



## Important Notice

Spring 2000

### **New York City Nonresident Estates and Trusts and New York City Part-Year Resident Trusts: Elimination of the New York City Nonresident Fiduciary Earnings Tax**

This notice applies to estates and trusts subject to the 1999 New York City nonresident fiduciary earnings tax who received wages or self-employment income earned in New York City on or after July 1, 1999. As a result of a recent New York State Court of Appeals decision, the city of New York nonresident earnings tax has been eliminated on wages or self-employment income earned in New York City on or after July 1, 1999. This notice and the enclosed materials are being issued to provide fiduciaries with the information needed to:

- correctly file a 1999 revised Form NYC-206, *City of New York Nonresident Fiduciary Earnings Tax Return*, if the estate or trust has not already filed for 1999 (see paragraph 1 below), or
- amend the 1999 Form IT-205, *Fiduciary Income Tax Return*, if the estate or trust has filed for 1999, to receive a refund of New York City nonresident fiduciary earnings tax paid for the period on or after July 1, 1999 (see paragraph 2 below), or
- amend estimated tax payments made for the tax year 2000 to reflect the elimination of the New York City nonresident fiduciary earnings tax (see paragraph 3 below), or
- claim a refund of New York City nonresident earnings tax withheld from wages for the tax year 2000 (see paragraph 4 below).

(1) For estates and trusts **who have not filed** a 1999 New York State fiduciary income tax return:

Use the enclosed revised Form NYC-206 following the instructions on the form. If you need additional copies of revised Form NYC-206 or Form IT-205, see *Forms and Assistance* on the back of this notice.

(2) For estates and trusts **who have filed** a 1999 New York State fiduciary income tax return and did not use revised Form NYC-206:

You may wish to file an amended fiduciary return, using Form IT-205 and the revised Form NYC-206, if the estate or trust had wages or net earnings from self-employment earned in the city of New York on or after July 1, 1999. If you need to file an amended 1999 Form IT-205, be sure to mark an **X** in the *Amended return* box on the front page of Form IT-205. Follow the instructions in revised Form NYC-206 and Form IT-205. If you need additional copies of revised Form NYC-206, or Form IT-205, see *Forms and Assistance* on the back of this notice.

(3) Estates and trusts making estimated tax payments:

Do not make any New York City nonresident earnings tax estimated tax payments for tax year 2000. If you have already paid the first installment of nonresident earnings tax estimated tax, or if you requested that your 1999 New York State and City overpayment be applied to the 2000 estimated tax, you should recompute the total state and city estimated tax to reflect the elimination of the New York City nonresident earnings tax. You may reduce the future New York State estimated tax payments by the amount of any city nonresident estimated tax payments previously made. You cannot apply for a refund of any estimated tax payments. To recompute the estimated tax for 2000, see Form IT-2105-I-F, *Instructions for Form IT-2105*.

(4) Claiming the New York City nonresident earnings tax withheld for tax year 2000:

Employers have been instructed to stop withholding New York City nonresident earnings tax on future wage payments. Any New York City nonresident earnings tax already withheld from wages paid during 2000 may be claimed when the estate or trust files its tax year 2000 Form IT-205, *Fiduciary Income Tax Return*, in 2001. The estate or trust may reduce any future New York State estimated tax payments to reflect the earnings tax withheld in 2000.

If you want to claim a refund of any New York City nonresident earnings tax withheld for tax year 2000 prior to filing the estate's or trust's Form IT-205 for tax year 2000, you may do so by filing Form IT-113-X, *Claim for Credit or Refund of Personal Income Tax*. You should not file Form IT-113-X until the employer has stopped withholding the New York City nonresident earnings tax. To file a refund claim on Form IT-113-X, you will need to know the amount of wages on which the employer(s) withheld New York City nonresident earnings tax for 2000, and the amount of New York City nonresident earnings tax withheld for 2000. It is your responsibility to determine from your records the wages and New York City nonresident earnings tax withheld on those wages (for example, the year-to-date pay stub for the last period for which New York City nonresident earnings tax was withheld). Employers are not required to supply a midyear wage and tax statement detailing this information.

Note: Only estates and trusts can use Form IT-113-X to claim a refund of New York City nonresident earnings tax withheld for tax year 2000. Individuals should file Form NYC-203-R for this purpose.

When completing Form IT-113-X:

- No entry is required on line 1, *Type of Claim*.
- Enter the total New York City nonresident earnings tax withheld in 2000 on line 2, then go to line 6.
- Enter on line 6 for each employer the name and address of the employer, the amount of New York City nonresident earnings tax withheld, and the amount of wages on which the tax was withheld.

You are not required to attach any documentation, such as the year-to-date pay stub, to Form-113-X. The amount of the refund claimed on the form will be verified when the 2000 Form IT-205 is filed.

### Forms and assistance

Forms NYC-206, IT-205, and IT-113-X may be obtained:

- From the Tax Department's Web site at [www.tax.state.ny.us](http://www.tax.state.ny.us). In addition, this notice, other New York tax forms, publications, and other tax information are also available on the Tax Department's Web site.
- By using the Tax Department's fax-on-demand system. The fax-on-demand ordering system may be accessed 24 hours a day, seven days a week, by calling 1 800 748-3676. The system allows callers to order forms from any Touch-Tone phone by entering a special five-digit code number assigned to the form. Form NYC-206 can be ordered by entering the code 10108; Form IT-205 can be ordered by entering the code 10048; and Form IT-113-X can be ordered by entering the code 10080.
- By calling the Tax Department's forms order number at 1 800 462-8100.
- By writing to: NEW YORK STATE TAX DEPARTMENT  
TAXPAYER ASSISTANCE BUREAU  
W A HARRIMAN CAMPUS  
ALBANY NY 12227

If you need assistance or have additional questions, call the Taxpayer Assistance Bureau toll free from anywhere in the U.S. and Canada at 1 800 225-5829. From areas outside the U.S. and outside Canada, call (518) 485-6800.