



# **New York State Department of Taxation and Finance 2013 Coordinators Training**

**Outreach and Constituent Services  
Office of Taxpayer Rights Advocate**

# Additional Staff Hired for Your Support

- The department is committed in assisting you to achieve your goals of ensuring that more New Yorkers will take advantage of the free tax preparation and financial literacy services that are available to them.
  - Department staff will be available to assist you when training your volunteers.
  - Assist with issues or concerns during the E-filing season.
  - Will be conducting site reviews throughout the filing season to support your volunteers.

# DTF Regional Outreach Staff Territories

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## Western NY Region

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## Central NY Region

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## Capital Region

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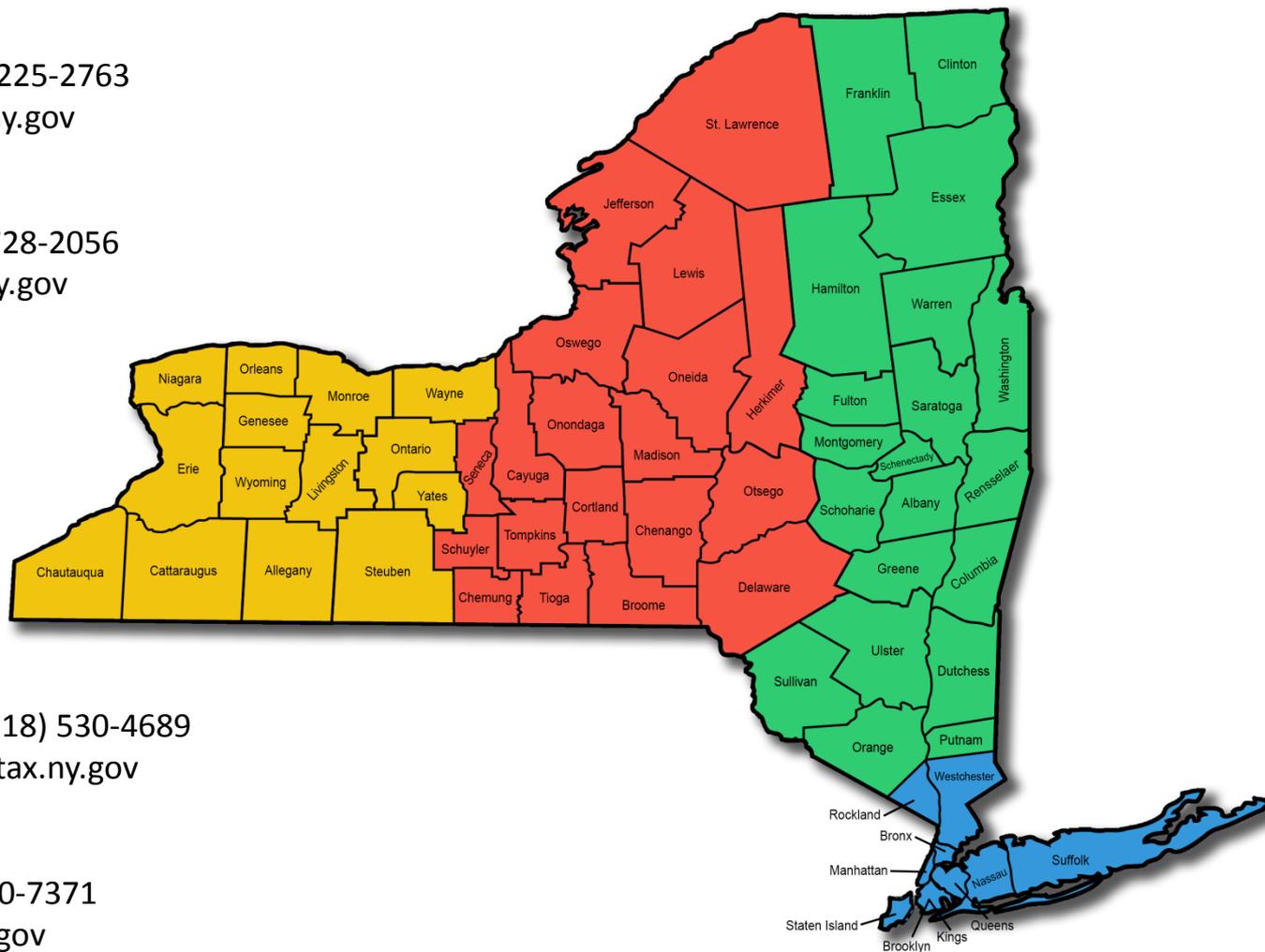
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## Metro Region

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# NYS Extended Hours

- Tax Practitioner Hotline 518-457-5451
  - Extended hours were offered during filing season
    - Wait time was significantly reduced
    - Saturday hours were available
    - Extended hours to be offered 2014

# Private and Confidential

- Taxpayers utilizing volunteer program services provide personal information to the volunteers, such as names, addresses, social security numbers, birth dates, and bank account information. ***This type of information is a prime target for identity theft.***
- Therefore, partners and volunteers must keep the information confidential and protect it from unauthorized individuals and misuse.

# Maintaining and Ensuring Confidentiality of Taxpayer Information

- In accordance with Internal Revenue Service (refer to IRS publication 4299) partners and volunteers must maintain confidentiality of taxpayer information by:
  - Protecting the information
  - Providing a Safe Environment for Information
  - Deleting Taxpayer Information
  - Disposing Taxpayer Information

# Identity Theft

- IRS tax advocate reports that identity theft cases increased by more than 650 percent from FY 2008 to FY 2012.
- NYS launched website on what to do if client is a victim of identity theft:  
[http://www.tax.ny.gov/help/contact/identity\\_theft.htm](http://www.tax.ny.gov/help/contact/identity_theft.htm)Partners

# Identity Theft

- What to do:
  - Need a photocopy of a government issued ID.
  - [Form DTF-275, Identity Theft Declaration](#). With statement explaining why you believe you're a victim of identity theft.
  - Address verification for the tax year in question such as a utility bill, lease agreement, or bank statement.
  - 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**
  - Client may also call (518) 457-5181.



***What is New for 2013 ?***

# 2013 Standard Deduction and Exemptions

<i>Filing Status</i>	<i>Standard Deduction</i>
<i>Single</i> <i>can be claimed on another's tax return</i>	<b>\$3,050</b>
<i>Single</i> <i>cannot be claimed on another's tax return</i>	<b>\$7,700</b>
<i>Married Filing Jointly</i>	<b>\$15,400</b>
<i>Married Filing Separately</i>	<b>\$7,700</b>
<i>Head of Household</i> <i>with qualifying person</i>	<b>\$10,800</b>
<i>Qualifying Widow(er)</i> <i>with dependent child</i>	<b>\$15,400</b>

***Dependent exemption remains at \$1000***

# Income Tax Rate Extended

- The Laws of 2013 extends the temporary New York State income tax rates through tax year 2017.
  - The tax tables will continue to be indexed by a cost-of-living percentage adjustment
- For tax years beginning after 2017, the tax tables revert to the tables and tax rates in effect for tax years beginning after 2005 and before 2009 (the highest rate will be 6.85 percent).

# Tax Form Changes

- New Donation Check off Boxes
  - Gift for Honor and Remembrance of Veterans.
  - Gift for New York State Teen Health Education Fund.
- Third Party Designee - Beginning with tax year 2013 the third party designee (check the box) authorization will not expire but will only cover matters relating to the return filed.

# Family Tax Relief Credit (tax years 2014-2016)

- The 2012 income tax return filed will be used to determine the Family Tax Credit that will be available for tax year 2014.
  - 2013 tax return will be used to determine eligibility for 2015
  - 2014 tax return will be used to determine eligibility for 2016
- The credit of \$350 will be issued in the fall of 2014, fall of 2015, and the fall of 2016.
- Eligible taxpayers:
  - Residents
  - Claimed one or more dependents under the age of 17
  - Income between \$40,000 - \$300,000
  - Had tax less other credits greater than zero

# Star Registration

- **Eliminating Improper Star Exemptions:**
  - All homeowners receiving a Basic STAR exemption (income \$500,000 or less) must register with the NYS Tax Department in order to receive the exemption in 2014 and subsequent years.
- Registration must be completed by 12/31/13.
- Homeowners will **not** have to re-register every year.
- Those homeowners receiving the enhanced STAR are not affected by the registration.
- <http://www.tax.ny.gov/pit/property/star13/default.htm>

# Legislative Changes

- **Warrantless Wage Garnishment:**
  - The department may now serve income executions to debtor and, if necessary, on their employers without filing a warrant a/k/a lien.
  
- **Suspension of Driver's Licenses of Persons Delinquent in the Payment of Past-due Tax Liabilities:**
  - Liabilities greater than \$10,000 who fail to enter into a payment agreement.
  - Provide a 60 day notice.

# NEW: Marriage Equality Act

- **IR-2013-72, Aug. 29, 2013 WASHINGTON**  
**The U.S. Department of the Treasury and the Internal Revenue Service (IRS) today ruled that same-sex couples, legally married in jurisdictions that recognize their marriages, will be treated as married for federal tax purposes.**
- However, the ruling does not apply to registered domestic partnerships, civil unions or similar formal relationships recognized under state law.
- Legally-married same-sex couples generally must file their 2013 federal income tax return using either the married filing jointly or married filing separately filing status.
- Therefore, NYS and IRS returns will generally have the same filing status for tax year 2013. (exception may be married filing separate)
- *NYS Tax information: [www.tax.ny.gov/pit/marriage\\_equality\\_act.htm](http://www.tax.ny.gov/pit/marriage_equality_act.htm)*

# NYS Volunteer Resource Information

- [www.tax.ny.gov/volunteer](http://www.tax.ny.gov/volunteer) (complete training information)
- E-file help desk: 518-457-6387
- Tax Practitioner Hotline: 518-457-5451
- Online service helpline: 518-485-7885
- VITA/TCE site information (IRS): 1-800-829-1040
- Office of Taxpayer Rights Advocate: (518) 530-HELP (4357)
- Tax information for all states – FTA: [www.taxadmin.org](http://www.taxadmin.org)
- New York City Department of Finance: 212-NEW-YORK (639-9675) [www.nyc.gov/finance](http://www.nyc.gov/finance)
- **E-mail alerts - please send e-mail to [NYvolunteers@tax.ny.gov](mailto:NYvolunteers@tax.ny.gov) and you will be placed on the "Volunteer Preparers" group list to receive New York State Tax Updates.**

# Resources Available for Volunteers

- TP-300 – Quick Reference Guide
- TP-301 – New York State Intake Sheet (updated to include form numbers)
- TP-302 – 25 question multiple choice test (five questions include NYC and Yonkers tax)
- TP-302-A – answer sheet for test
- To post to the volunteer page and website the three most common notices:
  - DTF-973.52 (Verification for claiming EITC)
  - DTF-973.73 (Verification for claiming DCC)
  - DTF-973.56 (Verification for wages and withholding)
- **NOTE: All above publications have been added to: [www.tax.ny.gov/volunteer](http://www.tax.ny.gov/volunteer)**

# Resources Available for Volunteers

- DTF-215 – Earned Income Tax Credit (recordkeeping suggestions for self-employed)
- **DTF-215.2 – Earned income tax Credit Brochure**
- DTF-216 – Claim for Child and Dependent Care Credit (recordkeeping suggestions for Child Care Expenses)
- DTF-440 – Debit Card Brochure
- **DTF-911.2 – Office of Taxpayer Rights Advocate Brochure**
- Publication 36 – General Information for Seniors and Retired Persons
- Publication 93 – Modernized e-file (MeF) Guide for Return Preparers
  
- **NOTE: All above publications have been added to:  
[www.tax.ny.gov/volunteer](http://www.tax.ny.gov/volunteer)**

# New Brochures Offered

- Based on feedback from Consumer Advocacy Tax Summits NYS tax has available:
  - *Qualifications for free e-filing postcards*
  - *Earned Income Tax Credit brochure*
  - *Office of Taxpayer Rights Advocate brochure*
  - *Poster available for Earned Income Tax Credit*

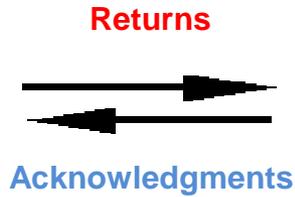
# Multilingual Assistance

- Taxpayers may contact us for assistance via telephone and request an interpreter.
- To increase taxpayer access to information, we've translated vital documents into the languages below:
  - Spanish (1.2 million potential customers)
  - Chinese (300,000)
  - Russian (136,000)
  - Italian (80,000)
  - Korean (65,000)
  - French or Haitian Creole (52,000)

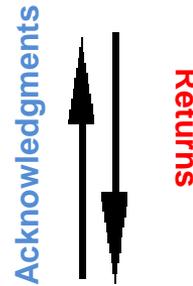
# The Fed/State e-file Process



**Return  
Preparer**



**Transmitter/  
Software Provider**



- ✓ Fed/State filings
- ✓ State only filings



**NYS DTF**

**Acknowledgments**



**Returns**



**IRS**

# Most Common Errors for volunteers for tax year 2012

Reject Code	Error List for Volunteers (top 10 errors)
R0460	IT-272 Qualified college tuition expenses must $> 0$ to claim CTC
R0129	NYS withholding not = amount on wage and tax statements
R0930	Only one box must be checked for refund choice
R0170	The primary ID was either invalid, or could not be verified at this time
04075	Invalid Bank Routing Number or Account Number
R0157	Non-obligated spouse SSN on IT-203-C not = PR or SP SSN on IT-203.
R0502	NYS + NYC + YKR tax withheld $> 0$ and greater than or = wages
R0134	Estimated Tax penalty not = amount on IT-2105.9
R0130	NYC withholding on form not = amount on W-2
R0168	When filing IT-203-C the spouse's name should be left blank on the IT-203

# ***Training Volunteers***

# Training volunteers

- All volunteers should be familiar with:
  - NYS filing requirements
  - Filing Status
  - NYS Standard vs. Itemized Deductions
  - Basic Credits
  - NYS Additions and Subtractions to Federal AGI
- Volunteers should use available resources:
  - NYS Volunteer webpage [www.tax.ny.gov/volunteer](http://www.tax.ny.gov/volunteer)
  - TP-300 NYS Quick Reference Guide
  - TP-301 NYS Intake Sheet
  - TP-302 – Although NYS tax does not certify volunteers, we recommend all volunteers take and pass the NYS test.

# Credits

- Volunteer should know the qualifications for the following credits and the proper entries required for e-filing:
  - **Household Credit**
    - Automatically calculated within the software
    - Married filing separate – combined income \$32,000 or less
  - **IT-209 Noncustodial Parent Earned Income Credit**
    - Paying child support through a support collection unit
    - Do not need Social Security number of child
  - **IT-213 Empire State Child Credit**
    - Qualifying child(ren) between the ages of 4 and 16
    - Minimum of \$100
  - **IT-214 Real Property Tax Credit**
    - Stand alone form

# Credits

- Volunteer should know the qualifications for the following credits and the proper entries required for e-filing:
  - **IT-215 Earned Income Credit**
  - **IT-216 Child Care and Dependent Credit**
    - NYS credit is fully refundable
  - **IT-245 Volunteer Firefighter and Ambulance Worker Credit**
  - **IT-258 Refundable Nursing Home Credit**
    - Credit limited to 6%
  - **IT-272 College Tuition Credit**
    - Check box undergraduate tuition
    - Need federal ID# of college or university
  - **IT-112R Resident Tax Credit (optional)**
  - **NYC-210 – NYC school tax credit (if preparing returns downstate)**
    - Stand alone form

# Volunteers should know the record keeping requirements if taxpayers need to verify credits

- Earned Income Tax Credit Record Keeping for self-employed
- Taxpayers should be advised that their books and records:
  - Should show business income earned and business.
  - The records should correctly determine the tax year's gross receipts, business expenses, and the purchase price of assets and inventory.
  - The taxpayer should have documents that support entries in their books and records, including cash register receipts, bank statements, deposit slips, canceled checks, invoices, credit card sales slips, 1099-MISC, etc.
- **Form DTF-215 provides Recordkeeping suggestions for the self-employed and how to keep good records.**

# Earned Income Tax Credit

## Record Keeping for self-employed

- **In accordance with IRS Form 8867 *Preparer's earned income tax credit check list***, volunteers should make themselves familiar with Section IV, which refers to the due diligence requirements.
- Section IV question 22 reads ..... “Did you comply with the knowledge requirements? (To comply with the knowledge requirements, you must not know or have reason to know that any information used to determine the taxpayer’s eligibility for, and the amount of, the EIC is incorrect. You may not ignore the implications of information furnished to or known by you, and you must make reasonable inquiries if the information furnished appears to be incorrect, inconsistent, or incomplete.....”

# Recordkeeping for Child Care Expenses

- Taxpayers should be advised that the department may ask the taxpayer to produce records that prove the amount of child care expense claimed. The department will use this information to confirm that they are entitled to the credit.
- Taxpayers should be advised that if they don't keep records or if the records do not prove what they claimed, the credit will be disallowed.
- **Form DTF-216 provides recordkeeping suggestions for child care expenses and how to keep good records.**

# NYS additions to Federal Adjusted Gross Income

- **Using Software for the most common addition modifications:**
  - Public employee retirement contributions (414(h)) and NYC flexible benefits program (IRC 125), entered in box 14
  - Form W-2, box 14, is subject to NYS tax even though they are not subject to federal tax.
  - Make sure these amounts are entered on line 14 when completing the W-2 form.
  - Verify that the amount appears on line 21 of Form IT-201.
- Other addition amounts should be reported on the proper line.

# Subtractions to federal Adjusted Gross Income (FAGI)

- The tax software will automatically subtract a state refund included in FAGI
- The tax software will automatically subtract social security income included in FAGI
- Contributions to a NYS 529 College Savings Plan
- Pensions - Must indicate on 1099R if the pension is from:
  - NYS or NYS local government or federal pension (box 2)
  - Private pension if entitled to exclusion (box 1)
  - Railroad retirement (box 4)
  - **NOTE:** Volunteer page has a separate section for pension information which includes Q & A's and a matrix.
  - **New: Pension Question and Answers included in TP-300**

# Private pension Exclusions

The five statutory criteria require that the payment must:

1. Be received by an individual aged fifty-nine and one-half or older,
2. Be included in gross income for federal tax purposes,
3. Be periodic payments (except IRAs and Keogh)  
**Note:** annual payments are considered periodic
4. Be attributable to personal services performed by the individual prior to his/her retirement from employment, and
5. Arise from an employer-employee relationship or from an employee's tax deductible contributions to a retirement plan.

**Additional information in Publication TP-300 and [www.tax.ny.gov/volunteer](http://www.tax.ny.gov/volunteer)**

# IT-221 Disability Income Exclusion – Create a PDF and attach to E-file

- Taxpayers may exclude either their actual weekly disability pay or \$100 a week, whichever is less if they meet ALL of the following tests:
  - They received disability pay; and
  - They were not yet 65 when your tax year ended; and
  - They retired on disability and were permanently and totally disabled when they retired (*Physician's statement*); and
  - On January 1 of this tax year, they had not yet reached the age when their employer's retirement program would have required them to retire; and
  - If they filed *Married filing separate return, on their federal and New York State returns*, they may claim the disability income exclusion only if they lived apart during the entire tax year.
  - **Cannot be engaged in gainful employment**

# Due Date of the 2013 personal income tax return

- **April 15, 2014** – Date by which you must file your 2013 New York State income tax return and pay any amounts you owe without interest or penalty. If you cannot file by this date, you can get an automatic 6-month extension of time to file (to October 15, 2014) by filing IT-370, *Application for Automatic Six-Month Extension of Time to File for Individuals*

# Refund Options

- **Direct deposit of refunds** - Taxpayers can have their refunds deposited directly into their checking or savings account.
- **NYS Prepaid refund debit Card** - The debit card(s) will be sent to the mailing address entered on the return. Debit cards are secure, easy to use, and flexible. Please provide the taxpayer with DTF-440 (debit card brochure).
- **Paper Check** - The Tax Department will mail the refund check to the mailing address entered on the return. Paper checks for joint filers will be issued with both names and must be signed by both spouses.

# Who would benefit from the debit card?

Anyone currently not using the direct deposit method to receive their New York State personal income tax refund;

“Unbanked” or “Underbanked” who pay to cash checks; and

All taxpayers who enjoy the security and ease of use of debit cards for bill pay and making purchases.



# Payment Options on E-filing

- Electronic Funds Transfer (EFT) from a checking or savings account.
- Credit Card
- **Mail in a check with Form IT-201-V – whether or not you e-filed the return or filed on paper.**

# New: Vouchers now required for all check or money order payments

- **E-filed and previously filed returns** - If you e-filed your income tax return, or if you are making a payment for a previously filed return, mail the voucher and payment to:

**NYS PERSONAL INCOME TAX  
PROCESSING CENTER  
PO BOX 4124  
BINGHAMTON NY 13902-4124**

- **Paper returns** - If you are filing a paper income tax return (including amended returns), include the voucher and payment with your return and mail to this address:

**STATE PROCESSING CENTER  
PO BOX 15555  
ALBANY NY 12212-5555**

# What to advise if a taxpayer cannot pay?

- **Installment Payment Agreement** - If the taxpayer cannot pay their bill immediately, they can request an installment payment agreement (IPA). However, please inform them to pay what they can to avoid accruing more penalties and interest.
- **Offer in Compromise** - The Offer in Compromise program allows qualifying, financially distressed taxpayers the opportunity to put overwhelming tax liabilities behind them by paying a reasonable portion of their tax debt.

# Estimated taxes and IT-2104

- If a taxpayer owes more than \$300 they may be required to pay estimated taxes:
  - Payment - April 15, June 15, Sept 15 and Jan 15
  - NYS does not provide statement of accounts and does not provide vouchers (IT-2105V)
  - The easiest and fastest way for individuals to make estimated tax payments is through **our Online Service Center**
- If a taxpayer owes, they may want to provide their employer with an *IT-2104, Employee Withholding Allowance Certificate*, to change their withholding tax allowance.

# Office of Taxpayer Rights Advocate (OTRA)

- If a taxpayer is having difficulty resolving a tax issue through regular channels at the Department of Taxation and Finance they can contact the OTRA.
- The Office of Taxpayer Rights Advocate is an independent organization within the department, the Office of the New York State Taxpayer Rights Advocate is committed to helping New York State taxpayers by balancing taxpayer assistance against enforcement efforts.
- They will listen, learn about the problems or concerns, and work with the taxpayer in an effort to resolve them.

# Volunteer Signature Requirements

- There is no need to mail Forms W-2 or other supporting documents to the Tax Department when a return is filed electronically.
- Volunteers are required to have the taxpayer sign the TR-579-IT for each return that is e-filed.
- The TR-579-IT should be attached to the copy of the taxpayer's personal income tax return.
- Volunteers should:
  - enter their SITE ID number where requesting Federal ID number or SS number.
  - Name of Site where requesting name of practitioner.

# Meeting Standards as a Return Preparer

- Volunteers should:
  - Never willfully violate the tax law.
  - Not accept payment or solicit donations for federal or state tax return preparation.
  - Not solicit business from taxpayers assisted or use knowledge gained (their information) about taxpayers for any direct or indirect personal benefit.
  - Not knowingly prepare false returns.
  - Not engage in dishonest or unscrupulous behavior.

# Volunteers should be aware of Best Practices

- Treat all taxpayers in a professional, courteous, and respectful manner;
- Provide the client with the highest quality of service;
- Diligence as to accuracy of the return prepared;
- Communicating clearly with the client:
  - Amount calculated as refund or amount due;
  - When and how to pay balance or when refund can be expected (6-8 weeks);
  - How to contact the department if the client receives a notice from the department;
  - Explain records clients may need to provide if the department sends an inquiry for additional information (recordkeeping information available on our website).

# Power of Attorneys

- NYS accepts durable power of attorneys
  - Review the POA and make sure it is a properly executed POA
  - Once the representative signs the TR-579-IT attach the POA to the TR-579-IT and return it to the representative along with a copy of the return you prepared.
- The department may also require the representative to complete form POA-1 (NYS Tax POA). The durable POA does not provide certain necessary information, like identifying numbers.
- NYS Tax does not accept federal form 2848 (the IRS POA).
- NYS Tax will still accept one POA for a joint return if both spouses are appointing the same representative.

# Creating an online service account

- Taxpayers can view details about their tax account.
- Can view and edit personal contact information and account access permissions.
- Can view and pay bills.
- Can Respond to Department Notices.
- Taxpayer can Sign up for account-specific email alerts instead of paper mailings. These messages include filing due date reminders, updates to your account, and personal income tax refund payment and bill notices.
- Taxpayers can view a detailed history of tax return filings, including the type of form, filing method, confirmation number, and images of returns filed online.
- **NEW: Many NYS taxpayer's will be able to file their NYS personal income tax return.**

# Modernized E-filing (MeF)

- [www.tax.ny.gov/pit/efile/pit\\_mef\\_publications.htm](http://www.tax.ny.gov/pit/efile/pit_mef_publications.htm)
- Returns can be linked or unlinked to IRS return;
- Will allow foreign addresses to be processed;
- TAXWISE will support 2012 and 2013 personal income tax returns for e-filing;
- Can attach correspondence to e-filed returns;
- New credit forms will be supported.
- More information on MeF can be found in TP-300 and Publication 93.

# Software NOTES

- Will be able to E-file 2012 and 2013 using TaxWise
- MUST Enter on NYS Tax Form:
  - School District Name
  - School District Code
  - County of Resident
- Line 59 – **NYS Sales Tax must have an entry**
- New York State has approved IT-214 and NYC-210 to be filed as a stand alone form (note these forms can also be filed through the NYS online service center)
- Most common Error rejection codes are available in TP-300 or at [http://www.tax.ny.gov/pit/efile/pit\\_mef\\_publications\\_2013.htm](http://www.tax.ny.gov/pit/efile/pit_mef_publications_2013.htm)

# Electronically File for Free

- **NOTE:** Most NY taxpayers can electronically file their personal income tax return for free.
  - [www.tax.ny.gov/pit/efile/elf\\_individual.htm](http://www.tax.ny.gov/pit/efile/elf_individual.htm)
- Taxpayers with income of \$58,000 or less, may qualify to use tax preparation software to electronically file their Federal and NYS personal income tax return for free.
- Taxpayers with income above \$58,000 (who are not claiming credits) may create an Online service account to file their NYS personal income tax return for free.

# QUESTIONS?

# THANK YOU

***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-M's, Forms, Instructions, Bulletins, and Publications.***