If the status of an individual changes from a New York State resident to a nonresident, the individual must accrue on his or her New York State part-year or full-year resident return any items of income, gain, loss, or deduction that under an accrual method of accounting would be reportable at the time of the change of residence. The individual must also accrue to New York State the total taxable amount of lump-sum distributions subject to the separate tax on lump-sum distributions (Form IT-230, Separate Tax on Lump-Sum Distributions).

If an individual changes from a New York City resident to a nonresident, these accruals must be made on Form IT-360-1, Change of City Resident Status. These rules also apply when the status of a trust changes from resident to nonresident (a trust will make these accruals on Form IT-205-A, Fiduciary Allocation). These special accruals are required under Tax Law sections 639(a), 639(h), 1307(c), and 1307(f). For more information on the accrual requirements for New York City, see the instructions for Form IT-360-1. For more information on the accrual requirements for trusts, see the instructions for Form IT-205-A.

If you had a right to receive the income without restriction or contingencies at or before the date of the change of residence, this income would be accruable at the time you changed your residence, even if the income is actually received after you move out of New York State. Examples of accruals of income are: 1) the unrealized income from an installment sale made while you were a resident, and 2) payments that you will receive from a lottery that you won while you were a resident.

Other items that may be accrual include bonuses (if the amount to be received is fixed and determinable at or before the date of the change of residence) and severance pay (if the amount to be received is fixed and determinable at or before the date of the change of residence).

You are not required to make the special accruals on your New York State return in the year that you change your resident status if: 1) you file a bond or other acceptable security in an amount equal to or greater than the amount of additional New York State income tax that would be due if the accrued items were included on your New York return, and 2) you include the accruable amounts as received on your New York nonresident return for subsequent tax years as if no change of resident status occurred (sections 639(d), 639(h), 1307(c), and 1307(f) of the Tax Law).

If you were a New York City resident prior to your change of residence, you must continue to pay New York City resident tax on the accruable amounts reported on your future New York State nonresident returns.

Form IT-260, New York State and New York City Surety Bond Form Change of Resident Status – Special Accruals, must be properly executed in triplicate and filed with Form IT-201, Resident Income Tax Return, Form IT-203, Nonresident and Part-Year Resident Income Tax Return, or Form IT-205, Fiduciary Income Tax Return, for the year that the change of residence occurred.

Form IT-260 must be:
- executed by a surety company that is registered with, and under the supervision of, the New York State Insurance Department;
- approved by the Department of Taxation and Finance;
- in the amount of the deferred tax; and
- accompanied by a statement that shows the nature and amount of each item of accrued income, gain, loss, or deduction and a computation of the deferred tax.

Deferred tax is the additional personal income tax that would have been due if the items of income, gain, loss, or deduction had been accrued (including any separate tax on lump-sum distributions that would have been due if the lump-sum distribution had been accrued) on the part-year or full year resident return for the year that the change of residence occurred.

In place of Form IT-260, you may file collateral security acceptable to the department. If you decide to file collateral security, it must be accompanied by a properly executed collateral agreement on Form IT-260.1, Change of Resident Status – Special Accruals, in triplicate. Both the collateral security and Form IT-260.1 (in triplicate) should be filed with your return for the year that the change of residence occurred. The following kinds of security will be accepted as collateral security:
- Certificated United States Treasury bonds
- Certificated bonds of New York State
- Certificated bonds of any political subdivision of New York State having general governmental powers in connection with which the credit of the political subdivision is pledged for the payment of the interest and principal on the bonds
- Bank passbooks and certificates of deposit
- Irrevocable standby letters of credit made payable to the New York State Department of Taxation and Finance
- Federal Form W-2G, Certain Gambling Winnings

Bonds offered as collateral must be certificated and may be in either bearer or registered form. They must have maturity dates at least five years after the date of filing with the department.

If they are of the coupon type, the interest coupons must be attached. (However, since any interest accruing on the bonds belongs to the taxpayer, the coupons will be detached and returned as they become due.) The dollar amount of the bonds must be at least 1 1/2 times the amount of the deferred tax, based on the fair market value on the date of filing with the department. Fair market value greater than the face value on the bond will not be recognized for this purpose. If registered United States Treasury bonds are offered as collateral, the taxpayer must submit to the department a properly completed United States Treasury Department Form PDF 1832, Special Form of Assignment for U.S. Registered Definitive Securities. If a registered New York State security or security of any subdivision of New York State is offered as collateral, the taxpayer must submit to the department a properly completed New York State Form AU-217, Assignment Separate from Bond.

Bank passbooks and certificates of deposit offered as collateral must be in an amount not less than the amount of the deferred tax and must represent money on deposit with a
Where to send your forms

The surety bond Form IT-260 or the collateral security with Form IT-260.1, whether or not filed with Form IT-201, Form IT-203, or Form IT-205, must be sent by registered mail to:

INCOME TAX AUDIT ADMINISTRATOR I
IFDAB
W A HARRIMAN CAMPUS
ALBANY NY 12227-4299

For subsequent years, Form IT-201, Form IT-203, or Form IT-205 must be sent to this address instead of the one on the return.

Private delivery services – See Publication 55, Designated Private Delivery Services.

If you have questions regarding the filing of a bond, please call our bond unit at (518) 485-5909, or write to the Income Tax Audit Administrator at the address above.

Need help?

Visit our Web site at www.tax.ny.gov
• get information and manage your taxes online
• check for new online services and features

Telephone assistance
Automated income tax refund status: (518) 457-5149
Personal Income Tax Information Center: (518) 457-5181
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

Persons with disabilities: In compliance with the Americans with Disabilities Act, we will ensure that our lobbies, offices, meeting rooms, and other facilities are accessible to persons with disabilities. If you have questions about special accommodations for persons with disabilities, call the information center.