York additions are items you must add to the adjusted gross income from your federal return, and help determine whether or not you have to file a New York income tax return. Brief descriptions of the more common additions follow:

1. Interest income on state and local bonds (but not those of New York State and local governments within the state).
2. Interest or dividend income on U.S. bonds or securities exempted from federal income tax but not from state income tax.
3. The amount of public employee 414(h) retirement contributions paid by Tier III or Tier IV members of the New York State and Local Retirement Systems, which includes the New York State Employees' Retirement System and the New York State Policemen's and Firemen's Retirement System; or Tier III or Tier IV members of the New York State Teachers' Retirement System; or employees of the State or City University of New York who belong to the Optional Retirement Program; 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.
4. The amount that was deducted from your salary 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.
5. Income taxes deducted in figuring federal adjusted gross income (i.e., deducted as a business expense on your federal return).
6. Interest expense on loans used to buy bonds and securities whose interest is exempt from New York State tax if you deducted that interest expense in figuring your federal adjusted gross income.
7. 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 deducted the amortization or expenses in figuring your federal adjusted gross income.
8. 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 the property included the cost of your energy system.
9. The IRC 125 amounts deducted or deferred from your salary under a flexible benefits program established by the city of New York or certain other New York City public employers.

Need Help?

We will answer your tax questions if you call us (see *Information* below), but we cannot fill in your return for you.

You can get help filling in your return from:

- Volunteer Income Tax Assistance (VITA) and Tax Counseling for the Elderly (TCE). Volunteers will give free help to lower income, elderly, handicapped and non-English-speaking individuals. Watch for VITA and TCE information in your community or call toll-free 1 800 CALL TAX (1 800 225-5829) for the location of the volunteer assistance site nearest you.
- Senior citizens centers; contact center for dates and times.
- Social service agencies.

Information

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 up to 8 weeks. If you have to call to ask where your refund check is, please wait until April 17; 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. For additional information, see *Resolving Tax Problems* on page 14.

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 1 800 634-2110 toll free from anywhere in the U.S. (including Alaska and Hawaii) and Canada. Hours of operation are from 8:30 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 persons with disabilities, please call the numbers listed under *Information* above.

Steps for Preparing Your Return

Prepare your federal return first; much of the information on your New York State 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.

Step 1

Get all forms and publications you need.

If you need any forms or publications, see *How to Get Forms* on page 5.

Step 2

Get your tax records together.

If you received a salary or wages, get all your 1995 wage and tax statements together. These can be either New York Form IT-2102 or federal Form W-2. 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 plan to take the real property tax credit, 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-200 that begin on this page or the instructions for Fast Form IT-100 that begin on page 17. Then continue with Step 4 on page 13.

Line Instructions for Form IT-200

All information on your return, except for your present address, must be for the calendar year January 1 through December 31, 1995.

Make your entries in the white areas of Form IT-200.

Name and Address Box

Do not write in this box or attach your mailing label until you have completed and checked your return. Step 5 on page 13 of these instructions will tell you how to complete this section of your return.

After you have completed and checked your 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.

Item A

Filing status

Show your filing status by marking an **X** in only **one** box. In nearly all cases, you must use the same filing status on your state return that you used on your federal return. If you did not have to file a federal return, use the same filing status that you would have used for federal income tax purposes.

The only exceptions to this rule apply to married individuals who file a joint federal return and:

- (1) one spouse is a New York State resident and the other is a nonresident or part-year resident. In this case you must either:
 - (a) file separate New York returns using filing status ③ or
 - (b) file jointly, as if you both were New York State residents, using filing status ②.
- (2) you 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. In this case, you may file a separate New York return using filing status ③.

Caution – A separate return may be filed using exception (2) only if you meet at least one of the following conditions:

- you can demonstrate that the address or whereabouts of your spouse is 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 return.

Item B

Did you itemize your deductions on your 1995 federal return?

If you itemized your deductions on your 1995 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 (IT-200-P) sent to you next year?

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-200. 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 1996 return.

Tax Computation

Line 1

Wages, salaries, tips, etc.

Enter the total of all wages, salaries, fringe benefits and tips you reported on your 1995

federal return, including any that were not reported by your employer on a wage and tax statement. If you did not have to file a federal return, report the same income you would have reported for federal income tax purposes.

Line 2

Taxable interest income

Enter the taxable interest income reported on your federal return. If you did not have to file a federal return, report the same interest income you would have reported for federal income tax purposes.

Line 3

Dividend Income

Enter the dividends reported on your federal return. If you did not have to file a federal return, report the same dividend income you would have reported for federal income tax purposes.

Line 4

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

Enter the amount of taxable state and local income tax refunds, credits or offsets included as income on your federal return. Also enter this amount on line 12.

If you did not have to file a federal return, report the same amount of taxable state and local income tax refunds, credits or offsets you would have reported for federal income tax purposes.

Line 5

Unemployment compensation

Enter the unemployment compensation reported on your federal return.

If you did not have to file a federal return, report the same unemployment compensation you would have reported for federal income tax purposes.

Line 6

Add lines 1 through 5 and enter the total on line 6. This should be the same as the total income on your federal Form 1040A or 1040 or the adjusted gross income on your federal Form 1040EZ.

Line 7

Individual retirement arrangement (IRA) deduction

Enter the individual retirement arrangement (IRA) deduction reported on your federal return. If you are married and filing a joint return (filing status ②) and both of you claimed an IRA deduction on your federal return, enter the **total** of both spouses' IRA deductions. If you did not have to file a federal return, claim the same deduction you would have claimed for federal income tax purposes.

Line 8

Subtract line 7 from line 6 and enter the result on line 8. This should be the same as the adjusted gross income on your federal Form 1040A, 1040 or 1040EZ.

Certain items of income not taxed by the federal government are taxed by New York State

These *New York additions* must be added to federal adjusted gross income. The only New York additions reported on Form IT-200 are public employee contributions (line 9) and IRC 125 amounts from the New York City flexible benefits program (line 10).

Line 9

Public employee contributions

Identify any of the following that apply to you by writing the item number and the amount of each in the white area on line 9. Enter the total amount on line 9 in the money column.

- The amount of 414(h) retirement contributions shown on your wage and tax statement(s), New York State Form IT-2102 (Copy 1), or federal Form W-2 (Copy 2), if you were:
 - 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 Teacher's Retirement System or
 - an employee of the State or City University of New York who belongs to the Optional Retirement Program 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 (section 612(b)(26) of the Tax Law.

- 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 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.

Do not enter on line 9 contributions to a section 401(k) deferred arrangement, section 403(b) annuity or section 457 deferred compensation plan.

Line 10

Flexible benefits program (IRC 125)

If you were employed by only one of the following agencies, enter your IRC 125 amount in the money column.

If you were employed by more than one of the following agencies, write the name of each agency and the IRC 125 amount in the white area on line 10. Enter the total amount on line 10 in the money column.

The IRC 125 amount(s) 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 or deferred from your salary (section 612 (b)(31) of the tax law) under a flexible benefits program established on your behalf 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).

Certain items of income taxed by the federal government are not taxed by New York State

These *New York subtractions* must be subtracted from your federal adjusted gross income. The only New York subtractions reported on Form IT-200 are taxable refunds, credits or offsets of state and local income taxes (line 12) and interest income on U.S. government bonds (line 13). **39**

Line 13

Interest income on U.S. government bonds

Enter on line 13 the amount of interest income from U.S. government bonds or other U.S. government obligations that is included in your federal adjusted gross income. (This may be all or part of the line 2 taxable interest income amount, or it may be zero. Check your interest income records to determine the correct amount to enter on line 13.) Interest income on bonds or other obligations of the U.S. government is not taxed by New York State. Include on line 13 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. Once this requirement is met, the portion of the dividends you received that may be included on line 13 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). Information regarding the 50% asset requirement and figuring your allowable subtraction (if any) should be obtained from the mutual fund.

Line 14

New York standard deduction

The standard deduction you take on line 14 depends on the standard deduction you took on your federal return.

If you took the standard deduction on federal Form 1040 or you did not have to file a federal return, you must take the standard deduction on line 14. Find the correct amount for your filing status in the *Standard Deduction Table* below:

New York	
Standard Deduction Table	
Filing Status	Standard Deduction (enter on line 14)
① Single and checked Yes at Item C	\$ 2,800
Single and checked No at Item C	6,600
② Married filing joint return	10,800
③ Married filing separate return	5,400
④ Head of household (with qualifying person)	8,150
⑤ Qualifying widow(er) with dependent child	10,800

Line 15

New York dependent exemptions

Enter on line 15 the number of your dependent exemptions from the *Dependent Exemption Worksheet* on the next page.

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.

New York

Dependent Exemption Worksheet

New York exemptions are allowed only for your dependents. The value of each New York dependent exemption is \$1,000. Personal exemptions for you, and for your spouse if you are married, are **not** allowed on your New York State return.

Check only one box

If you filed federal Form 1040EZ, enter "0" on line 15.

If you filed federal Form 1040A or 1040, complete the following worksheet:

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 line 6a and line 6b of federal Form 1040A or 1040 b. _____

c. Subtract line b from line a. This is the number of your New York dependent exemptions. **Enter this number in the white space on line 15** c. _____

Example — For a husband and wife with 1 dependent child, the entry on line 15 would be "1" as shown below.

... **15**

Line 17

Taxable income

Subtract line 16 from line 11 and enter the difference on line 17. If line 16 is more than or equal to line 11, enter "0" on line 17 and skip to line 31. If line 17 is \$65,000 or more, **stop**; you cannot file on this form. You must file your return using **Form IT-201**.

Line 19

New York State tax

Find your New York State tax by using the State Tax Table on violet pages 29 through 36 of these instructions. Be sure to use the correct column in the tax table. After you have found the correct tax, enter that amount on line 19.

There is an example at the beginning of the table to help you find the correct tax.

Line 20

New York State child and dependent care credit

You can claim this credit if you were allowed a child and dependent care credit on your federal return.

Enter in the boxes on line 20 the number of qualifying persons cared for in 1995 and the amount of **federal credit** (not expenses) for child and dependent care from federal Form 1040A, Schedule 2, Part II line 10, or, if you filed federal Form 1040, from federal Form 2441, Part II, line 10, before any limitations. To figure your New York credit, multiply the federal credit before any limitations by 20% (.20) and enter the result on line 20.

Line 22

New York State household credit

Depending on your filing status, enter your household credit from the table below. You qualify to claim this credit if you checked the **No** box at item C on your Form IT-200 and if you checked:

- filing status ① only (**Single**) and the amount on Form IT-200, line 8, is **not** over \$28,000; or
- filing status ②, ③, ④ or ⑤ and the amount on Form IT-200, line 8, 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-200, line 8 is:

Over	but not over	enter on Form IT-200, line 22:
\$ 5,000	\$ 5,000*	\$75
6,000	6,000	60
7,000	7,000	50
20,000	20,000	45
25,000	25,000	40
28,000	28,000	20
		No credit is allowed; enter "0" on Form IT-200, line 22

* 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-200, line 8 is:

Over	but not over	And the number of exemptions from your federal return, line 6e, (married 1040EZ filers use column 2), is:							over 7**
		1	2	3	4	5	6	7	
	\$ 5,000*	Enter on Form IT-200, line 22:							
\$ 5,000	6,000	\$ 90	105	120	135	150	165	180	15
6,000	7,000	75	90	105	120	135	150	165	15
7,000	20,000	65	80	95	110	125	140	155	15
20,000	22,000	60	75	90	105	120	135	150	15
22,000	25,000	60	70	80	90	100	110	120	10
25,000	28,000	50	60	70	80	90	100	110	10
28,000	32,000	40	45	50	55	60	65	70	5
32,000		20	25	30	35	40	45	50	5
		No credit is allowed; enter "0" on Form IT-200, line 22.							

* 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-200, line 8 total from both returns is:

Over	but not over	And the number of exemptions from both federal returns, line 6e, is:							over 7**
		1	2	3	4	5	6	7	
	\$ 5,000*	Enter on Form IT-200, line 22:							
\$ 5,000	6,000	\$ 45	52.50	60	67.50	75	82.50	90	7.50
6,000	7,000	37.50	45	52.50	60	67.50	75	82.50	7.50
7,000	20,000	32.50	40	47.50	55	62.50	70	77.50	7.50
20,000	22,000	30	37.50	45	52.50	60	67.50	75	7.50
22,000	25,000	30	35	40	45	50	55	60	5
25,000	28,000	25	30	35	40	45	50	55	5
28,000	32,000	20	22.50	25	27.50	30	32.50	35	2.50
32,000		10	12.50	15	17.50	20	22.50	25	2.50
		No credit is allowed; enter "0" on Form IT-200, line 22.							

* 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.

Lines 24 through 27 and line 36 apply only to New York City taxes. If you are not subject to New York City taxes, do not fill in these lines.

Line 24

City of New York resident tax

If you were a resident of New York City enter your city resident tax on line 24.
 A city of New York resident tax surcharge has been built into the tax table. The amount of the surcharge is determined by your filing status and level of taxable income.
 Find your New York City resident tax by using the City Tax Table on white pages 37 through 44 of these instructions. Be sure to use the correct column in the tax table. After you have found the correct tax, enter that amount on line 24. There is an example at the beginning of the tables to help you find the correct tax.

Line 25

City of New York household credit

Enter your New York City household credit. You qualify to claim this credit if you checked the **No** box at item C on your Form IT-200 and if you checked:

- filing status ① and the amount on Form IT-200, line 8, is not over \$10,000; or
- filing status ②, ③, ④ or ⑤ and the amount on Form IT-200, line 8, is **not** over \$20,000.

Filing status ① only (Single) - Use *Household Credit Table IV* below to find the amount of your New York City household credit.
Filing status ②, ④ and ⑤ - Use *Household Credit Table V* below to find the amount of your New York City household credit. (Married 1040EZ filers use column 2)
Filing status ③ only (Married filing separate return) - Use *Household Credit Table VI* below to find the amount of your New York City household credit.

If Form IT-200, line 8 is:		enter on Form IT-200, line 25:	
Over	but not over		
.....	\$7,500*	\$15
\$7,500	10,000	10
10,000	No credit is allowed; enter "0" on Form IT-200, line 25

* This may be any amount up to \$7,500, including "0" or a negative amount.

If Form IT-200, line 8 is:	Over	but not over	And the number of exemptions from your federal return, line 6e, (married 1040EZ filers use column 2), is:							over 7**
			1	2	3	4	5	6	7	
.....	.....	\$15,000*	Enter on Form IT-200, line 25:							50
\$15,000	17,500	17,500	25	50	75	100	125	150	175	25
17,500	20,000	20,000	15	30	45	60	75	90	105	15
20,000	.....	.....	No credit is allowed; enter "0" on Form IT-200, line 25.							.....

* This may be any amount up to \$15,000, including "0" or a negative amount.
 ** For each exemption over 7, add amount in this column to column 7 amount.

If Form IT-200, line 8 total from both returns is:	Over	but not over	And the number of exemptions from both federal returns, line 6e, is:							over 7**
			1	2	3	4	5	6	7	
.....	.....	\$15,000*	Enter on Form IT-200, line 25:							25
\$15,000	17,500	17,500	12.50	25	37.50	50	62.50	75	87.50	12.50
17,500	20,000	20,000	7.50	15	22.50	30	37.50	45	52.50	7.50
20,000	.....	.....	No credit is allowed; enter "0" on Form IT-200, line 25.							.....

* This may be any amount up to \$15,000, including "0" or a negative amount.
 ** For each exemption over 7, add amount in this column to column 7 amount.

Line 27

City of New York nonresident earnings tax

Complete line 27 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 attach it to your return. Transfer the amount on Form NYC-203, line 9, to Form IT-200, line 27. For more information, see the instructions for Form NYC-203.

Lines 28, 29 and line 37 apply only to city of Yonkers taxes. If you are not subject to Yonkers taxes, do not fill in these lines.

Line 28

City of Yonkers resident income tax surcharge

If you were a resident of Yonkers, enter your tax from the worksheet below.

a. Amount from line 23.	a. _____
b. Amount from Form IT-214, <i>Real Property Tax Credit for Homeowners and Renters</i> , line 17, if any.	b. _____
c. Subtract line b from line a.	c. _____
d. Amount from Form IT-215, <i>Claim for Earned Income Credit</i> , line 10 (New York State filing status ③ taxpayers, transfer the amount from Form IT-215, line 11), if any.	d. _____
e. Subtract line d from line c.	e. _____
f. Yonkers resident tax rate (15%).	f. <u>15</u>
g. Multiply line e by line f. Enter this amount on Form IT-200, line 28.	g. _____

Line 29

City of Yonkers nonresident earnings tax

Complete line 29 only if you are subject to the city of 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 attach it to your return. Transfer the amount on Form Y-203, line 6 to Form IT-200, line 29. For more information, see the instructions for Form Y-203.

Line 31

Return a Gift to Wildlife

If you want to Return a Gift to Wildlife, enter the amount on line 31. 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. For more information about a gift to wildlife, see page 15 of these instructions.

Line 33

New York State Earned Income Credit

If you qualify, enter your earned income credit. To claim this credit, fill in Form IT-215, *Claim for Earned Income Credit*, and transfer the amount to Form IT-200, line 33 and attach it to your return.

If you are having the IRS compute the credit for you, complete lines 1-7 of Form IT-215 and write **EIC** in the white area to the left of line 33 of Form IT-200. **Do not enter** an amount on line 33. Complete lines 34-37, but do not enter any amounts on lines 38, 39, or 40. We will figure your earned income credit for you. Attach Form IT-215 to your return. If you are due a refund, we will send you the refund along with a statement that shows how the refund was computed. If you owe tax, you will receive a bill that must be paid within 10 days, or by April 15, 1996, whichever is later.

Line 34

Real property tax credit

If you qualify, enter your real property tax credit. To claim this credit, fill in Form IT-214, *Claim for Real Property Tax Credit for Homeowners and Renters*, and transfer the amount on Form IT-214, line 17 to Form IT-200, Line 34. Attach Form IT-214 to your return. For more information, see the Instructions for Form IT-214 on page 19.

Line 35

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 (Copy 1) or federal Form W-2 (Copy 2). If you are married and filing a joint return, enter your combined New York State tax withheld.

Remember to attach your wage and tax statement(s), New York State Form IT-2102 (Copy 1) or federal Form W-2 (Copy 2), to your return as shown in Step 7, *Return Assembly* on page 13 of these instructions. The amount on line 35 should be the same as the total **New York State** tax withheld on your statement(s).

Line 36

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 are married and filing a joint return, enter your combined New York City tax withheld.

Remember to attach your wage and tax statement(s), New York State Form IT-2102 (Copy 1) or federal Form W-2 (Copy 2), to your return as shown in Step 7, *Return Assembly* on page 13 of these instructions. The amount on line 36 should be the same as the total **City of New York** tax withheld on your statement(s).

Line 37

Total city of Yonkers tax withheld

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

you are married and filing a joint return, enter your combined Yonkers tax withheld.

Remember to attach your wage and tax statement(s), New York State Form IT-2102 (Copy 1) or federal Form W-2 (Copy 2), to your return as shown in Step 7, *Return Assembly* on page 13 of these instructions. The amount on line 37 should be the same as the total **City of Yonkers** tax withheld on your statement(s).

Line 39

Refund

If line 38 is more than line 32, subtract line 32 from line 38 and enter your refund on line 39.

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

Any amount over your debt will be refunded.

Disclaiming of spouse's debt — If you checked filing status \otimes 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 or 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 or 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, whether you have repaid your HESC guaranteed or state or city university student loan or about the amount owed, call or write:

For a federal tax liability only —
(518) 431-4556
IRS SPECIAL PROCEDURES FUNCTION
LEO O'BRIEN FEDERAL BUILDING
CLINTON AND NORTH PEARL STREETS
ALBANY NY 12207

(718) 488-9150
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)
From all other areas, call
(518) 482-0778
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 NYS 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 1420
CITY UNIVERSITY OF NEW YORK
UNIVERSITY ACCOUNTING OFFICE
555 WEST 57TH STREET
NEW YORK NY 10019

Line 40

Amount you owe

If line 38 is less than line 32, subtract line 38 from line 32 and enter the amount you owe on line 40.

If you owe more than one dollar, attach your payment to the area indicated on the front of

your return. Make your check or money order payable to **New York State Income Tax** and write your social security number and **1995 Income Tax** on it. Do not send cash. You do not have to pay one dollar or less.

Penalty for not paying enough tax during the year (Estimated Tax Penalty)

If line 40 is at least \$100 and, in addition, represents more than 10% of the tax shown on your return, you may owe a penalty. Generally, you are not subject to a penalty if your 1995 prepayments equal at least 100% of your 1994 tax (110% of that amount if you are not a farmer or fisherman and the adjusted gross income shown on that return is more than \$150,000 or, if married filing separately, more than \$75,000) based upon a return covering 12 months.

If you owe a penalty you cannot file Form IT-200. You must file Form IT-201 and Form IT-2105.9.

Now continue with Step 4 below.

Step 4

Check the figures on your return and any attachments.

Step 5

Complete the top 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 your return. Check the label to make sure the information on it is complete and correct. The mailing label has been redesigned to include 2 bar codes which represent the numeric information on the label. This new label has been designed to allow us to take advantage of the latest technology available to process your return.

		Carrier Route Designation	
School District Code	County	Sequence No.	
Social Security Number(s)			
Name			
Number and Street			
City	State	ZIP code	

On the label is a series of numbers which shows your social security information, a single letter that indicates the form you filed last year, and the carrier route (CR) designation for the post office. The number sign (#) that appears on some labels at the right of the school district code is for mail-sorting purposes only.

- If your name (or spouse's name) or address is wrong, cross it out and make the corrections directly on the label. Space for names on the label is limited to 36 characters. Do not correct the label if it is correct except for some missing final characters.
- If any other information is incorrect or missing or if you do not have a mailing label enter the correct information in the white spaces. 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.

(Your social security number(s) is printed directly above your name(s); your county of residence is in the middle.) If this information is not on your label, enter it in the white spaces at the top of the form.

School district name and code number —

If your public school district code number is missing or incorrect, enter the name and code number of your public school district. This is the district where you were a resident on December 31, 1995. School districts and code numbers are on pages 25 through 28 of these instructions. If you do not know the name of your school district in which you lived on December 31, 1995, contact your nearest public school.

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.**

Permanent home address

Enter your permanent home address within New York State on December 31, 1995, if it is not the same as the address on your mailing label.

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 where you actually live, 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 in the armed forces and your permanent home was in New York State when you entered the military, enter your New York permanent home address regardless of where you are stationed.
- If you moved after December 31, 1995, enter your permanent home address as of December 31, 1995, not your current home address.

If you do not have a mailing label, enter all of the following information in the white spaces at the top of your return:

- name and address** (both names if filing a joint return);
- permanent home address** (if different from mailing address);
- social security number(s)**;
- New York State county of residence** on December 31, 1995;
- school district name and code.**

Step 6

Sign and date your return at the bottom.

You must sign and date your return. If you are married and filing a joint return, you both must sign it. **Your return cannot be processed if you do not sign it.**

Keep a copy of your return and any attachments for future reference. 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.

A paid preparer must also sign your return.

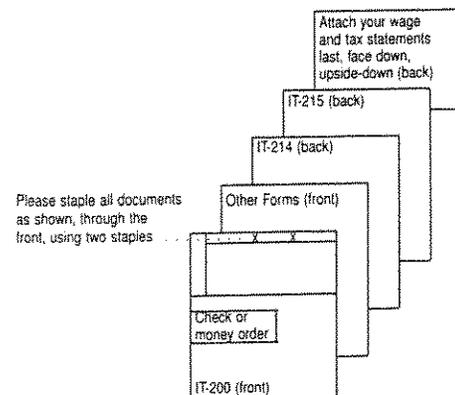
If you pay someone to prepare your return, the paid preparer must also sign it and fill in the other blanks in the paid preparer's area on the back of your return. A person who prepares your return and does not charge you should not fill in the paid preparer's area.

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-200, face up.
- Attach any other forms (IT-214 and IT-215 filers see below) you may have had to fill out, face up, behind your return.
- If you are filing Form IT-214, *Claim for Real Property Tax Credit for Homeowners and Renters*, attach that form behind the others, face down.
- If you are filing Form IT-215, *Claim for Earned Income Credit*, attach that form behind the others, face down.
- Attach your wage and tax statements last, face down, upside-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, social security number(s), county of residence, school district name and school district code number at the top of your return?
- enter your permanent home address** (if different from your mailing address)?
- check the box for item (D) on the front of Form IT-200 if you do not need a tax packet mailed to you for next year?**
- check appropriate boxes for items (A), (B) and (C), and at item (E), enter the number of exemptions from your federal Form 1040A or 1040, or enter "0" if you filed federal Form 1040EZ?**
- enter the amount of your New York dependent exemptions?**
- claim any adjustments or credits that you may qualify for?**
- use the correct tax table(s)?**
- figure your New York State child and dependent care credit by entering the number of qualifying persons cared for in 1995 and the amount of federal credit for child and dependent care in the boxes on line 20 of Form IT-200?**
- sign your return** (both husband and wife must sign a joint return)?
- attach your wage and tax statement(s), New York State Form IT-2102 (Copy 1) or federal Form W-2 (Copy 2)?**
- 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 1995 Income Tax on your check or money order?**

Step 9

Use the preaddressed mailing envelope.

To avoid delaying 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:

STATE PROCESSING CENTER-REFUND '95
ONE WATERVLIET AVE EXT
ALBANY NY 12261-0001

For all other returns:

STATE PROCESSING CENTER
ONE WATERVLIET AVE EXT
ALBANY NY 12261-0001

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 toll-free 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 departmental 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 1 800 462-8100 (from areas outside New York State, call (518) 438-1073) 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 in the following paragraphs.
- 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)*.

Privacy Notification

The right of the Commissioner of Taxation and Finance and the Department of Taxation and Finance to collect and maintain personal information, including mandatory disclosure of social security numbers in the manner required by tax regulations, instructions and forms, is found in Articles 22, 23, 26, 26-A, 26-B, 30, 30-A and 30-B of the Tax Law, Article 2-E of the General City Law and 42 USC 405(c)(2)(C)(i).

The Tax Department will use this information primarily to determine and administer tax liabilities due the state and city of New York and the city of Yonkers. We will also use this information for certain tax offset and exchange of tax information programs authorized by law, and for any other purpose authorized by law.

Information concerning quarterly wages paid to employees and identified by unique random identifying code numbers to preserve the privacy of the employees' names and social security numbers will be provided to certain state agencies for research purposes to evaluate the effectiveness of certain employment and training programs.

Failure to provide the required information may result in civil or criminal penalties, or both, under the Tax Law.

This information will be maintained by the Director of the 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 areas outside New York State call (518) 438-8581.

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 13 and 14 of these instructions.

Earned Income Credit

New York State is providing an earned income credit (EIC) based on the federal earned income credit. Like the federal credit, New York's earned income credit is meant to assist lower-income workers, especially those with families. The program provides incentives

to work while bolstering families under economic hardship. The credit can be used to reduce a household's tax liability, and in many cases, may totally offset the income tax and even provide a refundable payment.

The state's earned income credit is 10% of the federal credit in 1995, and will increase to 20% for tax years 1996 and after. To claim New York's earned income credit, you must be eligible for and claim the federal credit.

Scannable Returns

Many of New York's income tax returns have a new look for 1995. You may have noticed that rectangular boxes and white entry areas have been printed on a number of our forms. These design changes will let us use state-of-the-art scanning equipment to process your return. The boxes will guide you in making your handwritten entries on the forms, and will allow our scanning equipment to more accurately read your return and let us process it more efficiently.

- You can help by observing the following:
- Please print (using a blue or black pen) or type all "X" marks and money amounts in the boxes and spaces provided.

- Do not use dollar signs, commas, decimal points, dashes or any other punctuation marks or symbols. All necessary punctuation has been printed on the form.
- Write your numbers like this:

1 2 3 4 5 6 7 8 9 0 X

- Enter your money amounts so that the whole dollar amount ends immediately to the left of the **cents decimal**, and the cents amount starts immediately to the right.

- Make your money amount entries in the boxes, allowing one numeral for each box.

Example: If your entry for line 1 is \$13,525.50, your money field entry should look like this:

..... 1 1 3 5 2 5 . 5 0

- If you are rounding all money items on your return (see *Whole Dollar Amounts* on page 6) please enter "00" in the cents boxes.
- Leave blank any spaces and boxes that do not apply to you.

Imagine hundreds of creatures that sprint, swim, fly or slither. That is exactly how diverse New York's fish and wildlife species are. You too, can take an active part in ensuring the fish and wildlife diversity in New York State.

Picture yourself involved in learning about the wildlife in New York State, observing various fish and wildlife resources and helping to restore and manage them to benefit both wildlife and people.

This can be done when you *Return a Gift to Wildlife* on your New York State tax form. Also, remind your tax preparer that you wish to contribute to this worthwhile program. Remember to *Return a Gift to Wildlife*, the program dedicated to conserving New York's fish and wildlife diversity.

For additional program information or to donate directly, please write to:

Return a Gift to Wildlife, NYS DEC, Room 122, Program 5, 50 Wolf Road, Albany NY 12233-4830.



How to Avoid Mistakes That Slow Down the Processing of Your Return and Refund

- **Public employee contributions must be entered on line 9.**

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 Optional Retirement Program 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 1995 on line 9.

- **New York City IRC 125 flexible benefits program must be entered on line 10.**

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 10 of Form IT-200.

- **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.

- **Complete the New York Dependent Exemption Worksheet on page 10 and enter the line c number on line 15.**

Some taxpayers make the mistake of entering their federal exemptions on line 15. Federal exemptions may include both personal and dependent exemptions. Only **dependent** exemptions are allowed on your New York State 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 (from federal Form 1040A, Schedule 2, Part II, line 10; or, if you filed federal Form 2441, from line 10, before any limitations).

If you are required to complete the worksheet on page 2 of the Form 2441 instructions, you may find that the federal child care credit is reduced on this worksheet. You are actually allowed 20% of the credit before any limitations on your state return.

- **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.

- **Check the New York standard deduction table on page 9 and make sure that you have claimed the correct standard deduction for your filing status on line 14.**

- **Use the correct New York tax table.**

Some taxpayers erroneously use the city tax table to determine their state tax, and vice versa.

- **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 39) instead of on the **amount you owe** line (line 40). If you owe tax, enter this amount on the correct line and pay this amount when you file your return to avoid a bill for the tax owed plus interest and possible penalty.

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.