

New York State's Tax Reform and Reduction Act of 1987
Tax Reform Technical Corrections and New York City
Tax Reduction Act of 1987
Requirements for Filing a Personal Income Tax Return

The New York State Tax Reform and Reduction Act of 1987 (Chapter 28) and the Tax Reform Technical Corrections and New York City Tax Reduction Act of 1987 (Chapter 333) have amended Sections 651(a)(1) through (4) of the Tax Law concerning the requirements for filing a New York State personal income tax return. The new law eliminates the filing exemption for individuals with low income (low income allowance) and lowers the income levels at which individuals, estates and trusts will be required to file returns. The following is an explanation of the new filing requirements.

Individuals

Residents

For taxable years beginning in 1987 and thereafter, New York State residents must file New York income tax returns if:

- they have to file a federal return; or
- they are subject to the minimum tax or the separate tax on lump sum distributions; or
- the sum of their federal adjusted gross income and New York addition modifications is more than \$4,000; or
- the sum of their federal adjusted gross income and New York addition modifications is more than their New York standard deduction (if that deduction is under \$4,000); or
- they are subject to a separate tax because a PASS (Parents' and Students' Savings) fund was terminated before April 20, 1987.

Nonresidents

For taxable years beginning in 1987, nonresidents must file New York State income tax returns if they:

- have New York adjusted gross income greater than their New York exemptions; or
- are subject to the minimum tax or the separate tax on lump sum distributions.

For taxable years beginning in 1988 and thereafter, nonresidents must file New York State income tax returns if they:

- have income from New York sources, and the sum of their federal adjusted gross income and New York addition modifications is more than their New York standard deduction; or
- are subject to the minimum tax or the separate tax on lump sum distributions.

Part-Year Residents

For taxable years beginning in 1987, part-year residents filing requirements are unchanged.

For taxable years beginning in 1988 and thereafter, part-year residents must file New York State income tax returns if they:

- have income from New York sources, and the sum of their federal adjusted gross income and New York addition modifications is more than their New York standard deduction; or
- are subject to the minimum tax or the separate tax on lump sum distributions.

Estates or Trusts

Resident

For taxable years beginning in 1987 and thereafter, resident estates and trusts must file New York State income tax returns if they:

- have to file a federal return; or
- have any New York taxable income; or
- are subject to the minimum tax or the separate tax on lump sum distributions; or
- they are subject to a separate tax because a PASS (Parents' and Students' Savings) fund was terminated before April 20, 1987.

Nonresident

For taxable years beginning in 1987, nonresident estates and trusts must file New York State income tax returns if:

- they are subject to the minimum tax or the separate tax on lump sum distributions; or
- their items of income or gain from New York sources are greater than their New York exemption; or
- they are subject to a separate tax because a PASS (Parents' and Students' Savings) fund was terminated before April 20, 1987.

For taxable years beginning in 1988 and thereafter, nonresident estates or trusts must file New York State income tax returns if they:

- have income from New York sources; or
- are subject to the minimum tax or the separate tax on lump sum distributions.

Part-Year Resident Trusts

For taxable years beginning in 1987, part-year resident trusts filing requirements are unchanged.

For taxable years beginning in 1988 and thereafter, part-year resident trusts must file New York State income tax returns if they:

- have income from New York sources; or
- are subject to the minimum tax or the separate tax on lump sum distributions.

City of New York and City of Yonkers

These filing requirements are automatically applied for purposes of the New York City resident income tax and the City of Yonkers resident income tax surcharge.