



Department of  
Taxation and Finance

# 2017 Processing Year Overview for Coordinator Training

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# Our Mission



To efficiently collect tax revenues in support of State services and programs while acting with integrity and fairness in the administration of the tax laws of New York State.

# New York State Volunteer Website

***[www.tax.ny.gov/volunteer](http://www.tax.ny.gov/volunteer)***



# DTF Regional Outreach Staff Territories

## Western NY Region

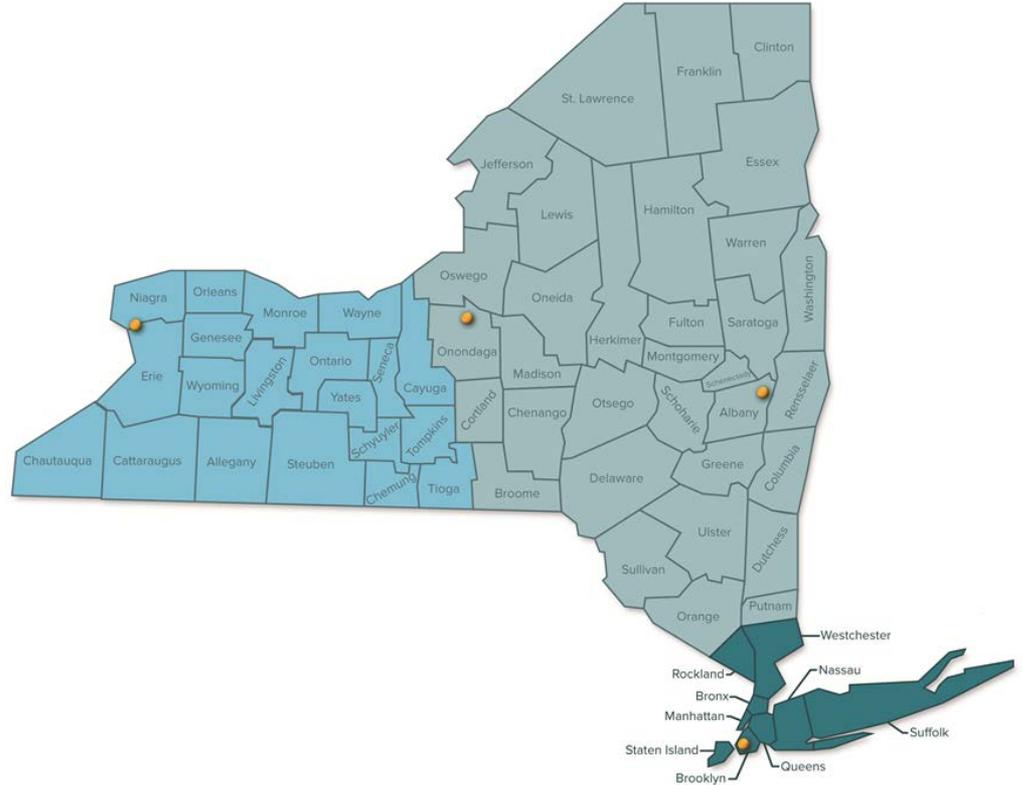
Kathleen Richardson (716) 855-5302  
kathleen.richardson@tax.ny.gov

## Capital Region

Michelle Duchowny (518) 453-5382  
michelle.duchowny@tax.ny.gov

## Metro Region

Robert Smith (347) 390-7371  
robert.smith@tax.ny.gov  
Cary Ziter (347) 390-7288  
cary.ziter@tax.ny.gov  
Sommra Khalid (347) 390-7346  
Sommra.khalid@tax.ny.gov



# Tax Practitioners Hot Line

**518-457-5451**

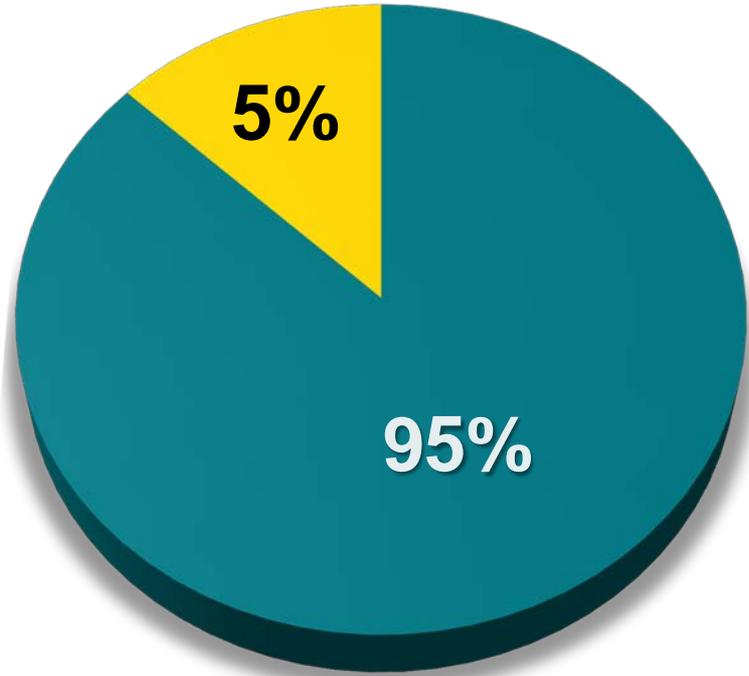


# 2016 Filing Season Recap



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# Almost All New Yorkers E-file

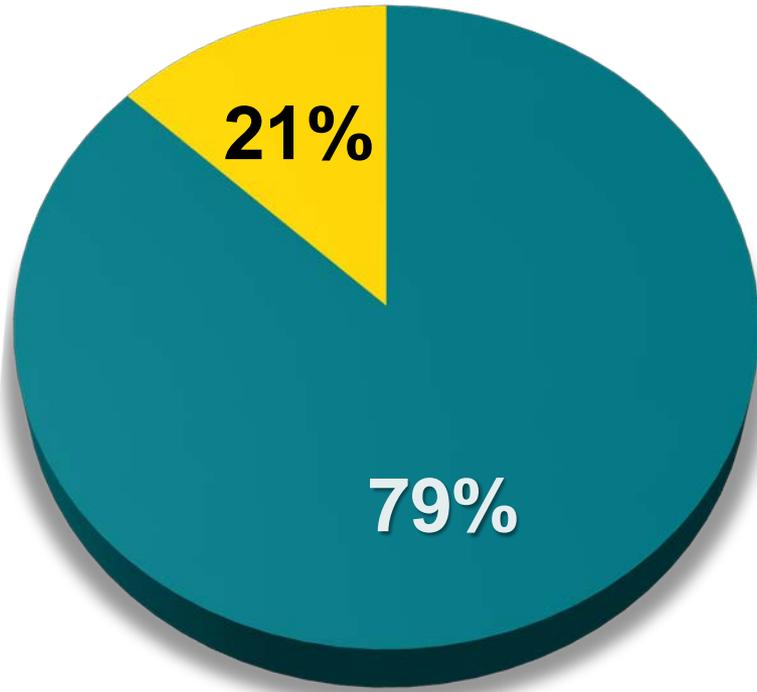


**2016** (2015 tax returns)

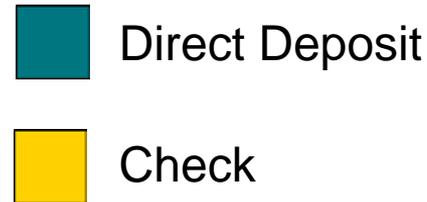
 E-filed Returns - 8.8M

 Paper Returns – 416K

# Refund Method



**2016** (2015 tax year)



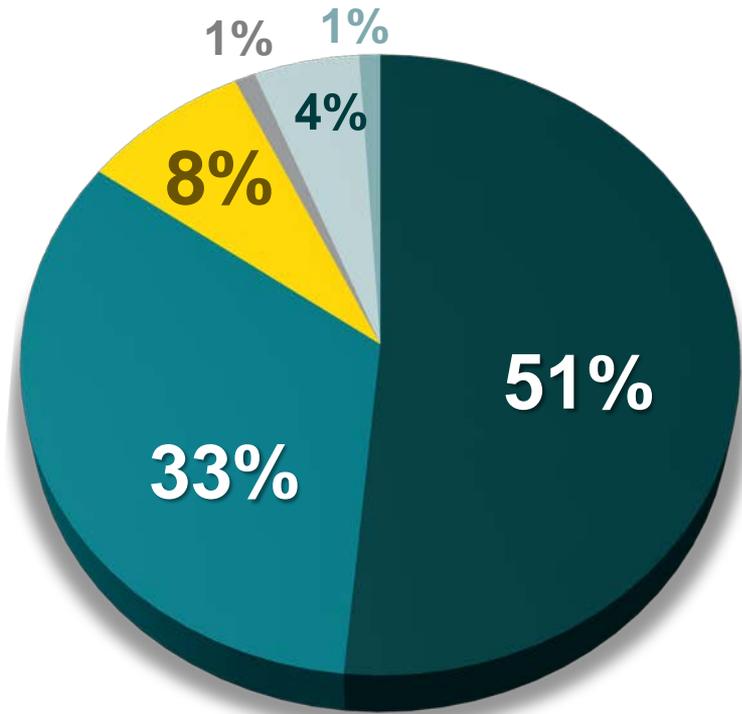
Refunds issued in as few as 14 days when e-filed return is combined with direct deposit

# Refund Statistics

Refunds issued in under 30 days	<b>94%</b>
Total number of refunds issued	<b>5.8M</b>
Total amount of refunds paid	<b>5.6B</b>
Average refund amount	<b>\$975</b>



# Agency Snapshot



**23.8 million returns  
processed in FY 2015-16**

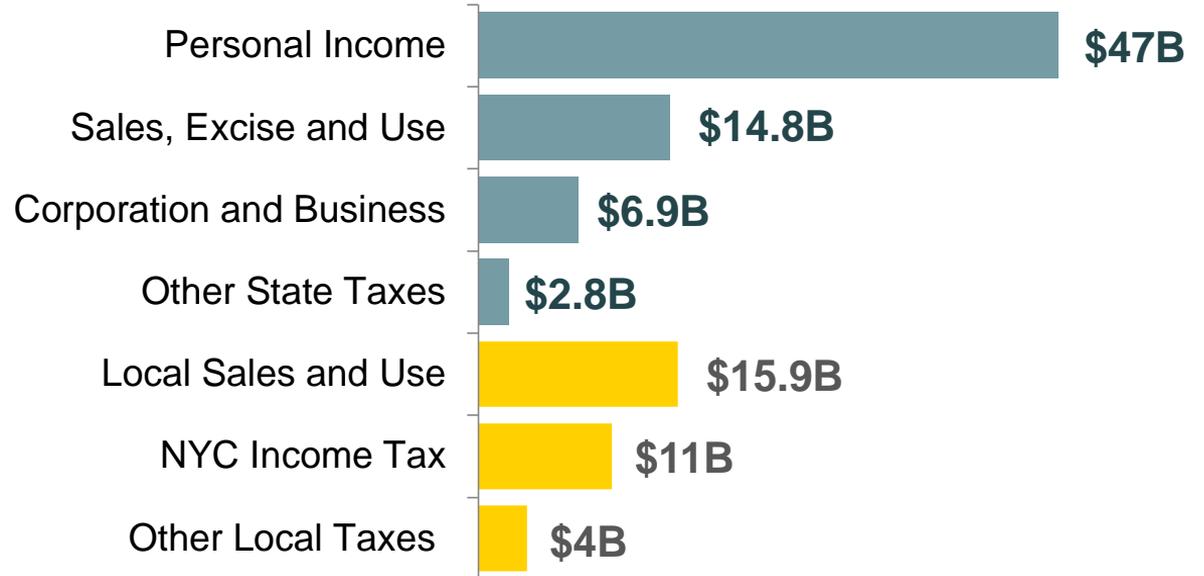


# Collections Snapshot

## Taxes Collected by DTF in the 2015-16 Fiscal year (\$102.6B Total)\*

State taxes  
collected  
**\$71.6 Billion**

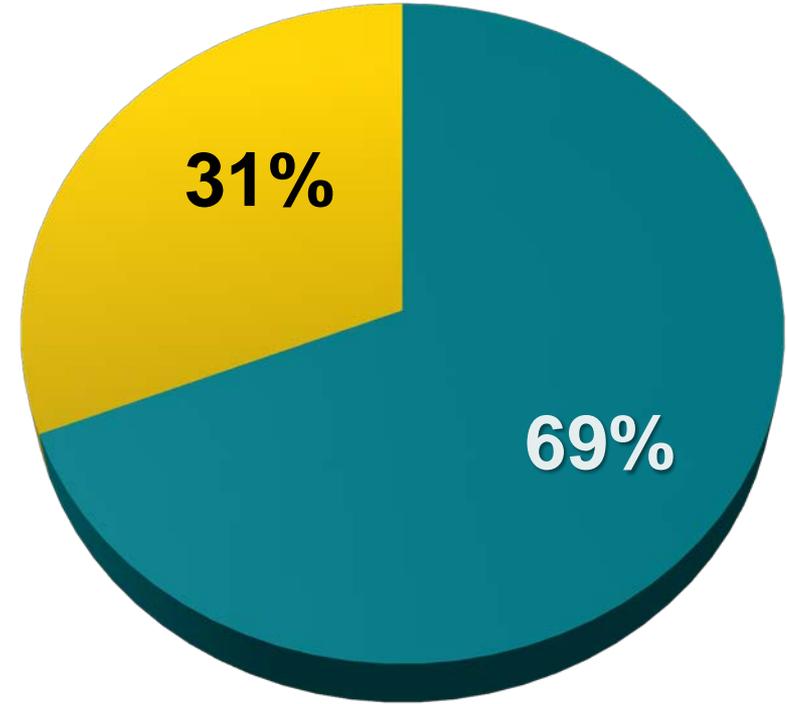
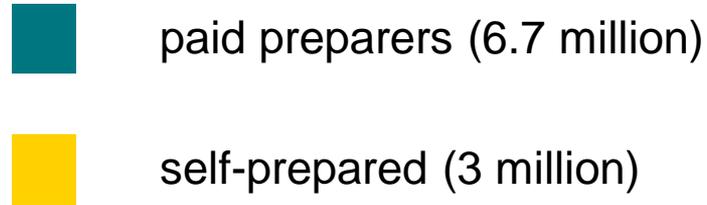
Local taxes  
collected  
**\$31 Billion**



\*All figures represent net collections for period; excludes Stock Transfer Tax (fully eligible for rebate)

# Preparers Influence Taxpayer Behavior

## Personal Income Tax Returns



# 2016 – 2017 Summary of Tax Provisions



# Personal Income Tax Rate Reduction

## Married Filing Jointly

Taxable Income	2018	2019	2020	2021	2022	2023	2024	2025 and later
\$26,000 - \$40,000	5.9%	5.9%	5.9%	5.9%	5.85%	5.73%	5.61%	5.5%
\$40,000 - \$150,000	6.33%	6.21%	6.09%	5.97%	5.85%	5.73%	5.61%	5.50%
\$150,000 - \$300,000	6.57%	6.49%	6.41%	6.33%	6.25%	6.17%	6.09%	6.00%



# Conversion of STAR Exemption to a Credit

- STAR exemption closed to new applicants
  - effective immediately and applies to tax years beginning on or after January 1, 2016
- Current STAR exemption recipients may keep their exemption or may choose to receive the income tax credit instead.
- Homes transferred to new owners would need to transfer to the new income tax credit.
- Eligibility remains the same.
- Recoupment timing – 3 prior school years
- Reimbursement due to administrative error

# Conversion of NYC STAR Exemption

- Converts NYC STAR credit to NYS STAR credit
  - NYC residents with income \$250,000 or less
    - married filing jointly \$125
    - all others \$62.50
- Effective immediately and applies to tax years beginning on or after January 1, 2016



# Enhanced STAR Late Filing Hardship Exemption

- Filed your STAR renewal application late due to hardship? You can request an extension up until the last day for paying school taxes without incurring penalty or interest.
- STAR and local Senior Citizens Exemption
- Effective 60 days after enactment



# Noncustodial Parent EITC Permanent

- Permanent
- Eligibility remains the same
  - must be a New York State resident
  - must be over age 18
  - must have a minor child that does not reside with them
  - must have a child support order in effect for at least half of the year and be current on payments



# Clean Heating Fuel Credit Modified

- Purchase bioheat used for space heating or hot water production for residential purposes within NY
- Credit equals one cent for each percent of biodiesel per gallon of bioheat, up to 20 cents per gallon
- Expiration date of the credit extended to January 1, 2020; however, purchases on or after January 1, 2017 are graded below B6 (such as B2 or B5) and will no longer qualify for the credit.



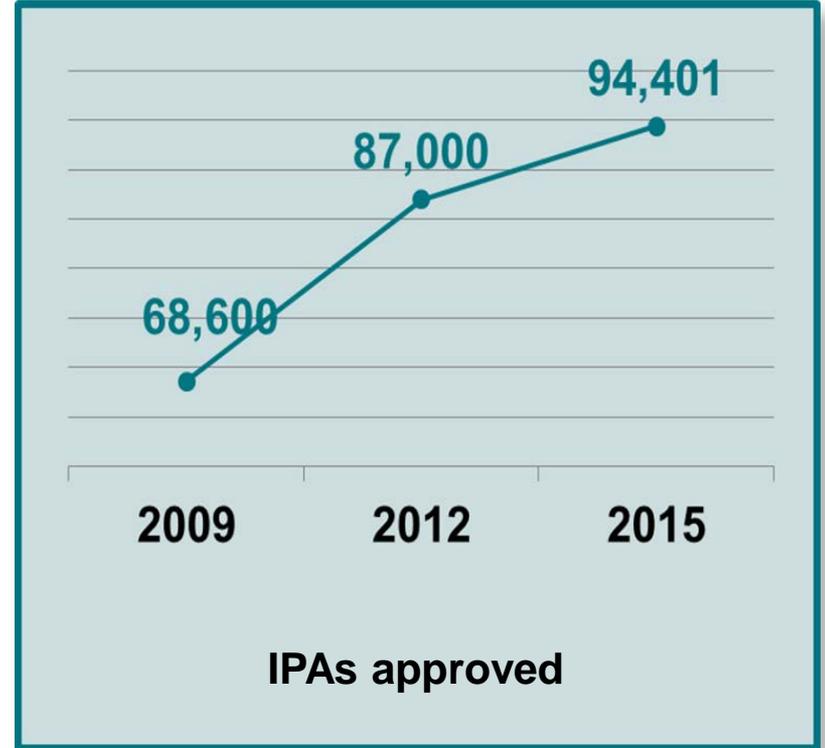
# Tax Department Programs and Services



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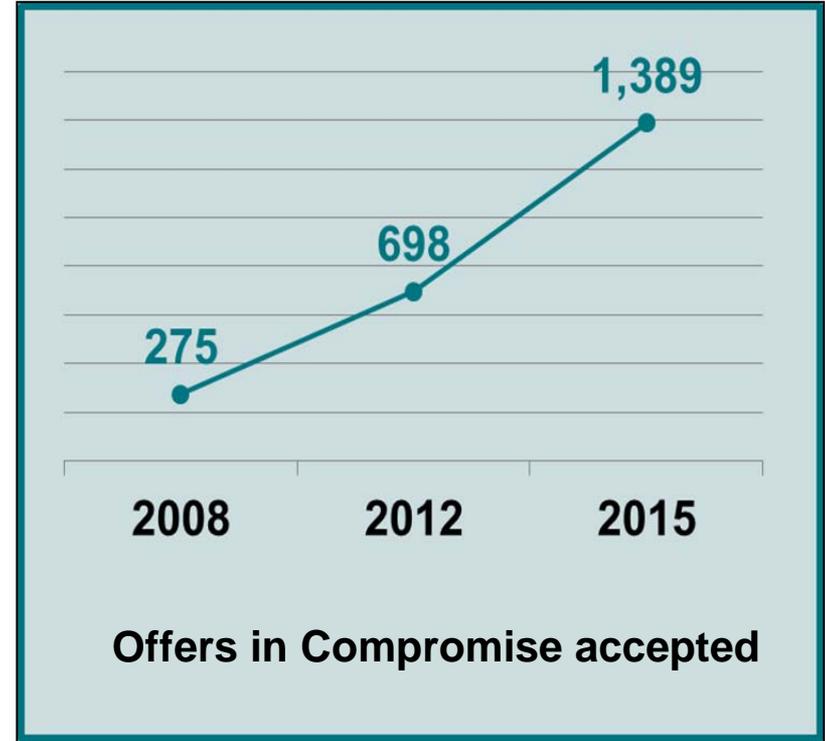
# Installment Payment Arrangement

Don't ignore it!



# Offer in Compromise

- Financially distressed individuals and businesses that are insolvent or discharged in bankruptcy
- Financially distressed individuals who are not insolvent or bankrupt when payment in full would create undue economic hardship



# Office of the Taxpayer Rights Advocate

- Provides free and independent tax problem assistance
- Ensures that your case is reviewed in a timely manner
- Helps you understand important notices and deadlines
- Explains your rights and responsibilities under the law
- Helps resolve long standing tax issues

 New York State Department of Taxation and Finance  
**Request for Assistance from the Office of the Taxpayer Rights Advocate** **DTF-911**  
(1/10)

Read instructions on page 2 before completing this form.

**Taxpayer information**

Name (as shown on tax return)		Social security number (SSN)	
Spouse's name (if applicable)		Spouse's SSN	
Executor's name (if applicable)	Decedent's name	Decedent's SSN	
Current street address (number, street, and apartment number)			
City		State (or foreign country)	ZIP code
Fax number ( )	E-mail address		
Taxpayer identification number (if applicable)	Tax type	Tax form(s)	Tax period(s)
Telephone number ( )	Best time to call	Business's contact person (if not representative on power of attorney)	

If you already have a power of attorney on file with the Tax Department, mark an **X** in the box

Indicate if you have any special communications needs (Mark an **X** in the box.)

TTY/TDD line  Other (specify): \_\_\_\_\_

Describe the tax problem you are experiencing, how you previously tried to resolve the problem, and the Tax Department office(s) you contacted previously (see instructions for required information; attach additional sheets if necessary)

\_\_\_\_\_  
Describe the relief/assistance you are requesting (attach additional sheets if necessary)

\_\_\_\_\_  
Describe the relief/assistance you are requesting (attach additional sheets if necessary)

**Contacting third parties**  
In order to respond to your request, we may need to contact third parties. By signing below, you authorize the Office of the Taxpayer Rights Advocate to make these contacts. We won't give you notice that we're contacting these third parties.

Signature of taxpayer or executor (if applicable)	Date
Signature of spouse (if applicable)	Date
Printed name and signature of corporate officer	Title
	Date

# Bureau of Conciliation and Mediation

## Before Conference – File Form CMS-1-MN

- BCMS accepts request – assign case number
- Issuing division attempts to resolve; if unable to resolve, a conference is scheduled



# Bureau of Conciliation and Mediation

## During Conference

- Impartial conferee conducts conference
- Department explains its position
- Taxpayer explains their position, asks questions, and submits supporting document



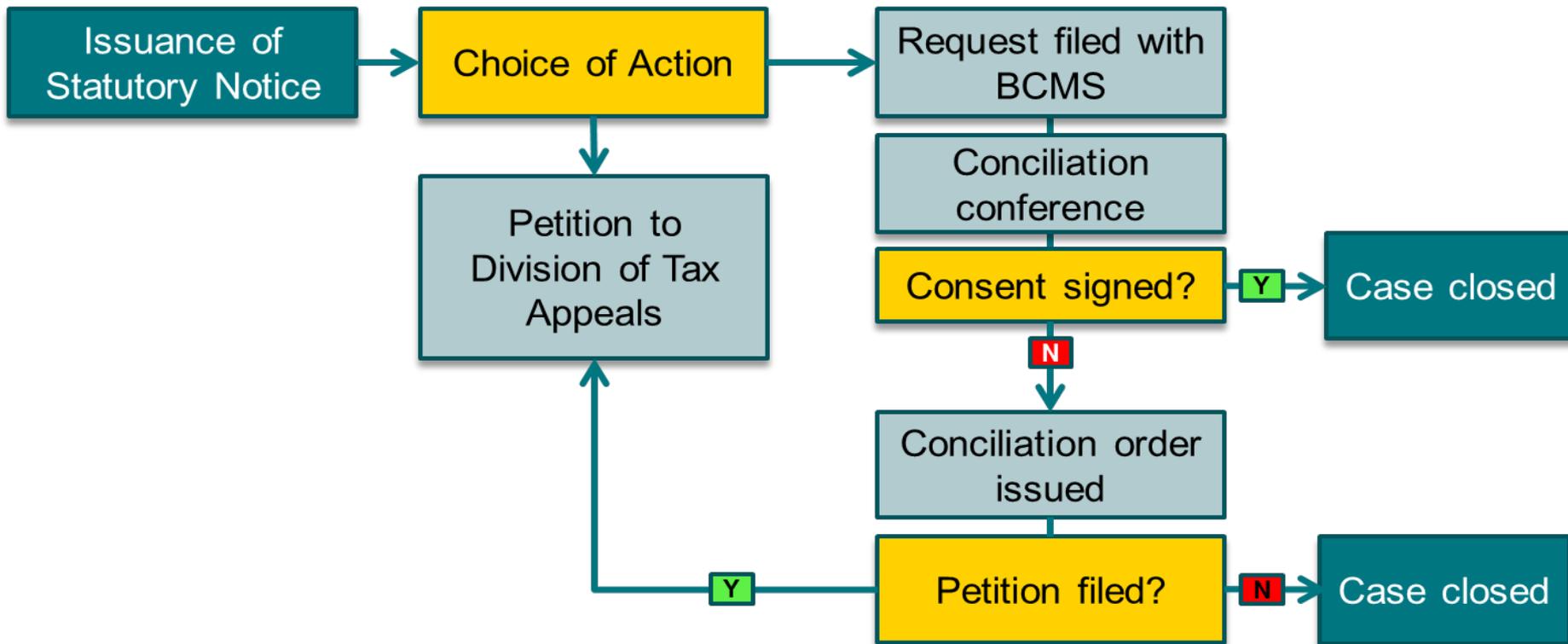
# Bureau of Conciliation and Mediation

## After Conference

Conferee sends a proposed resolution in the form of a Consent

- If you agree, sign and return Consent within 15 days
- If you disagree, the conferee will issue a Conciliation Order. That order will bind you and the department, unless you file a petition for a hearing with the Division of Tax Appeals.

# Appeals Flow Chart



# Voluntary Disclosure and Compliance Program

- Clean up unpaid taxes, unfiled returns
- Covers all tax types
- Not eligible if you filed a return and didn't pay. Wait for a bill.
- Avoid monetary penalties and possible criminal charges by:
  - telling the department what taxes are owed;
  - paying those taxes; and
  - entering an agreement to pay all future taxes.

**\$100 million  
in collection**

(\$675 million since inception)



# Advisory Opinion

- Based on law, regulations, and department policies
- Issued at request by person or entity
- Limited to facts set forth therein
- Binding on the department only with respect to person or entity to whom it was issued and only if all relevant facts are accurately described



# 2016 Tax Return Department Updates for 2017 filing season



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# Amended Returns

- E-File amended returns for TY 2015 and forward
- You must file a New York State amended return if:
  - you made an error on the original return;
  - the IRS made changes to the federal return – 90 days to notify New York State;
  - you need to file a protective claim; or
  - you need to report a net operating loss carryback.
- **Important reminder:** You must treat an amended return as an original return. Include all credit forms and attachments.

# Attachments

- Must be in PDF format
- Software will guide you
- Do **not** password protect, encrypt, or document-protect PDF attachments in any way.

# Credits

- TP-301
- [www.tax.ny.gov/pit/credits](http://www.tax.ny.gov/pit/credits)



# Debit Card

- No longer available, effective for refunds processed after 8/15/16
- Tax years 2011 and forward, applies to all returns including amended returns
- Checkbox not on 2016 tax return



# E-File Mandate and Exemption Codes

**Volunteer preparers are not subject to e-filing mandate**

Code	Exemption Type	Code	Exemption Type
01	attorney	02	employee of attorney
03	CPA	04	employee of CPA
05	PA (public accountant)	06	employee of PA
07	enrolled agent	08	employee of enrolled agent
09	Volunteer tax preparer	10	employee of business preparing that business return

# Estimated Tax Payments

## Software

- Twelve estimated tax payments scheduled
- Scheduled when return is filed or as needed
- Different bank accounts
- Different dollar amounts

Note: IRS allows electronic payments limited to four payments and they must be sent at the time the return is filed

# Extensions

- The extension deadline is changing from 5 to 5 ½ months:
  - IT-205, *Fiduciary Income Tax Return*
  - IT-370-PF, *Application for Automatic Extension of Time to File for Partnerships and Fiduciaries*
- Calendar year-end filers due date 09/30/17



# Form Changes

**TP-3, *Bulk Tax Order Form* - Obsolete**



# Identity Theft

- Notify FTC at *identitytheft.gov*
- Notify taxing agencies or respond immediately to a notice
  - IRS Form 14039
  - NYS Form DTF-275
- Contact credit bureau to place “fraud alert” on credit record
  - Equifax 1-800-766-0008
  - Experian 1-888-397-3742
  - TransUnion 1-800-680-7289



# Identity Theft

- Visit our website:  
[www.tax.ny.gov/help/contact/identity-theft.htm](http://www.tax.ny.gov/help/contact/identity-theft.htm)
- Complete Form DTF-275, *Identity Theft Declaration*
  - fax items to (518) 435-2990 (Attn: Identity Theft) or mail to:  
NYS Assessment Receivables  
Attn: Identity Theft  
PO Box 4128  
Binghamton NY 13902-4128
- Call (518) 457-5181 for more information



# IRS Federal Change

- Report a federal change to New York State within 90 days
- File an amended return
- IRS redetermination letter



# Paper-Filed Returns

## Form IT-2 Summary of W-2 Statements

Effective tax year 2015 and forward, you must complete Form IT-2 for all Form W-2s. For older years, submit Form W-2 with the paper filed return.

## Form IT-1099-R Summary of Federal Form 1099-R

Effective tax years 2015 and forward, if there is NYS, NYC, or Yonkers withholding tax shown on the 1099-R, you must submit the IT-1099-R with the paper-filed return.



# Online Services

## Individual account access provides options to:

- review a customized summary of your tax account
- make payments electronically
- print copies of E-filed returns
- respond to notices
- manage your estimated tax account
- report a change of address
- sign up for email alerts about refund status, bills, and Department notices



# Online Services Security Enhancements

## New code with explanation of error

- 5 log-in attempts with the wrong username and password combination
- Attempt to log-in to a locked account
- Create account using a SSN that already has an active account
- Create account on a deceased flagged account
- Create account using an invalid SSN
- Create account for a temporary ID for a taxpayer with no profile



# Standard Deduction and Exemption

Filing Status	Standard Deduction
<b>Single</b> (can be claimed on another taxpayer's returns)	\$3,100
<b>Single</b> (cannot be claimed on another taxpayer's returns)	\$7,950
<b>Married Filing Jointly</b>	\$15,950
<b>Married Filing Separately</b>	\$7,950
<b>Head of Household</b> (with qualifying person)	\$11,150
<b>Qualifying Widow(er)</b> (with dependent child*)	\$15,950

\* dependent exemption remains at \$1,000

# Self-Employed

- Separate personal and business accounts
- Estimated tax payments
- Sales and Use Tax - DTF-215, *Record Keeping Suggestions*

# Use Tax

- Purchase taxable property or services outside New York State
- Purchases from the internet, catalogs, by phone
- Purchases on an Indian reservation
- Purchases made in a different taxing jurisdiction in New York
- Withdrawal of property from inventory for use by the business
- Use of property that is manufactured, processed, or assembled by the business

# Web Filing

## No longer able to file on website:

- IT-201
- IT-203
- IT-214
- NYC-208
- NYC-210



## Final Paycheck

# Common Mistakes



# Common Mistakes

- Verify taxpayer data – name, address (including apt number), SS#'s of taxpayers and dependents
- Missing signatures
- Preparer section must be completed in its entirety (most common reject – R0800)
- Federal amounts must appear in the first column of the IT-203 and the IT-360.1
- IT-249, *Claim for Long-Term Care Insurance Credit*
  - disability insurance is not eligible



# Common Mistakes (cont.)

- Amended returns must include all credit forms
- Add amount from W-2 box 14, listed as 414(h), to line 21 (software may have specific entries)
- Add amount from W-2 box 14 listed as IRC 125, to line 23
- Bonds invested outside of New York are taxable to New York and must be added as a New York State addition (line 20)

# Connect With Us

Website - [www.tax.ny.gov](http://www.tax.ny.gov)

Tax Practitioner Hotline - 518-457-5451



NYSTaxDepartment



NYSTaxNews



NYSTax



Online Demos



Email Subscription Service



# QUESTIONS?

The material included in this slide show is intended only to highlight NYS tax issues as of the date presented.

For more comprehensive information, please refer to our TSB-Ms, forms, instructions, and publication.

