



New York State Department of Taxation and Finance

IT-150/201-I
Instructions

Combined Instructions for Forms IT-150 and IT-201

Full-Year Resident Income Tax Returns

New York State • New York City • Yonkers

**New
short Form
IT-150**

**Redesigned
long Form IT-201**

**New wage and
tax summary
Form IT-2**

**Check out e-file . . .
It's easy, fast, and safe!
And if you qualify, it's FREE.**

**What's new for 2005?
See pages 3 and 4 inside.**



Easy

All you need is a computer and Internet access!

Fast

Faster refunds than ever before! If you owe tax, several payment options are available. . . including File now/Pay later!

Safe

E-file is secure and accurate. You receive an electronic acknowledgment!

Free

You may qualify for FREE e-filing of your New York State income tax return! Check our Web site.

You can file your income tax return electronically (e-file) using your personal computer and one of the many commercially available software packages, or you can choose to have a tax professional e-file for you.

E-filing is the fastest way to receive your refund. The speed and accuracy of computers allow electronic returns to be processed faster than paper returns, and using tax preparation software greatly reduces the possibility of errors and delays. For more details, visit our e-filing Web site at: www.nystax.gov/elf

The following forms may be e-filed:

| | | |
|------------|------------|-----------|
| IT-150 | IT-212 | IT-256 |
| IT-201 | IT-212-ATT | IT-258 |
| IT-201-ATT | IT-214 | IT-272 |
| IT-203 | IT-215 | IT-280 |
| IT-203-ATT | IT-216 | IT-360.1 |
| IT-203-B | IT-217 | IT-370 |
| IT-203-C | IT-219 | IT-398 |
| IT-112-C | IT-220 | IT-2105.9 |
| IT-112-R | IT-230 | Y-203 |
| IT-112.1 | IT-249 | |

E-file your tax-due return

E-filed returns with a balance due may be paid by submitting a check or money order with Form IT-201-V, *Payment Voucher for E-Filed Income Tax Returns*, by credit card (see Form IT-150, page 30, or Form IT-201, page 107), or by authorizing the Tax Department to withdraw the payment from your bank account (electronic funds withdrawal).

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For all full-year NYS resident filers:

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What's new for 2005?

• New contribution line for the World Trade Center Memorial Foundation Fund

There is a new entry on line 36g of Form IT-150 and line 60g of Form IT-201 where you can contribute to the World Trade Center Memorial Foundation Fund (WTC Memorial Fund). Your contributions to this fund will be used exclusively to help fund the construction, installation, and operation of the World Trade Center Memorial and Museum.

• Some tax rates reduced

Certain rates within the New York State and New York City tax rate schedules have been reduced. See pages 54 and 64.

In addition, effective January 1, 2006, the New York State and New York City income tax surcharges applicable to higher income taxpayers expire. Be sure to check your 2006 withholding to ensure the correct amount of tax is withheld from your paycheck. See Form IT-2104, *Employee's Withholding Allowance Certificate*.

• Yonkers income tax surcharge and nonresidents earnings tax increased

The Yonkers resident income tax surcharge has been increased to a rate of 10% of the net state tax, and the Yonkers nonresident earnings tax has been increased to a rate of 0.5%.

• New Forms IT-2 and IT-1099-R now required

Starting this year, there are two new forms that you must use to report information from any federal Form(s) W-2 and certain Form(s) 1099-R that you receive. Instead of attaching those federal forms to your New York return, you must now copy the required information from them onto new Form IT-2, *Summary of Federal Form W-2 Statements*, and new Form IT-1099-R, *Summary of Federal Form 1099-R Statements*. See page 8.

• Six-month extension now available

Form IT-370, *Application for Automatic Six-Month Extension of Time to File for Individuals*, now automatically extends the due date of your return for six months instead of four. See the back cover.

• New Form IT-112-C for Canadian taxes

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*. Previously this credit (and addback) was claimed on Form IT-112-R. For additional information, see the instructions for Form IT-112-C. (Form IT-112-R is still in use for resident credit related to taxes paid to other states.)

• New credit for nursing home assessments

For tax years 2005 and after, a new credit is allowed for the New York State assessment imposed on a residential health facility that is paid directly by an individual. For additional information, see Form IT-258, *Claim for Nursing Home Assessment Credit*, and its instructions.

• Investment credit expanded

An investment credit is now available for property that is principally used as a qualified film production facility. For additional information, see Form IT-212, *Investment Credit*, and its instructions.

• New QETC credit

For tax years beginning on or after January 1, 2005, this new credit is allowed for an eligible taxpayer that is a qualified emerging technology company (QETC). For additional information, see Form DTF-619, *Claim for QETC Facilities, Operations, and Training Credit*, and its instructions.

• QEZE and EZ credits revised

Numerous changes have been made to the QEZE and EZ credits. For additional information, see TSB-M-05(5)I, *Summary of Certain Personal Income Tax Legislative Changes Enacted in 2005*, and the applicable credit claim forms.

• Brownfield credits now available

For tax years beginning on or after April 1, 2005, a taxpayer participating in the Brownfield Cleanup Program may be eligible for any one of three new credits relating to the cleanup and redevelopment of brownfield sites. For additional information, see the instructions for new Forms IT-611, *Claim for Brownfield Redevelopment Tax Credit*; IT-612, *Claim for Remediated Brownfield Credit for Real Property Taxes*; and IT-613, *Claim for Environmental Remediation Insurance Credit*.

Also, in determining New York adjusted gross income, there is a new addition you must make to federal adjusted gross income for premiums paid for environmental remediation insurance where the credit is claimed and the premiums are deducted in calculating your federal taxable income. See New York addition A-22 on page 85.

• Alternative fuels credit expired

The alternative fuels credit expired for property placed in service after December 31, 2004.

• Fuel cell electric generating equipment credit expanded

Beginning on or after July 1, 2005, individuals, partners in a partnership, shareholders of S corporations, and beneficiaries of estates and trusts may claim the fuel cell electric generating equipment credit. The credit applies to qualified fuel cell electric generating equipment expenditures made on or after July 1, 2005. Previously, only individuals could claim a credit for fuel cell electric generating equipment installed at their principal residence. For additional information, see Form IT-259, *Claim for Fuel Cell Electric Generating Equipment Credit*, and its instructions.

• Special additional mortgage recording tax credit

For tax years beginning on and after January 1, 2004, a credit is allowed equal to the amount of the special additional mortgage recording tax paid by a taxpayer for mortgages recorded on or after January 1, 2004, on real property located in New York State. For additional information, see Form IT-256, *Claim for Special Additional Mortgage Recording Tax Credit*, and its instructions.

• New York State offsets

Your overpayment may be reduced by amounts of outstanding tax debts owed to other states. See *Collection of debts from your refund* on pages 29 and 106.

• New reporting requirements for tax shelters

There are new reporting requirements with respect to the disclosure of information relating to transactions that present the potential for tax avoidance (tax shelters). These new reporting requirements are similar to the tax shelter disclosure requirements for federal income tax purposes. Separate reporting requirements are imposed on those who utilize tax shelters and those who promote the use of tax shelters. For additional information, see TSB-M-05(2)C,(4)I, TSB-M-05(2.1)C,(4.1)I, and Publication 671.

• Tax return preparers may have to e-file

Beginning January 1, 2006, many tax return preparers must e-file their clients' tax returns. The e-file requirement applies to individual personal income tax returns. If you use a paid preparer and do not wish to have your return e-filed, complete new Form IT-800, *Opt-Out Record for Tax Practitioners*, and give it to your preparer. This allows the preparer to file your return on paper. For additional information, see the *Practitioner Page* on our Web site at www.nystax.gov.

New for 2006

• Solar energy system equipment credit

Beginning in 2006, a credit will be allowed, subject to certain limits, for expenditures incurred in 2006 and after for solar energy system equipment that utilizes solar radiation to provide heating, cooling, hot water, or electricity for use in an individual's principal residence.

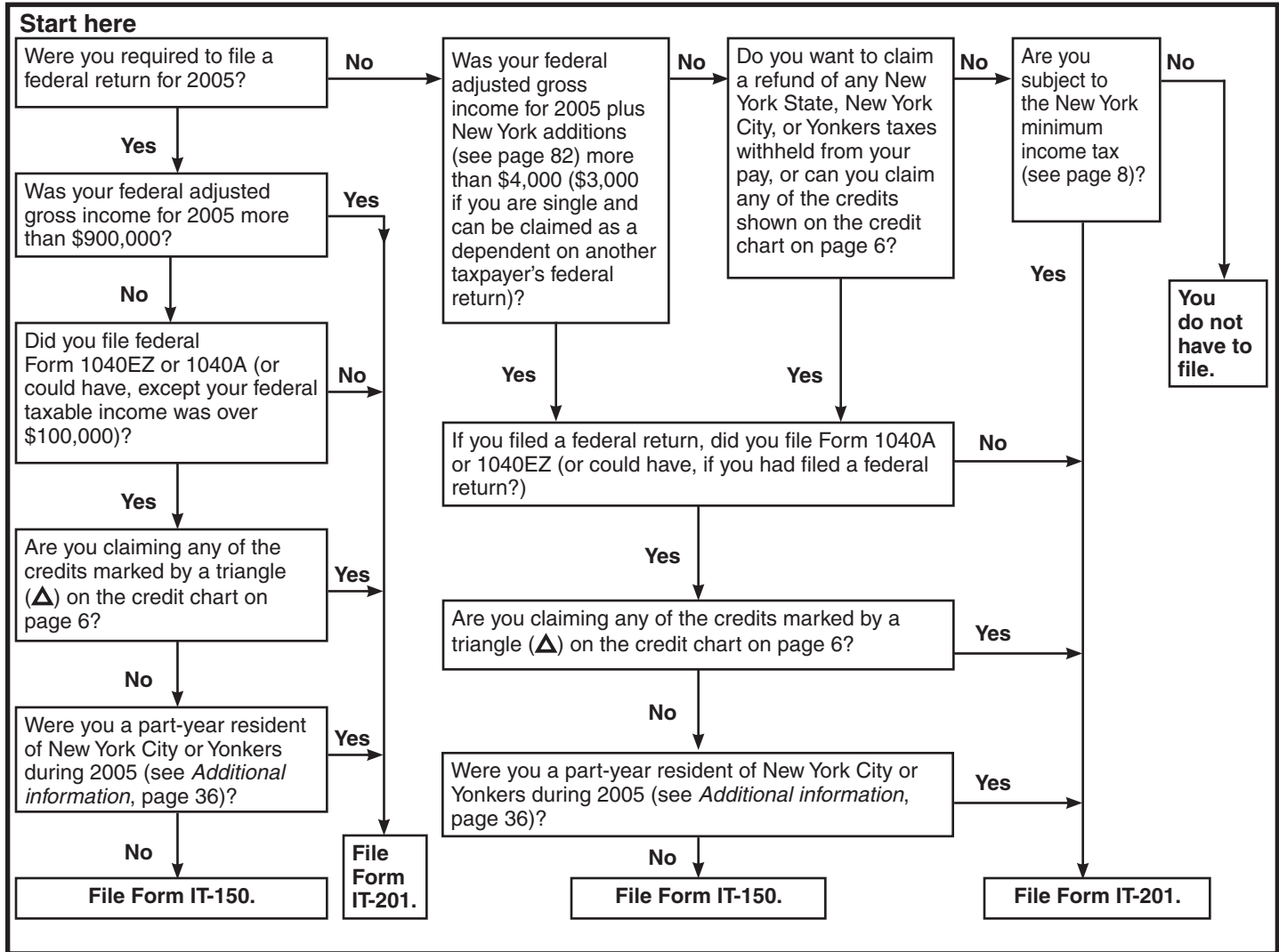
New York State full-year residents: Who must file/which form to file?

How to use this chart

Each box in the chart below contains a question that can be answered **Yes** or **No**.

Start in the upper-left corner and answer the question in that box. Then follow the arrow that matches your answer

to the next box. Answer each question that the arrows lead you to, until you reach a box that either tells you to file a New York return (on Form IT-150 or on Form IT-201), or tells you that you do not have to file a New York return.



Additional notes to all filers:

Do you have to **attach other forms**? If you need to pay other taxes, see **Other forms you may have to file** on page 8.

To claim tax credits, see the credit charts on pages 6 and 7.

Does your child have **investment income** over \$1,600? It would be to your advantage to file a New York return for your child to report your child's investment income, since there will be no New York tax on the first \$3,000 of that income. When you file your federal return, report your child's investment income on federal Form 8615 (instead of federal Form 8814). If you file Form 8814, the amount of your child's investment income over \$1,600 that was included in your federal gross income will be reported on your New York return and taxed at your rate.

New York nonresidents and part-year residents:

If you were a nonresident or a part-year resident of New York State and you received income from New York sources in 2005, you must file Form IT-203, *Nonresident and Part-Year Resident Income Tax Return*.

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 resident must use Form IT-150 or Form IT-201. The nonresident or part-year resident, if required to file a New York State return, must use Form IT-203. However, if you both choose to file a joint New York State return, use Form IT-150 or IT-201.

Credits for individuals

| Credit | See Key below. | You may qualify for this credit if you: | Form |
|---|----------------|---|-----------------|
| Accumulation distribution | △ | are a beneficiary of a trust who received an accumulation distribution. | page 112* |
| Accumulation distribution (New York City) | △ | are a beneficiary of a trust who received an accumulation distribution during the period you were a New York City resident. | page 112* |
| Alternative fuels | △ | have unused credit for purchasing a new alternative-fuel vehicle, converting a vehicle to use alternative fuel, or investing in new clean-fuel vehicle refueling property. | IT-253 |
| Child and dependent care | □ | are able to claim the federal child and dependent care credit. | IT-216 |
| Claim of right (New York State) | △ □ | had a claim of right credit on your federal return for income that was subject to New York State tax on a prior year's return. | IT-257 |
| Claim of right (New York City) | △ □ | had a claim of right credit on your federal return for income that was subject to New York City tax on a prior year's return. | IT-257 |
| Claim of right (Yonkers) | △ □ | had a claim of right credit on your federal return for income that was subject to Yonkers tax on a prior year's return. | IT-257 |
| College tuition | □ | are a full-year New York State resident paying college tuition expenses. | IT-272 |
| Defibrillator | △ | purchased an automated external defibrillator machine. | IT-250 |
| Earned income (New York State) | □ | are allowed an earned income credit (EIC) on your federal income tax return. | IT-215 |
| Earned income (New York City) | □ | are a New York City resident allowed an EIC on your federal income tax return. | IT-215 |
| Fuel cell electric generating equipment | △ | purchased fuel cell electric generating equipment and installed it in New York State. | IT-259 |
| Green building | △ | had expenses for a building meeting certain environmental and energy standards. | DTF-630 |
| Household (New York State) | | cannot be claimed as a dependent on another taxpayer's federal return and your federal Adjusted Gross Income (AGI) is not over \$32,000 (\$28,000 if filing as single). | page 23* or 97* |
| Household (New York City) | | cannot be claimed as a dependent on another taxpayer's federal return and your federal AGI is not over \$22,500 (\$12,500 if filing as single). | page 24* or 99* |
| Long-term care insurance | △ | paid premiums during the tax year for a long-term care insurance policy. | IT-249 |
| Lump-sum distribution | △ | received a federal lump-sum distribution while a New York State resident that was taxed by a specified jurisdiction outside New York State. | IT-112.1 |
| Nursing home assessment | △ □ | paid an amount directly relating to the assessment imposed on a residential health care facility. | IT-258 |
| Real property tax | ○ □ | are a full-year New York State resident paying real property taxes or rent. | IT-214 |
| Residential fuel oil storage tank | △ | have unused credit for replacing or installing a residential fuel oil storage tank. | page 114* |
| School tax (New York City) | ○ □ | are a full- or part-year New York City resident and you cannot be claimed as a dependent on another taxpayer's federal return. You do not have to file Form NYC-210 if you are claiming this credit on Form IT-150 or IT-201. | NYC-210 |
| Solar electric generating equipment | △ | purchased solar electric generating equipment and installed it at your residence. | IT-255 |
| Solar and wind energy | △ | have unused credit for purchasing and installing a solar or wind energy system. | page 114* |
| Taxes paid to another state or jurisdiction | △ | received income while a New York State resident from outside New York State that was taxed by a jurisdiction outside New York State. | IT-112-R |
| Taxes paid to Canada | △ | received income while a New York State resident from Canada that was taxed by a province of Canada. | IT-112-C |

Key: △ You may **not** apply for this credit using short Form IT-150; **you must use Form IT-201**.
 □ This credit may be refunded to you, even if you owe no tax.
 ○ You may apply for this credit even if you don't have to file a tax return.

* See this page in the instructions. There is no form for this credit.

Credits for businesses

| Credit | See Key below. | You may qualify for this credit if you or your business: | Form |
|---|----------------|--|----------------------------|
| Alternative fuels | △ | have unused credit for purchasing a new alternative-fuel vehicle, converting a vehicle to use alternative fuel, or investing in new clean-fuel vehicle refueling property. | IT-253 |
| Brownfield credits | △ □ | was issued a certificate of completion by the New York State Department of Environmental Conservation (DEC) under the Brownfield Cleanup Program. | IT-611 IT-612 IT-613 |
| Defibrillator | △ | purchased an automated external defibrillator machine. | IT-250 |
| Empire State film production | △ □ | had expenses for the production of certain qualified film and television shows. | IT-248 |
| Empire zone (EZ) capital | △ | made investments or contributions to an EZ business or project, or have an unused EZ capital tax credit from a prior year. | IT-602 |
| EZ employment incentive | △ □ | acquired, built, or erected property for which an EZ investment credit is allowed. | IT-603 |
| EZ investment | △ □ | is EZ-certified and placed qualified property in service in an EZ. | IT-603 |
| EZ wage | △ □ | is EZ-certified and paid wages to employees within the EZ. | IT-601 |
| Employment incentive | △ | put property in service that qualified for the investment credit. | IT-212-ATT |
| Employment of persons with disabilities | △ | employed persons with disabilities. | IT-251 |
| Farmers' school tax | △ □ | are in the farming business and paid school taxes on agricultural property in New York State. | IT-217 |
| Financial services industry EZ employment incentive | △ □ | is a financial services industry (FSI) business that was allowed an FSI EZ investment credit. | IT-605 |
| Financial services industry EZ investment | △ □ | is a financial services industry business that placed qualified property in service in an EZ. | IT-605 |
| Financial services industry investment | △ □ | is a financial services industry business that placed qualified property in service in New York State. | IT-252 |
| Fuel cell electric generating equipment | △ | purchased fuel cell electric generating equipment and installed it in New York State. | IT-259 |
| Green building | △ | had expenses for a building that meets certain environmental and energy standards. | DTF-630 |
| Historic barn rehabilitation | △ | paid or incurred expenses to restore a historic barn in New York State. | IT-212-ATT |
| IMB energy tax | △ □ | is an industrial or manufacturing business (IMB) that paid taxes on energy in NYS. | DTF-623 |
| Investment | △ □ | placed qualified property in service in New York State. | IT-212 |
| Long-term care insurance | △ | paid premiums during the tax year for a long-term care insurance policy. | IT-249 |
| Low-income housing | △ | had construction or rehabilitation expenses for eligible rent-restricted housing. | DTF-624 |
| QETC capital | △ | held investments in a qualified emerging technology company (QETC). | DTF-622 |
| QETC employment | △ □ | is a qualified emerging technology company that paid wages to full-time employees. | DTF-621 |
| QETC facilities, operations, and training | △ □ | is a QETC that is an eligible taxpayer with qualified research and development property, research expenses, or high-technology training expenses. | DTF-619 |
| QEZE real property taxes | △ □ | is a qualified empire zone enterprise (QEZE) that paid eligible real property taxes. | IT-606 |
| QEZE tax reduction | △ | is a QEZE that meets the employment requirements. | IT-604 |
| Special additional mortgage recording tax | △ □ | paid the special additional mortgage recording tax. | IT-256 |
| Unincorporated business tax (UBT New York City) | △ | is a New York City business that filed Form NYC-202 and paid UBT; or was a partner in a New York City partnership that filed Form NYC-204 and paid UBT. | IT-219 |
| Zone equivalent area (ZEA) wage | △ □ | has an unused credit from a prior year for wages paid to employees within a ZEA. | IT-601.1 |

Key: △ You may **not** apply for this credit using short Form IT-150; **you must use Form IT-201**.
 □ This credit may be refunded to you, even if you owe no tax.

Other forms you may have to file

| Form | Purpose |
|---|---|
| <p>Form IT-2, Summary of Federal Form W-2 Statements</p> <p>NEW</p> | <p>You must complete Form(s) IT-2 if you received any federal Form(s) W-2. You must complete Form(s) IT-2 even if your federal Form(s) W-2 do not show any New York State, New York City, or Yonkers wages or tax withheld. Attach Form(s) IT-2 to your New York return. Do not attach any federal Form(s) W-2 to your return; keep them for your records.</p> <p>Married taxpayers filing jointly can report W-2 records for both spouses on one Form IT-2, but must mark an X in the box to indicate which spouse the information is for.</p> |
| <p>Form IT-1099-R, Summary of Federal Form 1099-R Statements</p> <p>NEW</p> | <p>You must complete Form(s) IT-1099-R if you received any federal Form(s) 1099-R that show any New York State, New York City, or Yonkers tax withheld. Attach Form(s) IT-1099-R to your New York return. Do not attach any federal Form(s) 1099-R to your return; keep them for your records. (To avoid confusion, please note that the New York form has an IT prefix in the form number.)</p> <p>Married taxpayers filing jointly can report 1099-R records for both spouses on one Form IT-1099-R, but must mark an X in the box to indicate which spouse the information is for.</p> |
| <p>Form IT-220, Minimum Income Tax</p> | <p>To report New York State tax preference items totaling more than your specific deduction of \$5,000 (\$2,500 if you are married and filing separately). For New York purposes, the federal preference items subject to New York minimum income tax are: (1) depreciation (pre-1987) (ACRS depreciation on recovery property placed in service in New York in 1985 and 1986, ACRS depreciation on all IRC section 280F recovery property placed in service prior to January 1, 1987); (2) intangible drilling costs; and (3) qualified small business stock (excluded under section 1202). Also include the amount of New York addition for restoration of net operating loss deduction. You may have to file Form IT-220 even if you are not required to file Federal Form 6251, <i>Alternative Minimum Tax - Individuals</i>. For more information, see the instructions for Form IT-220.</p> |
| <p>Form IT-221, Disability Income Exclusion</p> | <p>To compute the amount of your disability income that may be excluded from income on Form IT-201. For more information, see the instructions for Form IT-221.</p> |
| <p>Form IT-230, Separate Tax on Lump-Sum Distributions</p> | <p>To compute tax due if you used federal Form 4972 to compute your federal tax on a lump-sum distribution from a qualified retirement plan. For more information, see the instructions for Form IT-230.</p> |
| <p>Form IT-360.1, Change of City Resident Status</p> | <p>To compute the tax due if you changed your New York City or Yonkers resident status during the year. You must pay the New York City income tax or Yonkers resident income tax surcharge for the part of the year that you lived in New York City or Yonkers. For more information, see the instructions for Form IT-360.1.</p> |
| <p>Form IT-398, New York State Depreciation Schedule for IRC Section 168(k) Property</p> | <p>To compute your New York depreciation deduction for IRC section 168(k) property placed in service beginning on or after June 1, 2003 (except for resurgence zone property and New York liberty zone property described in IRC section 1400L(b)(2)). For more information, see the instructions for Form IT-398.</p> |
| <p>Form IT-399, New York State Depreciation Schedule</p> | <p>To compute your New York depreciation deduction for property placed in service during tax years beginning in 1981, 1982, 1983, and 1984.</p> <p>For property placed in service outside New York State for tax years beginning after December 31, 1984, but before January 1, 1994, see addition A-15 for Form IT-201 on page 84. For more information, see the instructions for Form IT-399.</p> |
| <p>Form IT-2105, Estimated Income Tax Payment Voucher for Individuals</p> | <p>To pay estimated tax for 2006 if you expect to owe at least \$300 of New York State or New York City or Yonkers income tax after deducting tax withheld and credits you are entitled to claim. For more information, see the instructions for Form IT-2105 and Publication 94, <i>Should You Be Paying Estimated Tax in 2006?</i></p> |

Other forms you may have to file (continued)**Form Y-203, *Yonkers Nonresident Earnings Tax Return***

To compute the tax due if you were **not** a Yonkers resident for 2005 but you earned wages or had self-employment income from within Yonkers, and you have to file a New York State income tax return. For more information, see the instructions for Form Y-203.

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

To amend a previously filed New York State 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 that the tax was paid, whichever is later. However, if you file an amended federal return, you must also file an amended New York State return within 90 days from 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 on your federal return by the IRS. You must report such changes to the New York State Tax Department within 90 days from the date the IRS makes its final determination. For more information, see the instructions for Form IT-201-X.

Electronic services

We invite you to visit our Web site at www.nystax.gov to learn about our growing list of electronic services.



- Learn how to e-file your income tax return.
- Determine if you are eligible for **free** e-filing with **FreeFile**.
- Determine which income tax form to file.
- Pay your income taxes by credit card or electronic funds withdrawal.
- Apply for an income tax installment payment agreement.
- Apply for an automatic extension of time to file your return.
- Check the status of your income tax refund.
- Review your estimated tax account balance.
- Visit our Taxpayer Answer Center to find answers to all your tax questions.
- View and pay open assessments.
- Use the penalty and interest calculator.
- Sign up for free e-mail notifications through our subscription service.

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