

Worksheet 3 — Schedule C, C-EZ, and Schedule F taxable business purchases or Schedule E (Part I) taxable royalty or rental real estate activity-related purchases during 2005.

Part I — Purchases of clothing and footwear costing less than \$110, excluding shipping and handling, made on or after January 31, 2005, and before February 7, 2005, or on or after August 30, 2005, and before September 6, 2005.

Purchases of clothing and footwear and items used to make or repair exempt clothing, costing less than \$110 per item or pair (excluding shipping and handling), made on or after January 31, 2005, and before February 7, 2005, or on or after August 30, 2005, and before September 6, 2005, were exempt from the **state** portion of the tax and also from some local taxes. However, if the locality where you reside chose not to provide the clothing and footwear exemption, the **local** portion of the tax still applied. Chart II on page 71 of these instructions lists the appropriate rate of local tax for you to enter for your locality in column B below. If your locality provided the clothing and footwear exemption, its rate will be listed as **0**. In this case, do not complete Part I.

List all clothing and footwear purchases under \$110 per item, excluding shipping and handling, made during the above periods if your locality imposed tax during one or both of these periods. (See Chart II on page 71.) However, the shipping and handling charges must be included in column A when computing your tax due.

A Purchase price <i>(see instructions below)</i>	B Your local rate <i>(from Chart II, page 71; see instructions below)</i>	C Tax <i>(multiply column A by column B)</i>	D Tax paid to another taxing jurisdiction, if any <i>(see instructions below)</i>	E Tax due <i>(subtract column D from column C; do not enter less than zero)</i>

1 Total *(add the Part I, column E amounts; do not enter less than zero)* **1.**

Part II — All other taxable items and services — List all other taxable items and services and taxable clothing and footwear not included in Part I on which no New York State or local tax was collected from you at the time of purchase or on which you owe additional local tax (see *Information on paying sales and use taxes on your income tax return* on page 65). If any item or service purchased 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.

A Purchase price <i>(see instructions below)</i>	B Combined state and local rate <i>(from Chart I, page 70; see instructions below)</i>	C Tax <i>(multiply column A by column B)</i>	D Tax paid to another taxing jurisdiction, if any <i>(see instructions below)</i>	E Tax due <i>(subtract column D from column C; do not enter less than zero)</i>

2 Total *(add the Part II, column E amounts; do not enter less than zero)* **2.**

3 Add lines 1 and 2; transfer this amount to the *Computation of total sales or use tax due* section, line 3, on page 67 **3.**

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.

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