



For office use only

Generation-Skipping Transfer Tax Return for Distributions

For distributions made after May 25, 1990, and before January 1, 2011

Form fields for: Calendar year, Name of skip person distributee, SSN of individual distributee, Name and title of person filing return, EIN of trust distributee, Address of distributee or person filing return, City, State, ZIP code

Calculation section: 1 Maximum state generation-skipping transfer tax credit allowable, Proration of the credit for state generation-skipping transfer tax, 2 Gross value of New York property, 3 Gross value of all property, 4 Divide line 2 by line 3, 5 New York State generation-skipping transfer tax, 6 Estimated payment, 7 If line 6 is less than line 5, subtract line 6 from line 5, 8 If line 6 is greater than line 5, subtract line 5 from line 6

Attach a copy of your federal generation-skipping transfer tax return, Form 706-GS(D), along with all supporting schedules and documents.

Signature and contact information section: Signature of taxpayer or person filing on behalf of taxpayer, Date, E-mail address of taxpayer or person filing on behalf of taxpayer, Print name of preparer other than taxpayer, Signature of preparer other than taxpayer, Date, E-mail address of preparer, Address of preparer, City, State, ZIP code, Preparer's PTIN or SSN, Preparer's NYTPRIN

Instructions

General information

The New York State generation-skipping transfer (GST) tax is based on the credit for state GST taxes allowed against the federal GST tax prior to the changes made by the federal Economic Growth and Tax Relief Reconciliation Act of 2001 (EGTRRA).

The New York State GST tax applies to taxable distributions and taxable terminations from a trust to a skip person, if the trust includes New York property. The distribution or termination has to occur at the same time as, and as a result of, the death of an individual. The New York State GST tax rate is 2.75% (5% of the federal GST tax rate of 55%, that was in effect in 2001). Use Form ET-500 for distributions and Form ET-501 for terminations. The New York State GST tax does not apply to direct skips.

Purpose of form

A skip person distributee uses Form ET-500 to calculate and report the New York State GST tax due on taxable distributions from a trust to them. For New York State GST tax purposes, taxable distributions are distributions:

- from a trust to a skip person (other than direct skips);
subject to the federal GST tax (or would be except for the changes made by EGTRRA); and

that occur at the same time as, and as a result of, the death of an individual.

If you received distributions from more than one trust, you must file a separate return for each trust.

Payment of tax

New York State GST tax becomes due and payable April 15 of the year following the calendar year in which the distributions are made.

Make the check or money order payable to Commissioner of Taxation and Finance. Write the distributee's name, the individual distributee's social security number (SSN) or the trust distributee's employer identification number (EIN), and Generation-skipping transfer tax on the check or money order to help us process the payment.

Who must file

In general, anyone who receives a taxable distribution from a trust made after May 25, 1990, must file Form ET-500.

When to file

You must file Form ET-500 on or after January 1, but not later than April 15, of the year following the calendar year in which the distributions are made.

Instructions (continued)

Extensions of time to file

If you know that you cannot meet the filing deadline, request an extension of time to file by writing to the following address:

**NYS TAX DEPARTMENT
ESTATE TAX PROCESSING
W A HARRIMAN CAMPUS
ALBANY NY 12227**

The time to file will be automatically extended six months if the letter is sent by April 15. **Note:** Filing a request for an extension of time to file does not extend the time for payment of tax. See *Payment of tax* on the front page.

Where to file

Mail this form and payment to:

**NYS GENERATION-SKIPPING TRANSFER TAX
PROCESSING CENTER
PO BOX 15167
ALBANY NY 12212-5167**

Private delivery services

If you choose, you may use a private delivery service, instead of the U.S. Postal Service, to mail in your form and tax payment. However, if, at a later date, you need to establish the date you filed or paid your tax, you cannot use the date recorded by a private delivery service **unless** you used a delivery service that has been designated by the U.S. Secretary of the Treasury or the Commissioner of Taxation and Finance. (Currently designated delivery services are listed in Publication 55, *Designated Private Delivery Services*. See *Need help?* below for information on obtaining forms and publications.) If you have used a designated private delivery service and need to establish the date you filed your form, contact that private delivery service for instructions on how to obtain written proof of the date your form was given to the delivery service for delivery. If you use **any** private delivery service, whether it is a designated service or not, send the forms covered by these instructions to: State Processing Center, 431C Broadway, Albany NY 12204-4836.

Specific instructions

You must submit a completed federal Form 706-GS(D), including all schedules and documents, with your Form ET-500. In the absence of a federal GST tax on distributions made in 2010, use an earlier revision date of federal Form 706-GS(D).

When calculating the inclusion ratio, it may be necessary to do a separate calculation for the New York State GST tax because it does not conform to the federal GST exemption amounts for transfers made to a trust after 2003. The trustee must supply the distributee with the calculation of the inclusion ratio that was used to determine the taxable amount for each distribution from the trust to the skip person distributee.

Use the following table for calculating the inclusion ratio for the New York State GST tax in place of the federal exemption amount:

Year of transfer	New York State numerator limit
2004	\$1,140,000
2005	\$1,170,000
2006	\$1,200,000
2007	\$1,250,000
2008	\$1,280,000
2009	\$1,330,000
2010	\$1,340,000

The distributee must attach a schedule showing how the taxable amount for New York State was computed.

Name of the skip person distributee

- **individual:** Enter last name, first name, middle initial, and SSN
- **trust:** Enter the name of the trust and EIN

Line 1 — In the first box, enter the total of the taxable amounts of the taxable distributions from the trust to the skip person distributee that occurred at the same time as, and as a result of, the death of an individual. Multiply this amount by the factor of .0275 and enter the result in the second box. If the taxable distribution from the trust is wholly from New York property (see definition below), skip lines 2, 3, and 4 and enter the amount from line 1 on line 5.

Line 2 — If the taxable distribution from the trust included non-New York property, enter the value (on the date of distribution) of the New York property included in the distribution.

The term *New York property* includes real property and tangible personal property having a physical location in New York State and intangible personal property within the state employed in carrying on a trade, business, or occupation in New York State, that was transferred by the original transferor. *New York property* also includes all intangible personal property transferred by the original transferor, if the transferor was a resident of New York State at the time of the transfer of the property to the trust.

Line 3 — If an entry was made on line 2, enter the value (on the date of distribution) of all property included in the generation-skipping transfer from the trust to the skip person distributee, including the value of the New York property.

Line 6 — Enter the amount of any estimated payments.

Paid preparer's responsibilities

Under the law, all paid preparers must sign and complete the paid preparer section of the return. Paid preparers may be subject to civil and/or criminal sanctions if they fail to complete this section in full.

When completing this section, you must enter your New York tax preparer registration identification number (NYTPRIN) if you are required to have one. Also, you must enter your federal preparer tax identification number (PTIN) if you have one; if not, you must enter your social security number.

Privacy notification

The Commissioner of Taxation and Finance may collect and maintain personal information pursuant to the New York State Tax Law, including but not limited to, sections 5-a, 171, 171-a, 287, 308, 429, 475, 505, 697, 1096, 1142, and 1415 of that Law; and may require disclosure of social security numbers pursuant to 42 USC 405(c)(2)(C)(i).

This information will be used to determine and administer tax liabilities and, when authorized by law, for certain tax offset and exchange of tax information programs as well as for any other lawful purpose.

Information concerning quarterly wages paid to employees is provided to certain state agencies for purposes of fraud prevention, support enforcement, evaluation of the effectiveness of certain employment and training programs and other purposes authorized by law.

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

This information is maintained by the Manager of Document Management, NYS Tax Department, W A Harriman Campus, Albany NY 12227; telephone (518) 457-5181.

Need help?

Internet access: www.nystax.gov
(for information, forms, and publications)



Estate Tax Information Center: (518) 457-5387
To order forms and publications: (518) 457-5431



Text Telephone (TTY) Hotline
(for persons with hearing and speech disabilities using a TTY): (518) 485-5082