**General information**

For tax years beginning before January 1, 2022, the 2020-2021 New York State budget (Part WWW of Chapter 58 of the Laws of 2020) decoupled personal income tax from any amendments made to the Internal Revenue Code (IRC) after March 1, 2020. This includes changes made by the federal Coronavirus Aid, Relief, and Economic Security (CARES) Act and any other federal changes to the IRC. Therefore, any amendments made to the IRC after March 1, 2020, will not apply to New York State or New York City personal income tax.

Complete Form IT-558 and submit it with your return to report any New York State addition and subtraction adjustments required to recompute federal amounts using the rules in place prior to any changes made to the IRC after March 1, 2020.

**Note:** These addition and subtraction adjustments are separate from the addition and subtraction modifications reported on Form IT-225, New York State Modifications. You may need to file both Form IT-558 and Form IT-225.

Refer to the charts found on page 6 for a listing of addition and subtraction adjustment(s) for your specific filing that may be entered on this form.

Submit Form IT-558 with Form IT-201, Resident Income Tax Return; IT-203, Nonresident and Part-Year Resident Income Tax Return; IT-204, Partnership Return; or IT-205, Fiduciary Income Tax Return.

**Special symbol**

The following symbol alerts you to important information and filing shortcuts.

⚠️ Caution

**Line instructions**

Enter the name and Social Security number (SSN) or employer identification number (EIN) as shown on Form IT-201, IT-203, IT-204 or IT-205. If you are filing a joint personal income tax return, enter both spouses’ names and the SSN of the taxpayer listed first on your Form IT-201 or IT-203.

Mark an **X** in the appropriate box identifying the return with which you are submitting Form IT-558.

Use the instructions below to determine which parts of this form you should complete. **If more than one set of instructions applies, follow all the instructions that apply to you.**

**Individuals, partnerships, and estates or trusts**

- Complete Schedule A, Part 2, to report your New York additions from a partnership, New York S corporation, or estate or trust.
- Complete Schedule B, Part 2, to report your New York subtractions from a partnership, New York S corporation, or estate or trust.

This information should be provided by the partnership, S corporation, and estate or trust. For more information, see New York State addition and subtraction adjustments to recompute federal amounts on page 2.

If you have more than seven entries in any part, submit a separate Form IT-558 listing the additional addition or subtraction adjustments in the appropriate parts.

**Schedule A – New York State addition adjustments to recompute federal amounts**

Enter the New York State addition adjustments that apply to you:

- as an individual, partnership, estate or trust in Part 1, and
- as a partner, shareholder, or beneficiary in Part 2.

**Part 1 – Individuals, partnerships, and estates or trusts**

**Line 1**

Enter the applicable New York State addition adjustment number(s) on lines 1a through 1g. The addition adjustments can be found starting on page 2. In column A, enter the total of each New York State addition adjustment. Form IT-203 filers, partnerships, estates, and trusts who are doing business in and out of New York enter in column B the portion that relates to income, gain, loss, or deduction derived from or connected with New York State sources.

**Part 2 – Partners, shareholders, and beneficiaries**

**Line 5**

Enter the New York State addition adjustments provided by the entity of which you are a partner, shareholder, or beneficiary. Be sure to enter the total amount and New York State allocated amount (if applicable) in the appropriate column.

If you receive addition adjustments from more than one flow-through entity, combine the amounts using code EA-100 for amounts from partnerships or S corporations, or code EA-101 for amounts from estates or trusts.

**Line 9**

Enter the line 9 amount as follows:

- **Form IT-201 filers:** Enter the line 9 amount on the **Line 19a worksheet**, line 2 in Form IT-201-I.
- **Form IT-203 filers:** Enter the line 9 amount on the **Line 19a Federal amount column worksheet**, line 2 in Form IT-203-I.

Enter the sum of the entries from Form IT-558, lines 1 and 5, column B on **Line 19a New York State amount column worksheet**, line 2 in Form IT-203-I.

**Estates and trusts:** Enter the line 9 amount on Form IT-205, line 70a.

**Partnerships:** Enter the line 9 amount on Form IT-204, Section 12, line 1.
Schedule B – New York State subtraction adjustments to recompute federal amounts
Enter the New York State subtraction adjustments that apply to you:
• as an individual, partnership, estate or trust in Part 1, and
• as a partner, shareholder, or beneficiary, in Part 2.

Part 1 – Individuals, partnerships, and estates or trusts
Line 10
Enter the applicable New York State subtraction adjustment number(s) on lines 10a through 10g. The subtraction adjustments can be found starting on page 4. In column A, enter the total of each New York State subtraction adjustment. Form IT-203 filers, partnerships, estates, and trusts who are doing business in and out of New York enter in column B, the portion that relates to income, gain, loss, or deduction derived from or connected with New York State sources.

Part 2 – Partners, shareholders, and beneficiaries
Line 14
Enter the New York State subtraction adjustments provided by the entity of which you are a partner, shareholder, or beneficiary. Be sure to enter the total amount and New York State allocated amount (if applicable) in the appropriate column.

If you receive subtraction adjustments from more than one flow-through entity, combine the amounts using code ES-100 for amounts from partnerships or S corporations, or code ES-101 for amounts from estates or trusts.

Line 18
Enter the line 18 amount as follows:
Form IT-201 filers: Enter the line 18 amount on the Line 19a worksheet, line 4 in Form IT-201-I.
Form IT-203 filers: Enter the line 18 amount on the Line 19a Federal amount column worksheet, line 4 in Form IT-203-I.

Enter the sum of the entries from Form IT-558, lines 10 and 14, column B on Line 19a New York State amount column worksheet, line 4 in Form IT-203-I.

Estates and trusts: Enter the line 18 amount on Form IT-205, line 70b.

Partnerships: Enter the line 18 amount on Form IT-204, Section 12, line 2.

Failure to enter the specific subtraction adjustment code(s) (including subtraction adjustments provided by the entity of which you are a partner, shareholder, or beneficiary) as identified by these instructions may result in the subtraction adjustment(s) being disallowed. Do not make an entry on the respective worksheets or forms without submitting a properly completed Form IT-558.

New York State addition adjustments
In the adjustment descriptions below, you will refer to an individual, estate, trust or partnership, as applicable. See the chart starting on page 6 for information on which forms the adjustments apply to.

Form IT-203 filers
Nonresident individuals
Enter in column A, Total amount, the New York State additions or subtractions that must be added to or subtracted from your federal AGI. Enter in column B, NYS allocated amount, the portion that relates to income, loss, or deduction derived from or connected with New York State sources. New York additions and subtractions that relate to intangible items of income, such as interest or ordinary dividends, are only required to the extent the property that generates the income is employed in a business, trade, profession, or occupation carried on in New York State.

Part-year residents
If you were a part-year resident, include the portion of any of the additions and subtractions that relate to your New York State resident period in the NYS allocated amount column. Also, for the period you were a nonresident, include in the NYS allocated amount column the portion of any of the additions and subtractions to the extent they are related to a business, trade, profession, or occupation carried on in New York State or are from real or tangible personal property located in New York State.

S corporation shareholders
If you are a shareholder of a federal S corporation for which the election to be a New York S corporation was in effect for the tax year, include any addition and subtraction adjustments that were provided to you by the S corporation. If the election to treat the corporation as a New York S corporation terminated during the tax year, you must make the additions and subtractions only to the extent they are attributable to the period for which the election to be a New York S corporation was in effect.

If you are a shareholder of an S corporation that was eligible to make the election to be a New York S corporation for the tax year but did not make the election, do not include any S corporation adjustments since they apply only to electing New York S corporations.

You must make the adjustments for the tax year of the S corporation that ends in your tax year.

New York State addition adjustments
Write in the applicable number(s) and the amount of each addition adjustment on lines 1a through 1g. You must enter all three digits of the code.

Exclusion for certain employer payments of student loans
If you excluded from federal gross income payments made by your employer, whether paid to you or to a lender, of principal or interest on any qualified education loan [as defined in IRC §221(d)(1)] incurred by you for your education, then enter the amount that was excluded.

Note: Only include payments of principal or interest on qualifying education loans. Do not include other payments of educational assistance [as defined in IRC §127(c)] that were excluded from federal gross income, such as, tuition, fees, and similar payments, books, supplies, and equipment.
A-005 Adjustment for net operating losses
If you claimed a net operating loss (NOL) deduction on your federal return, then enter the amount of such NOL deduction. See S-004 to enter the amount of your recomputed federal NOL deduction (if any).

A-008 Depreciation of qualified improvement property (QIP)
If you reported a depreciation deduction related to federal QIP [as defined in IRC § 168(e)(6)] on your federal return, and the amount reported is greater than it would have been if computed using the rules in place prior to any changes made to the IRC after March 1, 2020, then enter the difference. Also see S-003.

⚠️ Do not report this depreciation on Form IT-398, New York State Depreciation Schedule for IRC Section 168(k) Property.

A-012 Energy efficient commercial buildings deduction
If you claimed an energy efficient commercial buildings deduction on your federal return in accordance with IRC § 179D, then enter the amount of that deduction.

A-013 Benefits provided to volunteer firefighters and emergency medical responders
If you, as a member of a qualified volunteer emergency response organization, excluded from federal gross income any qualified State and local tax benefits, or qualified payments in accordance with IRC § 139B, then enter the amount that was excluded.

A-014 Extension of look-thru rules for related foreign corporations
If as a United States shareholder of a controlled foreign corporation you excluded from your federal gross income any dividends, interest, rents, or royalties in accordance with IRC § 954(c)(6), then enter the amount that was excluded.

A-015 Exclusion from federal gross income of discharge of qualified principal residence indebtedness
If you excluded from federal gross income any discharge of qualified principal residence indebtedness, and the discharge of indebtedness occurred after December 31, 2020, then enter the amount that was excluded.

A-016 7-year recovery period for motorsports entertainment complexes
If you reported a depreciation deduction on your federal return related to a motorsports entertainment complex [as defined in IRC § 168(i)(15)(D)], and the related property was placed in service after December 31, 2020, and the depreciation deduction reported is greater than what would have been allowed if the term motorsports entertainment complex did not include such property, then enter the difference. Also see S-007.

A-017 Expensing rules for certain productions
If you claimed a deduction for expensing any qualified film or television production, or any qualified live theatrical production, on your federal return in accordance with IRC § 181, then enter the amount of that deduction.

A-018 Accelerated depreciation for business property on Indian reservations
If you reported a depreciation deduction for qualified Indian reservation property [as defined in IRC § 168(j)(3)] on your federal return, and the related property was placed in service after December 31, 2020, and the amount reported is greater than it would have been if IRC § 168(j) did not apply, then enter the difference. Also see S-008.

A-019 Temporary allowance of full deduction for business meals
If you claimed a deduction for food or beverages provided by a restaurant in accordance with IRC § 274(n)(2)(D), then enter 50 percent of such deduction.

A-020 Modification of treatment of student loan forgiveness
If during the tax year you had a discharge of student loan indebtedness on account of death or disability and excluded the amount of such discharge from federal gross income pursuant to the Special Rule for Discharges in 2021 through 2025 provided for in IRC § 108(f)(5) as added by the American Rescue Plan Act of 2021, § 9675, then enter the amount that was excluded.

A-021 Continuation coverage premium assistance exclusion
If you, as an assistance eligible individual, excluded premium assistance provided from federal gross income in accordance with IRC § 139I, then enter the amount that was excluded.

Note: The terms assistance eligible individual and premium assistance provided are defined or described in the American Rescue Plan Act of 2021, § 9501(a)(3) and § 9501(a)(1).

A-022 Increase in exclusion for employer provided dependent care assistance
If you, as an employee, excluded from federal gross income an amount paid or incurred by your employer for dependent care assistance in accordance with IRC § 129, and the amount you excluded exceeded $5,000 ($2,500 if married filing a separate return), then enter the excess amount over $5,000 ($2,500 if married filing a separate return).

A-023 Qualified residence interest deduction
If you included mortgage insurance premiums as part of a qualified residence interest deduction on your federal return in accordance with IRC § 163(h)(3), then enter the amount of such premiums.

EA-100 Partner’s and New York S corporation’s distributive share of adjustments to ordinary business income of a partnership
If you are a partner in a partnership, and the partnership reported adjustments to ordinary business income on the partnership’s Form IT-204-IP, New York Partner’s Schedule K-1, as a result of New York State decoupling from changes to the IRC after March 1, 2020, and the amount of your distributive share is a net addition, then enter such amount.

If you are a shareholder of a New York S corporation, and the S corporation reported adjustments to ordinary business income from one or more partnerships as a result of New York State decoupling from changes to the IRC after March 1, 2020, and the amount of your distributive share is a net addition, then enter your pro rata share of the amount reported on the S corporation’s Form CT-34-SH, New York S Corporation Shareholders’ Information Schedule, line 3a. Also see ES-100.
Beneficiary’s distributive share of adjustments to federal taxable income of an estate or trust

If you are a beneficiary of an estate or trust, and the estate or trust reported adjustments to federal taxable income as a result of New York State decoupling from changes to the IRC after March 1, 2020, and the amount of your distributive share is a net addition, then enter such amount.

If you are a shareholder of a New York S corporation, then enter your pro rata share of the amount reported on the S corporation’s Form CT-34-SH, line 3a. Also see EA-101.

New York State subtraction adjustments

Write in the applicable number(s) and the amount of each subtraction adjustment on lines 10a through 10g. You must enter all three digits of the code.

Depreciation of qualified improvement property (QIP)

If you reported a depreciation deduction related to federal QIP [as defined in IRC § 168(e)(6)] on your federal return, and the amount reported is less than it would have been if computed using the rules in place prior to any changes made to the IRC after March 1, 2020, then enter the difference. Also see A-008.

If you have QIP that is fully depreciated for federal purposes (and no depreciation deductions were reported for such QIP on your federal return), and you would have had a depreciation deduction for such QIP if it was computed using the rules in place prior to any changes made to the IRC after March 1, 2020, then enter the amount computed using the rules in place prior to any changes made to the IRC after March 1, 2020.

Do not report this depreciation on Form IT-398, New York State Depreciation Schedule for IRC Section 168(k) Property.

Adjustment for net operating losses

If you claimed an NOL deduction on your federal return, then enter the amount of your recomputed federal NOL deduction (if any).

Your recomputed federal NOL deduction is the amount that your federal NOL deduction would have been if computed using the rules in place prior to any changes made to the IRC after March 1, 2020. For example:
- your federal NOL deduction for losses incurred in tax year 2018 or later is limited to 80% of your current year federal taxable income (computed as if the changes to the IRC after March 1, 2020, did not occur);
- there is no carryback of losses incurred in tax year 2018 or later (except for certain farming losses); and
- excess business losses disallowed in a previous year per addition adjustment A-006 shall be treated as a net operating loss carryforward to the following tax year.

IT-203 filers: Also enter in the NYS allocated amount column the amount of your recomputed federal NOL deduction that is derived from New York sources.

Modifications of limitations on business interest

If, in a prior tax year, you were required to add back excess business interest for New York State purposes (using code A-009), and for the current tax year you are able to utilize an amount of excess business interest carried forward that results in a greater amount of interest deduction allowed for New York State than the interest deduction you reported for federal purposes, then enter the additional amount of business interest deduction allowed for New York State.

7-year recovery period for motorsports entertainment complexes

If you reported a depreciation deduction on your federal return related to a motorsports entertainment complex [as defined in IRC § 168(i)(15)(D)], and the depreciation deduction reported is less than what would have been allowed if the term motorsports entertainment complex did not include such property, then enter the difference. Also see A-016.

If you have property that qualifies as a motorsports entertainment complex and is fully depreciated for federal purposes (and no depreciation deduction was reported for such property on your federal return), and you would have had a depreciation deduction for the property if the term motorsports entertainment complex did not include such property, then enter the depreciation you would have had.

Accelerated depreciation for business property on Indian reservations

If you reported a depreciation deduction for qualified Indian reservation property [as defined in IRC § 168(j)] on your federal return, and the related property was placed in service after December 31, 2020, and the amount reported is less than it would have been if IRC 168(j) did not apply, then enter the difference. Also see A-018.

If you have qualified Indian reservation property that is fully depreciated for federal purposes (and no depreciation deduction was reported for such property on your federal return), and you would have had a depreciation deduction for such property if IRC 168(j) did not apply, then enter the amount of depreciation you would have had.

Continuation coverage premium assistance credit

If you were allowed the continuation coverage premium assistance credit in accordance with IRC § 6432, and your federal gross income was increased by the amount of such credit, then enter the amount of such credit.

Credit for paid sick leave

If you were an employer that was allowed the credit for paid sick leave in accordance with IRC § 3131, and your federal gross income was increased by the amount of such credit, then enter the amount of such credit.

Do not include any increased credit amount allowed per IRC § 3133 (see S-012).

Payroll credit for paid family leave

If you were an employer that was allowed the payroll credit for paid family leave in accordance with IRC § 3132, and your federal gross income was increased by the amount of such credit, then enter the amount of such credit.

Do not include any increased credit amount allowed per IRC § 3133 (see S-012).

Special rule related to tax on employers

If you were an employer that was allowed to claim an increased credit for paid sick leave [as defined in IRC § 3131], or payroll credit for paid family leave [as defined in IRC §3132] in accordance with IRC § 3133, and your federal gross income included these increased credit amounts, then enter the amount of such increased credit amounts.
**ES-100** Partner’s and New York S corporation’s distributive share of adjustments to ordinary business income of a partnership

If you are a partner in a partnership, and the partnership reported adjustments to ordinary business income on the partnership’s Form IT-204-IP as a result of New York State decoupling from changes to the IRC after March 1, 2020, and the amount of your distributive share is a net subtraction, then enter such amount.

If you are a shareholder of a New York S corporation, and the S corporation reported adjustments to ordinary business income from one or more partnerships as a result of New York State decoupling from changes to the IRC after March 1, 2020, and the amount of your distributive share is a net addition, then enter your pro rata share of the amount reported on the S corporation’s Form CT-34-SH, line 5a. Also see EA-100.

**ES-101** Beneficiary's distributive share of adjustments to federal taxable income of an estate or trust

If you are a beneficiary of an estate or trust, and the estate or trust reported adjustments to federal taxable income as a result of New York State decoupling from changes to the IRC after March 1, 2020, and the amount of your distributive share is a net subtraction, then enter such amount.

If you are a shareholder of a New York S corporation, then enter your pro rata share of the amount reported on the S corporation’s Form CT-34-SH, line 5a. Also see EA-101.
Adjustment charts
The charts below are a quick reference guide showing (with an X in the column) which return each adjustment applies to.

### Addition adjustments

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