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## Important Notice

May 2003

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### Important Information for Personal Income Tax Estimated Tax Filers

Recent Tax Law changes may affect the amount of estimated tax that individuals, estates, and trusts will be required to pay for 2003.

Revised New York State tax rate schedules may require you to increase the amount of estimated tax you pay. The revisions to the tax rate schedules will affect taxpayers whose New York taxable income is:

- for married filing jointly and qualifying widow(er), more than \$150,000,
- for single and married filing separately, more than \$100,000, or
- for head of household, more than \$125,000.

In order to avoid the penalty for underpayment of estimated tax, the total amount of estimated tax and withholding tax paid must be:

- at least 90% (66 <sup>2</sup>/<sub>3</sub>% for farmers and fishermen) of the amount of income tax due as shown on your return for 2003 (or 90% of the tax due if no return was filed); **or**
- 100% of the tax shown on your return for 2002 (110% of that amount if you are not a farmer or a fisherman and the New York adjusted gross income shown on that return is more than \$150,000 or, if married filing separately for 2003, more than \$75,000). To qualify for this provision, you must have filed a return for 2002 and it must have been for a full 12-month year.

Under the new law, in determining whether you paid 100% (or 110%, if applicable) of the tax shown on the 2002 return, you must recompute your 2002 tax using the 2003 tax rates and rules.

The new law provides that you will not be charged a penalty for any shortage in your April 15, 2003, payment that is attributable to the changes discussed in this notice. However, you must adjust your future payments to take into account these changes. To determine the amount of estimated tax that you must pay by June 15, 2003, September 16, 2003, and January 15, 2004, use revised Form IT-2105-I, *Instructions for Form IT-2105, Estimated Income Tax Payment Voucher for Individuals*, or revised Form IT-2105-I-F, *Instructions for Form IT-2105-I-F, Estimated Income Tax Payment Voucher for Estates and Trusts*.