



New York State Department of Taxation and Finance 2013 Military Training

**Outreach and Taxpayer Education
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

Suzanne Reusch, Statewide Representative

(716) 855-5302

Suzanne.reusch@tax.ny.gov



Western NY Region

Alison Gangloff (716) 225-2763

Alison.gangloff@tax.ny.gov



Central NY Region

Karen Martino (315) 728-2056

Karen.martino@tax.ny.gov



Capital Region

Michelle Duchowny (518) 530-4689

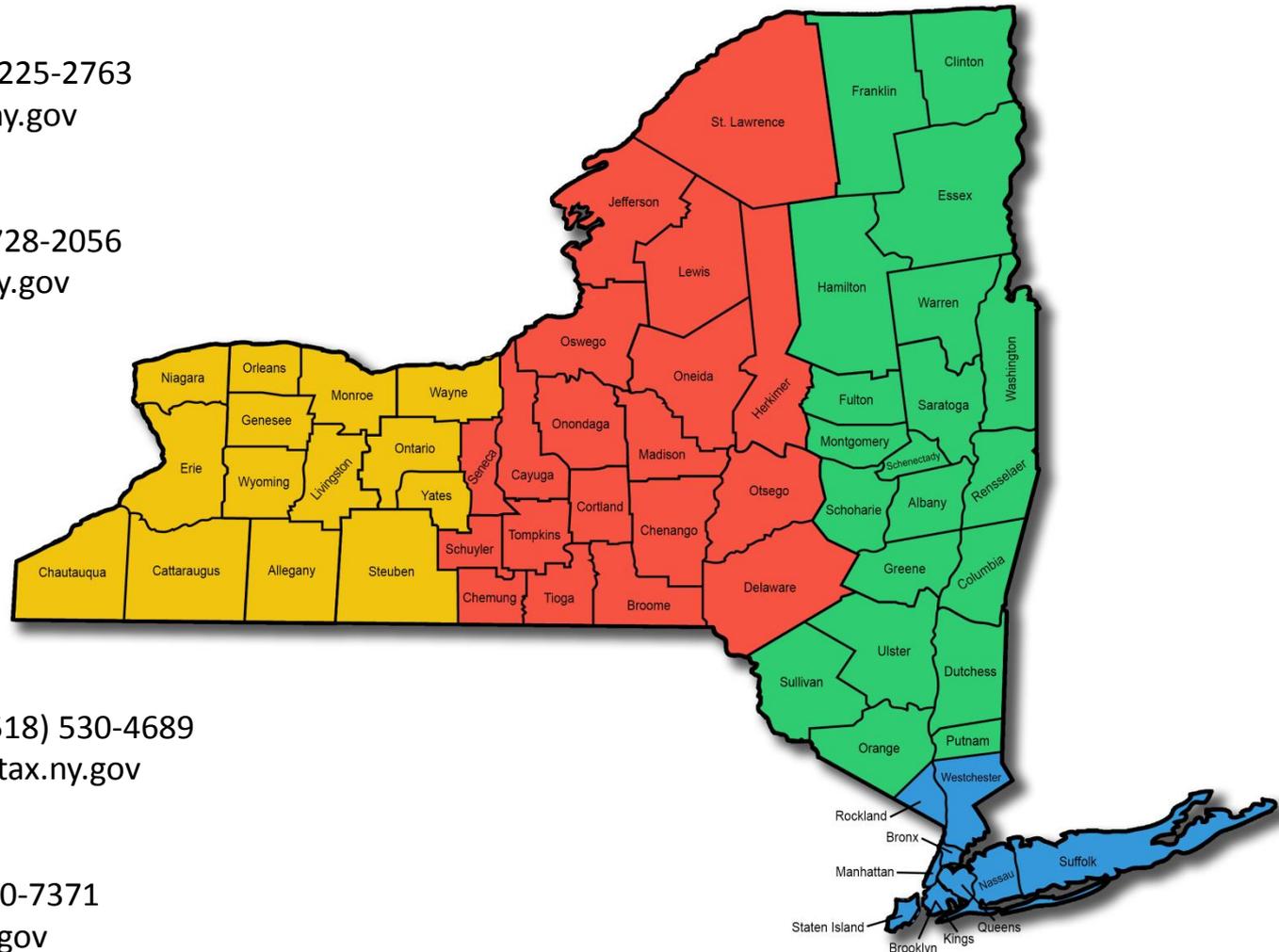
Michelle.duchowny@tax.ny.gov



Metro Region

Robert Smith (347) 390-7371

Robert.smith@tax.ny.gov



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.htmPartners

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?

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 – Based on feedback from Consumer Advocacy Summits, attendees, and tax preparers, the extended hours will be offered again in 2014

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

Dependent exemption remains at \$1000

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*

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

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:**
 - Individual liabilities great than \$10,000 who fail to enter into a payment agreement
 - Provide a 60 day notice

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.

- NEW: Can create a PDF of a create form that is not recognized for e-filing and attach to the tax return so that almost all returns can be e-filed.



Volunteer Resources

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)

NYS Volunteer Resource Information

- 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
- New York City Department of Finance 212-NEW-YORK (639-9675)
www.nyc.gov/finance
- **E-mail alerts - please send e-mail to 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**

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

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 they have assisted or use any knowledge gained about the taxpayer for 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 preparing the return
- Communicate clearly with the client
 - Amount calculated as refund or tax due
 - When and how to pay balance
 - When a refund can be expected
 - 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)



Filing a NYS 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**

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

12

and ending

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	
State		ZIP code		Country (if not United States)		School district code number	
				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)

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.

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.
- 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.

Who must file a NY return?

■ Residents: FORM IT-201

- If you were required to 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 or credit

■ Non-Residents: FORM IT-203

- You have income from New York Sources and your New York AGI, federal column, is above your standard deduction
- You want to claim a refund

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 nearly all cases you must use the same filing status you used on your federal return. The only exceptions to this rule apply to married individuals who file a joint federal return and:
 - One spouse is a NY resident and the other a nonresident or part-year resident. You can file either MFS **or** MFJ.
 - MFS - file separate NYS returns using married filing separate status – the resident files IT-201 and the nonresident files IT-203.
 - file jointly as if you were both residents.
 - You do not know the address or whereabouts of your spouse and can demonstrate that you have made reasonable attempts to locate them. You may be able to file MFS
 - Your spouse refuses to sign a joint return and you have made reasonable attempts to have them sign. You may be able to file MFS.

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 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 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*)**

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.

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.
 - **Needs to be added as 414HSUB or IRC125SUB**

- Other addition amounts should be reported on the proper line.

Subtractions to Federal Adjusted Gross Income

- 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, they can subtract up to \$20,000 from the qualifying pension and annuity income from their FAGI (1099R).
 - To enter the amount on line 29 of the IT-201 page 2, enter the amount in the 1099R and put an “X” on box 1.

- Public – Pensions of New York State, local government and the federal government (form 1099R). The entire pension amount 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 59 ½ or older,
 2. Be included in gross income for federal tax purposes,
 3. Be periodic payment,
 4. Be attributable to personal services performed by the individual prior to their retirement from employment, and
 5. Arise from an employer-employee relationship or from and employee's tax deductible contributions to a retirement plan

Additional information in Publication TP-300 and www.tax.ny.gov/volunteer

IT-221 Disability Income Exclusion – This form is not available for E-filing. However, you can scan and create a PDF to attach to return so the return can 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

NYS Household Credit

- **Nonrefundable** credit based on Federal Adjusted Gross Income
- Software automatically calculates credit
- Who Qualifies:
 - Cannot be claimed as a dependent
 - Married – FAGI \$32,000 or less (allowed for MFS)
 - Single, HOH, Widow – FAGI \$28,000 or less
- Additional Credit for NYC Residents

IT-215 Earned Income Credit

- **Refundable** credit is equal to 30% of the allowable federal earned income credit, **reduced by the amount of any household credit**
- Software automatically calculates credit
- Who qualifies
 - If the taxpayer qualified for and **claimed** the federal earned income credit.
 - Did not claim the noncustodial parent EITC
 - Must have the child's Social Security number.
- Additional Credit for NYC Residents

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 24 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....."

IT-216 Claim for Child and Dependent Care Credit

- Refundable to full year residents (IT-201). 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.
- Nonrefundable to nonresidents (IT-203)
- **Tax software will calculate from IRS form 2441**
- Who Qualifies:
 - Qualified to claim the federal child and dependent care credit (whether they claimed the federal credit or not).

- Additional Credit for NYC residents

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.**

IT-258 Nursing Home Assessment Credit

- Refundable credit available to individuals who directly pay the assessment.
- Available for the 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.

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

IT-272 College Tuition Credit or Itemized Deduction

- **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.
- \$10,000 per eligible student (4% credit or added itemized deduction)
- **NOTE: added itemized deduction can be claimed by nonresidents but the credit is NOT available to a nonresident.**

Tax Software :

- **you must have the federal ID# of college/university**
- Must check the box for undergraduate student
- One column per student

IT-213 Empire Child Tax Credit

- 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).

Tax software will calculate the amount of Empire Child Tax Credit

IT-209 Noncustodial Earned Income Tax Credit

- Taxpayers may claim the noncustodial EIC only if they meet **all** of the following conditions for tax year 2013:
 - 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.
- Note: If a taxpayer qualifies for the regular EITC and the noncustodial EITC, they may claim one or the other but not both.
- **Can apply without child's SS#**

IT-214 Real Property Tax Credit

- 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

- **Additional information in TP-300 (NY Quick Reference Guide)**

IT-214 Real Property Tax Credit

■ **Homeowners:**

- You or your spouse paid real property taxes.

■ **Renters:**

- You or a member of your household paid rent for your residence.
- The average monthly rent you and other members of your household paid was \$450 or less, not counting charges for heat, gas, electricity, furnishings, or board.

■ **How much is the credit?**

- If all members of your household are under 65, the credit can be as much as \$75.
- If at least one member of your household is 65 or older, the credit can be as much as \$375.

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.



WHAT NEXT?

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*

NOTE: Special rules for Military serving in a Combat zone.

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.

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.

IT-280 Non Obligated Spouse

- To avoid having your refund applied to your spouse's debt:
- Complete [Form IT-280, Nonobligated Spouse Allocation](#), and attach the original to your income tax return, if you marked filing status 2 (married filing joint return) and you do not want to apply your part of the refund to your spouse's debt because you are not liable for it.
- If you did not file Form IT-280 with the original return, you can't file an amended return to disclaim your spouse's debt. However, we will notify you if we apply your refund to your spouse's debt. You will have 10 days from the date of notification to file Form IT-280.

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

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

New: vouchers needed for 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.

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.

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.

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.
- 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.

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 IT214 and NYC-210 to be filed as a stand alone from (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

Modernized E-filing (MeF)

- 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.
- NEW: created PDF's of credit forms not accepted for e-filing and attach to the return.
- More information on MeF can be found in TP-300 and Publication 93.

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
- 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

NEW: Online service account to file personal income tax returns

- If you do not qualify for the free electronic filing (\$58,000 or less) you may qualify to file on the NYS website by creating an online service account.
- Who qualifies:
 - IT-201 filers not claiming credit – no income limit
 - IT-214 and NYC-210 can also be filed as stand alone
 - MUST create an individual online service account

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.**

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.