



# Instructions for Form IT-270

## New York City Income Tax Elimination Credit

**IT-270-I**

### General information

For tax years beginning on or after January 1, 2025, the New York City Income Tax Elimination credit may be available to you if:

- you are a full-year or part-year resident of New York City (NYC),
- you claimed one or more dependents on Form IT-201, item H or Form IT-203, item I,
- you did not claim NYC or New York State pass-through entity tax (PTET) credit,
- your federal adjusted gross income (FAGI) is no more than \$5,000 above your applicable income thresholds based on the number of dependents claimed and your filing status, and
- your investment income is \$10,000 or less.

If you qualify for this credit, you may be able to reduce or eliminate your NYC personal income tax liability.

### Credit calculation

The amount of credit may eliminate your NYC tax liability that remains after other applicable credits. However, if your FAGI exceeds the income thresholds, you may only qualify for a partial credit.

If your FAGI is:

- less than or equal to your income threshold, you receive a full credit equal to the tax due that remains after other applicable credits.
- not more than \$5,000 above your income threshold, you may still qualify for a partial credit. This partial credit is calculated by applying a percentage reduction based on how much your income exceeds the threshold.
- more than \$5,000 above your income threshold, you do **not** qualify for this credit.

### How to claim this credit

You must submit Form IT-270 with your Form IT-201, *Resident Income Tax Return* or Form IT-203, *Nonresident and Part-Year Resident Income Tax Return*.

## Line instructions

### Part 1: Eligibility

**Line D:** You cannot claim this credit if your investment income is more than \$10,000. For most taxpayers, investment income is the total amount of the following:

- taxable interest income (from federal Form 1040, line 2b);
- tax-exempt interest income (from federal Form 1040, line 2a);
- ordinary dividends income (from federal Form 1040, line 3b); and
- capital gains net income from federal Form 1040, line 7a (if more than zero).

In addition, this may also include other types of income such as rental income, royalties, and income from passive activities. To calculate your investment income, use *Worksheet 1, Investment Income* in federal Publication 596, *Earned Income Credit* or see *Internal Revenue Code (IRC) § 32(i)*.

### Part 2: Credit calculation

#### Line 2: Income thresholds table

Married filing joint return or Qualifying surviving spouse		Married filing separate return, Single or Head of household	
Number of dependents	Income threshold	Number of dependents	Income threshold
1	\$36,789	1	\$31,503
2	\$46,350	2	\$36,824
3	\$54,545	3	\$46,512
4	\$61,071	4	\$53,711
5	\$68,403	5	\$59,928
6	\$75,204	6	\$65,712
7 or more	\$91,902	7	\$74,565
		8 or more	\$88,361

**Line 10:** If the amount is **0** or less, you are not eligible to claim New York City income tax elimination credit. **Do not** complete this form or submit it with your return.

**Line 11:** Enter the amount from line 11 on Form IT-201, line 70a, or Form IT-203, line 60b.