



## Department of Taxation and Finance

### **Important:**

The New York State and New York City minimum income taxes were repealed, effective for tax years beginning on or after January 1, 2014.

As a result, this TSB-M is obsolete and cannot be relied upon for tax years on or after that date insofar as the TSB-M addresses matters relating to the minimum income tax.

[See, Part J of Chapter 59 of the Laws of 2014]

The TSB-M begins on page 2 below.

**New York State Department of Taxation and Finance**  
**Taxpayer Services Division**  
**Technical Services Bureau**

This Memorandum supersedes Memorandums numbered TSB-M-78-(7)-I (Rev) and TSB-M-78-(8)-I (Rev) dated July 19, 1978, which should be destroyed.

TSB-M-78-(7)-I (Rev)  
August 18, 1978

1978 Legislation  
Repeal of Modification for Allocable Expenses

Chapter 70 of the Laws of 1978 provides for the repeal of the deduction for allocable expenses attributable to items of tax preference. The following sections of the New York State Tax Law and the Administrative Code of the City of New York are repealed for tax years beginning after December 31, 1977.

615(c) (4) (resident individual)  
618(5) (resident estate or trust)  
619(b) (3) (fiduciary adjustment)  
623 (deduction for allocable expenses defined)  
638(a)(5) (nonresident estate or trust)  
642 (deductions for allocable expenses for nonresidents)  
T46-115.0(c)(4) (NYC resident individual)  
T46-118.0(5) (NYC resident estate or trust)  
T46-119.0(b)(3) (NYC fiduciary adjustment)  
T46-123.0 (NYC deduction for allocable expenses defined)

TSB-M-78-(8)-I (Rev)  
August 18, 1978

Minimum Income Tax

Various sections of the Tax Law with regard to minimum income tax have been amended by Chapter 70, Laws of 1978 to include reference to new sections of the law.

Section 601-A of the New York State Tax Law and Section T46-101.1 of the Administrative Code of the City of New York are amended to state that minimum income tax is imposed in addition to the taxes under sections 601, 601-C and 601-D (T46-101.0, T46-101.2, T46-101.3 for City of New York purposes). This adds a reference to separate tax on a lump sum distribution (sections 601-C and T46-101.2) and separate tax relating to qualified higher education funds (section 601-D and T46-101.3).

Sections 622(a)(2) and 641(a)(2) reduces minimum taxable income for residents and nonresidents, by personal income tax less credits allowed against personal income tax (investment credit, household credit, child and dependent care credit, catalyst credit, real property tax circuit breaker credit, resident tax credit, and accumulation distribution credit). Reference to catalyst credit and real property tax circuit breaker credit has been added.

Sections 622(d) and 641(d) state that the minimum income tax of residents and nonresidents cannot be reduced by these credits. Reference to the catalyst credit is added. Minimum income tax of residents can be reduced by the real property tax circuit breaker credit.