

Veterans' property tax exemptions

If you're planning to leave active military service, there are three property tax exemptions available to honorably discharged veterans who served significant active duty beyond training. Check with your local assessor to see if these exemptions are offered in your municipality.

Alternative veterans' exemption

This exemption is available to veterans who served during a designated time of war, or who have received an expeditionary medal. Available in more than 95% of New York's county, city, town, and village taxing jurisdictions.

Cold war veterans' exemption

Veterans who served during the cold war (September 2, 1945, to December 26, 1991) are eligible for a tax exemption on their residential property.

Eligible funds exemption

If you purchased property with eligible funds you received upon discharge from active duty (such as pension, bonus, or insurance monies), this exemption may reduce the assessed value of the property, lowering its tax.

Other property tax savings

You may also qualify for several property tax exemptions offered through your municipality, county, or school district. For a full list of property tax exemptions and eligibility guidelines, see www.tax.ny.gov (search: *owners*).

New York State school tax relief program (STAR)

STAR provides millions of homeowners with hundreds of dollars in savings each year on their primary residence. For more information and to register, see www.tax.ny.gov/star.

Where can I get more information?

New York State tax information for military personnel

- Publication 361, *New York State Income Tax Information for Military Personnel and Veterans*
- Publication 1093, *Veterans' Exemption Questions and Answers*
- TSB-M-10(1), *Military Spouses Residency Relief Act*

IRS information for military personnel

- Publication 3, *Armed Forces' Tax Guide*
- www.irs.gov/individuals/military

Online Financial Education Program

We've launched a new Financial Education Program for all New Yorkers. The online curriculum is broken into seven modules, covering a range of topics—from tax credits to free tax filing options and predatory tax preparers. It includes many tools and resources to help you understand the benefits available to you as a taxpayer in New York.

Access the Financial Education Program from our website: www.tax.ny.gov (search: *financial education*).

Language access

To increase your access to information, we've translated vital documents on our website into Spanish, Chinese, Russian, Bengali, Korean, and Haitian Creole (search: *language*).

Donate life

Become an organ donor today! To learn more, visit: <https://donatelife.ny.gov/register>.

File your income tax returns for FREE

If your income is \$72,000 or less, you can electronically prepare and file your federal and state income tax returns for free.

To make sure you aren't charged a fee, access the FREE e-file software directly from our website at www.tax.ny.gov (search: *free file*).

- E-filing is the fastest, easiest, and safest way to file your return.
- Most e-filers get their refund two weeks sooner than paper filers.

TAX BASICS

Military Personnel and Veterans



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Department of
Taxation and Finance

Do I need to file a New York State tax return?

If you were a resident of New York State, you must file a New York State return if you meet any of the following conditions:

- you have to file a federal return (or your federal adjusted gross income plus New York additions exceeds \$4,000);
- you want to claim a refund from any New York State, New York City, or Yonkers income taxes withheld from your pay; or
- you want to claim New York refundable or carryover credits.

For more information, visit www.tax.ny.gov (search: *resident*).

Which New York State tax return should I file?

If you were a resident of New York State for the **entire year**, file Form IT-201, *Resident Income Tax Return*.

If you were a resident of New York State for **part of the year**, file Form IT-203, *Nonresident and Part-Year Resident Income Tax Return*.

If you were **not** a resident of New York State for **any part of the year**, you are classified as a nonresident and your military pay is not subject to New York State taxes. However, other income you receive from New York State sources may be subject to state income tax.

Under certain conditions, you may be classified as a nonresident regardless of your actual location of residence (search: *nonresident*).

Important: The definitions of resident, part-year resident, and nonresident are complex, and involve determination of your domicile and any permanent place of abode, as well as where you were living when you entered the military. For more information, see www.tax.ny.gov (search: *military*), and visit *Information for Military Personnel and Veterans*.

- Form IT-201-I, *Instructions for Form IT-201*
- Form IT-203-I, *Instructions for Form IT-203*
- Publication 361, *New York State Income Tax Information for Military Personnel and Veterans*
- Tax Bulletin TB-IT-690, *Permanent Place of Abode*

These rules also apply to income taxes for New York City and Yonkers.

Conditions you may qualify for

Tax exemption for military spouses

Under the Military Spouses Residency Relief Act, income earned by military spouses in New York State may be exempt from New York State personal income tax. To obtain this exemption, the spouse must be:

- considered a nonresident of New York State; and
- residing in New York State solely to be with the servicemember who is in compliance with their military orders.

Combat zone pay

Combat pay is exempt from New York State, New York City, and Yonkers taxes. When calculating your New York adjusted gross income (AGI), you may subtract the amount of combat pay you received during the tax year from your federal adjusted gross income.

To be eligible, the amount must be military pay received for active service as a member of the armed services of the United States in an area designated as a combat zone.

Extension of time to file

Need more time to file? Apply for a six-month extension at www.tax.ny.gov (search: *extension*).

If you're stationed in a foreign country and qualify for an automatic two-month extension with the IRS, you automatically receive the same two-month extension with New York State.

Caution: The two extensions above **do not** extend the time to pay. You **must** make full payment of your estimated tax due when you request your extension.

If you qualify for a special condition such as combat zone or death of a spouse, you may qualify for an extension of time to file and pay your taxes. For details, see *Section V* in Publication 361.

New York State personal income tax savings

Organized militia

If you're a member of the New York State organized militia, you're entitled to reduce your New York AGI, if your federal AGI includes any pay received for performing active service within New York State. The organized militia includes:

- Army National Guard;
- Air National Guard;
- Naval Militia; and
- New York Guard.

For more information, see Publication 361.

Military pensions

If you or your beneficiaries received pension payments as a retired military person, those payments are exempt from New York State, New York City, and Yonkers taxes.

Resident credit

If you were a full-year or a part-year resident of New York State, and you had income sourced to and taxed by another state, you may claim a credit against your New York State tax. For more information, see Form IT-112-R, *New York State Resident Credit*.

Earned income tax credit (EITC)

EITCs are refundable federal, New York State, and New York City credits for working taxpayers. The amount of the credit depends upon your filing status, your family's earned income, and the number of qualified children in the household.

To qualify, you must meet certain requirements and file a tax return, even if you don't owe any tax or you aren't required to file. For more information, see www.tax.ny.gov (search: *EITC*).

Special rules apply for nontaxable military pay. For more information, see Publication 361.

Child and dependent care credit

If you paid expenses for the care of a qualified child or individual, be sure to keep good records of your expenses, such as receipts and statements. Examples include copies of checks or money orders used to pay expenses and itemized statements issued by a licensed child care provider. You may be eligible for the New York State child and dependent care credit. For more information, see Form IT-216, *Claim for Child and Dependent Care Credit*.

Hire a veteran credit

As you transition into civilian life, the skills you've learned while serving will aid you in your next career. You could also bring value to your future employers through the Hire a Veteran credit, if you're hired before January 1, 2018. For eligibility requirements, see www.tax.ny.gov (search: *veteran*).

Keep good records

Be sure to keep your tax records such as returns, receipts, and statements, for three years. We may ask you to show your records to prove deductions or expenses claims.