



New York State Quick Reference Desk Guide

TP-300

For use in preparing 2014 New York State income tax returns

To the volunteers:

Thank you for volunteering to prepare personal income tax returns for the low to moderate income and elderly taxpayers of New York State. We at the Tax Department along with the IRS are committed to increasing the number of New Yorkers who take advantage of the outstanding free tax preparation and financial literacy services you provide. As a result of your dedication and commitment year after year, you provide accurate tax return preparation to more New Yorkers. Thank you for helping us accomplish this goal, and please reach out to your regional outreach specialist if you require any assistance.

For assistance

www.tax.ny.gov/volunteer (complete training information)

E-file help desk

(518) 457-6387

Online Services helpline

(518) 457-5451

Tax information for all states – FTA

www.taxadmin.org

Tax Practitioner Hotline

(518) 457-5451

VITA/TCE site information (IRS)

1 800 829-1040

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.

This guide contains the following information:

1099-G information.....	3	Property tax freeze credit.....	13
Additional New York City and Yonkers information.....	22	Estimated tax (Form IT-2105).....	27
Amended returns.....	27	Dependent exemptions.....	7
Common New York addition adjustments.....	8	Filing information for same-sex married couples.....	7
Common New York subtraction adjustments.....	8	Filing requirements.....	6
Pension subtractions.....	9	Filing status.....	7
Credits.....	13-22	Identity theft.....	3
Form IT-112-R – New York State Resident Credit, or		Mailing addresses.....	28
Form IT-112-C – New York State Resident Credit for		Modernized e-filing (MeF).....	23
Taxes Paid to a Province of Canada.....	21	Common personal income tax modernized e-filing errors ...	23
Form IT-209 – Claim for Noncustodial Parent New York		Electronic filing (e-file) signature requirements.....	23
State Earned Income Credit.....	15	New for 2014.....	4, 5
Form IT-213 – Claim for Empire State Child Credit.....	15	Online Services.....	3
Form IT-214 – Claim for Real Property Tax Credit.....	18, 19	Overview of New York additions and subtractions.....	8
Form IT-215 – Claim for Earned Income Credit (EIC).....	14	Form IT-225 – New York State Modifications.....	9
Form IT-216 – Claim for Child and Dependent Care Credit...	16	Paying a balance due.....	26
Form IT-221 – Disability Income Exclusion.....	21	Penalties for late filing and late payment.....	29
Form IT-241 – Claim for Clean Heating Fuel Credit.....	21	Power of attorney.....	24
Form IT-245 – Claim for Volunteer Firefighters’ and		Publications.....	2
Ambulance Workers’ Credit.....	17	Refund options.....	25
Form IT-249 – Claim for Long-Term Care Insurance Credit...	20	Standard deductions.....	7
Form IT-258 – Claim for Nursing Home Assessment Credit...	20	Telephone assistance.....	2
Form IT-272 – Claim for College Tuition Credit or Itemized		Voluntary Disclosure and Compliance Program	
Deduction.....	17	(online application only).....	27
Form NYC-208 – Claim for New York City Enhanced Real		Which New York State form(s) to file.....	6
Property Tax Credit.....	22		
Form NYC-210 – Claim for New York City School			
Tax Credit.....	22		
Family tax relief credit.....	13		
Household credit.....	16		

Telephone assistance

- **Personal income tax refund information**
(518) 457-5149
- **Personal Income Tax Information Center**
(518) 457-5181
- **1099-G information**
(518) 457-5181
- **Disagree with your personal income tax bill**
(518) 485-9791
- **Disagree with your personal income tax refund**
(518) 485-6549
- **Metropolitan commuter transportation mobility tax**
(518) 485-2392
- **Noncustodial parent earned income tax credit appeal**
1 888 208-4485
- **Child Support Enforcement**
(518) 485-6820
- **Withholding Tax Information Center**
(518) 485-6654
- **Identity Theft**
(518) 457-5181
- **Civil Enforcement Division**
(518) 457-5434
- **Property Tax Information Center**
(518) 591-5232
- **Offer in Compromise Office**
(518) 457-9086
- **Report tax evasion and fraud**
(518) 457-0578
- **Voluntary Disclosure Program**
(518) 447-4448
- **Office of Taxpayer Rights Advocate**
(518) 530-HELP (4357)
- **Attorney General Consumer Protection**
1-800-771-7755
- **Family Tax Relief Credit**
(518) 485-1057
- **Property Tax Freeze Credit**
(518) 453-8146
- **Telephone assistance for people with hearing or speech disabilities (by TTY)**
(518) 485-5082

Or call **NYS Relay Service DIAL 711** and give the operator any of the phone numbers above.

Publications

* **DTF-215** – *Earned Income Tax Credit* (recordkeeping suggestions for self-employed persons)

* **DTF-216** – *Claim for Child and Dependent Care Credit* (recordkeeping suggestions for child care expenses)

* **DTF-440** – *The New York State Prepaid Refund Debit Card* (brochure)

DTF-911.2 – *Office of the Taxpayer Rights Advocate*

Publication 36 – *General Information for Senior Citizens and Retired Persons*

Publication 93 – *Modernized e-file (MeF) Guide for Return Preparers*

* **Publication 131** – *Your Rights and Obligations Under the Tax Law*

* **Publication 135** – *Consumer Bill of Rights Regarding Tax Preparers*

Publication 220 – *Offer in Compromise Program*

* **TR-24** – *Convenient Options for Handling Your New York State Taxes*

* Forms available in Spanish.

Online Services

New York State Tax Department Online Services

Create an Online Services account and log in to:

- file a personal income tax return
- make payments
- view your filing and payment history
- get email notifications for refunds, bills, and notices
- respond to bills and notices

Access is available 24 hours a day, 7 days a week.

www.tax.ny.gov

What you can find on our Web site

- The most up-to-date information
- Income tax Web File program
- Free e-file options
- Forms and instructions
- Publications and other guidance
- Online services and account information
- Change of address
- Free tax return assistance information
- How to resolve an issue
- Taxpayer rights information
- Subscription service sign-up

Visit our site to see other services and information.

Identity theft

If a taxpayer is a victim of identity theft or has received an unexpected notice from us or experienced an event that may affect their tax records in the future, you should advise the taxpayer to send the department the following information:

- A photocopy of a government issued ID, such as a driver's license, U.S. passport, U.S. military ID card, or other valid IDs issued by state or federal agencies.
- Form DTF-275, *Identity Theft Declaration*. Include a statement explaining why they believe they are a victim of identity theft.

1099-G information

Need to know the amount of a taxpayer's 2013 New York State Tax refund?

We are no longer mailing Form 1099-G, *Statement for Recipients of State Income Tax Refunds*. If you need this information to complete their federal return:

- check their paperwork
- go to Online Services at www.tax.ny.gov
- call (518) 457-5181

- Address verification for the tax year in question such as a utility bill, lease agreement, or bank statement.
- A copy of the notice they received from our department (if they received one).

Fax items to: (518) 435-2990 (Attn: Identity Theft) **or**

Mail items to: NYS ASSESSMENT RECEIVABLES
ATTN: IDENTITY THEFT
PO BOX 4128
BINGHAMTON NY 13902-4128

Note: A victim of identity theft should report this to both the IRS and NYS Tax Department.

What's **NEW** for 2014?

General changes for 2014

- **Yonkers resident income tax surcharge**

The Yonkers resident income tax surcharge has increased from 15% to 16.75%.

- **START-UP NY program**

The START-UP NY program provides tax benefits to approved businesses that have located within tax-free NY areas and for certain employees of these businesses. The program is administered by Empire State Development (ESD). See our Web site for more information.

- **New reporting method for *other* addition and subtraction modifications**

Taxpayers must now report the identifying information for *other* addition and subtraction modifications using new Form IT-225, *New York State Modifications*. The total amount of other additions and other subtractions will continue to be reported on Form IT-201 or IT-203. However, the description and individual amounts for these modifications will no longer be shown on Form IT-201 or IT-203 but on Form IT-225. See page 9, Form IT-225, and its instructions.

- **Paid preparer exclusion code**

Paid preparers must now enter either their New York Tax Preparer Registration Identification Number (NYTPRIN) or an exclusion code (if they are not required to register). See our Web site.

- **Signature requirements for e-filed returns**

To make the process less burdensome for tax professionals and further reduce barriers to electronic filing, taxpayers are now allowed to electronically send their authorization to e-file their tax returns to their tax preparer. See our Web site for more information.

- **Additional minimum personal income tax repealed**

The New York State and New York City additional minimum personal income taxes have been repealed. Therefore, Form IT-220, *Minimum Income Tax*, is obsolete for tax years beginning on or after January 1, 2014.

- **Cost of living adjustment**

The New York State standard deduction and tax rate schedules have been adjusted to reflect the cost of living adjustment required under the Tax Law.

- **Public Trust Act**

Any taxpayer who is convicted, or a shareholder of an S corporation or partner in a partnership which is convicted, of an offense defined in New York State Penal Law Article 200 (*Bribery Involving Public Servants and Related Offenses*) or 496 (*Corrupting the Government*), or section 195.20 (*Defrauding the Government*), is not eligible for any tax credit allowed

under Tax Law Article 9, 9-A, 32, or 33, or any business tax credits allowed under Tax Law Article 22. A *business tax credit allowed under Article 22* is a tax credit allowed to taxpayers under Article 22 that is substantially similar to a tax credit allowed to taxpayers under Article 9-A. See the instructions for Form IT-201-ATT, Line A, on page 32 in Form IT-201-I or Form IT-203-ATT, Line A, on page 37 in Form IT-203-I.

- **Metropolitan Commuter Transportation Mobility Tax (MCTMT) estimated tax payments for 2015**

Beginning with tax year 2015, individuals who are subject to the MCTMT will be required to report and pay their MCTMT with their personal income taxes. Therefore, Form IT-2105 has been modified for tax year 2015 to allow taxpayers to make their estimated MCTMT and personal income tax payments together. See 2015 Form IT-2105 and our Web site.

Changes to existing credits

- **Accumulation distribution credit**

The accumulation distribution credit for resident beneficiaries has been expanded to include a credit for income tax paid by the trust to another state, political subdivision, or the District of Columbia.

- **Empire State commercial production credit**

This credit has been extended through tax year 2016. Visit www.nylovesfilm.com and see Form IT-246, *Claim for Empire State Commercial Production Credit*, for information about this credit.

- **Youth works tax credit**

The New York Youth Works Tax Credit Program has been extended and expanded. See Form IT-635, *New York Youth Works Tax Credit*. For more information about the program, see the New York State Department of Labor Web site (at www.labor.ny.gov).

- **Noncustodial parent earned income tax credit**

This credit has been extended through tax year 2016. See Form IT-209, *Claim for Noncustodial Parent New York State Earned Income Credit*, for information about this credit.

New credits

- **Family tax relief credit**

The advance payment for the 2014 family tax relief credit was mailed by the Tax Department to qualified taxpayers in the fall of 2014. Eligible taxpayers who did not receive their advance payment may apply for the credit on our Web site. For tax years 2015 and 2016, taxpayers will claim this credit when filing their tax returns. For more information about this credit (including eligibility), see page 13 and our Web site.

(continued)

What's  NEW for 2014? (continued)**• Real property tax freeze credit**

An advance payment for the real property tax freeze credit was mailed to qualified taxpayers in the fall of 2014. Additional payments will be sent out in 2015 and 2016. For more information on the credit (including eligibility), see page 13 and our Web site.

• New York City enhanced real property tax credit

A new, refundable credit is available for tax years 2014 and 2015 to full-year New York City residents. The credit applies to homeowners and renters with household gross income of less than \$200,000 annually. This credit is in addition to any New York State real property tax credit they may be eligible to claim. See Form NYC-208, *Claim for New York City Enhanced Real Property Tax Credit*, and its instructions.

• START-UP NY tax elimination credit

A new credit is available to approved businesses located in a tax-free NY area. The credit is based on the business's economic presence in the tax-free NY area. See Form IT-638, *START-UP NY Tax Elimination Credit*, and its instructions.

• START-UP NY telecommunication services excise tax credit

A new credit is available to approved businesses located in a tax-free NY area that paid excise tax on telecommunication services. See Form IT-640, *START-UP NY Telecommunication Services Excise Tax Credit*, and its instructions.

• Manufacturer's real property tax credit

A new credit, equal to 20% of the real property taxes paid, is available to qualified New York manufacturers. The New York real property must be owned by the manufacturer and principally used for manufacturing. See Form IT-641, *Manufacturer's Real Property Tax Credit*, and its instructions.

• General corporation tax (GCT) credit

A new credit is available to shareholders (or the beneficiary of an estate or trust that is a shareholder) of a New York City business that paid New York City GCT. See Form IT-222, *General Corporation Tax Credit*, and its instructions.

• Hire a veteran credit

A new credit is available to a business that hires a qualified veteran on or after January 1, 2014. The credit may be claimed for tax years beginning on or after January 1, 2015, but before January 1, 2017. For more information, see TSB-M-13(9)C, (8)l.

• Minimum wage reimbursement credit

A new refundable credit is available to a business that hires an eligible employee who is paid minimum wage during all or part of the tax year. See Form IT-639, *Minimum Wage Reimbursement Credit*, and its instructions.

New and revised income modifications**• Incomplete gift non-grantor trust**

A new addition modification must be made if you transferred property to an incomplete gift non-grantor trust for the income of the trust. A new subtraction modification is allowed to a beneficiary for income received from an incomplete gift non-grantor trust that terminated and distributed all assets before June 1, 2014. See TSB-M-14(3)l and the instructions for Form IT-225.

• Addition modification for manufacturer real property taxes

A new addition modification must be made for any federal deduction for real property taxes if you also claimed the real property tax credit for manufacturers. See the instructions for Form IT-225.

• Addition modification for excise tax on telecommunication services

A new addition modification must be made for any federal deduction for excise taxes on telecommunication services if you also claimed the START-UP NY telecommunication services excise tax credit. See the instructions for Form IT-225.

• START-UP NY wages

A new subtraction modification is allowed to an eligible employee working for an approved START-UP NY business. See TSB-M-13(6)l, the instructions for Form IT-225, and our Web site.

• Volunteer firefighter or ambulance worker length of service award

A new subtraction modification is allowed for length of service awards paid to volunteer firefighters and ambulance workers that were included in their federal adjusted gross income. See the instructions for Form IT-225.

• Small business modification

A new subtraction modification is allowed for a farm business or small business that employs one or more persons during the tax year, and has net farm or small business income of greater than zero but less than \$250,000. See the instructions for Form IT-225.

Filing requirements

Generally, taxpayers must file a New York State tax return if they meet **any** of the following conditions:

New York State residents:

- 1) They are required to file a federal return.
- 2) They did not have to file a federal return, but if they had filed a federal return, their federal adjusted gross income (FAGI) plus New York additions would have been more than \$4,000 (more than \$3,100 if they could be claimed as a dependent on another taxpayer's federal tax return).
- 3) They want to claim a refund of any New York State, New York City, or Yonkers income taxes withheld from their pay, or they are eligible and want to claim one or more refundable or carryover credits.
- 4) They are subject to the separate tax on a lump-sum distribution.

New York State nonresidents and part-year residents:

- 1) They are a nonresident or part-year resident of New York State with New York source income and New York adjusted gross income in excess of their New York State standard deduction, or
- 2) They are subject to the separate tax on lump-sum distributions.

Which New York State form(s) to file

All full-year New York State residents file Form IT-201, regardless of which federal form they filed.

If taxpayer was:	File Form(s):
Nonresident or part-year NYS resident	IT-203
Full-year NYS resident and a part-year NYC or Yonkers resident	IT-201 and IT-360.1
Part-year NYS resident and a part-year NYC or Yonkers resident	IT-203 and IT-360.1
Nonresident of Yonkers with income from Yonkers	Y-203 and IT-201 or IT-203

Note: Regardless of which New York State form they file (Form IT-201 or IT-203), taxpayers must report and pay any sales and use tax owed.

Standard deductions

New York State standard deduction table	
Filing status	Standard deduction
① Single and you marked item C <i>Yes</i>	\$ 3,100
① Single and you marked item C <i>No</i>	7,800
② Married filing joint return	15,650
③ Married filing separate return	7,800
④ Head of household (with qualifying person)	10,950
⑤ Qualifying widow(er) with dependent child	15,650

Generally, the New York itemized deductions are total federal itemized deductions minus state and local income taxes (or general sales taxes, if applicable).

Note: If the taxpayer is married and filing a separate return (filing status ③) both taxpayers must take the standard deduction unless both of them itemized deductions on their federal returns and both of them elect to itemize deductions on their New York returns.

Note: If the taxpayer is itemizing New York deductions, they must submit Form IT-201-D (for full-year residents) or Form IT-203-D (for part-year residents or nonresidents).

Note: If the New York standard deduction is greater than the New York itemized deductions, you would use the New York standard deduction. However, if the taxpayer is married and filing a separate return and itemizes deductions, the spouse must also claim the itemized deduction even if it is less than the standard deduction.

Filing status

In nearly all cases, taxpayers must use the same filing status on their state return that was used on their federal return. If they did not have to file a federal return, use the filing status that they would have used for federal income tax purposes.

Joint filing exception for some married taxpayers

If the taxpayers are married and filing a joint federal income tax return but one spouse is a New York State resident and the other is a nonresident or part-year resident, they must file separate New York State returns. The resident must use Form IT-201. The nonresident or part-year resident must use Form IT-203, *Nonresident and Part-Year Resident Income Tax Return*, if required to file a return. However, if both choose to file a joint New York State return, use Form IT-201, and both spouses' income will be taxed as full-year residents of New York State.

If they demonstrate that they cannot file a joint New York State return because the taxpayer does not know

the address or whereabouts of their spouse, or if their spouse refuses to sign a joint return, they may qualify to file a separate return using filing status ③, *Married filing separate return*.

Taxpayers must also be able to demonstrate that they have made a reasonable effort to locate their spouse, and they have good cause for failing to file a joint New York State income tax return.

You may also use filing status ③, *Married filing separate return*, if the taxpayer can demonstrate that they have made a reasonable effort to have their spouse sign a joint return, and they have objective evidence of alienation from their spouse (such as a judicial order of protection, legal separation under a decree of divorce or separate maintenance, living apart for the 12 months immediately preceding the application to file a separate return, a commencement of an action for divorce, or a commencement of certain family court proceedings).

Dependent exemptions

Unlike on your federal return, you may **not** take personal exemptions for yourself and for your spouse on your New York State return.

The value of each New York State **dependent** exemption is \$1,000.

Enter on the *Dependent exemptions* line the **number** of your dependent exemptions listed on Form IT-201, item H, or on Form IT-203, item I.

Filing information for same-sex married couples

Same-sex married couples have the same state tax benefits and requirements as different-sex married couples filing and paying New York State personal income tax. In addition, as a result of the Supreme Court's decision *United States v. Windsor*, and IRS Revenue Ruling 2013-17, for federal tax purposes the IRS will recognize a marriage between a same-sex couple that is a legal marriage under the laws of the jurisdiction

(either domestic or foreign) where the marriage was performed. Therefore, you must determine your filing status using the general married filing status rules (see Form IT-201-I or IT-203-I).

The term *spouse* should be read as gender-neutral and includes a person in a marriage with a same-sex spouse. The term *marriage* includes a marriage between same-sex spouses.

Overview of New York additions and subtractions

The computation of your New York State income tax is based on your New York AGI, which is your federal AGI modified by certain New York adjustments (New York additions and New York subtractions).

New York State taxes certain items of income not taxed by the federal government. You must add these **New York additions** to your federal AGI.

Similarly, New York State does not tax certain items of income taxed by the federal government. You must subtract these **New York subtractions** from federal AGI. See below and Form IT-225, *New York State Modifications*, and its instructions.

Common New York addition adjustments

- Interest income on state and local bonds and obligations (but not those of NYS or its local governments)
- Public employee 414(h) retirement contributions
- New York City Flexible Benefits Program (IRC 125) amounts deducted or deferred from their salary (must complete Form IT-225, addition code A-101)
- Nonqualified withdrawals from New York's 529 college savings program

Using software for the most common addition adjustments

- Public employee retirement contributions (414(h)) and NYC flexible benefits program (IRC 125), amounts from Form W-2, box 14, are subject to NYS tax even though they are not subject to federal tax.

Make sure these amounts are entered in box 14 of the taxpayer's Form W-2.

Verify that the 414(h) amount appears on line 21 and the IRC 125 amount appears on the *other additions* line of Form IT-201 (or IT-203).

- Nonqualified withdrawals from a **New York** 529 college savings program account must be entered on line 22 of Form IT-201 (or included on line 22 of Form IT-203).
- **You must enter these amounts if your software does not.**

See the instructions for Form IT-225 for a complete list of addition adjustments.

Common New York subtraction adjustments

- Refunds, credits, or offsets of state and local income taxes
- Taxable amount of social security and Tier 1 railroad retirement benefits
- Interest income on U.S. government bonds
- Allowable **New York** 529 college savings program contributions. A New York subtraction of up to \$5,000 (\$10,000 for married couples filing jointly) is allowed for contributions to their Direct Plan account per year. If they also own another New York 529 college savings program account, the maximum total deduction on all contributions is still \$5,000 per year (\$10,000 for married couples filing jointly).
- **Pension subtractions** (see page 9)

See the instructions for Form IT-225 for a complete list of subtraction adjustments.

Using software for the most common subtraction adjustments

- New York State and local tax refunds included in FAGI. The amount will appear on Form IT-201, line 25 (or IT-203, line 24).
- Social security and Tier I railroad retirement benefits included in FAGI. The amount will appear on Form IT-201, line 27 (or IT-203, line 26).
- Interest income on U.S. government bonds. Enter the amount on Form IT-201, line 28 (or IT-203, line 27).
- New York's 529 college savings program deduction. Enter the amount on Form IT-201, line 30 (or include it on line 29 of Form IT-203).

Form IT-225 – New York State Modifications

This is a new form for 2014 to report New York State additions and subtraction modifications to federal AGI other than those specifically listed on a separate line on Forms IT-201 and IT-203. For a detail listing of additions and subtractions reported on Form IT-225, refer to our Web site (at www.tax.ny.gov).

Common additions reported on Form IT-225

- A-101** New York City flexible benefits program (IRC 125)

Common subtractions reported on Form IT-225

- S-101** START-UP NY wages
- S-118** Military combat pay
- S-119** Military pay (Form IT-203 filers only)
- S-124** Disability income exclusion
- S-128** Native American income exclusion

Pension subtractions

Pensions of New York State and local governments and the federal government (Tax Law section 612(c)(3))

This includes distributions from a New York State or local government pension plan or a federal government pension plan as the result of a domestic relations order (DRO) or a court-issued qualified domestic relations order (QDRO); they are allowed the subtraction modification to the extent that the distributions are included in their FAGI.

Pension and annuity income exclusion (up to \$20,000) (including periodic payments received from a section 457 deferred compensation plan) (Tax Law section 612(c)(3-a))

Beneficiaries may claim a subtraction for a deceased taxpayer's pension and annuity income if the decedent would have been entitled to the subtraction; see instructions for Form IT-201 (or IT-203).

Pension and annuity income exclusion (up to \$20,000)

To qualify for the pension and annuity income exclusion:

- The pension and annuity income must be included in FAGI.
- The pension and annuity income must be received in periodic payments (except IRA or Keogh).
- The pension and annuity income must be attributable to personal services performed by an individual prior to the individual's retirement from employment.
- The individual receiving the pension must be age 59½ or older.

Married taxpayers

If they both qualify, the taxpayer and their spouse can each subtract up to \$20,000 of their own pension and annuity income. However, they cannot claim any unused part of their spouse's exclusion.

Qualified pension and annuity income does not include:

- Distributions received from a nongovernment pension plan as a *nonemployee spouse* in accordance with a court-issued qualified domestic relations order (QDRO) or in accordance with a domestic relations order (DRO) issued by a New York court.
- Distributions received as a result of an *annuity contract* purchased with their own funds from an insurance company or other financial institution. The payments are attributable to premium payments made by them, from their own funds, and are not attributable to personal services performed.

Using software for pension modifications

1. **Private** – If a taxpayer is 59½ or older, he or she can subtract up to \$20,000 of qualifying pension and annuity income from his or her FAGI. Enter the taxpayer's amount(s) on the Form 1099-R screen(s). Be sure to mark an **X** in box 1. The program will fill in Form IT-201, line 29 (or IT-203, line 28).
2. **Public** – For pensions of New York State, local government, and the federal government, the entire pension amount is excluded. Enter the taxpayer's amount(s) on the Form 1099-R screen(s). Be sure to mark an **X** in box 2. The program will fill in Form IT-201, line 26 (or IT-203, line 25).

Note: Additional pension information can be found at www.tax.ny.gov/volunteer

(continued)

Common questions and answers about pension subtraction adjustments

Q: What determines if an amount that an individual receives as a pension or annuity qualifies for the \$20,000 pension and annuity exclusion on the NYS personal income tax return?

A: Such individual receiving the pension must be 59½ years of age or over. In addition, the pension and annuity income must be:

- included in federal adjusted gross income (FAGI)
- received in periodic payments (except IRA or Keogh)
- attributable to personal services performed by such individual, prior to such individual's retirement from employment
- from an employer-employee relationship or from an employee's tax deductible contributions to a retirement plan

Q: The instructions state that a pension received from NYS and local governments or the federal government, the United States, its territories, possessions (or political subdivisions thereof) is excluded in arriving at NYS adjusted gross income. Is any state considered a political subdivision of the United States?

A: No. *Political subdivisions* refers to the territories and possessions of the United States government such as Guam, Puerto Rico, American Samoa, and northern Mariana Islands.

Q: Do defaulted loans taken on pension/annuity income distributed from the NYS retirement system qualify for full exclusion?

A: Yes. All distributions reported on Form 1099-R (*Distributions from Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.*) issued from the NYS retirement system would be fully excludable to the extent the distribution is included in FAGI.

Q: Is a pension received from a state other than New York eligible for full exclusion as a NY state and local pension on the NYS return?

A: No. To qualify for full exclusion the pension must have been received from a NYS or local government pension plan or a federal pension plan. However, if the taxpayer reached age 59½, the pension may qualify for a pension and annuity income exclusion under Tax Law section 612(c)(3-a), up to \$20,000.

Q: Does a pension received from another country qualify for the pension and annuity income exclusion?

A: Yes. To the extent included in FAGI not to exceed \$20,000. This would qualify for the \$20,000 pension and annuity income exclusion provided all the other requirements are met (over 59½, periodic payments, attributable to personal services performed prior to retirement and an employer-employee relationship exists).

The IRC requires that recipients of a pension distribution of \$10 or more, receive a Form 1099-R. However, foreign pension distributions are not typically reported on Form 1099-R. The taxpayer will have to retain their contribution/distribution documentation to provide to the department if necessary.

Q: Are direct non-governmental pension payments received by a spouse from an ex-spouse's pension plan, pursuant to a domestic relations order, eligible for the \$20,000 pension and annuity income exclusion on the NYS personal income tax return?

A: No. These pension payments do not qualify for the pension and annuity exclusion because they do not arise from an employer-employee relationship between the person receiving the payments and the ex-spouse's employer.

Q: Are direct New York State or federal pension payments received by a spouse from an ex-spouse's pension, pursuant to a domestic relations order, eligible for full exclusion as a NYS or federal government pension?

A: Yes. The payments retain their character as a NYS or federal pension. Because divorce equitably distributes the retirement allowance between the two spouses, the character of the payments from the NYS and local retirement system or federal pensions is retirement income, regardless of whether the receiving ex-spouse is the participant or the non-participant ex-spouse. The amount received would be subtracted from FAGI.

Q: Does a federal pension always qualify for the full government pension and annuity income exclusion?

A: CSRS (Civil Service Retirement System) - If the federal employee was hired before 01/01/1984, income from their Thrift Savings Plan is considered supplemental for which the exclusion is subject to the age and amount limitation to the extent it is included in their FAGI, not to exceed \$20,000.

FERS (Federal Employees Retirement System) - If a federal employee was hired on or after 01/01/1984, income from their Thrift Savings Plan is fully excludable to the extent included in FAGI.

Q: Is a pension for the NYS Thruway Authority considered a NYS pension eligible for the full pension and annuity income exclusion?

A: Yes, provided that the distributions are derived from the NYS Thruway Authority and not from supplemental funds.

Q: Is a pension from the United States postal service considered a federal pension eligible for the full pension and annuity income exclusion?

A: Yes, provided that the distributions are derived from the United States postal service and not from supplemental funds.

(continued)

Common questions and answers about pension subtraction adjustments *(continued)*

Q: If a qualifying pension is rolled over into an annuity, will the distribution from the annuity qualify for the \$20,000 pension and annuity income exclusion?

A: The distribution from a rollover would qualify for \$20,000 pension and income annuity exclusion to the extent the income was included in FAGI and provided all other requirements are met (over 59½, periodic payments, attributable to personal services performed prior to retirement and an employer-employee relationship exists). However, the client should be advised to keep track of the rollover trail and be prepared to provide the information should it be necessary.

Q: Does a distribution from a NYS and local or federal government pension qualify for a full pension exclusion once it has been rolled over?

A: Yes. However, only the rollover amount is excludable. Any interest or gains on the initial rollover may be eligible for the \$20,000 pension and annuity income exclusion. The recipient must keep track of the yearly distributions from the original rollover amount versus distributions attributable to any gain or interest on the rollover amount, and be prepared to provide supporting documentation if requested.

Q: Does a death benefit from a decedent's pension plan qualify for the \$20,000 pension and annuity income exclusion?

A: Yes. As a beneficiary of a pension, the exclusion is based on the decedent's entitlement, subject to the decedent's age/amount limitation. However, if the recipient elects to transfer/roll over it into their own name, it now becomes subject to the recipient's age (59½) and amount (\$20,000) limitations.

Note: If more than one beneficiary, the exclusion is prorated to the same percentage share as the distribution.

Q: Does a beneficiary of a pension qualify for the \$20,000 pension annuity income exclusion on the NYS return?

A: If it is a NYS, local government or federal pension, the full amount is subtracted from FAGI. If it is not a NYS, local government, or federal pension the beneficiary is entitled to up to a \$20,000 exclusion if the decedent would have been entitled to it had the decedent continued to live, and it was not claimed on the decedent's final return. **However**, the exclusion must be allocated among the beneficiaries in the same ratio as the distribution, and the total exclusion claimed by all beneficiaries may not exceed \$20,000.

Q: If a nonresident of New York State receives a pension from a NYS source, is that taxable by New York State?

A: No. Section 114 of Title 4 of the U.S. Code creates a limitation on state income taxation of certain pension income. The law prohibits states from taxing retirement income received from pension plans recognized as *qualified* under the IRC.

Q: If a taxpayer worked in the private sector, do the retirement payments received from TIAA/CREF (Teachers Insurance & Annuity Association & College Retirement Equities Fund) or ING Financial Advisors qualify for full exclusion as a NYS pension?

A: No. Since private sector colleges are not funded by NYS, the pension payments do not qualify as NYS pension income. The pension would, however, qualify for the \$20,000 pension and annuity income exclusion pursuant to Tax Law section 612(c)(3-a).

Q: Do TIAA/CREF retirement payments attributable to a person's employment in SUNY, CUNY, or the NYS Board of Education system qualify for full exclusion as a NYS pension?

A: SUNY, CUNY, and NYS Board of Education employees who opted to join TIAA/CREF as part of the Optional Retirement Plan qualify to exclude their retirement annuity pension income that was contributed by the public employer. **However**, if they are receiving distributions from TIAA/CREF Supplemental Retirement Annuities (SRA) 403B plans, Group Supplemental Retirement Annuities (GSRA), IRAs or Roth IRAs, these **do not** qualify for full exclusion as a NYS pension since the contributions were made by the employee. These distributions would qualify for the \$20,000 pension and annuity income exclusion pursuant to Tax Law section 612(c)(3-a).

Q: Do pensions received from the SUNY/CUNY research foundation qualify for full exclusion as a NYS pension?

A: No. The research foundation is a private, nonprofit educational corporation. As a separate, private corporation, the Research Foundation is not supported by NYS tax dollars, and it does not receive support services provided to NYS agencies. However, the pension would qualify for the \$20,000 pension and annuity income exclusion pursuant to Tax Law section 612(c)(3-a).

Q: Does a retirement pension received from Brookhaven National Lab qualify for full exclusion as a NYS pension?

A: No. Brookhaven National Lab is considered a private sector employer and distributions received from TIAA/CREF based on this employment do not qualify for full exclusion as a state, local or municipal pension. However, the pension would qualify for the \$20,000 pension and annuity income exclusion pursuant to Tax Law section 612(c)(3-a).

Q: Are distributions from a government section 457 deferred compensation plan considered NYS pensions qualified for full exclusion as a NYS pension?

A: No. However, government deferred compensation plans are no longer characterized as wages, but as pension or annuity payments. Since these plans are not funded by the employer, they would not qualify for full exclusion but would qualify for the \$20,000 pension and annuity income exclusion pursuant to Tax Law section 612(c)(3-a).

(continued)

Common questions and answers about pension subtraction adjustments *(continued)*

Q: If a retired executive receives periodic payments from a deferred compensation plan that is not considered a qualified pension plan under the IRC, and the payments were considered wages under IRC 3121(v), do these payments qualify for the \$20,000 pension and annuity income exclusion pursuant to Tax Law section 612(c)(3-a)?

A: Yes. The IRS determined that payments received from the nonqualified plan were wages for federal income tax purposes and were reported on a Form W-2 (only the amount in Box 11 – *Nonqualified plans* is eligible for the exclusion). However, it was ruled that the nature of the payment is intended to be pension or annuity, which qualifies for the subtraction modification when certain criteria are met.

Q: What happens to the status of a private pension when the obligation is taken over by Pension Benefactor Guaranty Corporation (PBGC)?

A: The private pension maintains its original status as a private pension even though PBGC is a government agency. Also, if the pension in question was a government pension, the government pension would also maintain its original status. Visit www.pbgc.gov to learn more about PBGC.

Q: Does distribution Code D, annuity payments for non-qualified annuity distributions from life insurance contracts which may be subject to tax under section 1411, on Form 1099-R qualify for the pension exemption?

A: No. TY 2014 definition of distribution Code D does not meet the criteria for qualifying pension and annuity income as outlined in the instructions for Form IT-201, line 29.

Family tax relief credit

The family tax relief credit is a \$350 payment to middle income New Yorkers with children.

In October 2014, the NYS Tax Department mailed checks to those who qualify.

- For 2014, eligible taxpayers did not need to do anything to receive a check. Eligibility is based on the 2012 tax return they filed.
- For 2015 and 2016, eligible taxpayers must claim the credit on their personal income tax returns.

Who qualifies?

Taxpayers who:

- lived in NYS for all of 2012,
- claimed at least one child under age 17 (as of December 31, 2012) as a dependent on their 2012 New York State income tax return,
- had NYS adjusted gross income between \$40,000 and \$300,000 in 2012, and
- had NYS tax liability after credits that is zero or greater.

The *tax liability* is the amount of your NYS income tax, less most credits. To be eligible for the credit, this amount must be zero or greater.

What if the taxpayer is unsure if they received the family tax relief credit?

There is a look up available online (at www.tax.ny.gov). A taxpayer does not need to have or create an Online Services account to access this information.

Property tax freeze credit

New York State homeowners (outside of NYC), may be eligible for the property tax freeze credit.

Governor Cuomo and the State Legislature enacted legislation that reimburses eligible households for increases to school taxes.

To receive the credit in 2014:

- They must be eligible to receive the Star property tax exemption.
- Their school district must comply with the tax cap.

If they qualified, the NYS Tax Department should have automatically mailed them a check.

To check to see if the taxpayer's school district complied with the tax cap, visit our Web site (at www.tax.ny.gov/pit/property/prop_tax_cap/default.htm).

What if the taxpayer did not receive the family tax relief credit?

After checking the look up, if it is determined that the taxpayer qualified but did not receive the credit, they should file Form TP-290 through Online Services (at www.tax.ny.gov). They need an account to file online. A paper form is available but the preferred method is to use the online Web application to file.

If the taxpayer is first filing their 2012 income tax return, should the application, Form TP-290, be sent with the NYS income tax return?

The income tax return and Form TP-290 should be filed separately. Form TP-290 will not be available in Tax Wise. The taxpayer should file Form TP-290 through Online Services (at www.tax.ny.gov).

If the taxpayer applies online and they already received the family tax relief credit, will the system stop them in the application process?

If the taxpayer has already applied for or received the credit through the auto selection process, they will be stopped in the Web application process.

New York City residents

New York City is not subject to the tax cap. For this reason, city residents are not eligible for this credit. New York City homeowners and renters may, however, be eligible for the New York City Circuit Breaker Tax Credit. This credit is claimed on new Form NYC-208, *Claim for New York City Enhanced Real Property Tax Credit*. See page 22 for more information.

Form IT-215 – Claim for Earned Income Credit (EIC)

Taxpayers may be entitled to this credit if:

- they did not claim the noncustodial parent New York State earned income credit (Form IT-209), and;
- they qualified for and claimed the federal earned income credit. More information on qualifying for the federal credit can be found at: www.irs.gov/Credits-&-Deductions.

How much is the credit?

The credit is equal to 30% of their allowable federal earned income credit, reduced by the amount of any New York State household credit.

Is the credit refundable?

- Full-year residents – fully refundable
- Nonresidents – nonrefundable
- Part-year residents – partially refundable

New York City earned income credit

To qualify for the New York City earned income credit the taxpayer must

- be a full-year or part-year resident of New York City for 2014,
- claim the federal earned income credit for 2014, and
- file a New York State income tax return for 2014.

Note: Because the methods used to compute the New York State EIC and the New York City EIC are different, the taxpayer may have a New York City EIC amount even if the taxpayer does not have a New York State EIC.

Recordkeeping requirements for self-employed individuals

Be sure to inform the taxpayer that they **must** maintain business records throughout the year for which they plan to claim the credit. This is because a taxpayer must prove **earned income** to claim the credit.

Taxpayers will need the following information if they are self-employed:

- Books and records showing 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.
- Documents that support entries in the books and records, including cash register receipts, bank statements, deposit slips, canceled checks, invoices, credit card sales slips, Forms 1099-MISC, etc.

New York State will not allow the credit if the taxpayer does not produce the records when requested.

To learn more about recordkeeping requirements, see Form DTF-215, *Earned Income Tax Credit* (recordkeeping suggestions for self-employed persons). The IRS requires that tax professionals prepare, and maintain in their records, federal Form 8867, *Paid Preparer's Earned Income Credit Checklist*, prior to completing the EITC. Part IV refers to due diligence requirements which pertain to all preparers. Part IV, question 24 reads:

Did you ask this taxpayer any additional questions that are necessary to meet your knowledge requirement? (To comply with the EIC knowledge requirement, 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.)

Note: To be eligible to claim a qualifying child(ren) the taxpayer must provide a correct and valid social security number (SSN) for each child listed.

Form IT-213 – Claim for Empire State Child Credit

Taxpayers may be entitled to this refundable credit if they:

- are a full-year New York State resident or married to a full-year resident,
- have a qualifying child*, and
- meet one of the following conditions:
 - have a federal child tax credit or a federal additional child tax credit (claimed on federal Form 1040 or Form 1040A), or
 - have federal adjusted gross income that is:

Filing status	Federal adjusted gross income
Married filing a joint return	\$110,000 or less
Single, or head of household, or qualifying widow(er)	\$75,000 or less
Married filing separately	\$55,000 or less

*A qualifying child must be at least four years old but less than 17 on December 31st of the tax year and must qualify for the federal child tax credit.

How much is the credit?

If a taxpayer claimed the federal child tax credit, the amount of the Empire State child credit is the greater of:

- 33% of the portion of the federal child tax credit attributable to qualifying children, or
- \$100 multiplied by the number of qualifying children.

If a taxpayer did not claim the federal child tax credit but meets all of the other eligibility requirements shown above, the amount of the Empire State child credit is \$100 multiplied by the number of qualifying children.

Note: To be eligible to claim the Empire State child credit, a taxpayer must provide a correct and valid SSN for each child listed on the claim. If the IRS has issued an individual taxpayer identification number (ITIN) because the child listed on Form IT-213 or Form IT-213-ATT is a resident alien, enter the ITIN in place of an SSN.

Form IT-209 – Claim for Noncustodial Parent New York State Earned Income Credit

Taxpayers may be entitled to this refundable credit if they:

- did not claim the New York State earned income credit (Form IT-215),
- were a full-year New York State resident,
- were at least 18 years of age,
- are a parent of a child (or children) who did not reside with them and was under 18 years old,
- 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.

How much is the credit?

Taxpayers may claim the greater of:

- 20% of the federal EIC that they could have claimed if the noncustodial child met the qualifying child definition. Compute it as if they had one qualifying child without the benefit of the joint return phase-out amount (even if they had a married filing joint return); or
- 2.5 times the federal EIC that they could have claimed if they met the eligibility requirements, computed as if they had no qualifying children.

If the credit exceeds their tax liability, they can get a refund without interest.

Note: Taxpayers are not required to include the child's SSN; however, leaving it blank may delay the processing of their return.

Verification for credit:

Taxpayers do not need to verify eligibility to claim the credit. The New York State Office of Temporary and Disability Assistance automatically verifies that the taxpayer:

- is a parent of a minor child who does not reside with them;
- has a child support order payable through a support collection unit; and
- is current in his or her payments as required by the court order.

How to appeal disallowance of the credit due to information provided by OTDA

If a taxpayer is notified that they do not qualify for the noncustodial EIC based on information provided by OTDA, they have the right to request a review of their child support qualifications for the noncustodial EIC by the Support Collection Unit (SCU) to which they make payments as directed in their order of support.

To request an SCU review, the taxpayer should call the Child Support Helpline (CSH) at 1 888 208-4485. The CSH will send them a form to complete and return to the appropriate SCU for the review. The SCU will conduct the review, send them a written determination, and a copy of the determination will be provided to the Tax Department. If the SCU has determined that they are qualified, the Tax Department will process their credit claim.

Form IT-216 – Claim for Child and Dependent Care Credit

Taxpayers can claim the New York State child and dependent care credit if they qualified for the federal child and dependent care credit, even if they did not claim it.

How much is the credit?

The credit is a minimum of 20% and as much as 110% of the federal credit, depending on the amount of the New York State adjusted gross income (AGI).

Is the credit refundable?

- Full-year residents – fully refundable
- Nonresidents – nonrefundable
- Part-year residents – partially refundable

New York City credit

To qualify for the New York City child and dependent care credit the taxpayer must:

- qualify to claim the New York State child and dependent care credit;
- have paid qualified expenses for a qualifying person who was under age four on December 31, 2014;
- have FAGI of \$30,000 or less; and
- have been a full-year or part-year resident of NYC for 2014.

A qualifying person is:

- A qualifying child under age 13 whom the taxpayer claims as a dependent. If the child turned 13 during the year, the child is a qualifying person for the part of the year they were under age of 13;

- The taxpayer's spouse who is disabled and not able to care for himself or herself; or
- Any person who is disabled and not able to care for himself or herself whom the taxpayer can claim as a dependent (or could claim as a dependent except that the person had gross income of \$3,950 or more or filed a joint return).

Note: To be eligible to claim the New York State child and dependent care credit, the taxpayer must provide a correct and valid SSN for each person listed on their tax return. If the IRS has issued an ITIN because the taxpayer or the qualifying person claimed on Form IT-216 is either a resident or nonresident alien, enter the ITIN in place of an SSN.

Recordkeeping requirements

After the NYS Tax Department reviews the tax return, it may ask the taxpayer to prove that they are entitled to the credit. They will need the following information if they plan to claim the credit:

- canceled checks or money orders
- cash receipts received at the time of payment that can be verified by the Tax Department

If the taxpayer does not keep records, or if their records do not prove what the taxpayer claims, they will not get the credit. It is very important that the taxpayer(s) keep good records.

To learn more about recordkeeping requirements, see Form DTF-216, *Claim for Child and Dependent Care Credit* (recordkeeping suggestions for child care expenses).

Household credit

New York State household credit

Taxpayers (residents and nonresidents) may be entitled to this nonrefundable credit if they:

- cannot be claimed as a dependent on another individual's federal income tax return, and
- meet the following income requirements:
 - single filers, \$28,000 or less
 - married filers, \$32,000 or less.

If married filing separate, and if both spouses filed and their combined income is over \$32,000, the Tax Department will send each a note that states: *We disallowed the New York State household credit because your federal adjusted gross income exceeds the maximum amount for your filing status.*

How to claim this credit

Taxpayers must claim this credit directly on their income tax return (Form IT-201, line 40, or Form IT-203, line 39). **The software will automatically calculate the NYS household credit.**

New York City household credit

Taxpayers are entitled to this nonrefundable credit if they:

- cannot be claimed as a dependent on another taxpayer's federal income tax return,
- are a full-year or part-year resident of New York City, and
- meet the following income requirements:
 - single filers, \$12,500 or less
 - married filers, \$22,500 or less.

How to claim this credit

Taxpayers must claim this credit directly on their income tax return (Form IT-201, line 48, or Form IT-360.1, line 49). **The software will automatically calculate the NYC household credit.**

Form IT-245 – Claim for Volunteer Firefighters' and Ambulance Workers' Credit

Taxpayers may be entitled to claim this credit if they:

- were an active volunteer firefighter or volunteer ambulance worker for all of the tax year, and
- were a resident of New York State for all of the tax year.

Note: They cannot claim this credit if they received a real property exemption that relates to their volunteer service.

How much is the credit?

The credit amount is \$200 (\$400 for married filing joint taxpayers where both spouses are eligible). If the amount of their volunteer firefighters' and ambulance workers' credit is more than the income tax they owe, they may claim a refund.

Note: A taxpayer who is a NYS resident and an active volunteer for the entire year may claim the credit even if the taxpayer can be claimed as a dependent on someone else's federal income tax return.

Example: *Mr. and Mrs. Taxpayer filed a joint state income tax return and claim their college son, who is enrolled full time in a school of higher education as a dependent. The son is a NYS resident and an active volunteer firefighter for the entire year. The son did not earn any income for tax year 2014. The son may claim the \$200 refundable credit by filing Forms IT-201, IT-201-ATT, and IT-245.*

Form IT-272 – Claim for College Tuition Credit or Itemized Deduction

Taxpayers may be entitled to this credit or deduction if:

- they were a full-year New York State resident,
- the taxpayer, the spouse, or dependent (for whom they are taking an exemption) was an undergraduate student who was enrolled at or attended an institution of higher education and paid qualified tuition expenses, and
- they are not being claimed as a dependent on another person's tax return.

What are qualified tuition expenses?

Qualified tuition expenses include only tuition paid, up to \$10,000 per eligible student, for the undergraduate enrollment or attendance of the student at an institution of higher education. This includes expenses paid from a qualified state tuition program (like **New York's** 529 college savings program).

Qualified tuition expenses do not include:

- tuition paid through scholarships or other financial aid that need not be repaid
- amounts paid for room and board, and other similar personal or living expenses
- amounts paid for books, equipment, and activities, even if required by the school

How much is the credit or deduction?

- The credit can be as much as \$400 per student. If it is more than the amount of New York State tax that they owe, they can claim a refund.
- The maximum deduction is \$10,000 for each eligible student. The college tuition itemized deduction may offer a greater tax savings if they itemized deductions on their federal return.

Expenses reimbursed from an employer are not eligible for the credit or deduction.

If the taxpayer is a New York State nonresident or part-year resident, they do not qualify for the college tuition credit. However, they may be eligible to claim

the New York college tuition itemized deduction if they itemized their deductions on their federal return.

An *institution of higher education* includes any institution of higher education or business, trade, technical, or other occupational school located in or outside of New York State. The institution must be recognized and approved by either the regents of the University of New York or a nationally recognized accrediting agency or association accepted by the regents. In addition, the institution or school must provide a course of study leading to the granting of a post-secondary degree, certificate, or diploma.

The eligible student does not need to be enrolled in a degree program or to attend full time for the expenses to qualify. However, only expenses for **undergraduate** enrollment or attendance qualify.

Payments on behalf of an eligible student from a qualified state tuition program (such as New York's 529 college savings program) are considered qualified college tuition expenses for purposes of Form IT-272. If a taxpayer claims the student as a dependent, these payments are treated as paid by the taxpayer claiming the student as a dependent.

Software special instructions – You must enter the name of the college or university (institution of higher education) to which qualified college tuition expenses were paid. You must enter the EIN from Form 1098-T, *Tuition Statement*, or contact the college or university. If the eligible student attended more than one institution of higher education during the tax year, enter the EIN and name of the last one attended. If the taxpayer paid qualified college tuition expenses to more than one institution of higher learning for the same eligible student, enter the total qualified expenses paid to all institutions during 2014 for that student on one line. An eligible student can only be listed once on Form IT-272. Student qualified tuition expenses must be totaled and entered on line 3, *Total qualified college tuition expenses*.

Form IT-214 – Claim for Real Property Tax Credit

To qualify for the real property tax credit, a taxpayer must meet all of these conditions for tax year 2014:

1. The household gross income must have been \$18,000 or less. *Household gross income* is the annual total of gross income **for all members of the household**. Do not include food stamps, medicare, medicaid, scholarships, grants, surplus food, or other relief in kind.
2. They must have occupied the same New York residence for six months or more.
3. They must have been a New York State resident for all of 2014.
4. They could not have been claimed as a dependent on another taxpayer's federal income tax return.
5. **Their residence must not have been completely exempted from real property taxes.** (Their residence is a dwelling that they own or rent, including up to one acre of land around it.)
6. The current market value of all real property they owned, such as houses, garages, and land, must have been \$85,000 or less.
7. The taxpayer must have paid rent or real property taxes.

Only one credit is allowed per household. If more than one household member qualifies for the credit, you may divide the credit. Each member of your household who qualifies for the credit has to file a separate Form IT-214 (see the line 33 instructions for division of the credit). However, if you and your spouse are filing a joint return, you must file a joint claim on Form IT-214. The term *spouse* should be read as gender-neutral and includes a person in a marriage with a same-sex spouse.

You **cannot** file a claim for the real property tax credit for a taxpayer who died before filing a 2014 New York State personal income tax return or Form IT-214.

Note: Individual taxpayers can create an Online Services account to e-file Form IT-214.

Homeowners

1. The taxpayer or their spouse paid real property taxes.
2. Any rent they received for nonresidential use of their residence was 20% or less of the total rent they received.

Renters

1. The taxpayer or a member of their household paid rent for their residence.
2. The average monthly rent the taxpayer and other members of their household paid was \$450 or less, not counting charges for heat, gas, electricity, furnishings, or board.

Real property taxes paid means all real property taxes the taxpayer (or their spouse, if the spouse occupied the residence for at least six months) paid on the residence during the tax year including:

- current, prior, and prepaid real property taxes
- special ad valorem levies, and assessments levied

The taxpayer may elect to include real property taxes that are exempted from tax under section 467 (for persons 65 and older) of the Real Property Tax Law. Veterans' or STAR tax exemptions do **not** qualify. If they do not know this amount, they may contact their local assessor.

Information on property tax exemptions can be found on the county Web site where the property in question is located. Each county Web site allows a search to be done by property address to determine if property is exempt from real property taxes.

If additional information or help is needed, please contact your NYS Outreach Specialist.

IT-214 – Claim for Real Property Tax Credit Calculation and Limit Charts

If the amount on line 16 is:	Your rate is:
\$ 3,000 or less	.035
\$ 3,001 to \$ 5,000	.040
\$ 5,001 to \$ 7,000	.045
\$ 7,001 to \$ 9,000	.050
\$ 9,001 to \$11,000	.055
\$11,001 to \$14,000	.060
\$14,001 to \$18,000	.065

Credit limit for line 32		
If the amount on line 16 is:	and you made an entry on line 7, enter on line 32:	and you did not make an entry on line 7, enter on line 32:
\$ 1,000 or less	\$375	\$75
1,001 to 2,000	358	73
2,001 to 3,000	341	71
3,001 to 4,000	324	69
4,001 to 5,000	307	67
5,001 to 6,000	290	65
6,001 to 7,000	273	63
7,001 to 8,000	256	61
8,001 to 9,000	239	59
9,001 to 10,000	222	57
10,001 to 11,000	205	55
11,001 to 12,000	188	53
12,001 to 13,000	171	51
13,001 to 14,000	154	49
14,001 to 15,000	137	47
15,001 to 16,000	120	45
16,001 to 17,000	103	43
17,001 to 18,000	86	41

(continued)

Common questions and answers about Form IT-214

Q: I own a mobile home (trailer) located in a trailer park. I pay rent to the landlord who owns the trailer park. I pay no real property taxes. Am I considered an owner or a renter?

A: For the purposes of claiming the credit, you are a renter.

Q: Each month my social security benefits are reduced by a deduction for optional Medicare insurance. Do I include the gross amount of my social security benefits in my household gross income?

A: No, include only the actual amount of all social security benefits received when determining your household gross income.

Q: I am 67 and have a real property tax exemption. Can I include the amount exempted as part of the real property taxes I paid during the year?

A: Yes. You can elect to include in real property taxes paid any additional real property taxes that are exempted from tax under section 467 of the Real Property Tax Law (the local exemption for persons 65 or older). However, you cannot include the additional taxes you would have paid had you not qualified for the veterans' or STAR tax exemption. If you choose to include the exempted amount, your credit, before limitation, will be only 25% (instead of 50%) of your eligible real property taxes.

Q: My wife and I are filing married filing separate returns for the credit on Form IT-214. Do we have to divide the credit equally?

A: If you file separate income tax returns you can divide the credit any way you wish. You must each attach a copy of your division agreement to your Form IT-214.

Q: Can I claim the real property tax credit for a taxpayer who died?

A: No. A claim cannot be made for a taxpayer who died before filing a 2014 income tax return or Form IT-214.

Q: If I live in a senior citizen home or a public housing project, do I qualify for the real property tax credit?

A: Generally, residents of senior citizen homes and public housing projects do not qualify for this credit because these facilities are completely exempt from paying real property taxes. Your property management can tell you if your residence is completely exempt from paying real property taxes.

Q: Part of the rent for my residence is paid by my son who does not live with me. Can I include this in the amount of rent I paid during the tax year?

A: No. Include only the rent paid by you and members of your household.

Q: I rented a residence for part of the year and owned a residence for the rest of the year. How do I figure the amount of real property taxes paid?

A: Add 25% of the adjusted rent paid (for the number of months you rented) to the prorated part of the real property taxes paid (for the number of months you owned your residence).

Q: My father is 68 and lives with me and my family in a home we own. Does this qualify my household for a higher credit limitation for those 65 or older?

A: If you are a homeowner and qualify to claim the credit, either you or your spouse must be age 65 or older in order to qualify for the higher credit limitation. Your household does not qualify for the higher credit limitation based on the age of a household member who is age 65 or older.

Q: My father, who was over 65, lived with me and my family in a home we rent. My father lived with us for seven months in 2014 before he died. Does this qualify my household for a higher credit limitation for those 65 and older?

A: If your father was a member of your household that you rent for at least six months during the year then your household qualifies for the higher limitation. You must include your father's income for the period that he was a member of the household in computing your household gross income. The combined household gross income of all household members must be \$18,000 or less in order to qualify for the credit.

Q: I own property consisting of my home and 10 acres of land around it. Can I include all the real property taxes I paid during the year when I figure my credit?

A: No. Include only the amount of real property taxes paid that apply to the residence and one acre of land around it. Your local assessor should be able to assist you in determining the portion of real property tax attributed to the residence and the one acre of land around it.

Form IT-258 – Claim for Nursing Home Assessment Credit

Taxpayers may be entitled to this refundable credit if they:

Paid the nursing home assessment imposed on a New York State nursing home. They can find the amount of this assessment on the billing statement or other statements provided to a resident by the nursing home.

The assessment amount isn't the amount of expenses paid.

- They can claim the credit only if they actually paid the assessment. For example, they may claim the credit if their mother is a nursing home resident and they paid the assessment on her behalf. If the mother paid the assessment, only she can claim the credit.
- If they are a nursing home resident and assigned their long-term insurance benefits to the nursing home, they may claim a credit for the amount of those insurance benefits that represent the assessment payment.

- They cannot claim the credit for any part of the assessment paid directly to the nursing home by a health insurance policy with public funds (for example, Medicaid or Medicare) or paid by a trust or other entity.

How much is the credit?

- The credit is equal to the 6% base-rate portion of the assessment (not the amount of expenses paid) that they directly paid during the year.
- **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).

Note: This credit is available for resident and nonresident taxpayers.

Form IT-249 – Claim for Long-Term Care Insurance Credit

Taxpayers may be entitled to this nonrefundable credit if they paid a premium for qualifying long-term care insurance policies.

How much is the credit?

The allowable credit is 20% of the premiums paid during the tax year for the purchase of, or for continuing coverage under, a qualifying long-term care insurance policy.

Special rules:

Do not include on line 1:

- any qualified long-term care insurance premiums paid on the taxpayer's behalf by an employer-sponsored health insurance plan, unless the premiums are included in box 1 of their federal Form W-2, and
- insurance premiums paid with pretax dollars because they are not included in box 1 of their federal Form W-2.

Line 20

Form IT-201 filers: Enter the tax from Form IT-201, line 39, plus any amount from Form IT-201-ATT, line 21.

Form IT-203 filers: Enter the tax from Form IT-203, line 46, plus any amount from Form IT-203-ATT, line 20.

Form IT-241 – Claim for Clean Heating Fuel Credit

General information

What is the clean heating fuel credit?

The clean heating fuel credit is available to taxpayers for the purchase of bioheat that is used for space heating or hot water production for residential purposes within New York State. The credit is available for tax years beginning on or after January 1, 2006, and before January 1, 2017, and applies to bioheat purchased on or after July 1, 2006, but before July 1, 2007, and on or after January 1, 2008, but before January 1, 2017.

The credit amount equals \$.01 per gallon for each percent of biodiesel included in the bioheat, not to exceed \$.20 per gallon. To substantiate how the credit was computed,

taxpayers should keep copies of all invoices or bills from the supplier(s) that include **all** of the following:

- date of purchase,
- number of gallons of bioheat purchased, **and**
- the percentage of biodiesel included in the bioheat.

Note: The percentage of biodiesel included in the bioheat is the number or numbers preceded by the letter *B* in the bioheat designation. For example, bioheat designated **B5** contains 5% biodiesel.

The credit is claimed for the tax year in which the bioheat is purchased. If the amount of the credit exceeds the taxpayer's tax for the year, the excess is treated as an overpayment of tax to be credited or refunded without interest.

Form IT-221 – Disability Income Exclusion

Who can exclude disability income?

A taxpayer who files a New York State resident or nonresident and part-year resident income tax return may use this form to exclude all or part of their disability pay if they meet **all** of the following tests:

- they received disability pay; and
- they were not yet 65 when their tax year ended; and
- they retired on disability and were permanently and totally disabled when they retired (see *Definition of permanent and total disability* below; also see *Physician's statement* on the back page of Form IT-221); 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 were married at the end of this tax year and marked filing status ③, *Married filing separate return*, on their federal and New York State returns, they may

claim the disability income exclusion only if the taxpayer and their spouse lived apart during the entire tax year.

Definition of permanent and total disability

A person is permanently and totally disabled when:

- he or she cannot engage in any substantial gainful activity because of a physical or mental condition; and
- a physician determines that the condition (1) has lasted or can be expected to last continuously for at least a year; or (2) can be expected to lead to death.

Example: *Mrs. Taxpayer retired on disability and now works at an easier job in a full-time competitive work situation. She earns half of what she used to, but is paid more than the minimum wage. She is considered engaged in a substantial gainful activity. She cannot take the disability income exclusion.*

Note: Complete Form IT-225 and enter subtraction modification **S-124** on line 10.

Form IT-112-R – New York State Resident Credit, or Form IT-112-C – New York State Resident Credit for Taxes Paid to a Province of Canada

Taxpayers may be entitled to a nonrefundable credit if they:

- are a full-year or part-year resident of New York State, or a New York State resident estate or trust, or a part-year resident trust; and
- had income sourced to and taxed by another state, a local government within another state, the District of Columbia, or a Canadian province. (This income generally includes wages, business income, etc. It typically excludes interest, dividends, gambling winnings, lottery winnings, etc.)

Example: *If a New York State resident had \$300 tax due to another state, but had a credit from the other taxing authority of \$200 (not including withholding), only \$100 should be shown on line 24. It is the tax before withholding.*

Part-year residents: The tax on the income earned before they became a NYS resident or after they left NYS is not included for the purposes of determining the credit.

Taxpayers with dual residency status: If they are a resident of New York State for personal income tax purposes, and also deemed a resident of another state or a province of Canada for income tax purposes under its law, no credit is allowed if the other jurisdiction or Canadian province allows a credit against its tax for the total resident tax paid to New York.

Line 24

Residents: Enter the amount of income tax imposed by the other taxing authority. This amount would be the tax calculated after credits.

Form NYC-208 – Claim for New York City Enhanced Real Property Tax Credit for Homeowners and Renters

How does the taxpayer qualify for this credit?

To qualify for this credit, they must meet **all** of these conditions for tax year 2014:

- Their household gross income was less than \$200,000.
- They occupied the same New York City residence for six months or more.
- They were a New York City resident for all of 2014.
- 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.
- Additionally, they must meet all the conditions listed under **either** *Homeowners* or *Renters* below:

Homeowners

- The taxpayer or their spouse paid real property taxes.
- Any rent they received for nonresidential use of their residence was 20% or less of the total rent they received.

Renters

- The taxpayer or a member of their household paid rent for their residence.

How does the taxpayer claim the credit?

Complete Form NYC-208, *Claim for New York City Enhanced Real Property Tax Credit for Homeowners and Renters*, and submit it with their New York State personal income tax return, Form IT-201. If they do not have to file a New York return, but they qualify for this credit, just complete and file Form NYC-208 to claim a refund of the credit.

Only one credit is allowed per household. If more than one household member qualifies for the credit, they may divide the credit. Each member of their household who qualifies for the credit has to file a separate Form NYC-208 (see the line 29 instructions for division of the credit). However, if the taxpayer and their spouse are filing a joint return, they must file a joint claim on Form NYC-208. The term *spouse* should be read as gender-neutral and includes a person in a marriage with a same-sex spouse.

They **cannot** file a claim for the New York City enhanced real property tax credit for a taxpayer who died before filing a 2014 New York State personal income tax return or Form NYC-208.

Amending Form NYC-208 – If they need to amend a claim, write **Amended** at the top of a blank Form NYC-208 for that year and complete the form with the corrected information.

Form NYC-210 – Claim for New York City School Tax Credit

A taxpayer is entitled to this refundable credit if they:

- are a New York City resident or part-year resident, and
- can't be claimed as a dependent on another taxpayer's federal income tax return.

How much is the credit?

- married persons filing a joint return and qualifying widow(er) with a dependent child – up to \$125
- all other taxpayers – up to \$63.

How to claim this credit

If a taxpayer files a New York State personal income tax return, they must claim this credit directly on their return.

If they are not required to file a New York State income tax return, they may still claim this credit by filing Form NYC-210.

Additional New York City and Yonkers information

Changing New York City or Yonkers residence

If during the tax year a taxpayer had a New York City or Yonkers change of resident status, they must complete Form IT-360.1, *Change of City Resident Status*. If they changed their New York City or Yonkers residence, but not their New York State residence, submit Form IT-360.1 with Form IT-201. If they changed both their New York State residence and New York City or Yonkers residence during the same tax year, they must complete both Form IT-203 and Form IT-360.1.

Who owes New York City personal income taxes?

A tax is imposed on residents and part-year residents of New York City. Using the same filing statuses as under the state income tax, the starting point is state taxable income.

Who owes Yonkers taxes?

Yonkers is authorized by state law to impose personal income tax on residents, and an earnings tax on its nonresidents with wage or self-employment income from working in Yonkers.

Note: The Yonkers resident income tax surcharge has increased from 15% to 16.75%

Modernized e-filing (MeF)

The New York State Department of Taxation and Finance (*Tax Department* or *NYS DTF*) is pleased to offer personal income tax (PIT) Modernized e-file (MeF) for personal income tax returns. Most NYS returns can be transmitted through the Federal/State MeF e-file Program.

Electronic Return Originators (EROs) authorized by the IRS to e-file federal PIT returns are also authorized to e-file PIT MeF returns with NYS DTF.

Tax returns may also include non-XML documents, known as *binary attachments*. These can be submitted in PDF format .

Do not password protect a PDF attachment.

You may e-file 2012, 2013, and 2014 personal income tax returns.

Double entry of bank account information – When bank account information (account number and routing number) is being entered for the first time, we require that the information be entered **twice**. This improves accuracy by requiring the taxpayer to double check their account information.

Bank accounts must be identified as either *personal* or *business and checking or savings*.

IRS MeF Fed/State program

MeF will accept two kinds of submissions: 1) IRS (federal) submissions, and 2) NYS DTF submissions. Each return must be enclosed in a separate submission, but multiple submissions may be contained in a single message.

NYS DTF will support *linked* and *unlinked* state returns. A state submission can be *linked* to the IRS submission by including the Submission ID of the federal return in the state manifest. If the state submission is *linked* to an IRS submission (also referred to as a *FedState return*), the IRS will check to see if there is an accepted IRS submission under that Submission ID. If there is not an accepted federal return, the IRS will deny the state submission and a denial acknowledgement will be sent from the IRS. If there is an accepted federal return under that Submission ID, then IRS MeF will validate certain elements on the state submission and provide the submission to the participating state.

If the NYS return is *unlinked* to a previously accepted federal return (also referred to as a *State Stand-Alone Return*), then IRS MeF will validate certain elements of the submission, and, if the IRS does not deny the state return, it will provide the state submission to the participating state regardless of the federal return.

Note: Returns that are linked require two separate submissions. The first submission is to the IRS. Once the return is accepted by the IRS, a separate **second** submission of the NYS return needs to be completed.

MeF e-file reject and acknowledgement codes

MeF reject and acknowledgement codes for tax year 2014 are available at:
www.tax.ny.gov/pit/efile/pit_mef_publications_2014.htm

Common personal income tax modernized e-filing errors

Reject code (R129): Amount of NYS withholding reported on return not equal to amount reported on wage and tax statements.

Possible solution: Check the amounts reported on the tax documents under NYS withholding (W-2, 1099-G, and 1099-R) and make sure they add up to the amounts reported on line 72 of Form IT-201 or line 62 of Form IT-203.

Note: This problem can also occur for New York City and Yonkers taxes.

Electronic filing (e-file) signature requirements

When a New York State tax return is electronically filed by a volunteer, no documentation is sent to NY State. Do not mail Form W-2, *Wage and Tax Statement*, or other supporting documents to the Tax Department. All taxpayers must sign Form TR-579-IT, *New York State E-File Signature Authorization for Tax Year 2014*, acknowledging that they are allowing the volunteer preparer to e-file their personal income tax return. Form TR-579-IT should be attached to the taxpayer's copy of their personal income tax return. The taxpayer should retain Form TR-579-IT for their records.

FSA – Facilitated Self-Assistance

Taxpayers who prepare and file their own returns (self-filers) sign their returns by checking a box that indicates that they have read and agreed to our declaration certification language.

Note: Taxpayers who file a paper return must sign the return and submit the state copy of all W-2s and any 1099 forms that report NYS withholding taxes.

Power of attorney (durable power of attorney under the General Obligations Law)

Our regulations section 2390.1(c)(1) states that we do not accept a power of attorney form prescribed by Article 5 of Title 15 of the New York General Obligations Law.

If a taxpayer appears on behalf of another for whom they have a power of attorney (POA) please review the POA and make sure it is a properly executed POA. If the representative has provided a properly executed POA, please prepare the return for the representative. Once the representative signs Form TR-579-IT, attach the POA to Form 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 and NYC POA). The General Obligations Law POA does not provide certain information necessary to process the POA, like identifying numbers.

The New York State Tax Department 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. When there is a Form POA-1 on file, any correspondence, notices, bills, etc. that cover the tax and period listed on Form POA-1 will be sent to the first representative listed on the form, unless otherwise noted.

Refund options

Direct deposit of refunds

Taxpayers can have their refunds deposited directly into their checking or savings account. We need the bank account number, the routing transit number of their financial institution, and the type of account (checking or savings, personal or business) into which the refund is to be deposited. This added convenience will accelerate the receipt of refunds and provide added security by eliminating the possibility of a lost or stolen check.

Direct deposit is not available if a refund would go to an account outside the U.S.

How many refunds can be deposited into the same account?

Only four refunds can be deposited into the same account.

Can a refund be deposited into more than one account?

No, a refund will not be split and will only be deposited into one account.

Debit cards (New York State prepaid refund debit card)

We encourage any taxpayer who does not use direct deposit to take advantage of the New York State prepaid refund debit card.

Why should a taxpayer who does not have a bank account choose a New York State prepaid refund debit card?

A debit card provides a secure, convenient, and cost effective way for taxpayers to manage their money. Debit cards avoid check cashing fees. In most instances, there's no charge for using the card to make cash withdrawals or purchases.

Once the Tax Department has processed the return, the taxpayer will be issued a debit card in the amount of their refund.

Please provide the taxpayer with Form DTF-440, *The New York State Prepaid Refund Debit Card* (brochure).

Form DTF-440 will answer many of their questions regarding security, how to use, and any fees associated with the prepaid refund debit card.

Please inform taxpayers that their debit card(s) will be sent to the mailing address entered on their return.

Joint returns – If they filed a joint return, separate debit cards will be mailed together in one envelope to the taxpayer and their spouse. One or both of the taxpayers can activate the card(s) to access the refund. Once activated, either card can access the entire amount of the refund.

Paper checks

The Tax Department will mail a refund check to the mailing address entered on their return. Paper checks for joint filers will be issued with both names and must be signed by both spouses. Paper checks take weeks to be processed, printed, and mailed. If taxpayers don't have a bank account, they will likely be charged a fee to cash their check. They may want to consider a debit card refund instead.

How to cash a refund check of a deceased taxpayer

The survivor who is requesting the deceased taxpayer's refund must return the check to the Tax Department with a completed and notarized Form DTF-281, *Survivor's Affidavit*, and a copy of the death certificate. www.tax.ny.gov/pdf/current_forms/it/df281.pdf

Paying a balance due

Paying a balance due on a return

Taxpayers can pay the balance due on their returns using one of the following payment options.

Pay by electronic funds withdrawal (direct debit)

Payments may be made by an electronic funds withdrawal from their checking or savings account as long as the payment is not coming from an account outside the U.S. At the time of filing, taxpayers must specify the account and routing numbers of the bank account, type of the account: checking or savings **and** personal or business, and the date and amount of the withdrawal. They can pay their balance due when you e-file the return, or specify a payment date up to and including the April due date.

Pay by check or money order

Taxpayers paying New York State income tax by check or money order **must** include Form IT-201-V (*Payment Voucher for Income Tax Returns*) with their payment and:

- make their check or money order payable in U.S. funds to **New York State Income Tax**
- write their social security number, the tax year, and **Income Tax** on it.

Completing the voucher

- Be sure to complete **all** information on the voucher
- If filing a joint return include information for both spouses.

Mailing addresses

For e-filed and previously-filed returns

Mail the voucher (Form IT-201-V) and payment to:

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

Paper returns

Taxpayers filing a paper income tax return (including amended returns), **must** include the voucher and payment with their return and mail to:

STATE PROCESSING CENTER
PO BOX 15555
ALBANY NY 12212-5555

If they are not using U.S. Mail, they must consult Publication 55, *Designated Private Delivery Services*.

Pay by credit card

Taxpayers can use their American Express Cards®, Discover®/Novus®, MasterCard®, or Visa® credit card to pay the amount they owe on their income tax return through the Internet. The credit card service provider will charge a convenience fee to cover the cost of this service, and they will be told the amount before the taxpayer confirms the credit card payment. If the taxpayer files their return before

the original due date, they can make credit card payments any time up to the due date.

www.tax.ny.gov/pay/all/pay_by_credit_card.htm

If the taxpayer cannot pay their bill immediately, they have several options.

They can request an installment payment agreement (IPA). However, please inform them they should pay what they can to avoid accruing more penalties and interest.

The Tax Department bases the decision to allow an IPA on a thorough review of:

- prior history of compliance,
- current financial condition, and
- adherence to all department requirements

To make a request for an installment payment agreement:

- the taxpayer should log in to their Online Services account (or create an account if they do not already have one), select *Billing and late filing*, and select *Installment Payment Agreement*; or
- have a copy of their bill and call (518) 457-5434.

If the taxpayer filed their income tax return but did not pay in full, they may pay the balance due directly from a bank account or with a credit card on our Web site.

They simply log in to Online Services, select *Personal income tax*, and then select *Make an income tax return payment*. They will need to create an account if they do not already have one.

Offer in compromise

To apply for an offer in compromise, the following forms need to be completed:

- Form DTF-5, *Statement of Financial Condition*
- Form DTF-4, *Offer in Compromise (For Liabilities Not Fixed and Final and Subject to Administrative Review)*
- Form DTF-4.1, *Offer in Compromise (For Fixed and Final Liability)*

Detailed instructions and the mailing address can be found on these forms.

To obtain forms or to find out more information about the Offer in Compromise Program, taxpayers should visit our Web site (at www.tax.ny.gov).

Note: If the taxpayer owes NYS tax after completing their return, suggest that they change their withholding amount on Form IT-2104, *Employee's Withholding Allowance Certificate*.

Note: Volunteer tax return preparers should **not** be calculating penalty. If a software is requesting you to complete Form IT-2105.9 (penalty calculation form for the under payment of estimated income taxes), remove the form. If necessary, insert \$1 in prior year's taxes to cause the form to go away.

Amended returns

Important information

Follow these steps to complete an amended Form IT-201-X (or IT-203-X):

- Complete Form IT-201-X (or IT-203-X) as if you are filing the taxpayer's return for the first time.
- Carefully review and follow the instructions below. You must enter the same amount of sales and use tax and voluntary contributions that were on the original return; you cannot change these amounts (unless the Tax Department adjusted them).
- Do not submit a copy of their original Form IT-201, IT-201-D, IT-203, or IT-203-D with their amended Form IT-201-X or IT-203-X. **Note to volunteers:** The itemized deduction schedule is still on Form IT-201-X and Form IT-203-X.
- Submit with their amended Form IT-201-X (or IT-203-X) any:
 - **amended** credit claim form or other **amended** form (do not also submit the original version);
 - **new** credit claim form or any other form that they are filing for the first time with their amended Form IT-201-X (or IT-203-X); and
 - **original** credit claim form(s) (for example, Forms IT-213, IT-215, IT-216); other form(s) that they submitted with their original return and are not amending (for example, Form IT-201-ATT or Form IT-225); wage and tax statements (for example, Form W-2). **However, do not submit Form IT-201-D (or IT-203-D) with an amended return.**

If all necessary forms are not submitted with the amended return, the department will send it back to the taxpayer.

General information

A taxpayer must file an amended 2014 New York State return if:

- They made an error when they filed their original 2014 New York State income tax return.
- The Internal Revenue Service (IRS) made changes to their 2014 federal return.
- They need to file a protective claim for 2014.
- They need to report an NOL carryback for 2014.

Generally, Form IT-201-X (or IT-203-X) must be filed within three years of the date the original return was filed or within two years of the date the tax was paid, whichever is later. Do not file an amended return unless the taxpayer has already filed an original return.

Specific instructions

Use the 2014 Form IT-201 (or IT-203) instructions when completing Form IT-201-X (or IT-203-X). If the taxpayer is amending any credit claim form or other form, or is using any credit claim form or other form for the first time, write **Amended** across the top of that form and submit it with their amended return. Any other credit claim form or other form that the taxpayer submitted with their original return (except Form IT-201-D or Form IT-203-D) must also be submitted with their amended return.

Estimated tax (Form IT-2105)

If you expect that the taxpayer will owe \$300 or more New York State, New York City, Yonkers tax, or any amount of MCTMT for tax year 2015 after deducting tax withheld and credits that they are entitled to claim, they may need to pay estimated tax. The \$300 threshold is applied separately against each taxing jurisdiction (for example, if you expect that they will owe \$299 in state income taxes and \$299 in New York City income taxes, they don't have to pay estimated tax). The \$300.00 threshold does not apply to the MCTMT.

Payments are made quarterly. They may be made online or with Form IT-2105.

The total amount they must pay through withholding and estimated tax is the lesser of:

1. 90% of the tax shown on their 2015 tax return, **or**
2. 100% of the tax shown on 2014 return (110% of that amount if they are not a farmer or fisherman and the New York adjusted gross income (or net earnings from self-employment allocated to the Metropolitan Commuter Transportation District (MCTD)) shown on that return is more than \$150,000 (\$75,000 if married filing separately for 2015.)) If they did not file a 2014 return, or their 2014 return did not cover 12 months, this item does not apply.

Voluntary Disclosure and Compliance Program (online application only)

Visit the Tax Department's Web site at www.tax.ny.gov

Under the Voluntary Disclosure and Compliance Program, eligible taxpayers who owe back taxes can avoid penalties and possible criminal charges by:

- telling the department what taxes they owe;

- paying those taxes; and
- entering an agreement to pay all future taxes.

Mailing addresses

Forms IT-214, NYC-208, and NYC-210

If filing Form IT-214, NYC-208, or NYC-210 by itself, mail it to:

**NYS TAX PROCESSING
PO BOX 22017
ALBANY NY 12201-2017**

or, if mailing with a return use the address on the return.

Mailing income tax returns

If enclosing a payment (check or money order), mail the return and Form IT-201-V to:

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

If not enclosing a payment, mail the return to:

**STATE PROCESSING CENTER
PO BOX 61000
ALBANY NY 12261-0001**

or, if using a private delivery service consult

Publication 55, *Designated Private Delivery Services*

Form IT-201-V payment voucher*

If e-filing a return or paying a previously-filed return, mail the payment voucher to:

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

If filing a paper return, mail the return and the payment voucher to:

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

Filing Form IT-370 (extension request)*

If enclosing a payment with the extension request, mail Form IT-370 with the payment to:

**EXTENSION REQUEST
PO BOX 4125
BINGHAMTON NY 13902-4125**

If the balance due with Form IT-370 is 0 or if the taxpayer intends to pay by credit card, mail Form IT-370 to:

**EXTENSION REQUEST – NR
PO BOX 4126
BINGHAMTON NY 13902-4126**

***or, if using a private delivery service**

**JPMORGAN CHASE
NYS TAX PROCESSING – ESTIMATED TAX
33 LEWIS ROAD
BINGHAMTON NY 13905-1040**

Form IT-2105 voucher*

**NYS ESTIMATED INCOME TAX
PROCESSING CENTER
PO BOX 4122
BINGHAMTON NY 13902-4122**

Earned Income Credit/Dependent Care Credit Unit

**NYS TAX DEPARTMENT
EIC/DCC EXCEPTION UNIT
W A HARRIMAN CAMPUS
ALBANY NY 12227-0800**

Sending payment on assessments

**NYS ASSESSMENT RECEIVABLES
GENERAL POST OFFICE
PO BOX 4128
BINGHAMTON NY 13902-4128**

or, if using a private delivery service

**NYS ASSESSMENT RECEIVABLES
33 LEWIS ROAD
BINGHAMTON NY 13905-1040**

Individual Protest Resolution Center

(for disagreements on personal income tax refunds and assessments)

**NYS TAX DEPARTMENT
INDIVIDUAL PROTEST RESOLUTION CENTER
W A HARRIMAN CAMPUS
ALBANY NY 12227-0864**

Disclosure unit (to request copies of filed returns)

**NYS TAX DEPARTMENT
DISCLOSURE UNIT
W A HARRIMAN CAMPUS
ALBANY NY 12227-0871**

Freedom of information requests

**NYS TAX DEPARTMENT
RECORDS ACCESS INFORMATION
W A HARRIMAN CAMPUS
ALBANY NY 12227-0911**

To match payment with return

**NYS TAX DEPARTMENT
DEPOSIT RESOLUTION UNIT
W A HARRIMAN CAMPUS
ALBANY NY 12227-0862**

Office of Taxpayer Rights Advocate

**NYS TAX DEPARTMENT
OFFICE OF TAXPAYER RIGHTS ADVOCATE
W A HARRIMAN CAMPUS
ALBANY NY 12227-0912**

Penalties for late filing and late payment

1-60 days late:	\$200 tax due example
• Late filing penalty	50 days late
Section 685(a)(1) — 5% of the tax due per month* (reduced by ½% late payment penalty)	\$18.00
• Late payment penalty	
Section 685(a)(2) — ½ of 1% of unpaid amount per month*	<u>\$2.00</u>
Total due	\$20.00
61 or more days late:	
• Late filing penalty	75 days late
Section 685(a)(1)(B) — 5% of the tax due per month*, but not less than the lesser of \$100 or 100% of the amount required to be shown as the tax due.	\$100.00
• Late payment penalty	
Section 685(a)(2) — ½ of 1% of unpaid amount per month*	<u>\$3.00</u>
Total due	\$103.00

*up to a maximum of 25%

Need help?



Visit our Web site at www.tax.ny.gov

- get information and manage your taxes online
- check for new online services and features



Text Telephone (TTY) Hotline (for persons with hearing and speech disabilities using a TTY): If you have access to a TTY, contact us at (518) 485-5082. If you do not own a TTY, check with independent living centers or community action programs to find out where machines are available for public use.



Telephone assistance

Automated income tax refund status: (518) 457-5149
Personal Income Tax Information Center: (518) 457-5181
 To order forms and publications: (518) 457-5431



Persons with disabilities: In compliance with the Americans with Disabilities Act, we will ensure that our lobbies, offices, meeting rooms, and other facilities are accessible to persons with disabilities. If you have questions about special accommodations for persons with disabilities, call the information center.



E-file... It is easy, fast, safe, and allows taxpayers to get a refund faster.

Log on to www.tax.ny.gov for more information.