



Instructions for Form IT-112-R

New York State Resident Credit



This form may be e-filed as an attachment to an e-filed return; you cannot e-file this form by itself.

New for 2005

Form IT-112-R has been revised to separate the New York State resident credit claimed for taxes paid to another state, a local government within another state, or the District of Columbia from the resident credit for taxes paid to a Canadian province. For tax years beginning on or after January 1, 2005, you must claim the resident credit (and addback) for taxes paid to a Canadian province on new Form IT-112-C, *New York State Resident Credit for Taxes Paid to a Province of Canada*. See Form IT-112-C-I, *Instructions for Form IT-112-C*, for more information.

You are no longer **required** to attach a copy of the 2005 return you filed with the other state or local government. Attaching a copy of the other return is now **optional**. However, you may be required to furnish a copy of the other return at a later date. Whether or not you attach a copy of the other return, you **must** complete new Part 3.

If you or your paid preparer use software to produce this form, it might have a two-dimensional (2-D) barcode on the bottom of the front page. It will appear as a rectangular-shaped object with very small black boxes and white spaces. This barcode will be used to efficiently process your entries on this form.

General instructions

If you are a full-year or part-year resident of New York State and if any part of your income was taxed by another state, a local government within another state, or the District of Columbia, you may claim a credit against your New York State tax. This credit is allowable only for the part of the tax that applies to income received in the other taxing authority while you were a New York State resident. If you paid tax to more than one taxing authority during your New York State resident period, use a separate Form IT-112-R for each credit.

You may not claim a credit for tax paid to the other taxing authority on any amount of income, gain, loss, or deduction arising from interest or dividends from intangible assets unless it is received from an asset connected with a trade or business conducted in the other taxing authority.

If you checked filing status ③ (*Married filing separate return*) on Form IT-201 or Form IT-203 and if only one spouse paid tax to another taxing authority, that spouse must figure the credit based on his or her separate return. No part of the credit can be claimed by the spouse who did not have tax payable to the other taxing authority.

A New York resident estate or trust is also allowed to claim a resident credit on Form IT-112-R. If you are a fiduciary of a resident estate or trust, determine the total New York adjusted gross income in Part 1 the same way as a resident individual. In arriving at New York adjusted gross income, subtract any charitable contributions and distributions made to beneficiaries. Include these amounts on line 19.

If you have any questions about figuring the resident credit, write to the Taxpayer Contact Center, W A Harriman Campus, Albany NY 12227, or call toll free 1 800 225-5829. From areas outside the U.S. and outside Canada, call (518) 485-6800.

A shareholder of a subchapter S corporation is **not** allowed a resident credit for any income tax imposed upon or payable by the S corporation to another state, local government, or the District of Columbia. However, a shareholder is allowed a resident credit if taxes are calculated on the income of the S corporation, but are imposed upon and payable by the shareholder.

Taxpayers with dual residency status — If you are a resident of New York State for personal income tax purposes and also deemed a resident of another state for income tax purposes under its law, no credit is allowed if the other jurisdiction allows a credit against its tax for the total resident tax paid to New York.

Important reminder to file a complete return

You must complete all required schedules and forms that make up your return, and include all pages of those forms and schedules when you file. Attach **only** those forms and schedules that apply to your return, and be sure that you have made all required entries. Returns that are missing required pages or that have pages with missing entries are considered incomplete and cannot be processed, and may subject taxpayers to penalty and interest.

Filing in your tax forms

For complete information on how to fill in New York State scannable income tax forms, see the instructions for:

- resident returns (Forms IT-150 and IT-201),
- nonresident and part-year resident return (Form IT-203),
- partnership return (Form IT-204), **or**
- fiduciary return (Form IT-205).

Also see the instructions for the above returns for the *Privacy notification* or if you *Need help* in contacting the Tax Department.

Line instructions

Part 1 — Income and adjustments

Lines 1 through 18

Residents and part-year residents — **Do not** enter in column A or B any income that is taxable to the other taxing authority but **not** taxable to New York State.

Do not enter in column A or B the ordinary income portion of lump-sum distributions received from sources outside New York State that is subject to the New York State separate tax on lump-sum distributions and is also subject to any income tax or separate tax by the other taxing authority. Figure any resident credit against the separate tax on a lump-sum distribution paid to another taxing authority on Form IT-112.1, *New York State Resident Credit Against Separate Tax on Lump-Sum Distributions*.

Do not enter in column B any amount of income, gain, loss, or deduction arising from interest or dividends from intangible assets unless it is received from an asset connected with a trade or business conducted in the other taxing authority.

Residents — Enter in column A, lines 1 through 18, the amount of each item of income or deduction reported on Form IT-201 or the amount of income reported on Form IT-205 as if the estate or trust were a resident individual. If you checked filing status ② (*Married filing joint return*), include in column A the amounts of both spouses even if the income of only one spouse was subject to tax in the other taxing authority.

Enter in column B of Form IT-112-R the gross income from column A that was taxed by the other taxing authority minus any applicable expenses and losses that you deducted in computing federal adjusted gross income. In determining the expenses and losses deductible from items of gross income, follow the federal rules for deductions in computing federal adjusted gross income.

Enter in column B any federal adjustments to income that were allowed by the other taxing jurisdiction.

Taxpayers with dual residency status — If you are a resident of New York State for personal income tax purposes and also deemed a resident of another state for income tax purposes under its law, do not include in column B any amount of income, gain, loss, or deduction arising from interest or dividends from intangible assets unless it is received from an asset connected with a trade or business conducted in the other taxing authority. Also, do not include in column B any income attributable to a business, trade, profession, or occupation unless the business, trade, profession, or occupation was carried on in the other jurisdiction.

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Example: For tax year 2005, you were taxable as a New York resident. You were also taxable as a resident of Pennsylvania. You had wages of \$65,000 for the year, of which \$20,000 were earned for services performed in Pennsylvania and \$45,000 for services performed in New York. You will enter the \$20,000 wages in column B.

Part-year residents — If you were a New York State resident for only part of the year and if you were subject to income tax by another taxing authority during that period, enter in column A the amount of each item of income or deduction entered on the *Part-year resident income allocation worksheet*, Column A, in Form IT-203-I, *Instructions for Form IT-203*.

Enter in column B of Form IT-112-R only the amount of each item of income or deduction from column A that relates to your New York State resident period that was taxed by the other taxing authority.

Line 19 New York adjustments — Enter your net New York adjustment. On Form IT-201, it is the difference between your New York additions (lines 20 through 23) and your New York subtractions (line 32). On Form IT-205, it is the fiduciary share, from Schedule B, that relates to the items of income, gain, loss, and deductions included in the computation of federal adjusted gross income.

Part-year residents — Enter your net New York adjustments that apply to your income in column A.

Line 20 New York adjusted gross income — In column A, the net New York adjustment on line 19 must be added to or subtracted from federal adjusted gross income on line 18. In column B, enter the amount from line 18, column B.

Line 21 Capital gain portion of lump-sum distributions — Enter in column A the capital gain portion of lump-sum distributions reported at Part II of federal Form 4972. Enter in column B the capital gain portion of lump-sum distributions reported at Part II of federal Form 4972 that is subject to tax by the other taxing jurisdiction.

Part 2 — Figuring your resident credit for taxes paid to another state, local government, or the District of Columbia

Line 23 — Enter the two-letter abbreviation (see below) of the other state (or **LC** for a local government within the other state) where the income tax was paid.

State and locality abbreviations

Alabama	AL	Montana	MT
Alaska	AK	Nebraska	NE
Arizona	AZ	Nevada	NV
Arkansas	AR	New Hampshire	NH
California	CA	New Jersey	NJ
Colorado	CO	New Mexico	NM
Connecticut	CT	New York	NY
Delaware	DE	North Carolina	NC
District of Columbia	DC	North Dakota	ND
Florida	FL	Ohio	OH
Georgia	GA	Oklahoma	OK
Hawaii	HI	Oregon	OR
Idaho	ID	Pennsylvania	PA
Illinois	IL	Rhode Island	RI
Indiana	IN	South Carolina	SC
Iowa	IA	South Dakota	SD
Kansas	KS	Tennessee	TN
Kentucky	KY	Texas	TX
Louisiana	LA	Utah	UT
Maine	ME	Vermont	VT
Maryland	MD	Virginia	VA
Massachusetts	MA	Washington	WA
Michigan	MI	West Virginia	WV
Minnesota	MN	Wisconsin	WI
Mississippi	MS	Wyoming	WY
Missouri	MO	Local government	LC

Line 24

Residents and part-year residents — The amount of income tax imposed is the amount of income tax computed on your return for the other taxing authority minus any credits allowed against this tax. **Do not** include the tax on income that is taxed by the other taxing authority but is not taxed by New York State. **Do not** enter tax withheld, estimated tax payments, or payments of balances due on these lines. If the amount of income tax paid to the other taxing authority is satisfied by the amount of income tax withheld, you must attach proof of payment. A copy of the withholding tax statement showing the amount of tax withheld by the other taxing authority is acceptable proof.

Residents — Enter the amount of income tax imposed by the other taxing authority.

Part-year residents — Enter only the portion of the tax attributable to income earned during your New York resident period.

Taxpayers with dual residency status — Compute the amount to enter on line 24 as follows:

$$\frac{\text{Amount from Column B, Line 22}}{\text{Total income on other state's return}} \times \text{Total tax due on the other state's return}$$

Total income means the total income reported on the other state's return, before any allowances for a standard or itemized deduction or exemptions.

Line 25

Form IT-203 filers — Enter New York State tax from Form IT-203, line 40 plus the Worksheet C, line 5 amount in the instructions for Form IT-230, *Separate Tax on Lump-Sum Distributions*.

Form IT-201 and Form IT-205 filers — Complete the following worksheet:

Worksheet for figuring your New York State tax payable

- Enter New York State tax from Form IT-201, line 39 plus the tax from Form IT-230, Part 2, line 2, *New York State* column. Resident estate or trust: Enter New York State tax from Form IT-205, line 8. Part-year resident trust: Enter NY State tax from Form IT-205, line 9. a. _____
- Enter your New York State household credit, if any, from Form IT-201, line 40..... b. _____
- New York State tax payable (*subtract line b from line a*). Enter this amount on line 25..... c. _____

Line 26 — Round to the fourth decimal place, and enter the percentage figure.

Example: If the amounts used were \$10,000 divided by \$30,000, the result would be .3333. Convert to a percentage by moving the decimal two places to the right (33.33%).

Line 28 Resident credit allowable — The resident credit may not decrease your New York State tax payable to an amount less than would have been due if the income subject to taxation by the other jurisdiction(s) was excluded from your New York income.

Enter the line 28 amount on Form IT-201, line 41; Form IT-203-ATT, line 1; or include it on Form IT-205, line 10. If you filed more than one 2005 Form IT-112-R or also filed Form IT-112-C, enter the total of the allowable credits on Form IT-201, line 41; Form IT-203-ATT, line 1; or include it on Form IT-205, line 10. Attach each original Form IT-112-R to Form IT-201, IT-203, or IT-205.

Part 3 — Information from your 2005 return filed with the other state, local government, or the District of Columbia

You **must** complete this section.

Line 31 — Enter on line 31 the balance due, if any, shown on the 2005 return you filed with the other state or local government. The balance due is the amount you paid with your return after credit for taxes withheld, estimated tax payments and any other prepayments.