



Yonkers Nonresident Partner Allocation

Y-204

Name (as shown on Form IT-204)	Employer identification number
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Part 1

Number of Yonkers nonresident partners	
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Part 2

	A Total amount of net earnings (loss) from self-employment reported on federal Form 1065, Schedule K	B Total Yonkers amount
Partnership's net earnings from self-employment .....	.00	.00

Part 3 – Formula basis allocation of income (if books do not reflect income earned in Yonkers)
(see instructions on back)

Items used as factors	A	B	C
	Totals - in and out of Yonkers	Yonkers amounts	Percent column B is of column A
1 Real property owned .....	.00	.00	
2 Real property rented from others .....	.00	.00	
3 Tangible personal property owned .....	.00	.00	
3a Tangible personal property rented from others.....	.00	.00	
4 Property percentage (add lines 1 through 3a; see instructions) ....	.00	.00	%
5 Payroll percentage (see instructions) .....	.00	.00	%
6 Gross income percentage (see instructions) .....	.00	.00	%
7 Total of percentages (add column C, lines 4, 5, and 6)			%
8 Business allocation percentage (divide line 7 by three, or by actual number of percentages if less than three)			%

- This form, when complete, constitutes the return required under the Yonkers local law.
- **Submit this form with Form IT-204, Partnership Return.**



Instructions

General information

Who must file

Every partnership doing business in Yonkers and having a partner who is a nonresident of Yonkers must complete Form Y-204. Submit Form Y-204 with your Form IT-204, **Partnership Return**.

A partnership is *doing business in Yonkers* if:

- it maintains or operates in Yonkers an office, a shop, a store, a warehouse, a factory, an agency, or other place where its affairs are systematically and regularly carried on; or
- it performs a series of acts or transactions in Yonkers with regularity and continuity for livelihood or profit, as distinguished from isolated or incidental transactions.

Specific instructions

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

Enter the partnership name and employer identification number in the spaces provided.

Part 1 – Enter in this part the number of partners who are nonresidents of Yonkers.

Part 2 Column A – Enter in this column the total amount of net earnings from self-employment of the partnership as reported on federal Form 1065, Schedule K.

Part 2 Column B – Enter in this column the amount of net earnings from self-employment from Yonkers. If the partnership carries on a business both in and out of Yonkers and maintains records from which the Yonkers income can be determined, enter in this column the net earnings from self-employment derived from Yonkers sources as determined from the books of account (submit a computation).

A partnership carrying on business in and out of Yonkers that does not maintain books and records from which the Yonkers net earnings from self-employment can be determined must use the business allocation percentage computed in Part 3, line 8.

Part 3 – Complete Part 3 if the partnership carries on business both in and out of Yonkers but does not maintain books and records from which the Yonkers net earnings from self-employment can be determined.

Even though Part 3 may not fairly and equitably reflect the income from Yonkers and an authorized alternate allocation method is used, Part 3 must still be completed. A detailed explanation of the authorized alternate method used to determine the Yonkers income must be submitted with full details of any changes increasing or decreasing the amount of Yonkers income computed by the authorized alternate method.

Gross rents, as used in these instructions, includes:

- any amount payable for the use or possession of real and tangible personal property, or any part thereof, whether designated as a fixed sum of money or as a percentage of sales, profits, or otherwise;
- any amount payable as additional rent, or in lieu of rent, such as interest, taxes, insurance, repairs, or any other amount required to be paid by the terms of a lease or other arrangement; and
- a proportionate part of the cost of any improvement to real or tangible personal property made by or on behalf of the business that reverts to the owner or lessor upon termination of a lease or other arrangement (see New York Codes, Rules, and Regulations, Title 20, sections 132.15(d)(2) and 262.2(b)(3)(i)(b)).

Property percentage – lines 1 through 4

Compute the average value of real and tangible personal property connected with the partnership's net earnings from self-employment by completing lines 1 through 4.

Line 1 Real property owned – Enter in column A the average value of all real property owned by the business. Enter in column B the average value of real property located within Yonkers.

The average value of the property is determined by (1) adding its adjusted basis at the beginning of the tax year to its adjusted basis at the end of the tax year and (2) dividing by two.

Line 2 Real property rented from others – Enter the value of real property rented to the business. The value of real property rented is eight times the gross rents payable for real property during the tax year for which the return is filed. However, if a building is erected on leased land by or on behalf of the business, the value of the building is determined in the same manner as if it were owned by the business.

Line 3 Tangible personal property owned – Enter in column A the average value (determined in accordance with the instructions for line 1) of all tangible personal property (including any inventory) owned by the business. Enter in column B the average value of tangible personal property located in Yonkers.

Line 3a Tangible personal property rented from others – Enter the value of tangible personal property rented to the business. The value of rented tangible personal property is eight times the gross rents payable for tangible personal property during the tax year for which the return is filed.

Line 4 Property percentage – Add lines 1 through 3a in columns A and B, and enter the total on line 4. Divide the column B total by the column A total and round the result to the fourth decimal place. For example, if the total in column A is \$15,000 and the total in column B is \$10,000, divide \$10,000 by the \$15,000 and enter the result (.6667) as a percentage (66.67%) in column C.

Line 5 Payroll percentage – The amounts to be entered on line 5 include wages and other personal service compensation paid only to **employees** of the partnership. Do not include payments to nonemployees such as independent contractors and independent sales agents. Enter on line 5 in column A the total wages and personal service compensation paid to employees during the tax year for partnership operations carried on both in and out of Yonkers. Enter on line 5 in column B the amount of that pay for operations carried on in Yonkers. Operations are considered to be carried on in Yonkers if the employee works in or travels out of an office or other place of business located in Yonkers. If on Form IT-225, *New York State Modifications*, line 10, you subtracted an amount based on wages not allowed because of a federal credit under IRC section 280C, this change should be reflected here in wages and salaries paid during the year. Divide the column B total by the column A total. Round the result to the fourth decimal place and enter it as a percentage in column C.

Line 6 Gross income percentage – The amount to be entered on line 6 in column A is total gross sales made or charges for services performed by the partners or by employees, agents, agencies, or independent contractors of the partnership in and out of Yonkers. The amount to be entered on line 6 in column B is the part of total gross sales or charges that represents sales made or services performed by or through an agency in Yonkers. This includes sales made or services performed by employees, agents, agencies, or independent contractors situated at, connected with, or sent out from offices of the partnership (or its agencies) located in Yonkers.

Note to paid preparers – Paid preparers may be subject to a penalty for failure to conform to certain requirements. For more information see Form IT-204-I, *Instructions for Form IT-204*.

