Limitations on Deductions

Payments on behalf of an eligible student from a qualified state tuition program (such as New York’s 529 College Savings Program) are considered qualified college tuition expenses for purposes of Form IT-272. If you claim the student as a dependent, these payments are treated as paid by you.

Generally, qualified college tuition expenses paid on behalf of an eligible student by someone other than the student (such as a relative) are treated as paid by the student. However, if the eligible student is claimed as a dependent on another person’s New York State income tax return, only the person who claims the student as a dependent for income tax purposes may claim the credit or deduction for college tuition expenses that were paid (or treated as paid) by the student. This is the case even if the expenses were paid from the student’s earnings, gifts, inheritances, or savings.

The following are not qualified college tuition expenses:

- Tuition paid through the receipt of scholarships or financial aid (For this purpose, financial aid does not include student loans, other loans, and grants that must be repaid either before or after the student ceases attending school.)
- Amounts paid for room and board, insurance, medical expenses (including student health fees), transportation, or other similar personal, living, or family expenses

How do I claim the college tuition credit or itemized deduction?

If you paid qualified college tuition expenses in tax year 2014, complete all sections of Form IT-272 that apply to you. For the credit, transfer the amount from line 5 or line 7 to the appropriate line on Form IT-201. For the itemized deduction, see Part 4 on Form IT-272. Submit your completed Form IT-272 with your return.

Specific instructions

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

Part 1

Line A – Eligible student includes the taxpayer, the taxpayer’s spouse, and the taxpayer’s dependent(s) (for whom an exemption for New York State income tax purposes is allowed). List each eligible student only once in Part 1.

If you are claiming more than three eligible students, complete Part 1 as instructed, and submit a statement in the same format with your return with the required identifying information for the additional eligible students (be sure to include your name and social security number).

Line C – If the eligible student is someone other than you or your spouse, the student must be claimed as a dependent on your New York State return. If the eligible student is you or your spouse, mark an X in the No box.

Lines D and E – Enter the EIN and name of the college or university to which qualified college tuition expenses were paid. Obtain the EIN from Form 1098-T, Tuition Statement, or contact the college or university. If the eligible student attended more than one college or university during the tax year, enter the EIN and name of the last undergraduate college or university attended.

Line F – If No, stop; these tuition expenses do not qualify for the credit. Only expenses for undergraduate enrollment or attendance qualify.

Line G – Qualified college tuition expenses include tuition required for the enrollment or attendance of the eligible student at an institution of higher education. The expenses may be paid by cash, check, credit card, or with borrowed funds. The eligible student does not need to be enrolled in a degree program or to attend full time for the expenses to qualify. However, only expenses for undergraduate enrollment or attendance qualify. Expenses for enrollment or attendance in a course of study leading to the granting of a postsecondary degree, certificate, or diploma do not qualify.

Payments on behalf of an eligible student from a qualified state tuition program (such as New York’s 529 College Savings Program) are considered qualified college tuition expenses for purposes of Form IT-272. If you claim the student as a dependent, these payments are treated as paid by you.

Generally, qualified college tuition expenses paid on behalf of an eligible student by someone other than the student (such as a relative) are treated as paid by the student. However, if the eligible student is claimed as a dependent on another person’s New York State income tax return, only the person who claims the student as a dependent for income tax purposes may claim the credit or deduction for college tuition expenses that were paid (or treated as paid) by the student. This is the case even if the expenses were paid from the student’s earnings, gifts, inheritances, or savings.
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- Fees for course-related books, supplies, equipment, and nonacademic activities, even if the fees are required to be paid as a condition of enrollment or attendance

If you paid qualified tuition expenses in 2014 for an academic period that begins in 2015 or after, those expenses are considered eligible expenses for the 2014 college tuition credit or deduction.

Expenses reimbursed to you from your employer are not eligible for the college tuition credit or itemized deduction. When figuring your credit or itemized deduction, you must reduce the total of your qualified college tuition expenses by any scholarships or financial aid received or by any refunds of qualified expenses. If you have not received a refund, scholarship, or other form of financial aid before you file your tax return, reduce your qualified expenses by the amount that will be received if you can determine this amount. If the refund, scholarship, or financial aid is received after you have filed your return, you must file Form IT-201-X, Amended Resident Income Tax Return, and Form IT-272 (marked Amended).

Amended Resident Income Tax Return, received after you have filed your return, you must file Form IT-201-X, Amended Resident Income Tax Return, and Form IT-272 (marked Amended). Compute the amount by which your credit or deduction would have been reduced if the refund, scholarship, or financial aid had been received in the year for which you claimed the credit or deduction.

If you paid qualified college tuition expenses to more than one college or university for the same eligible student, enter the total qualified expenses paid to all institutions during 2014 for that student on one line.

Line H – Enter for each student listed on line A the lesser of $10,000 or the amount of qualified college tuition expenses shown on line G.

Part 4 – College tuition itemized deduction election

If you itemized deductions on your federal return, you may receive a greater tax benefit from the college tuition itemized deduction. To compute your college tuition itemized deduction, complete Worksheet 1 below.

Note: If the amount on Form IT-201, line 33, is more than $1,000,000, do not complete Part 4. You should claim the college tuition credit since your college tuition itemized deduction is reduced to zero.

Use the following steps to determine if the college tuition itemized deduction or the college tuition credit offers the greater tax savings:

- First complete any of the following that apply to you:
  - Form IT-213, Claim for Empire State Child Credit
  - Form IT-214, Claim for Real Property Tax Credit
  - Form IT-215, Claim for Earned Income Credit, or Form IT-209, Claim for Noncustodial Parent New York State Earned Income Credit
  - Form IT-216, Claim for Child and Dependent Care Credit
  - Form NYC-208, Claim for New York City Enhanced Real Property Tax Credit

Then, complete Worksheet 2 on page 3.

However, do not use Worksheet 2 if you must file any of the following forms:
  - Form IT-201-ATT, Other Tax Credits and Taxes
  - Form IT-360.1, Change of City Resident Status
  - Form IT-112-R, New York State Resident Credit
  - Form IT-112-C, New York State Resident Credit for Taxes Paid to a Province of Canada

Instead, you should first compute your tax liability claiming the college tuition credit on a separate sheet of paper. Then, compute your tax liability claiming the college tuition itemized deduction. Claim the option that results in the greater tax savings.

You may claim either the credit or the deduction, but not both.

Important: You must submit Form IT-272 with your 2014 Form IT-201 to claim the college tuition credit or the college tuition itemized deduction.

Worksheet 1

<table>
<thead>
<tr>
<th>1</th>
<th>Enter amount from Form IT-272, line 3.</th>
<th>1</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>If your filing status is:</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• 1 or 8 and the amount on Form IT-201, line 33, is $100,000 or less; or</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• 4 and the amount on Form IT-201, line 33, is $150,000 or less; or</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• 2 or 8 and the amount on Form IT-201, line 33, is $200,000 or less</td>
<td></td>
</tr>
<tr>
<td></td>
<td>skip lines 2 through 4 and enter the amount from line 1 on line 5. All others continue with line 2.</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Enter amount, if any, from your itemized deduction schedule, line 14.</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>(If the amount on line 2 is zero, skip lines 3 and 4. See Note below to compute the amount to enter on line 5.)</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Enter amount from your itemized deduction schedule, line 12.</td>
<td>3</td>
</tr>
<tr>
<td>4</td>
<td>Divide line 2 by line 3, and round to the fourth decimal place.</td>
<td>4</td>
</tr>
<tr>
<td>5</td>
<td>Multiply line 1 by the amount on line 4. This is your college tuition itemized deduction.</td>
<td>5</td>
</tr>
<tr>
<td>6</td>
<td>Enter amount from your itemized deduction schedule, line 14.</td>
<td>6</td>
</tr>
<tr>
<td>7</td>
<td>Add lines 5 and 6.</td>
<td>7</td>
</tr>
<tr>
<td>8</td>
<td>Enter your New York standard deduction (see the instructions for Form IT-201)</td>
<td>8</td>
</tr>
</tbody>
</table>

If line 7 is less than line 8, stop. You should claim the standard deduction and the college tuition credit on your Form IT-201 since it offers the greater tax savings. If line 7 is more than line 8, continue with Worksheet 2 on page 3.

Note: If the amount on Form IT-201, line 33, is:
  - $525,000 or less, use the instructions for Form IT-201-D, line 13, in the instructions for Form IT-201. On Worksheet 3, line 6, or Worksheet 4, line 3 (whichever worksheet applies) enter 25% of the amount from Form IT-272, line 3 (instead of 25% of the line 12 amount). Subtract the amount computed on Worksheet 3, line 7, or Worksheet 4, line 5, from the amount on Form IT-272, line 3. Enter the result on line 5 above.
  - more than $525,000 but not more than $1,000,000, enter 50% of Form IT-272, line 3, on line 5 above.
  - more than $1,000,000, stop. Your college tuition itemized deduction is reduced to zero.
**Worksheet 2**

1. Enter your New York adjusted gross income from Form IT-201, line 33 .................................................. 1
2. Enter amount from Worksheet 1, line 7 ........................................................................................................ 2
3. NYS dependent exemption(s) amount from Form IT-201, line 36 ................................................................... 3
4. Add lines 2 and 3 ........................................................................................................................................... 4
5. Subtract line 4 from line 1 ........................................... 5
6. New York State tax on line 5 amount. (See the instructions for Form IT-201 to compute your tax. Use the line 5 amount instead of the amount on Form IT-201, line 38, to determine which tax computation method to use and to compute your tax.) ................................. 6
7. Enter your NY State household credit from Form IT-201, line 40 (see the instructions for Form IT-201) .......... 7
8. Subtract line 7 from line 6 ........................................... 8
9. Enter amount from Form IT-216, line 14 ........................................................................................................ 9
10. Enter amount from Form IT-215, line 16 or 17, or Form IT-209, line 42 or 43 ............................................. 10
11. Enter amount from Form IT-214, line 33 ..................................................................................................... 11
12. Enter amount from Form IT-213, line 16 or 17 ............................................................................................ 12
12a. Enter amount from Form NYC-208, line 29 ............................................................................................... 12a
12b. Enter the amount of your real property tax freeze credit (see instructions for Form IT-201, Item D2) .................. 12b
12c. Enter the amount of your family tax relief credit (generally, this amount is $350; see instr. for Form IT-201, Item D3)... 12c
13. Add lines 9 through 12c. .......................................................................................................................... 13
14. Subtract line 13 from line 8 ........................................... 14
15. New York City resident tax on line 5 amount. (See the instructions for Form IT-201 to compute your tax. Use the line 5 amount instead of the amount on Form IT-201, line 38, to determine which tax computation method to use and to compute your tax.) ............................................ 15
16. Enter your New York City household credit from Form IT-201, line 48 (see the instructions for Form IT-201) .. 16
17. Subtract line 16 from line 15 ....................................................................................................................... 17
18. Yonkers residents, multiply line 14 by 16.75% (.1675); Yonkers nonresidents, enter amount from Form Y-203, line 6 18
19. Add lines 8, 17, and 18 .................................................................................................................................. 19
20. Enter amount from line 1 above .................................................................................................................. 20
21. Enter amount from Worksheet 1, line 6 or Worksheet 1, line 8, whichever is greater .................................... 21
22. Enter amount from line 3 above .................................................................................................................. 22
23. Add lines 21 and 22 ....................................................................................................................................... 23
24. Subtract line 23 from line 20 ....................................................................................................................... 24
25. New York State tax on line 24 amount. (See the instructions for Form IT-201 to compute your tax. Use the line 24 amount instead of the amount on Form IT-201, line 38, to determine which tax computation method to use and to compute your tax.) ................................. 25
26. Enter amount from line 7 above .................................................................................................................. 26
27. Subtract line 26 from line 25 ....................................................................................................................... 27
28. Enter amount from line 13 above .................................................................................................................. 28
29. Subtract line 28 from line 27 ....................................................................................................................... 29
30. New York City resident tax on line 24 amount. (See the instructions for Form IT-201 to compute your tax. Use the line 24 amount instead of the amount on Form IT-201, line 38, to determine which tax computation method to use and to compute your tax.) ................................. 30
31. Enter amount from line 16 above .................................................................................................................. 31
32. Subtract line 31 from line 30 ....................................................................................................................... 32
33. Yonkers residents, multiply line 29 by 16.75% (.1675); Yonkers nonresidents, enter amount from Form Y-203, line 6 33
34. Add lines 27, 32, and 33 ............................................................................................................................. 34
35. Enter amount from Form IT-272, line 5 or 7, whichever applies ................................................................. 35
36. Subtract line 35 from line 34 ....................................................................................................................... 36

- If line 19 is less than line 36, the college tuition itemized deduction offers you the greater tax savings. Enter the amount from Worksheet 1, line 5, on your itemized deduction schedule, line 15. Do not claim the college tuition credit on line 68 of Form IT-201. You must submit your completed Form IT-272 with Form IT-201. We cannot allow your college tuition itemized deduction if you fail to submit Form IT-272 with Form IT-201.

- If line 19 is more than line 36, the college tuition credit offers you the greater tax savings. Do not enter an amount on your itemized deduction schedule, line 15. Enter the college tuition credit from Form IT-272, line 5 or 7, whichever applies, on Form IT-201, line 68. However, you should complete your itemized deduction schedule to determine if your New York itemized deduction, not including the college tuition itemized deduction, is greater than your allowable standard deduction.

Keep this completed Worksheet 2 with your records; do not mail Worksheet 2 with your return.