

## Worksheet 2 — Nonbusiness-related purchases during 2005 costing \$1,000 or more each

Use this worksheet for nonbusiness-related purchases where the item or service cost \$1,000 or more each, excluding shipping and handling. If any item or service cost \$25,000 or more each, excluding shipping and handling, you must also complete Form IT-135, *Sales and Use Tax Report for Purchases of Items and Services Costing \$25,000 or More*, and attach it to your return.

**Note:** Any unpaid sales or use tax on a motor vehicle, trailer, all-terrain vehicle, vessel, or snowmobile that must be registered or titled by the New York State Department of Motor Vehicles is collected at the time of registration. Therefore, do not report or pay the sales or use tax on these items on your personal income tax return.

| <b>A</b><br>Purchase price<br><i>(see instructions on page 69)</i>  | <b>B</b><br>Combined state and local rate<br><i>(from Chart I, page 70; see instructions on page 69)</i> | <b>C</b><br>Tax<br><i>(multiply column A by column B)</i> | <b>D</b><br>Tax paid to another taxing jurisdiction, if any<br><i>(see instructions on page 69)</i> | <b>E</b><br>Tax due<br><i>(subtract column D from column C; do not enter less than zero)</i> |
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|   |  |   |   |  |
|   |  |   |   |  |
| <b>1</b> Total <i>(transfer this amount to the Computation of total sales or use tax due section, line 2, on page 67)</i> ..... |  |   |   | <b>1.</b>  |

### Instructions for Worksheets 1, 2, and 3

#### Column A — Purchase price

The tax is generally computed on the price you paid for an item or service, **including** any shipping or handling charges made by the seller. However, if you were a resident of New York State at the time of purchase and you purchased property outside New York State which you used outside the state for more than six months before you brought it into the state, compute the tax on the lower of the cost or fair market value of the property at the time you brought it into New York State. This may result in a lower amount of tax. The same six month rule applies for purposes of computing local tax.

#### Column B — Rate

The tax rate to use is determined as follows:

- If the property or service is delivered to you in New York State, the tax is computed at the combined state and local rate in effect in the locality where the delivery occurs regardless of

where you reside. The rate that applies is the rate in effect at the time of delivery.

- If you are a New York State resident and you purchase property or services outside New York State which you bring into New York State to your jurisdiction of residence, tax is computed at the combined state and local rate in effect where you reside. The rate that applies is the rate in effect at the time you brought the property or service into that jurisdiction.

In addition, if you use the property or service in another locality in New York State, you owe tax to the second locality if you were a resident of that locality at the time of the purchase, and its rate is higher than the rate in effect where the property was originally delivered to you in New York State or brought by you into New York State.

See Chart I or Chart II on pages 70 and 71 for a listing of rates through November 30, 2005. For rate changes effective December 1, 2005, visit

our Web site or call the Tax Department. See *Need help?* on the back cover.

#### Column D — Tax paid to another taxing jurisdiction, if any

To determine whether the tax you paid to another state or local jurisdiction in another state qualifies for credit against New York State and local tax, see Publication 39, *A Guide to New York State Reciprocal Credits for Sales Taxes Paid to Other States*. If you bought the item or service in a locality in New York State other than where you reside, the tax you paid at the time of purchase may be claimed as a credit against the tax due in the locality where you reside. Federal excise taxes and customs duties, and taxes and fees you paid in foreign countries are not allowed as a credit against any New York State or local sales or use tax that you owe.