



# **New York State Department of Taxation and Finance 2012 Military Training**

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# 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.
- In accordance with Internal Revenue Service partners and volunteers must protect physical and electronic data gathered for tax return preparation both during and after the filing season.

# 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

# 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.

# Volunteer 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).

# 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
- 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

- DTF-215 – Earned Income Tax Credit (recordkeeping suggestions for self-employed)
- DTF-216 – Claim for Child and Dependent Care Credit (recordkeeping suggestions for Child Care Expenses)
- DTF-440 – Debit Card Brochure
- Publication 36 – General Information for Seniors and Retired Persons
- Publication 46 – Common Reasons for Income Tax Adjustments
- Publication 93 – Modernized e-file (MeF) Guide for Return Preparers
- Publication 94 – Should I be paying Estimated Taxes
- Publication 361 – NYS Income Tax information for Military Personnel and Veterans
- **NOTE: All above publications have been added to:**  
**[www.tax.ny.gov/volunteer](http://www.tax.ny.gov/volunteer)**

# Resources Available for Volunteers

- TP-300 – Quick Reference Guide
- TP-301 – New York State Intake Sheet (updated to include form numbers)
- TP-301 – M for military
- 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)**

# NYS Income Tax Information for Clients

- Personal Income Tax and 1099-G information (518) 457-5181
- Personal income tax refund (518) 457-5149
- Disagree with Personal Income Tax Refund (518) 485-6549
- Child Support Helpline 1-888-208-4485 (noncustodial EITC is denied)
- [www.tax.ny.gov/online/ind.htm](http://www.tax.ny.gov/online/ind.htm)
  - Refund Status, Apply for Extension, Subscription Service and Form 1099-G
  - Additional online services available
- **NOTE: Above information can also be found in TP-300 (New York State Quick Reference Guide for Income Tax Preparers)**



# ***What is New for 2012?***

# Lowest income tax rate in nearly 60 years

- New York tax rates revised:
  - Created additional income tax brackets and tax rates for tax years beginning after 2011 and before 2015
  - Restructuring of the tax tables reduces tax rates for middle class taxpayers.

Income Level	Previous Tax Rate	New Tax Rate
\$40,001 to \$150,000	6.85%	6.45%
\$150,001 to \$300,000	6.85%	6.65%
\$300,001 to \$2 million	7.85% - 8.97%	6.85%
Over \$2 million	8.97%	8.82%

# Changes to Personal Income Tax Returns

- **Foreign account information required on Form IT-201 -** Taxpayers must now acknowledge if they have a financial account located in a foreign country. (box D on Form IT-201 and Form IT-203)
- **Dependent exemption information must be entered on Form IT-201/IT-203 -** Taxpayers must now enter information for each dependent for whom they claimed a dependent exemption on Form IT-201/IT-203
- **Itemized deduction schedule now a separate form -** The itemized deduction schedule has been moved from Form IT-201/IT-203 to new Form IT-201-D or IT-203-D

# Changes to Personal Income Tax Returns

- **Whole dollar amounts required on income tax forms** - For tax years 2012 and after, taxpayers may enter only whole dollar amounts on income tax forms.
- **Additional line added for Rental real estate**
- **Forms IT-2, IT-1099-R, and IT-1099-UI are eliminated for Paper filed returns.** If filing a paper return you **must include** the state copy of certain federal forms with their New York State returns.



# Resident Income Tax Return

New York State • New York City • Yonkers

# IT-201

For the full year January 1, 2012, through December 31, 2012, or fiscal year beginning ...   
and ending ...

For help completing your return, see the instructions, Form IT-201-I.

Your first name and middle initial		Your last name (for a joint return, enter spouse's name on line below)		Your date of birth (mm-dd-yyyy)		Your social security number	
Spouse's first name and middle initial		Spouse's last name		Spouse's date of birth (mm-dd-yyyy)		Spouse's social security number	
Mailing address (see instructions, page 13) (number and street or rural route)				Apartment number		New York State county of residence	
City, village, or post office		State	ZIP code	Country (if not United States)		School district name	
Permanent home address (see instructions, page 13) (number and street or rural route)				Apartment number		School district code number <input type="text"/>	
City, village, or post office		State	ZIP code	Decedent information		Taxpayer's date of death	Spouse's date of death
		NY				<input type="text"/>	<input type="text"/>

- A Filing status**  
(mark an X in one box):
- ①  Single
  - ②  Married filing joint return  
(enter spouse's social security number above)
  - ③  Married filing separate return  
(enter spouse's social security number above)
  - ④  Head of household (with qualifying person)
  - ⑤  Qualifying widow(er) with dependent child

**B Did you itemize** your deductions on your 2012 federal income tax return? Yes  No

**C Can you be claimed** as a dependent on another taxpayer's federal return? Yes  No

**NEW D** Did you have a financial account located in a foreign country? (see page XX) Yes  No

**E** (1) Did you or your spouse maintain living quarters in NYC during 2012? (see page 14) .. Yes  No   
(2) Enter the number of days spent in NYC in 2012 (any part of a day spent in NYC is considered a day)

**F NYC residents and NYC part-year residents only** (see page 14):  
(1) Number of months you lived in NYC in 2012   
(2) Number of months your spouse lived in NYC in 2012

**G** Enter your 2-character special condition code if applicable (see page 14)   
If applicable, also enter your second 2-character special condition code

# IT-201 (2011)

# IT-201 (2012)

## Federal income and adjustments

Only full-year New York State residents may file this form. For lines 1 through 18 below, enter your income items and total adjustments as they appear on your federal return (see page 15). Also see page 4 instructions for showing a loss.

	Dollars	Cents
1 Wages, salaries, tips, etc. ....	1.	
2 Taxable interest income .....	2.	
3 Ordinary dividends .....	3.	
4 Taxable refunds, credits, or offsets of state and local income taxes (also enter on line 25) .....	4.	
5 Alimony received .....	5.	
6 Business income or loss (attach a copy of federal Schedule C or C-EZ, Form 1040) .....	6.	
7 Capital gain or loss (if required, attach a copy of federal Schedule D, Form 1040) .....	7.	
8 Other gains or losses (attach a copy of federal Form 4797) .....	8.	
9 Taxable amount of IRA distributions. If received as a beneficiary, mark an X in the box <input type="checkbox"/> ..	9.	
10 Taxable amount of pensions and annuities. If received as a beneficiary, mark an X in the box <input type="checkbox"/> ..	10.	
11 Rental real estate, royalties, partnerships, S corporations, trusts, etc. (attach copy of federal Schedule E, Form 1040) ..	11.	
12 Farm income or loss (attach a copy of federal Schedule F, Form 1040) .....	12.	
13 Unemployment compensation .....	13.	
14 Taxable amount of social security benefits (also enter on line 27) .....	14.	
15 Other income (see page 15) Identify: .....	15.	
16 Add lines 1 through 15 .....	16.	
17 Total federal adjustments to income (see page 15) Identify: .....	17.	
18 Federal adjusted gross income (subtract line 17 from line 16) .....	18.	

Page 2 of 4 IT-201 (2012)

Your social security number

## Federal income and adjustments (see page xx)

	Whole dollars only	
1 Wages, salaries, tips, etc. ....	1	.00
2 Taxable interest income .....	2	.00
3 Ordinary dividends .....	3	.00
4 Taxable refunds, credits, or offsets of state and local income taxes (also enter on line 25) .....	4	.00
5 Alimony received .....	5	.00
6 Business income or loss (submit a copy of federal Schedule C or C-EZ, Form 1040) .....	6	.00
7 Capital gain or loss (if required, submit a copy of federal Schedule D, Form 1040) .....	7	.00
8 Other gains or losses (submit a copy of federal Form 4797) .....	8	.00
9 Taxable amount of IRA distributions. If received as a beneficiary, mark an X in the box <input type="checkbox"/> ...	9	.00
10 Taxable amount of pensions and annuities. If received as a beneficiary, mark an X in the box <input type="checkbox"/> ..	10	.00
11 Rental real estate, royalties, partnerships, S corporations, trusts, etc. (submit copy of federal Schedule E, Form 1040) ..	11	.00
12 Rental real estate included in line 11 .....	12	.00
13 Farm income or loss (submit a copy of federal Schedule F, Form 1040) .....	13	.00
14 Unemployment compensation .....	14	.00
15 Taxable amount of social security benefits (also enter on line 27) .....	15	.00
16 Other income (see page 15) Identify: .....	16	.00
17 Add lines 1 through 11 and 13 through 16 .....	17	.00
18 Total federal adjustments to income (see page 15) Identify: .....	18	.00
19 Federal adjusted gross income (subtract line 18 from line 17) .....	19	.00

# Itemized deduction from schedule IT-201-D

## New York additions (see page 15)

20	Interest income on state and local bonds and obligations (but not those of NYS or its local governments)	20	.00
21	Public employee 414(h) retirement contributions from your wage and tax statements (see page 16)	21	.00
22	New York's 529 college savings program distributions (see page 16)	22	.00
23	Other (see page 17) Identify:	23	.00
24	Add lines 19 through 23	24	.00

## New York subtractions (see page 20)

25	Taxable refunds, credits, or offsets of state and local income taxes (from line 4)	25	.00
26	Pensions of NYS and local governments and the federal government (see page 20)	26	.00
27	Taxable amount of social security benefits (from line 14)	27	.00
28	Interest income on U.S. government bonds	28	.00
29	Pension and annuity income exclusion (see page 20)	29	.00
30	New York's 529 college savings program deduction/earnings	30	.00
31	Other (see page 21) Identify:	31	.00
32	Add lines 25 through 31	32	.00
33	New York adjusted gross income (subtract line 32 from line 24)	33	.00

## Standard deduction or itemized deduction (see page 25)

34	Enter your standard deduction (table on page XX) or your itemized deduction (from Form IT-201-D) Mark an X in the appropriate box: <input type="checkbox"/> Standard - or - <input type="checkbox"/> Itemized	34	.00
35	Subtract line 34 from line 33 (if line 34 is more than line 33, leave blank)	35	.00
36	Dependent exemptions (not the same as total federal exemptions; see page 28)	36	000.00
37	Taxable income (subtract line 36 from line 35)	37	.00

# Changes to Personal Income Tax Returns

- **Additional account information required on Form IT-201/IT-203**
  - For direct deposit or electronic funds withdrawal, **taxpayers must now designate whether the checking or savings account is a personal or business account.**
- **Penalty and interest line added to Form IT-201/IT-203** Taxpayers may now enter and pay any penalty and interest they owe directly on Form IT-201/IT-203. **However, volunteer income tax preparers should not calculate interest and penalties.**

# Must enter account information

62 Enter amount from line 61 ..... **62** ..... .00

**Payments and refundable credits** (see page 35)

63 Empire State child credit .....	<b>63</b>	.00
64 NYS/ NYC child and dependent care credit .....	<b>64</b>	.00
65 NYS earned income credit (EIC) .....	<b>65</b>	.00
66 NYS noncustodial parent EIC .....	<b>66</b>	.00
67 Real property tax credit .....	<b>67</b>	.00
68 College tuition credit .....	<b>68</b>	.00
69 NYC school tax credit (also complete F on page 1; see page 35) .....	<b>69</b>	.00
70 NYC earned income credit .....	<b>70</b>	.00
71 Other refundable credits (Form IT-201-ATT, line 18) .....	<b>71</b>	.00
72 Total New York State tax withheld .....	<b>72</b>	.00
73 Total New York City tax withheld .....	<b>73</b>	.00
74 Total Yonkers tax withheld .....	<b>74</b>	.00
75 Total estimated tax payments and amount paid with Form IT-370 .....	<b>75</b>	.00
76 Total payments (add lines 63 through 75) .....	<b>76</b>	.00

**Your refund, amount you owe, and account information** (see pages 37, 38, and 39)

77 Amount overpaid (if line 76 is more than line 62, subtract line 62 from line 76) ..... **77** ..... .00

78 Amount of line 77 to be refunded  
 Mark one refund choice:  direct deposit (fill in line 83) - or -  debit card - or -  paper check ... **78** ..... .00

79 Amount of line 77 that you want applied to your 2013 estimated tax (see instructions) ..... **79** ..... .00

See page 71 for information about your three refund choices.

80 Amount you owe (if line 76 is less than line 62, subtract line 76 from line 62).  
 To pay by electronic funds withdrawal, mark an X in the box  and fill in line 83 ..... **80** ..... .00

81 Estimated tax penalty (include this amount in line 80 or reduce the overpayment on line 77; see page 38) ..... **81** ..... .00

See page 41 for the proper assembly of your return.

82 Other penalties and interest (see page xx) ..... **82** ..... .00

83 Account information for direct deposit or electronic funds withdrawal (see page 39).  
 If the funds for your payment (or refund) would come from (or go to) an account outside the U.S., mark an X in this box (see pg. xx)

83a Account type:  Personal checking - or -  Personal savings - or -  Business checking - or -  Business savings

83b Routing number  83c Account number

## Other Legislative Changes

- **STAR eligibility suspended for certain taxpayers with past-due state tax liabilities** - This program provides that taxpayers whose total past-due state tax liabilities are \$4,500 or more, and who own real property, may have their STAR exemptions suspended. Begins with school year 2013-2014.
- **Clean Heating Fuel Credit (Form IT-241)** - This credit has been extended through tax years beginning before January 1, 2017. This credit was set to expire for tax years prior to January 1, 2012.

## Other Legislative Changes

- **Solar energy system equipment credit (Form IT-255)** -This credit has been expanded to include leased property.
- **Noncustodial parent earned income credit (IT-209)** -This credit has been extended through tax years beginning before January 1, 2015. This credit was set to expire for tax years prior to January 1, 2013.
- **Repealed \$25 penalty for individuals failing to e file**

## 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;
- Will be able to file 2011 and 2012 returns;
- Will be able to file standalone NYC-210 and IT-214;
- Will have the ability to 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.
- **NOTE: NYS returns will not be accepted for e-filing until after THE IRS begins accepting returns – 1/30/2013**

# Marriage Equality Act

- You must file the NYS personal income tax return as married.
- To complete your New York Personal Income Tax Return you must:
  - Recompute your federal income tax return (including all credit forms, schedules, and other attachments) using a married filing status.
  - Don't submit this *federal married filing status* return to the IRS. Give to the client to keep for their records.
  - You must enter special condition code **M3**.
- All approved software will support filings for the Marriage Equality Act either by paper or electronic means.  
[www.tax.ny.gov/pit/marriage\\_equality\\_act.htm](http://www.tax.ny.gov/pit/marriage_equality_act.htm)



***Filing a New York State Personal Income  
Tax Return For Military Personnel***

# Questions For Military

- Is the Military Personnel a resident or nonresident?
- From what state did they enlist?
- What type of living quarters do they maintain?
- What forms are required to be filed?

## Federal Laws affecting Military Stationed in a State that is not their domicile (their home state)

- ***Under the Soldiers and Sailors Act of 1940*** – the state CANNOT change the domicile/residence of military personnel.
- ***Service Member Civil Relief Act December 19, 2003*** – military pay received by a nonresident cannot be used to determine the amount of NYS personal income tax the nonresident military member must pay. *Therefore, the nonresident **military pay** is a subtraction adjustment to federal AGI. (S-7) NONRESIDENTS ONLY*
- ***Military Spouse Relief Act November 11,2009*** – provides that the compensation of a non-military spouse of a service member cannot be taxed by a state if the spouse is only in that state to be with a military spouse who is stationed there. Therefore, military spouses income is not included in NY income. **(M-2) NONRESIDENTS ONLY**

# Withholding Tax Exemption Form

- *Form IT-2104-E m Certificate of Exemption from Withholding Tax*, has been updated. Changes have been made to allow an exemption from New York State personal income tax withholding for military spouses qualifying under the Servicemembers Civil Relief Act (SCRA). SCRA provides certain tax relief for a military spouse when he or she is present in a state solely to be with a servicemember who is in that state so he or she can comply with military orders.

# Where to enter M-2



New York State Department of Taxation and Finance

## Nonresident and Part-Year Resident Income Tax Return

New York State • New York City • Yonkers

For the year January 1, 2012, through December 31, 2012, or fiscal year beginning .....

# IT-203

and ending .....	12
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For help completing your return, see the instructions, Form IT-203-I.

Your first name and middle initial		Your last name (for a joint return, enter spouse's name on line below)		Your date of birth (mm-dd-yyyy)		Your social security number	
Spouse's first name and middle initial		Spouse's last name		Spouse's date of birth (mm-dd-yyyy)		Spouse's social security number	
Mailing address (see instructions, page 13) (number and street or rural route)				Apartment number		New York State county of residence	
City, village, or post office		State	ZIP code	Country (if not United States)		School district name	
Permanent home address (see instr., pg. 13) (no. and street or rural route)			Apartment no.	City, village, or post office		School district code number	
State	ZIP code	Country (if not United States)		Decedent information	Taxpayer's date of death	Spouse's date of death	

- A Filing status** (mark an X in one box):
- ①  Single
  - ②  Married filing joint return (enter both spouses' social security numbers above)
  - ③  Married filing separate return (enter both spouses' social security numbers above)
  - ④  Head of household (with qualifying person)
  - ⑤  Qualifying widow(er) with dependent child

**B** Did you itemize your deductions on your 2012 federal income tax return? Yes  No

**C** Can you be claimed as a dependent on another taxpayer's federal return? Yes  No

**D** Did you have a financial account located in a foreign country? (see pg. 14) NEW! Yes  No

**E New York City part-year residents only** (see page 14)

(1) Number of months you lived in NY City in 2012 .....

(2) Number of months your spouse lived in NY City in 2012 .....

**F** Enter your 2-character special condition code if applicable (see page 14) .....

If applicable, also enter your second 2-character special condition code .....

**G New York State part-year residents** (see page 15)

Enter the date you moved into or out of NYS (mm-dd-yyyy) .....

On the last day of the tax year (mark an X in one box):

1) Lived in NYS .....

2) Lived outside NYS; received income from NYS sources during nonresident period .....

3) Lived outside NYS; received no income from NYS sources during nonresident period .....

**H New York State nonresidents** (see page 15)

Did you or your spouse maintain living quarters in NYS in 2012? Yes  No

(If Yes, complete Form IT-203-B)

# Military - Definitions

- Domicile - is the place you intend to have as your permanent place.
  - You can only have one domicile.
  - Military assignments do not affect your domicile.
- “Permanent place of abode” is a residence (a building or structure where a person can live) you maintain, whether you own it or not.
- **NOTE:** Barracks are NOT considered maintaining a permanent place.

## Military- Resident

- If your permanent home (domicile) was in New York State when you entered the military but you were later assigned to another state or country, your domicile does not change. You are still a New York State resident and must file a resident return and pay any tax due, unless you meet **all three** conditions in **either** Group A **or** Group B:
  - **Group A**
    - You did not maintain any permanent place of abode in New York State during the tax year; AND
    - you maintained a permanent place of abode outside New York State (**not barracks**) during the entire tax year; and
    - you spent 30 days or less in New York State during the taxable year.

# Military-Resident

## ■ Group B

- You were in a foreign country for at least 450 days during any period of 548 consecutive days; and
- you *AND YOUR SPOUSE AND MINOR CHILDREN* spent 90 days or less in NYS during this 548-day period; and
- during the nonresident portion of the taxable year in which the 548-day period begins, and during the nonresident portion of the taxable year in which the 548-day period ends, you were present in New York State for no more than the number of days which bears the same ratio to 90 as the number of days in such portion of the taxable year bears to 548. Number of days in nonresident portion divided by 548 times 90 would be the maximum number of days allowed in New York State.

## If you are a New York State Resident and Meet Conditions of a Nonresident Explained in Group A or Group B:

- You may claim a refund of any New York State income tax withheld from your military pay by filing Form IT-203, *Nonresident and Part-Year Resident Income Tax Return*, with the Tax Department, and attaching an explanation that contains all of the following:
  - A statement that you did not have a permanent place of abode in New York State during the tax year; and
  - the location and a brief description of the permanent place of abode you maintained outside New York State, and the beginning and ending dates of your stay there; and
  - the exact number of days you were in New York State during the tax year.

# Filing Requirements

- Who must file a NYS income tax return?
- **NOTE:** *Filing requirements differ for NYS residents and NYS nonresidents*
- *What form to file:*
  - *Form IT-201 - Resident Income Tax Return for Full-Year State Residents Only **OR***
  - *Form IT-203 - Nonresident and Part-Year Resident Income Tax Return*

# NYS Filing Requirements – New York Residents

- If you are a NYS resident, you must file a New York State Return if you file a federal return.
- You did not have to file a federal return but if you had, your federal adjusted gross income plus NYS additions would have been \$4000 or more.
  - \$3000 or more if you can be claimed on another's person federal tax return.
- You want to claim a refund.

# NYS Filing Requirements-Nonresidents

- You have income from a New York source and your New York AGI federal amount column (line 31) more than your New York State standard deduction.
  - \$7,500 single
  - \$7,500 married filing separate
  - \$15,000 married filing joint
- You want to claim a refund or credit.
- **NOTE: New York Source Income does not include compensation you received as an active member of the United States Military nor does it include nonmilitary spouses earned income.**

# NYS FILING STATUS

- In most cases, the taxpayer must use the same filing status on their state return that was used on the federal return.
- EXCEPTIONS:
  - 1.) Same sex married couples must file as married in New York State
  - 2.) Married taxpayer filing a federal joint return and one spouse is a **NY resident** and the other **spouse is a non-resident** or part year resident, than you would either:
    - a.) file jointly as if you were both residents.
    - b.) file separate NYS returns using married filing separate status – the resident files IT-201 and the nonresident files IT-203.

## NO Changes on 2012 Standard Deduction and exemptions

<i>Filing Status</i>	<i>Standard Deduction</i>
<b>Single</b> <i>can be claimed on another's tax return</i>	<b>\$3,000</b>
<b>Single</b> <i>cannot be claimed on another's tax return</i>	<b>\$7,500</b>
<b>Married Filing Jointly</b>	<b>\$15,000</b>
<b>Married Filing Separately</b>	<b>\$7,500</b>
<b>Head of Household</b> <i>with qualifying person</i>	<b>\$10,500</b>
<b>Qualifying Widow(er)</b> <i>with dependent child</i>	<b>\$15,000</b>

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

# Income Taxable to a New York resident

- The computation of your New York State Resident Income Tax (Form IT-201) is based on information you reported on your federal income tax return, including your income and federal adjustments to income (federal adjusted gross income). You may then have certain adjustments to income to arrive at your New York adjusted gross income.

# Income Taxable to a New York Nonresident

- The New York Nonresident Income Tax return (Form IT-203) a nonresident reports their total federal income as reported to the IRS under federal amount and then reports the income attributable to New York in the New York State Column (this is the New York Source Income column).

## Income Taxable to a Nonresident

- If THE MILITARY PERSONNEL HAS a civilian job in New York State during THEIR off-duty hours, the income you receive is subject to income tax. Income or gain from property located in New York State, or from a business, trade, or profession carried on in NYS, is also subject to tax.
- Lottery winnings, if total proceeds are more than \$5000.
- Stipend, scholarship/or fellowship grant includable in FAGI and received due to services performed in NYS.

## Income NOT Taxable to a Nonresident

- Income from qualified pension plans.
- **US military compensation (*Service Member Civil Relief Act December 19, 2003*).**
- Interest and dividends if **not** related to a trade or business.
- Non residents are allowed an alimony deduction against NYS source income allocated by a ratio of federal income from all sources to federal income from NYS sources.
- **Military spouses income from wages, salaries, or business income carried in in NYS (*Military Spouse Relief Act November 11,2009*).**

# 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)

# Using tax Software for Pension Exclusions

**PRIVATE** - If a taxpayer is 59 ½ or older, he or she can subtract up to \$20,000 from the qualifying pension and annuity income from his or her federal adjusted gross income (1099R).

To enter the amount on line 29 of the IT-201 page 2 enter the amount in the 1099R, and put an “x” in box 1.

**PUBLIC** - Pensions of New York State, local government and the federal government (form 1099R). The entire pension is excluded & entered on line 26, page 2 on IT-201.

To enter the amount on line 26 of the IT-201 page 2, enter the amount in the 1099R, and put an “x” in box 2.

# 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,
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 – Cannot be E-filed

- Taxpayers may exclude either their actual weekly disability pay or \$100 a week, whichever is less if they meet ALL of the following test:
  - 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*)
  - 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**

## Subtractions for Military

- **IT-203 NONRESIDENT ONLY – S-7 Military pay** - *Service Members' Civil Relief Act*, **ALL** military pay received by a nonresident.
- **IT-201 RESIDENTS ONLY – S-18** - military pay you included in federal adjusted gross income that you received for active service as a member in the armed services of the USA in an area designated as a combat zone (only if included in federal adjusted gross income).
- **NYS organized militia – S-6 (IT-203 or IT-201)** - Income received as a member of NYS organized militia for performing active service within NYS either to state active duty orders (section 6.1) or federal active duty orders (Title 10) included in federal adjusted. Members of NYS organized militia include the NY Army National Guard, The NY Air National Guard, the New York Naval Militia, and the New York Guard.



# **Credits available to both Residents and Nonresidents**

# Credits available to resident and nonresidents

- **NYS Household Credit** (based on Federal Adjusted gross income (FAGI)) – The tax software will automatically calculate the household credit.
  - Taxpayer cannot be claimed as a dependent
  - Married \$32,000 or less
  - Single \$28,000 or less
  - Nonrefundable

# Credits available to resident and nonresidents

- **IT-215 Earned Income Tax Credit -**
  - **The tax software will automatically calculate the EITC**
  - Full year resident (IT-201) – fully refundable
  - Nonresident (IT-203) – nonrefundable
  
- **WHO qualifies:**
  - If the taxpayer qualified for and claimed the federal earned income credit.
  - Did not claim the noncustodial parent EITC.
  - The refundable credit is equal to 30% of the allowable federal earned income credit, reduced by the amount of any household credit. If claiming qualifying child(ren) must have valid social security numbers for the child(ren).

# 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 expenses paid each day.
  - The records should contain enough information to 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....."

# Credits available to resident and nonresidents

- **IT-216 Claim for Child and Dependent Care Credit**
  - Tax software will calculate from IRS form 2441
  - Full year resident (IT-201) – fully refundable
  - Nonresident (IT-203) – nonrefundable
  
- **Taxpayers are entitled to this credit if they:**
  - Qualified to claim the federal child and dependent care credit (whether they claimed the federal credit or not).
  - The credit is a minimum of 20% and as much as 110% of the federal credit, depending on the amount of their New York State adjusted gross income.

# 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.**

# Nursing Home Assessment Credits – IT-258

## ***IT-258 Refundable Nursing Home Credit – Refundable to residents and nonresidents***

Available for amount of assessment imposed on a residential health care facility pursuant to Public Health Law section 2807-d(2)(b).

- The assessment must be separately stated and must be paid directly by the individual taxpayer claiming the credit.
- Credit equals the assessment amount (not expenses) separately stated & accounted for on the billing statement.
- **NOTE:** There is a temporary rate increase, however, the NYS credit is still limited to the 6% allowed pursuant to Public Health Law section 2807-d(2)(b).

***Credits available Only to Full Year Residents***

- College Tuition Credit
- Empire State Child Tax Credit
- Non-Custodial Parent EITC
- Real Property Tax Credit
- Volunteer Fireman Credit

# College Tuition Credit or Itemized Deduction - IT-272

- **Taxpayers are entitled to this refundable credit or deduction if they:**
  - were a full-year New York State resident,
  - If they or their spouse, or dependent (for whom you've taken an exemption) were an undergraduate student who was enrolled at or attended an institution of higher education and paid qualified tuition expenses, and
  - aren't claimed as a dependent on another person's tax return.
- The credit can be as much as \$400 per student. If it's more than the amount of New York State tax that you owe, you can claim a refund.
- **For tax Software :**
  - **you must have the federal ID# of college/university**
  - If student attended more than one college/university enter most recent college attended and add total undergraduate tuition expenses.

# Empire Child Tax Credit – IT-213

- Who qualifies:
  - *Resident taxpayers* may claim a credit equal to the greater of a) \$100 times the number of children who “qualify” for the Federal child tax credit, or b) 33 percent of the taxpayer’s allowed Federal child tax credit **whether or not a federal child tax credit was claimed.**
  - Refundable for qualifying children ages 4-16.
  - Must have a social security number of child(ren).
- **The tax software will calculate the amount of Empire Child Tax Credit**

## Noncustodial Earned Income Tax Credit –IT-209

- Taxpayers may claim the noncustodial EIC only if they meet **all** of the following conditions for tax year 2012:
  - They must be a full-year NYS resident and at least 18 years of age,
  - Must be a parent of a minor child(ren) with whom they did not reside,
  - Must have an order in effect for at least one-half of the tax year requiring them to make child support payments payable through a support collection unit, and have paid at least the court-ordered amount of child support during the tax year.
- **If the taxpayer qualifies the tax software will calculate the amount of the refundable noncustodial EITC.**
- **Note:** If a taxpayer qualifies for the regular EITC and the noncustodial EITC, they may claim one or the other but not both.

# Real Property Tax Credit – IT-214

- Taxpayers may be entitled to the refundable credit if:
  - Their household gross income is \$18,000 or less
  - They occupied the same New York residence for six months or more
  - They were a New York State resident for the entire tax year
  - They could not be claimed as a dependent on another taxpayer's federal income tax return
  - Their residence was not completely exempted from real property taxes and the taxpayer paid rent or property taxes
  - The current market value of all real property they owned, such as houses, garages, and land, was \$85,000 or less
  
- **For tax year 2012, the IT-214 Real Property Tax Credit, will be accepted for E-file as a standalone form.**
- **Additional information in TP-300 (NY Quick Reference Guide)**

# Volunteer Firefighter and Ambulance Worker Credit

## ***IT-245 - Claim For Volunteer Firefighter and Ambulance Worker Credit***

- Resident taxpayers who are active volunteers firefighters or volunteer ambulance workers may be entitled to a \$200 refundable credit.
- **NOTE** –Taxpayers cannot claim the volunteer firefighters' and ambulance workers' credit if they receive a real property tax exemption that relates to your volunteer service under Real Property Tax Law (RPTL), Article 4, Title 2.

## Due Date of the 2012 personal income tax return

- **April 15, 2013** – Date by which you must file your 2012 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, 2013) by filing IT-370, *Application for Automatic Six-Month Extension of Time to File for Individuals*.

## Military Serving in a Combat zone

- **Extension of time to file** – The deadline for filing your New York State income tax return and paying your tax is extended (without requesting an extension of time to file or to pay and with no penalty or interest charges) for at least 180 days.

# Military serving in a Combat Zone

- An area usually becomes a combat zone, and ceases to be a combat zone, on the dates the President designates by Executive Order.
- If you are a member of the armed forces or support personnel who served or are currently serving in a combat zone or qualified hazardous duty area (hereafter: combat zone), or are serving in a contingency operation deployed outside the United States, the income you receive is NOT taxable to the state of New York or the city of New York.

## Special Conditions Entered on front of the return ITEM (F) on the IT-203 and ITEM (G) on the IT-201

- **Code C7 Combat zone** - Enter this code if you qualify for an extension of time to file and pay your tax due under the combat zone or contingency operation relief provisions.
- **Code K2 Combat zone** - Killed in Action (KIA) Enter this code if you are filing a return on behalf of a member of the armed forces who died while serving in a combat zone.
- **Code D9 Death of spouse** - Enter this code if you qualify for an automatic 90-day extension of time to file your return because your spouse died within 30 days before the due date of your return.

## Special Conditions Entered on front of the return ITEM (F) on the IT-203 and ITEM (G) on the IT-201

- **Code E3 Out of the country** - Enter this code if you qualify for an automatic two-month extension of time to file your federal return because you are out of the country.
- **Code M2 – (nonresidents only)** - Enter this code if you have income from compensation of a non-military spouse of a service member.
- **Code M3 – Same Sex Marriage** - Enter this code if you are required to use a married filing status on your New York return and you could not file your federal return using a married filing status.

# Military Serving in a Combat Zone

- **Married couples filing a joint return.**
  - If you are serving in a combat zone or contingency operation and are unable to sign your and your spouse's joint personal income tax return, your spouse may sign and file the return on your behalf. Your spouse must attach a statement to the return explaining that you are serving in a specified combat zone (for example, Iraq) or a contingency operation and therefore, not available to sign the return. Write **COMBAT ZONE** on the top of your return.

# Estimated taxes

- Taxpayers are not required to file estimated taxes if they expect to owe less than \$300 of New York State, city of New York, or city of Yonkers income tax after deducting tax withheld and credits that you are entitled to claim.
- 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**. Individuals can also view and reconcile their estimated tax payments electronically. Individuals can also schedule payments for the entire year.

## 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 (bills or requests for information).
- 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.

# 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:**

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

# Refund Options

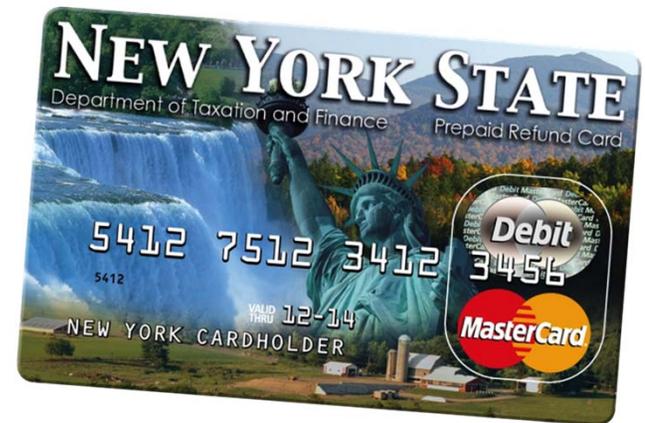
- **Direct deposit of refunds** - Taxpayers can have their refunds deposited directly into their checking or savings account.
- **NYS Prepaid refund debit Card** - The debit card(s) will be sent to the mailing address entered on the return. Debit cards are secure, easy to use, and flexible. Please provide 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.



# 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.

# 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.
- Please inform the representative that they will have to provide the POA to the department if they need to request or obtain information for the taxpayer directly from the tax department.
- 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.
- New York State 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.

# Software NOTES

- MUST Enter on NYS Tax Form:
  - School District Name
  - School District Code
  - County of Resident
- Line 59 – **NYS Sales Tax must have an entry**
- IT214 and NYC-210 can now be filed as a stand alone.
- Most common Error rejection codes are available in TP-300 or at [www.tax.ny.gov/pit/efile/pit\\_mef\\_publications.htm](http://www.tax.ny.gov/pit/efile/pit_mef_publications.htm)

# Military Personnel

- Military personnel would NOT owe use tax for purchases made at the commissary that would normally be subject to NYS Sales Tax.
- Sales made by the commissary fall under the guideline of sales made by governmental entities of a kind not ordinarily sold by private vendors, therefore they are not subject to sales or use tax.

## Free e-filing

- **NOTE:** Free e-filing available by visiting:
  - [www.tax.ny.gov/pit/efile/elf\\_individual.htm](http://www.tax.ny.gov/pit/efile/elf_individual.htm)
- If your income is \$57,000 or less, you may qualify for Free File and can use free tax preparation and free e-filing software.
- It's only available through our Web site where software companies make their products available for free.
- Qualifications for free e-filing vary by software providers.



# 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.*