



Fiduciary Income Tax Return

Type of entity from Form 1041:

2015

For the full year Jan. 1, 2015, through Dec. 31, 2015, or fiscal year beginning **15** and ending

- Decedent's estate
- Simple trust
- Complex trust
- Qualified disability trust
- ESBT (S portion only)
- Grantor type trust
- Bankruptcy estate-Ch. 7
- Bankruptcy estate-Ch. 11
- Pooled income fund

Name of estate or trust (as shown on federal Form SS-4)		Date entity created
Name and title of fiduciary		Identification number of estate or trust
Address of fiduciary (number and street or rural route)		Decedent's social security number (SSN) (see instr.)
City, village, or post office	State	ZIP code
Country:		Mark an X in the applicable box: Initial return <input type="checkbox"/> Final return <input type="checkbox"/>
		<input type="checkbox"/> Trust meets conditions of section 605(b)(3)(D)

Amended return (submit explanation)

Income distribution deduction (see instructions, Form IT-205-I)	Number of beneficiaries	Qualifying special conditions for filing your 2015 tax return (see instructions)
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A Total income (from back page, line 51)	A	.00
B New York adjusted gross income from NYAGI worksheet, line 5 (see instructions)	B	.00
C Amount from Form IT-205-A, Schedule 1, line 10, column a	C	.00
1 Federal taxable income of fiduciary (from back page, line 62)	1	.00
2 New York modifications relating to amounts allocated to principal	2	.00
3 Balance (line 1 and add or subtract line 2)	3	.00
4 Fiduciary's share of New York fiduciary adjustment (from back page, Schedule C, column 5)	4	.00
5 New York taxable income of fiduciary (line 3 and add or subtract line 4)	5	.00
6 State tax on line 5 amount (full-year resident estate and trust only)	6	.00
7 New York State amount from Form IT-230, Part 2, line 2 (resident estate and trust only)	7	.00
8 Add lines 6 and 7	8	.00
9 Allocated New York State tax (from Form IT-205-A, Schedule 1, line 13) • If you completed Form IT-230, Part 2, mark an X in this box <input type="checkbox"/>	9	.00
10 Nonrefundable state credits (submit schedule)	10	.00
11 Subtract line 10 from line 8 or line 9	11	.00
12 State separate tax on lump-sum distributions and other addbacks	12	.00
13 This line intentionally left blank	13	
14 Total New York State tax (add lines 11 and 12; see instructions)	14	.00
15a New York City resident tax on line 5 amount (see instructions)	15a	.00
15b New York City part-year resident tax (see instructions)	15b	.00
16 New York City amount from Form IT-230, Part 2, line 2 (see instructions)	16	.00
17 Add line 15a or 15b to line 16	17	.00
18 New York City accumulation distribution credit	18	.00
19 Subtract line 18 from line 17 (if less than zero, leave blank)	19	.00
20 New York City separate tax on lump-sum distributions (see instructions)	20	.00
21 Add lines 19 and 20	21	.00
22 Other New York City credits (see instructions)	22	.00
23 Subtract line 22 from line 21 (if less than zero, leave blank)	23	.00
24 This line intentionally left blank	24	
25 Yonkers resident income tax surcharge from Yonkers worksheet, line e (see instructions)	25	.00
26 Yonkers part-year resident tax (from Form IT-205-A-I, Worksheet C, line 14)	26	.00
27 Yonkers nonresident fiduciary earnings tax (from Form Y-206)	27	.00
28 Sales or use tax (see instructions)	28	.00
29 Total NYS, NYC, Yonkers taxes, and sales or use tax (add lines 14 and 23 through 28; see instructions)	29	.00
30 Estimated tax paid (including payments made with Form IT-370-PF)	30	.00
31 Estimated tax payments allocated to beneficiaries (from Form IT-205-T)	31	.00
32 Subtract line 31 from line 30	32	.00
33 Refundable credits Identify:	33	.00
34 New York State tax withheld	34	.00
35 New York City tax withheld	35	.00
36 Yonkers tax withheld	36	.00
37 Total (add lines 32 through 36)	37	.00
38 If line 37 is more than the total of lines 29 and 42, enter the overpayment	38	.00
39 Amount of line 38 to be refunded to you	39	.00
40 Amount of line 38 to be credited to 2016 estimated tax	40	.00
41 If line 37 is less than the total of lines 29 and 42, enter amount you owe	41	.00
42 Estimated tax penalty (will reduce line 38 or increase line 41; see instr.)	42	.00

See instructions

Make check or money order payable to **NY State Income Tax**; write the estate or trust's employer identification number and **2015 Fiduciary Income Tax** on it; complete Form IT-205-V and mail it with the payment and the completed return to the appropriate address in the instructions.



Schedule A – Details of federal taxable income of a fiduciary of a resident estate or trust

Enter items as reported for federal tax purposes or submit federal Form 1041.

Income	43 Interest income	43	.00
	44 Dividends	44	.00
	45 Business income (or loss) (submit copy of federal Schedule C or C-EZ, Form 1040)	45	.00
	46 Capital gain (or loss) (submit copy of federal Schedule D, Form 1041)	46	.00
	47 Rents, royalties, partnerships, other estates & trusts (submit copy of fed Sch E, Form 1040)	47	.00
	48 Farm income (or loss) (submit copy of federal Schedule F, Form 1040)	48	.00
	49 Ordinary gain (or loss) (submit copy of federal Form 4797)	49	.00
	50 Other income (state nature of income)	50	.00
	51 Total income (add lines 43 through 50; enter here and on front page, line A)	51	.00
	Deductions	52 Interest	52
53 Taxes		53	.00
54 Fiduciary fees		54	.00
55 Charitable deduction		55	.00
56 Attorney, accountant, and return preparer fees		56	.00
57 Other deductions (itemize on an additional sheet)		57	.00
58 Income distribution deduction (submit copy of federal Schedules K-1, Form 1041, for each beneficiary)		58	.00
59 Estate tax deduction (submit computation)		59	.00
60 Exemption (federal)		60	.00
61 Total (add lines 52 through 60)		61	.00
62 Federal taxable income of fiduciary (subtract line 61 from line 51; enter here and on front page, line 1)	62	.00	

Schedule B – New York fiduciary adjustment of a resident or a nonresident estate or trust or a part-year resident trust

Additions	63 Interest income on state and local bonds other than New York (gross amount not included in federal income) ..	63	.00
	64 Income taxes deducted on federal fiduciary return (see instructions)	64	.00
	65 Other (from Form IT-225, line 9; see instructions)	65	.00
	66 Total additions (add lines 63, 64, and 65)	66	.00
Subtractions	67 Interest income on US obligations included in federal income	67	.00
	68 Other (from Form IT-225, line 18; see instructions)	68	.00
	69 Total subtractions (add lines 67 and 68)	69	.00
	70 New York fiduciary adjustment (difference between lines 66 and 69 to be entered as total of column 5 below) ..	70	.00

Schedule C – Shares of New York fiduciary adjustment of a resident or a nonresident estate or trust or a part-year resident trust

Submit additional sheets if necessary.			2 Identifying number of each beneficiary	Shares of federal distributable net income (see instructions)		5 Shares of New York fiduciary adjustment
1 Name and address of each beneficiary. Check box if beneficiary is a nonresident of:	New York State	Yonkers		3 Amount	4 Percent	
	(a)	<input type="checkbox"/>	<input type="checkbox"/>		.00	
(b)	<input type="checkbox"/>	<input type="checkbox"/>		.00		.00
The total of Schedule C, column 5, should be the same as Schedule B, line 70 above. (see instructions)			Fiduciary	.00		.00
			Totals	.00	100%	.00

- A** If inter vivos trust, enter name and address of grantor: _____
- B** If revocable trust which changed state or city residence during the year, enter the date of the change of residence (see instructions): _____
- C** Resident status – mark an **X** in all boxes that apply: (3) NYS full-year nonresident estate or trust (6) Yonkers full-year resident estate or trust
 (1) NYS full-year resident estate or trust (4) NYC full-year resident estate or trust (7) Yonkers part-year resident trust
 (2) NYS part-year resident trust (5) NYC part-year resident trust (8) Yonkers full-year nonresident estate or trust
- D** If an estate, indicate last known address of decedent _____
- E** Nonresident estate - indicate state of residency _____
- F** Submit a list of executors or trustees with their addresses and identification numbers (SSN or EIN). _____
- G** If a grantor trust, enter the identification number (SSN or EIN) of the individual reporting the income/loss _____
- H** Has the estate or trust (or an entity of which the estate or trust is an owner) been convicted of *Bribery Involving Public Servants and Related Offenses, Corrupting the Government, or Defrauding the Government* (NYS Penal Law Article 200 or 496, or section 195.20)?..... Yes No

Third-party designee? (see instr.)	Yes <input type="checkbox"/> No <input type="checkbox"/>	Print designee's name		PIN (see instr.)		▼ Sign return here ▼	
	E-mail:		Phone: ()		Signature of fiduciary or officer representing fiduciary		
Paid preparer must complete (see instr.)	Preparer's signature		Preparer's NYTPRIN		NYTPRIN excl. code		Date
	Preparer's printed name		Preparer's PTIN or SSN		Date		
Firm's name (or yours, if self-employed)			Firm's EIN		E-mail		
Preparer's address							



New York State Resident Credit

IT-112-R

Complete this form if you want to claim a resident credit for taxes paid to another state, local government, or the District of Columbia.

Name(s) as shown on return	Identifying number as shown on return
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Submit this form with Form IT-201, IT-203, or IT-205. Failure to do so will delay any refund to which you may be entitled or, if you owe taxes, could result in late-filing penalties.

Part 1 – Income and adjustments <i>(see instructions)</i>	A Amount reported on New York State return	B Amount sourced to and taxed by other taxing authority
	Whole dollars only	Whole dollars only
1 Wages, salaries, tips, etc.	1 .00	1 .00
2 Taxable interest income.....	2 .00	2 .00
3 Ordinary dividends	3 .00	3 .00
4 Taxable refunds, credits, or offsets of state and local income taxes.....	4 .00	4 .00
5 Alimony received.....	5 .00	5 .00
6 Business income or loss.....	6 .00	6 .00
7 Capital gain or loss.....	7 .00	7 .00
8 Other gains or losses	8 .00	8 .00
9 Taxable amount of IRA distributions.....	9 .00	9 .00
10 Taxable amount of pensions and annuities	10 .00	10 .00
11 Rental real estate, royalties, partnerships, S corporations, trusts, etc.....	11 .00	11 .00
12 Farm income or loss.....	12 .00	12 .00
13 Unemployment compensation.....	13 .00	13 .00
14 Taxable amount of social security benefits.....	14 .00	14 .00
15 Other income.....	15 .00	15 .00
16 Add lines 1 through 15	16 .00	16 .00
17 Total federal adjustments to income.....	17 .00	17 .00
18 Federal adjusted gross income <i>(subtract line 17 from line 16)</i>	18 .00	18 .00
19 New York adjustments <i>(see instructions)</i>	19 .00	19 .00
20 New York adjusted gross income <i>(line 18 and add or subtract line 19; see instructions)</i>	20 .00	20 .00
21 Capital gain portion of lump-sum distributions <i>(see instr.)</i> ..	21 .00	21 .00
22 Add lines 20 and 21.....	22 .00	22 .00

(continued on back)



Part 2 – Computing your resident credit for taxes paid to another state, local government, or the District of Columbia

23 Enter the two-letter abbreviation of the other state, including the District of Columbia, where tax was paid (*see instructions*)..... **23**

Also enter the locality name, if applicable *Locality name:*

24 Enter the amount of income tax imposed on this year's return for the other state or local government (*see instructions*) **24** .00

If the taxes were paid on a group (composite) return, then mark an **X** in the box.....

Enter the group's EIN

25 New York State tax payable (*see instructions*) **25** .00

26 Divide line 22, column B, by line 22, column A (*round to the fourth decimal place; see instructions*) **26**

27 Multiply line 25 by line 26 **27** .00

28 Enter amount from line 24 or line 27, whichever is less (*see instructions*) **28** .00

29 Total line 28 amounts from additional Form(s) IT-112-R and line 44 amounts from Form(s) IT-112-C, if any (*see instructions*) **29** .00

30 Add lines 28 and 29 **30** .00

Part 3 – Application of Credit

31 Tax due before credits (*see instructions*) **31** .00

32 Other credits that you applied before this credit (*see instructions*) **32** .00

33 Subtract line 32 from line 31 **33** .00

34 Enter the amount from line 30 or line 33, whichever is less (*see instructions*) **34** .00

Part 4 – Information from your return filed with the other state, local government, or the District of Columbia

You are not **required** to submit a copy of the return you filed with the other state or local government with Form IT-201, IT-203, or IT-205. Submitting a copy of the other return is **optional**. However, you may be required to furnish a copy of the other return at a later date. Whether or not you submit a copy of the other return, you **must** complete this section.

35 Enter the total amount of tax withheld for and/or amount of estimated tax payments made to the other state, local government, or the District of Columbia (*see instructions*)..... **35** .00

36 Enter the amount of overpayment, if any, shown on the return you filed with the other state, local government, or the District of Columbia (*see instructions*)..... **36** .00

37 Enter the balance due, if any, shown on the return you filed with the other state, local government, or the District of Columbia (*see instructions*)..... **37** .00





Name(s) as shown on return
Identifying number as shown on return

Complete all parts that apply to you; see instructions (Form IT-225-I). Submit this form with Form IT-201, IT-203, IT-204, or IT-205.

Mark an X in the box identifying the return you are filing: IT-201 [] IT-203 [] IT-204 [] IT-205 []

Schedule A - New York State additions (enter whole dollars only)

Part 1 - Individuals, partnerships, and estates or trusts

1 New York State additions

Table with 3 columns: Number, A - Total amount, B - NYS allocated amount. Rows 1a through 1g.

Summary lines for Part 1: 2 Total, 3 Total of Schedule A, Part 1, column A amounts from additional Form(s) IT-225, if any, 4 Add lines 2 and 3.

Part 2 - Partners, shareholders, and beneficiaries



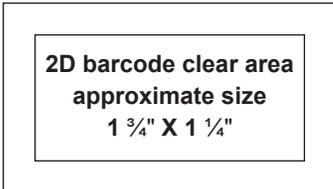
Form IT-201 filers: do not enter EA-103 or EA-113
Form IT-203 filers: do not enter EA-113
Form IT-205 filers: do not enter EA-113 or EA-201

5 New York State additions

Table with 3 columns: Number, A - Total amount, B - NYS allocated amount. Rows 5a through 5g.

Summary lines for Part 2: 6 Total, 7 Total of Schedule A, Part 2, column A amounts from additional Form(s) IT-225, if any, 8 Add lines 6 and 7, 9 Total additions (add lines 4 and 8; see instructions).

(continued)



Schedule B – New York State subtractions *(enter whole dollars only)*

Part 1 – Individuals, partnerships, and estates or trusts

10 New York State subtractions

	Number	A - Total amount	B - NYS allocated amount
10a	S -	00	00
10b	S -	00	00
10c	S -	00	00
10d	S -	00	00
10e	S -	00	00
10f	S -	00	00
10g	S -	00	00

11	Total (add column A, lines 10a through 10g)	11	00
12	Total of Schedule B, Part 1, column A amounts from additional Form(s) IT-225, if any	12	00
13	Add lines 11 and 12	13	00

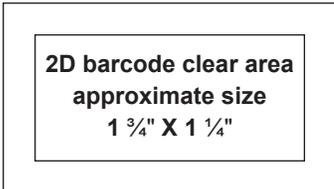
Part 2 – Partners, shareholders, and beneficiaries

 Form IT-201 filers: do not enter ES-103, ES-104, ES-106, ES-107, ES-125, or ES-217
 Form IT-203 filers: do not enter ES-106, ES-107, ES-125, or ES-217
 Form IT-205 filers: do not enter ES-125

14 New York State subtractions

	Number	A - Total amount	B - NYS allocated amount
14a	ES -	00	00
14b	ES -	00	00
14c	ES -	00	00
14d	ES -	00	00
14e	ES -	00	00
14f	ES -	00	00
14g	ES -	00	00

15	Total (add column A, lines 14a through 14g)	15	00
16	Total of Schedule B, Part 2, column A amounts from additional Form(s) IT-225, if any	16	00
17	Add lines 15 and 16	17	00
18	Total subtractions (add lines 13 and 17; see instructions)	18	00





New York State Depreciation Schedule for IRC Section 168(k) Property

Use this form only for tax years beginning after December 31, 2002, and only for property placed in service inside or outside New York State after May 31, 2003.

Name(s) as shown on return	Identifying number as shown on return
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Mark an **X** in one box to show the income tax return you are filing and submit this form with that return.

IT-201, Resident IT-203, Nonresident and part-year resident IT-204, Partnership IT-205, Fiduciary

Part 1 – Depreciation information for Internal Revenue Code (IRC) section 168(k) property (except for resurgence zone property and New York liberty zone property described in IRC section 1400L(b)(2)) placed in service inside or outside New York State, beginning after May 31, 2003 (see instructions)

A Description of property <i>(use additional sheet if needed)</i>	B Date placed in service	C Depreciable basis	D Convention	E Method	F New York depreciation deduction	G Federal depreciation deduction	
		.00			.00	.00	
		.00			.00	.00	
		.00			.00	.00	
		.00			.00	.00	
1 Enter column F and column G totals.....					1	.00	.00

Transfer the column F total to:	Transfer the column G total to:
Form IT-225, line 10, <i>Total amount</i> column and enter subtraction modification S-213 in the <i>Number</i> column.	Form IT-225, line 1, <i>Total amount</i> column and enter addition modification A-209 in the <i>Number</i> column.

Part 2 – Year-of-disposition adjustment for IRC section 168(k) property (except for resurgence zone property and New York liberty zone property described in IRC section 1400L(b)(2)) placed in service inside or outside New York State, beginning after May 31, 2003 (see instructions)

Mark an **X** in the box if you claimed an investment credit on Form IT-212, *Investment Credit*, for any property listed below (see instructions)

A Description of property <i>(use additional sheet if needed)</i>	B Date of disposition	C Method of disposition	D Total New York depreciation deduction	E Total federal depreciation deduction
			.00	.00
			.00	.00
			.00	.00
			.00	.00
2 Enter column D and column E totals.....			2	.00
3 Enter amount from line 2, column E.....			3	.00
4 Enter amount from line 2, column D.....			4	.00
5 Subtract line 4 from line 3			5	.00

Transfer the line 5 amount to Form IT-225, line 10, *Total amount* column and enter subtraction modification **S-214** in the *Number* column.



Instructions

General instructions

For tax years beginning after December 31, 2002, New York State (NYS) does not allow the federal 30%/50% special depreciation deduction for Internal Revenue Code (IRC) section 168(k) property (except for resurgence zone property and New York liberty zone property described in IRC section 1400L(b)(2)), placed in service inside or outside NYS after May 31, 2003. Instead, you are allowed a NYS depreciation deduction determined under IRC section 167, as that section would have applied to the property if it had been acquired on September 10, 2001. You may take the deduction for NYS depreciation until the property is disposed of or fully depreciated.

If you claimed ACRS depreciation on your federal return for property placed in service beginning after May 31, 2003 (except for resurgence zone property and New York liberty zone property described in IRC section 1400L(b)(2)), complete Part 1.

Use this form to compute your NYS adjustments for NYS depreciation and federal depreciation deductions.

As described in IRC section 1400L(b)(2), New York liberty zone property must have been placed in service on or before December 31, 2006, or in the case of nonresidential real property and residential rental property, on or before December 31, 2009.

As described in IRC section 168(k)(2), *resurgence zone property* is defined as qualified property if **all** of the following apply:

- substantially all use of the property is in the resurgence zone; **and**
- the use is in the active conduct of a trade or business by the taxpayer in the resurgence zone; **and**
- the original use by the taxpayer commences after December 31, 2002.

The *resurgence zone* is defined as the area of New York County bounded on the south by a line running from the intersection of the Hudson River with the Holland Tunnel, running east to Canal Street, then running along the centerline of Canal Street to the intersection of Bowery and Canal Street. It then runs in a southeasterly direction diagonally across the Manhattan Bridge Plaza to the Manhattan Bridge, along the centerline of the Manhattan Bridge to the point where the centerline would intersect with the east bank of the East River. It is bounded on the north by a line running from the intersection of the Hudson River with the Holland Tunnel, running north along West Avenue to the intersection of Clarkson Street. It then runs east along the centerline of Clarkson Street to the intersection of Washington Avenue, then running south along the centerline of Washington Avenue to the intersection of West Houston Street. It continues east along the centerline of West Houston Street, then at the intersection of Avenue of the Americas, continues east along the centerline of East Houston Street to the east bank of the East River.

If you have an interest in a passive activity, the modifications required under Tax Law sections 612(b)(8) and (c)(16) for federal depreciation and NYS depreciation must be made for the full amounts allowable as a federal depreciation deduction (100%), even though the activity may be subject to federal loss deduction limitations. It is only under IRC section 469 (*Passive Activity Losses and Credits Limited*) that there is a limitation on passive loss deductions.

In the case of a partnership using IRC section 168 to determine depreciation, the individual partners should make the adjustments to income on their personal income tax returns. The adjustments for partners are their distributive share of NYS depreciation and federal depreciation, determined by the partnership as of the end of the partnership year ending within the partner's tax year. Form IT-398 should be completed only by the partnership, and not by each individual partner. This treatment is the same for a beneficiary of an estate or trust that is on a fiscal-year basis.

If you are a shareholder of an electing New York State S corporation, the S corporation should provide your proportionate share of the S corporation's depreciation deduction.

If you are a nonresident or part-year resident, you must complete Form IT-398 as if you were a NYS resident for the entire year.

If you are married and file a joint federal return but are required to file separate NYS returns, complete only one Form IT-398 showing the amounts from your joint federal return. Submit a schedule with each return showing each spouse's separate amounts, as if separate federal returns were filed, and explain any differences.

Specific instructions

See the instructions for your tax return for the *Privacy notification* or if you need help contacting the Tax Department.

Enter your name and identifying number (your social security number or employer identification number) in the spaces provided on the front of this form. Mark an **X** in the box that indicates which NYS income tax return you are filing and submit this form with that return.

Part 1 – Depreciation

Depreciation is the annual deduction allowed to recover the cost or other basis of business or investment property having a useful life substantially beyond the tax year. However, land is never depreciable. Depreciation starts when you first use the property in your business or for the production of income. It ends when you take the property out of service, deduct all your depreciable cost or other basis, or no longer use the property in your business or for the production of income. (See Part 2 for the deduction to be taken in the year you dispose of the property.)

Column C – Enter the depreciable basis of the assets you place in service in the same year. *Depreciable basis* is the cost or other basis reduced by the part of the basis you elected to amortize or expense under IRC section 179, and any federal investment credit subtracted when computing the federal unadjusted basis of the asset.

Column D – The applicable convention determines the portion of the tax year for which the depreciation is allowable during a year property is either disposed of or placed in service. Enter in column D the convention you used from federal Form 4562, column E.

Column E – Indicate the depreciation method selected for the computation of the NYS allowable depreciation deduction. Any consistent depreciation method that would have been allowed under IRC section 167, as that section would have applied to the property if it had been acquired on September 10, 2001, without regard to section 168(k), is acceptable.

Column F – Enter your NYS depreciation deduction in column F, based on the method you elected in column E.

Column G – Enter the depreciation deduction you took on your federal return.

Part 2 – Year-of-disposition adjustment

If you dispose of IRC section 168(k) property (except for resurgence zone property and New York liberty zone property described in IRC section 1400L(b)(2)) that you placed in service inside or outside NYS after May 31, 2003, you **must** adjust your NYS income by the difference between the total NYS depreciation deduction and the total federal depreciation deduction claimed on that property.

Note: If property on which the investment credit, retail enterprise credit, or research and development credit was taken on Form IT-212, *Investment Credit*, is disposed of or removed from qualified use before its useful life or specified holding period ends, the difference between the credit taken and the credit allowed for actual use must be added to your income tax in the year of disposition. See Form IT-212 and its instructions for more information and to calculate the amount.

Column C – Enter the method used to dispose of the property. *Disposition* includes, but is not limited to, sale, exchange, transfer, and obsolescence.

Column D – Enter the total NYS depreciation deduction you claimed on the property you disposed of.

Column E – Enter the total federal depreciation deduction you claimed on your federal return for the disposition of your property.





New York State Depreciation Schedule

IT-399

Name(s) as shown on return	Identifying number as shown on return
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Mark an **X** in one box to show the income tax return you are filing and submit this form with that return.

IT-201, Resident IT-203, Nonresident and part-year resident IT-204, Partnership IT-205, Fiduciary

Part 1 – Depreciation information for property (except for section 280F property) placed in service inside or outside New York State in tax years beginning after December 31, 1980, but before January 1, 1985, and if you elect to continue using IRC section 167 depreciation for property placed in service outside New York State in tax years beginning after December 31, 1984, but before January 1, 1994 (see instructions)

A Description of property <i>(submit schedule if needed)</i>	B Date placed in service	C Depreciable basis	D Depreciation method	E Life or rate	F New York depreciation	G Federal ACRS deduction	
		.00			.00	.00	
		.00			.00	.00	
		.00			.00	.00	
1 Enter column F and column G totals.....					1	.00	.00

Transfer the column F total to:	Transfer the column G total to:
Form IT-225, line 10, <i>Total amount</i> column and enter subtraction modification S-210 in the <i>Number</i> column.	Form IT-225, line 1, <i>Total amount</i> column and enter addition modification A-205 in the <i>Number</i> column.

Estates and trusts: If the amount computed is attributable to items reflected in the federal distributable net income, transfer the amounts as stated above. If the amount is **not** reflected in federal distributable net income, see instructions.

Part 2 – Year-of-disposition adjustment for property (except for section 280F property) placed in service inside or outside New York State in tax years beginning after December 31, 1980, but before January 1, 1985, and for property placed in service outside New York State in tax years beginning after December 31, 1984, but before January 1, 1994 (see instructions)

Mark an **X** in the box if you claimed an investment credit on Form IT-212, *Investment Credit*, for any property listed below (see instructions).....

A Description of property <i>(submit schedule if needed)</i>	B Date of disposition	C Method of disposition	D Amount of New York depreciation	E Amount of ACRS deduction	
			.00	.00	
			.00	.00	
			.00	.00	
2 Enter column D and column E totals.....			2	.00	.00
3 Enter amount from line 2, column D or column E, whichever is larger			3	.00	.00
4 Enter amount from line 2, column D or column E, whichever is smaller			4	.00	.00
5 Subtract line 4 from line 3			5	.00	.00

If column D is larger than column E, transfer line 5 amount to:	If column E is larger than column D, transfer line 5 amount to:
Form IT-225, line 1, <i>Total amount</i> column and enter addition modification A-206 in the <i>Number</i> column.	Form IT-225, line 10, <i>Total amount</i> column and enter subtraction modification S-211 in the <i>Number</i> column.

Estates and trusts: If the amount computed is attributable to items reflected in the federal distributable net income, transfer the amounts as stated above. If the amount is **not** reflected in federal distributable net income, see instructions.



Instructions

General instructions

Use this form to compute your New York adjustments for New York depreciation and federal accelerated cost recovery system (ACRS) depreciation for property placed in service inside or outside New York State in tax years beginning after December 31, 1980, but before January 1, 1985, and if you elect to continue using Internal Revenue Code (IRC) section 167 depreciation for property placed in service outside New York State in tax years beginning after December 31, 1984, but before January 1, 1994.

New York State does not allow the federal ACRS depreciation deduction for property (except for property classified as IRC section 280F property) placed in service inside or outside New York State during tax years 1981, 1982, 1983, 1984, and fiscal years beginning in 1984. You must compute your New York depreciation by using one of the methods provided for in IRC section 167 as it was in effect on December 31, 1980 (for example, straight line or declining balance). You may take the deduction for New York depreciation until the property is fully depreciated or disposed of.

For property (except for property classified as IRC section 280F property) placed in service outside New York State for tax years beginning after 1984, but before 1994, New York did not allow ACRS or MACRS depreciation under IRC section 168. Instead, New York allowed the depreciation deduction that would have been allowed under IRC section 167 as it was in effect on December 31, 1980.

However, as a result of a court decision (Reynolds), if you claimed ACRS depreciation on your federal return for property not classified as IRC section 280F property, and that property was placed in service outside New York State in tax years beginning after December 31, 1984, but before January 1, 1994 (including property on which ACRS depreciation was computed in accordance with the Federal Tax Reform Act of 1986), you may continue using the **pre-1981** IRC section 167 depreciation on that property, making the applicable depreciation addition and subtraction, or choose to switch to the IRC section 168 depreciation deduction.

A taxpayer choosing to switch to the IRC section 168 depreciation deduction is no longer required to make the New York depreciation addition and subtraction adjustments. If you switch to IRC section 168 depreciation, you must use IRC section 168 depreciation from this tax year forward, and must use it for all of your subject property. For more information about this property, see TSB-M-99(1), *New York Depreciation Deduction for Property Placed in Service Outside New York State in Tax Years 1985 – 1993*. This TSB-M is available on the Tax Department Web site at www.tax.ny.gov

If you claimed ACRS depreciation on your federal return for property placed in service during tax years 1981 through 1984 and fiscal tax years beginning in 1984 (for other than IRC section 280F property), or on property placed in service outside New York State during tax years 1985 through 1993 and fiscal tax years beginning in 1993 (for other than IRC section 280F property), and you elect to continue using IRC section 167 depreciation, complete Part 1.

If you have an interest in a passive activity, the modifications required under Tax Law sections 612(b)(25) and (c)(26) for ACRS depreciation and New York depreciation must be made for the full amounts allowable as a federal depreciation deduction (100%), even though the activity may be subject

to federal loss deduction limitations. It is only under IRC section 469 (*Passive Activity Losses and Credits Limited*) that there is a limitation on passive loss deductions.

In the case of a partnership using ACRS to determine depreciation, the individual partners should make the adjustments to income on their personal income tax returns. The adjustments for partners are their distributive share of New York depreciation and federal ACRS depreciation, determined by the partnership as of the end of the partnership year ending within the partner's tax year. Form IT-399 should be completed only by the partnership, and not by each individual partner. This treatment is the same for a beneficiary of an estate or trust that is on a fiscal-year basis.

If you are a shareholder of an electing New York State S corporation, the S corporation should provide your proportionate share of the S corporation's depreciation deduction.

If you are a nonresident or part-year resident, you must complete Form IT-399 as if you were a New York State resident for the entire year. Transfer the amounts from Part 1 and Part 2 to Form IT-225, *New York State Modifications*. For more information on the addition and subtraction modifications for ACRS and New York State depreciation, see Form IT-225-I, *Instructions for Form IT-225*.

If you are married and file a joint federal return but are required to file separate New York returns, complete only one Form IT-399 showing the amounts from your joint federal return. Submit a schedule with each return showing each spouse's separate amounts, as if separate federal returns were filed, and explain any differences.

Do not use this form if you are depreciating IRC section 168(k) property. For more information, see Form IT-398, *New York State Depreciation Schedule for IRC Section 168(k) Property*.

Specific instructions

See the instructions for your tax return for the *Privacy notification* or if you need help contacting the Tax Department.

Enter your name and identifying number (your social security number or employer identification number) in the spaces provided on the front of this form. Mark the box that indicates which New York State income tax return you are filing and submit this form with that return.

Estates and trusts: If an amount computed on this form is attributable to items **not** reflected in the federal distributable net income of the estate or trust and is reported on a fiduciary return (Form IT-205 or, if allocation is required, Form IT-205-A), enter the amount(s) on the fiduciary return as follows, noting that some are addition modifications and some are subtraction modifications:

- For Form IT-205, enter the amount on line 2.
- For Form IT-205-A, enter the amount on line 7.

Part 1 – Depreciation

Depreciation is the annual deduction allowed to recover the cost or other basis of business or investment property having a useful life substantially beyond the tax year. Land is never depreciable. Depreciation starts when you first use the property in your business or for the production of income. It ends when you take the property out of service, deduct all of your depreciable cost or other basis, or no longer use the property in your business or for the production of income. (See Part 2 for the deduction to be taken in the year you dispose of the property.)



Column C – Enter the depreciable basis of the assets you place in service in the same year. *Depreciable basis* is the cost or other basis reduced by the part of the basis you elected to amortize or expense under IRC section 179, and any federal investment credit subtracted when computing the federal unadjusted basis of the asset.

Column D – Enter the depreciation method you elect. You must use a method that is allowed under IRC section 167, as it was in effect on December 31, 1980.

Column E – Enter the useful life of the property. You **cannot** use the ACRS recovery period when computing your New York State depreciation. You must use the useful life or rate provided for in IRC section 167. In some cases the useful life under IRC section 167 may be the same as the recovery period.

Column F – Enter your New York depreciation deduction in column F, based on the method you elected in column D.

Column G – Enter the ACRS deduction you took on your federal return.

Part 2 – Year-of-disposition adjustment

If you dispose of property (except for IRC section 280F property) that you placed in service inside or outside New York State after December 31, 1980, but before January 1, 1985, or property placed in service outside New York State after December 31, 1984, but before January 1, 1994, you must adjust your New York State income by the difference between the total New York depreciation deduction and the total federal ACRS deduction claimed on that property. If you elected to switch to IRC section 168 depreciation for property placed in service outside New York State in tax years beginning after December 31, 1984, but before January 1, 1994, in the year of disposition, the adjustment should take into account only those years prior to switching to IRC section 168.

Note: If property on which the investment credit, retail enterprise credit, or research and development credit was taken on Form IT-212, *Investment Credit*, is disposed of or removed from qualified use before its useful life or specified holding period ends, the difference between the credit taken and the credit allowed for actual use must be added to your income tax in the year of disposition. See Form IT-212 and its instructions for more information and to calculate the amount.

Column C – Enter the method used to dispose of the property. *Disposition* includes, but is not limited to, sale, exchange, transfer, and obsolescence.

Column D – Enter the total New York depreciation you claimed on the disposition of your property. If the property was placed in service during 1981, do not include the amount of ACRS depreciation claimed for the property on your 1981 New York State return.

Column E – Enter the total federal ACRS deduction you claimed on your federal return for the disposition of your property. If the property was placed in service during 1981, do not include the amount of ACRS depreciation claimed for the property on your 1981 federal return.

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