General information
If you were a New York State resident or part-year resident individual, resident estate, or resident or part-year resident trust and you used federal Form 4972, Tax on Lump-Sum Distributions, to compute your federal tax on lump-sum distributions, you must use New York State Form IT-230 to compute your New York State separate tax on lump-sum distributions. You must make the same elections on Form IT-230 as you made on federal Form 4972. To make those elections, fill in the same parts of Form IT-230 that you filled in on federal Form 4972. Follow the instructions for Part 2 and Part 3.

If you were a New York State nonresident or part-year resident individual, nonresident estate or trust, or part-year resident trust and you received (or accrued) a lump-sum distribution from a qualified retirement plan in your period of nonresidence, the income is not taxable to New York State and therefore not subject to the New York State separate tax on lump-sum distributions. However, if you filed federal Form 4972 and used Part II because you chose the 20% capital gain election, you must complete Part 2, line 1 of Form IT-230 and the Income percentage schedule on page 3 of these instructions to compute the income percentage to enter on page 2, Worksheet C, line 6, and on Form IT-203, Nonresident and Part-Year Resident Income Tax Return, or IT-205-A, Fiduciary Allocation. Follow the line instructions for Part 2 on page 2.

If you were a New York City resident or a part-year New York City resident, compute your New York City separate tax on Form IT-230. New York City nonresidents are not subject to the city separate tax on lump-sum distributions.

If you were a Yonkers resident or part-year resident, compute your Yonkers resident income tax surcharge on Form IT-201, Resident Income Tax Return, or IT-203, based on your New York State separate tax on lump-sum distributions. You do not have to compute a separate tax on Form IT-230.

If you and your spouse were New York State residents or part-year residents and are filing a joint return, and you each received a lump-sum distribution, complete and file a separate Form IT-230 for each spouse and combine the tax shown on each form. Transfer the combined tax from Forms IT-230, Part 2 and/or Part 3, to the applicable worksheet and line as indicated on Form IT-230.

If you are filing for a New York State resident or part-year resident trust that shared the distribution only with other trusts, compute the tax on the entire distribution first. The trusts then share the tax in the same proportion that they shared the distribution.

Multiple recipients of lump-sum distribution – If you shared a lump-sum distribution from a qualified retirement plan when not all recipients were trusts, fill in the same parts of Form IT-230 that you filled in on federal Form 4972. If you used Part 3 of Form IT-230, compute your tax using the Multiple recipients of lump-sum distribution worksheet on the back of Form IT-230.

Officer, employee, or beneficiary of an officer or employee of New York State, the United States, or political subdivisions thereof – The following pension income received by a resident or part-year resident is not subject to the separate tax on lump-sum distributions but must be reported on Form IT-230 as described below.

Any pension you received, or distributions made to you, from a pension plan which represents a return of contributions in a year prior to retirement, as an officer, employee, or beneficiary of an officer or employee of:

- NYS, including State and City University of New York and NYS Education Department employees who belong to the Optional Retirement Program.

In the case of the Optional Retirement Program, only that portion of the lump-sum pension payment or return of contributions that is attributable to your employment with the State or City University of New York or NYS Education Department is exempt from the separate tax on lump-sum distributions.

- Certain public authorities, including:
  - Metropolitan Transit Authority (MTA) Police 20-Year Retirement Program;
  - Manhattan and Bronx Surface Transit Operating Authority (MABSTOA); and
  - Long Island Railroad Company.

- Local governments within the state (see Publication 36, General Information for Senior Citizens and Retired Persons).

- The United States, its territories, possessions (or political subdivisions thereof), or any agency or instrumentality of the United States (including the military), or the District of Columbia.

Distributions received from a New York State or local pension plan or from a federal government pension plan as a nonemployee spouse in accordance with a court-issued qualified domestic relations order (QDRO) that meets the criteria of IRC section 414(p)(1)(A), or in accordance with domestic relations order (DRO) issued by a New York court. For additional information, see Publication 36.

The portion of (1) the lump-sum pension payments or return of contributions that were attributable to your employment by an employer other than a New York public employer, such as a private university, and any portion attributable to contributions you made to a supplemental annuity plan which was funded through a salary reduction program; or (2) distributions from government (IRC 457) deferred compensation plans are subject to the separate tax on lump-sum distributions.

To satisfy the filing requirement, fill in Form IT-230, Part 1 and only Part 2, line 1 or Part 3, line 3, whichever is applicable. These amounts would be the same as those entered on federal Form 4972. Mark an X in the box, From New York State or the United States or political subdivision, in Part 1.

If, in addition to a lump-sum distribution received from New York State, or the United States, or their political subdivisions, you are reporting a lump-sum distribution from another source on federal Form 4972, include on Form IT-230 only the portion received from the other source.

Submit with Form IT-230 a statement showing the source and amount of each lump-sum distribution you reported on federal Form 4972.
Line instructions

See the instructions for your tax return for the Privacy notification or if you need help contacting the Tax Department.

Part 1

All filers must answer the question in Part 1.

If you answered No, do not complete the rest of Form IT-230.

If you answered Yes, complete Form IT-230, using federal Form 4972 and the Part 2 and Part 3 instructions. Submit Form IT-230 and a copy of federal Form 4972 with Form IT-201, IT-203, or IT-205.

Part 2

Full-year resident: If you used federal Form 4972, Part II, enter on Form IT-230, Part 2, line 1, the total capital gain part from federal Form 4972, Part II, line 6. Compute, and enter on line 2, the tax on the line 1 amount. Complete Worksheets A and B below, as applicable. (For filing status, Married filing joint return, compute one worksheet jointly.)

Part-year resident: Complete the Income percentage schedule on page 3 of these instructions. If you received (or accrued) a lump-sum distribution in your period of residence and you used federal Form 4972, Part II, enter on Form IT-230, Part 2, line 1, the total capital gain part from federal Form 4972, Part II, line 6. Compute, and enter on line 2, the tax on the line 1 amount. Complete Worksheets C and D below, as applicable. (For filing status 2, Married filing joint return, compute one worksheet jointly. If separate Forms IT-360.1, Change of City Resident Status, are being filed and you and your spouse each received a lump-sum distribution, complete and file a separate Form IT-230 and a separate Worksheet D for each spouse.)

If you received (or accrued) a lump-sum distribution in your period of nonresidence and you used federal Form 4972, Part II, because you chose the 20% capital gain election, you must complete Form IT-230, Part 2, line 1 only (do not compute a tax at line 2), and the Income percentage schedule on page 3 of these instructions.

![Worksheet A](image1.png)

### Worksheet A

**Full-year New York State residents**

1. New York State tax on capital gain portion of lump-sum distribution (from Form IT-230, Part 2, line 2, New York State column) ..............................................
2. Enter amount from Form IT-201, line 40 ..............................................
3. Enter amount from Form IT-201, line 39 ..............................................
4. Subtract line 3 from line 2 (if line 3 is more than line 2, leave blank) ..............................................
5. Subtract line 4 from line 1. Enter here and on Form IT-201-ATT, line 19 ..............................................

![Worksheet B](image2.png)

### Worksheet B

**Full-year New York City residents**

1. New York City tax on capital gain portion of lump-sum distribution (from Form IT-230, Part 2, line 2, New York City column) ..............................................
2. Enter amount from Form IT-201, line 48 ..............................................
3. Enter amount from Form IT-201, line 47 ..............................................
4. Subtract line 3 from line 2 (if line 3 is more than line 2, leave blank) ..............................................
5. Subtract line 4 from line 1. Enter here and on Form IT-201-ATT, line 33 ..............................................

![Worksheet C](image3.png)

### Worksheet C

**Part-year New York State residents**

1. New York State tax on capital gain portion of lump-sum distribution (from Form IT-230, Part 2, line 2, New York State column) ..............................................
2. Enter amount from Form IT-203, line 39 ..............................................
3. Enter amount from Form IT-203, line 38 ..............................................
4. Subtract line 3 from line 2 (if line 3 is more than line 2, leave blank) ..............................................
5. Subtract line 4 from line 1 ................................................
6. Enter Income percentage decimal (from Income percentage schedule, line 5, on page 3 of these instructions) ..............................................
7. Multiply the amount on line 5 by the decimal on line 6. Enter here and on Form IT-203-ATT, line 18 ..............................................

![Worksheet D](image4.png)

### Worksheet D

**Part-year New York City residents**

1. New York City tax on capital gain portion of lump-sum distribution (from Form IT-230, Part 2, line 2, New York City column) ..............................................
2. Enter amount from Form IT-360.1, line 49 ..............................................
3. Enter amount from Form IT-360.1, line 48 ..............................................
4. Subtract line 3 from line 2 (if line 3 is more than line 2, leave blank) ..............................................
5. Subtract line 4 from line 1. Enter here and on Form IT-360.1, line 52 ..............................................

**Nonresident** – If you filed federal Form 4972 and used Part II because you chose the 20% capital gain election, you must complete Form IT-230, Part 2, line 1 only (do not compute a tax at line 2) and the Income percentage schedule on page 3 of these instructions to compute the income percentage to enter on Form IT-203, line 45, or Form IT-205-A, Schedule 1, line 12.
Nonresident and part-year resident income percentage
All New York State nonresidents and part-year residents, or New York State nonresident estates or trusts and part-year resident trusts who used Form IT-230, Part 2, must complete lines 1 through 5 of the schedule below to compute the income percentage to enter on Worksheet C, line 6 (on page 2 of these instructions) and on Form IT-203, line 45, or on Form IT-205-A, Schedule 1, line 12.

To compute your income percentage, divide the amount from line 4 in the New York State amount column by the amount from line 4 in the Federal amount column. Round to the fourth decimal place. If the amount from line 4 in the New York State amount column is more than the amount from line 4 in the Federal amount column, the income percentage will be more than 100%.

<table>
<thead>
<tr>
<th>Income percentage schedule</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
<tr>
<td><strong>1</strong> Enter in the Federal amount column the amount from Form IT-203, line 31, Federal amount column, or from Form IT-205-A-I, page 2, NYAGI worksheet, line 5. Enter in the New York State amount column the amount from Form IT-203, line 31, New York State amount column, or the amount from Form IT-205-A-I, page 3, New York State income percentage worksheet, line g ........................................</td>
</tr>
<tr>
<td><strong>2</strong> Enter in the Federal amount column the amount from Form IT-230, Part 2, line 1. (<em>This should be the same amount as shown on federal Form 4972, Part II, line 6.</em>). ........................................</td>
</tr>
<tr>
<td><strong>3</strong> New York State amount column* (see footnote below) ..........................</td>
</tr>
<tr>
<td><strong>4</strong> Add lines 1, 2, and 3 and enter result here ..........................</td>
</tr>
<tr>
<td><strong>5</strong> Income percentage: Divide line 4, NYS amount column by line 4, Federal amount column. Round to the fourth decimal place (see instructions above). NYS amount, line 4 Fed. amount, line 4 ..........</td>
</tr>
</tbody>
</table>

* New York State amount column – Part-year resident
Enter that part of the line 2 amount (federal capital gain part of the lump-sum distribution) that you received (or accrued) in your period of residence. For more information, see Special accruals for part-year residents in Form IT-203-I, Instructions for Form IT-203.
### New York State tax rate schedule

<table>
<thead>
<tr>
<th>over</th>
<th>but not over</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ 0</td>
<td>$ 1,000</td>
</tr>
<tr>
<td>1,000</td>
<td>20 plus 3% of excess over $ 1,000</td>
</tr>
<tr>
<td>3,000</td>
<td>80 plus 4% of excess over $ 3,000</td>
</tr>
<tr>
<td>5,000</td>
<td>160 plus 5% of excess over $ 5,000</td>
</tr>
<tr>
<td>7,000</td>
<td>260 plus 6% of excess over $ 7,000</td>
</tr>
<tr>
<td>9,000</td>
<td>380 plus 7% of excess over $ 9,000</td>
</tr>
<tr>
<td>11,000</td>
<td>520 plus 8% of excess over $ 11,000</td>
</tr>
<tr>
<td>13,500</td>
<td>720 plus 9% of excess over $ 13,500</td>
</tr>
<tr>
<td>16,000</td>
<td>945 plus 10% of excess over $ 16,000</td>
</tr>
<tr>
<td>18,500</td>
<td>1,195 plus 11% of excess over $ 18,500</td>
</tr>
<tr>
<td>21,000</td>
<td>1,470 plus 12% of excess over $ 21,000</td>
</tr>
<tr>
<td>23,500</td>
<td>1,770 plus 13% of excess over $ 23,500</td>
</tr>
<tr>
<td>26,000</td>
<td>2,095 plus 13.5% of excess over $ 26,000</td>
</tr>
</tbody>
</table>

### New York City tax rate schedule

<table>
<thead>
<tr>
<th>over</th>
<th>but not over</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ 0</td>
<td>$ 1,000</td>
</tr>
<tr>
<td>1,000</td>
<td>9 plus 1.4% of excess over $ 1,000</td>
</tr>
<tr>
<td>3,000</td>
<td>37 plus 1.8% of excess over $ 3,000</td>
</tr>
<tr>
<td>5,000</td>
<td>73 plus 2.0% of excess over $ 5,000</td>
</tr>
<tr>
<td>7,000</td>
<td>113 plus 2.3% of excess over $ 7,000</td>
</tr>
<tr>
<td>9,000</td>
<td>159 plus 2.5% of excess over $ 9,000</td>
</tr>
<tr>
<td>11,000</td>
<td>209 plus 2.7% of excess over $ 11,000</td>
</tr>
<tr>
<td>13,000</td>
<td>263 plus 2.9% of excess over $ 13,000</td>
</tr>
<tr>
<td>15,000</td>
<td>321 plus 3.1% of excess over $ 15,000</td>
</tr>
<tr>
<td>17,000</td>
<td>383 plus 3.3% of excess over $ 17,000</td>
</tr>
<tr>
<td>19,000</td>
<td>449 plus 3.5% of excess over $ 19,000</td>
</tr>
<tr>
<td>21,000</td>
<td>519 plus 3.8% of excess over $ 21,000</td>
</tr>
<tr>
<td>23,000</td>
<td>595 plus 4.0% of excess over $ 23,000</td>
</tr>
<tr>
<td>25,000</td>
<td>675 plus 4.3% of excess over $ 25,000</td>
</tr>
</tbody>
</table>