New York State Department of Taxation and Finance

Test for Voluntary Income Tax Assistance Program

TP-302
(11/14)

Question 1

Mr. and Mrs. Taxpayer1 are filing as married filing jointly. Mr. Taxpayer1 was placed in a nursing home in February 2014. The cost of the nursing home was $7,500 per month. Mr. and Mrs. Taxpayer1 assigned their long-term insurance to pay for $5,000 and paid out of pocket the remaining $2,500. The monthly billing statement shows an assessment of 6% and an additional assessment of 1.2%.

Mr. and Mrs. Taxpayer1 ask you if they are entitled to the nursing home credit.

You reply:

a.) Yes. You are entitled to a credit of 7.2% of your out of pocket payments and the amount paid on your behalf from your long term care insurance.
b.) Yes. You are entitled to a credit of 7.2% on just the out of pocket payments.
c.) Yes. You are entitled to a credit of 6% of your out of pocket payments and the amount paid on your behalf from your long term care insurance.
d.) Yes. You are entitled to a credit of 6% on just your out of pocket payments.

Question 2

Mr. Taxpayer2 moved to New York State in August of 2014 to attend a community college in central NY. Mr. Taxpayer2 did not enroll full time but took two classes for which tuition cost $1,500 and books cost $200.

Mr. Taxpayer2 asks you if he is eligible for the College Tuition Credit (Form IT-272).

You reply:

a.) No. You have to be registered as a full-time student to be eligible for the credit.
b.) Yes. You are eligible for the credit as you do not have to be a registered full-time student to be eligible for the credit.
c.) No. You have to be a full-year NYS resident to be eligible for the credit.
d.) Yes. You are eligible for the credit as long as the college attended was in NYS.

Question 3

Ms. Taxpayer3 is 53 years old and single. She had wages in the amount of $27,000. Her 82-year-old mother passed away in August 2014. Ms. Taxpayer3 and her sister were beneficiaries to her mother's pension from a private corporation. They each received $11,000 from their mother's private pension.

Ms. Taxpayer3 asks you if she is eligible for the NYS pension exclusion.

You reply:

a.) No. The pension exclusion is only allowed for the retiree.
b.) No. You must be 59 ½ years old to claim the pension exclusion.
c.) Yes. You may exclude $11,000.
d.) Yes, but you can only exclude $10,000 because the $20,000 pension exclusion has to be split evenly amongst the beneficiaries.

Question 4

Mr. Taxpayer4 was a full-year resident of NYS. For the last three months of 2014 he worked in New Jersey. His tax liability for New Jersey was $700, the tax calculated at $1,000 minus a tax credit of $300 from New Jersey.

Mr. Taxpayer4 asks you if he can claim a New York State Resident Credit (Form IT-112-R) for the taxes he paid to New Jersey.

You reply:

a.) Yes. You can claim a NYS resident credit for the amount of income tax imposed by the other taxing authority which would be the tax calculated after credits.
b.) Yes. You can claim a NYS resident credit for the amount of income tax imposed by the other tax authority which would be tax calculated prior to credits.
c.) Yes. Only if your tax liability for NYS is greater than the tax liability due to the other state.
d.) No. Because you were eligible for a $300 tax credit from New Jersey, you cannot claim the NYS resident credit.

Question 5

Mr. Taxpayer5 is divorced and has only one child: an 8-year-old son. Mr. Taxpayer5 moved to NYS in July 2014 and obtained a job for which he earned $13,750 in wages. His child lived with his ex-wife for the entire year. As part of the court order, he paid child support each month for all of 2014 through a NYS Support Collection Unit. His ex-wife lived in NYS for all of 2014 and earned a salary of $30,000. His ex-wife filed her NYS tax return as head of household and claimed their 8-year-old son as a dependent. His ex-wife also claimed the earned Income credit for NYS.

Mr. Taxpayer5 asks you if he qualifies to claim the Noncustodial Parent NYS Earned Income Credit (Form IT-209).

You reply:

a.) Yes. You can claim the credit as your child support payments are through a NYS support collection unit.
b.) No. You have to be a NYS resident for the entire year to claim the noncustodial parent NYS earned income credit.
c.) No. Only one parent can claim the child for an earned income credit.
d.) Yes. Your income falls below the cutoff for noncustodial parent NYS earned income credit.

Question 6

Mr. and Mrs. Taxpayer6 are filing as married filing jointly. Mr. Taxpayer6 had a $57,000 salary for 2014 and Mrs. Taxpayer6 earned $12,000 in wages working part time. They have two children. Mr. Taxpayer6 contributed $6,000 to a 529 savings plan for their older child. Mrs. Taxpayer6 contributed $2,000 to a 529 plan for their younger child.

Mr. and Mrs. Taxpayer6 ask you how much of a subtraction they can take, if any, for the 529 contributions they made on their NYS tax return which they will file as married filing jointly.

You reply:

a.) $7,000. Mr. Taxpayer6 can claim $5,000 of the $6,000 he contributed and Mrs. Taxpayer6 can claim the $2,000 she contributed.
b.) $8,000, since you are filing married filing jointly you are allowed to claim up to $10,000, regardless of who made the contributions.
c.) $6,000. You can only claim the highest amount contributed by one person.
d.) $10,000, the maximum credit allowed for married filing jointly.

Question 7

Mr. Taxpayer7 is a college student who can be claimed as a dependent on his parent's tax return. He had a part-time job for which he earned $2,750, and was a volunteer firefighter.

Mr. Taxpayer7 asks you if he can claim the volunteer firefighter credit (Form IT-245).

You reply:

a.) No. Since you can be claimed as a dependent on your parent's return you cannot claim the credit.
b.) Yes. You are entitled to claim the credit. You must file a NYS tax return for yourself and attach Form IT-245 to claim the credit.
c.) Yes. Since you can be claimed as a dependent on your parent's return your credit must be claimed on your parent's NYS tax return.
d.) No. This credit is not allowed for college students.

Question 8

Mr. and Mrs. Taxpayer8 filed their federal tax return with a filing status of married filing jointly. However, Mr. Taxpayer8 lives in New Jersey and Mrs. Taxpayer8 lives in NYS. They have two children ages 6 and 4 who live with Mrs. Taxpayer8 in NYS. They did not claim the federal child tax credit on their federal tax return. For NYS purposes Mrs. Taxpayer8 is going to file as married filing separately. Mrs. Taxpayer8 earned $23,000 in wages for 2014.

Mrs. Taxpayer8 asks you if she is entitled to claim the Empire State Child Credit (Form IT-213).

You reply:

a.) No. You are only entitled to the Empire State child credit if you claimed the federal child credit.
b.) No. Since your husband is not considered a NYS resident, you are not eligible for the credit.
c.) No. Your income exceeds the threshold for the credit.
d.) Yes, since you are a full-year NYS resident you are entitled to claim a $100 credit for your child.

Question 9

Ms. Taxpayer9 is 60 years old and single. She received $18,750 in pension income from a private pension. She paid $1,850 in premiums for her long-term care insurance. She filed her federal return and claimed the standard deduction.

Ms. Taxpayer9 asks you if she is entitled to the Long-Term Care Insurance Credit (Form IT-249).

You reply:

a.) Yes. The credit is nonrefundable and your pension is below the $20,000 pension exclusion, so you have no taxable income for NYS. You can carry the credit forward to future tax years.
b.) Yes. However, since the credit is nonrefundable and your private pension is below the $20,000 exclusion, the credit has no value for you.
c.) No. The credit can only be claimed the year you are placed in a long-term care facility.
d.) No. The credit is allowed only when the amount you paid in premiums is above your NYS adjusted gross income. Since you have zero NYS adjusted gross income, you cannot claim the credit.

Question 10

Mr. and Mrs. Taxpayer10 have retired in the 1,000 Island area. They previously lived and worked in Virginia. They are filing their first NYS Form IT-201 as married filing jointly. Mr. Taxpayer10 is 65 years old and has $23,000 pension income from the Pepsi Co. Mrs. Taxpayer10 is 60 years old and has $17,000 pension income from the Virginia State Retirement System.

They ask you what their adjusted NYS gross income, line 33 is.

You reply:

a.) $0 – You are each eligible for a $20,000 pension exclusion. Since Mrs. Taxpayer10 only used $17,000, the remaining $3,000 can be applied to Mr. Taxpayer10's income.
b.) $20,000 – Mr. Taxpayer10 is eligible for a $20,000 pension exclusion leaving $3,000 taxable income, and Mrs. Taxpayer10's pension of $17,000 is fully taxable because it's a government pension from another state.
c.) $40,000 – Neither of you are eligible for the pension exclusion as you worked in Virginia and moved to NYS when you retired.
d.) $3,000 – Mr. Taxpayer10 can exclude $20,000 using the pension exclusion and Mrs. Taxpayer10 can exclude $17,000 using the pension exclusion. Mrs. Taxpayer10's $3,000 balance cannot be carried over to Mr. Taxpayer10.

Question 11

Ms. Taxpayer11 filed her federal tax return as head of household. She has one dependent, her 8-year-old daughter. In 2014 her income consisted of wages totaling $23,000 and she informed you she paid $3,300 in day care expenses and has a receipt from a certified day care provider. After claiming the standard deduction and two exemptions on her federal tax return her AGI was zero. Since the federal child and dependent care expense credit (Form 2441) only reduces the federal AGI, she did not claim this credit.

Ms. Taxpayer11 asks you if she is entitled to the NYS Child and Dependent Care Credit (Form IT-216).

You reply:

a.) Yes, you can claim the NYS child and dependent care credit since you did qualify for the federal credit (whether or not you claimed the federal credit).
b.) No, you can only claim the NYS child and dependent care credit if you claimed the federal credit.
c.) Yes, however you can only claim the NYS child and dependent care credit or the Empire State child credit. You cannot claim both.
d.) Yes, but you are limited to the minimum credit of 20%.

Question 12

Mr. Taxpayer12 comes to you to have his tax return prepared. He provides you with a letter from the IRS that has his PIN number on it to file his tax return with since he has been a victim of identity theft.

Mr. Taxpayer12 asks you if he should have contacted NYS to notify NYS that his identity has been stolen.

You reply:

a.) No. The NYS Tax Department will contact you if they determine your identity has been stolen.
b.) Yes. You should send copies of all federal returns and forms affected by identity theft to the NYS Tax Department and they will inform you how to proceed.
c.) No. As long as you informed the IRS, the IRS will notify the NYS Tax Department.
d.) Yes. You should complete Form DTF-275, *Identity Theft Disclosure,* and provide required documentation.

Question 13

Mr. Taxpayer13 is a retiree who in 2014 received pension income of $10,000. He rents an apartment with his friend who received pension income of $12,000. They both lived in NYS all year and occupied this rental for 8 months of 2014. Their total rent was $425 a month and the property was **not** exempt from real property taxes.

You are preparing Mr. Taxpayer13's tax return and he asks you if he is eligible for the Real Property Tax Credit (Form IT-214).

You reply:

a.) Yes. Since your income is less than $18,000 you can claim the real property tax credit.
b.) No. Only one person can live in the household.
c.) Yes. Since you lived in the apartment for more than 6 months, you can claim the real property tax credit.
d.) No. You cannot claim the credit because the household income was greater than $18,000.

Question 14

Mr. Taxpayer14 is 65 years old and received $17,500 in pension income. Mr. Taxpayer14 owns his home, which has a current market value of $83,000, and paid $1,400 in property taxes in 2014. His granddaughter lived with him for the whole year and she received $5,000 in food stamps.

Mr. Taxpayer14 asks you if he is eligible for the Real Property Tax Credit (Form IT-214).

You reply:

a.) No, as your household gross income exceeds the $18,000 limit (pension $17,500 plus $5,000 in food stamps).
b.) No, since your granddaughter lived with you, you are not eligible for the credit.
c.) No, the credit is only available for taxpayers under the age of 65.
d.) Yes, you meet the criteria for the credit. Your household income is below the limit. Food stamps are not considered income for this credit.

Question 15

You just completed Mr. & Mrs. Taxpayer15's 2014 tax return. Their joint AGI is $210,000 and they itemized on their tax return. They own their own home in the Liverpool school district and received the STAR property tax exemption in 2014.

They ask you how they qualify to receive the Property Tax Freeze Credit.

You reply:

a.) Taxpayers must be registered to receive the STAR property tax exemption for 2014.
b.) The taxpayer's school district must comply with the tax cap.
c.) The NYS Tax Department will automatically mail you a check.
d.) All of the above.

Question 16

Mrs. Taxpayer16 is married but has not lived with her spouse for all of 2014 and does not know his whereabouts. She tells you she has made numerous attempts to locate him but has failed. Mrs. Taxpayer16 had $31,000 wages in 2014 and she has a ten-year-old daughter. Since Mrs. Taxpayer16 is unaware of her spouse's whereabouts and has made numerous unsuccessful attempts to locate her spouse, she filed her federal tax return using head of household filing status.

Mrs. Taxpayer16 asks you if she can file as head of household on her NYS tax return for 2014.

You reply:

a.) No. You must file as married filing jointly but you do not need your spouse's signature.
b.) Yes. You can file your NYS tax return using head of household filing status. The filing status carries over from the federal return.
c.) No. You must file as married filing separate because the whereabouts of your spouse are unknown.
d.) No. You must file as single because the whereabouts of your spouse are unknown.

Question 17

Taxpayer17 is a college student who is claimed by her parents as a dependent. She earned $3,125 in wages while she was away at college in western NY and taxes were withheld from her wages.

Taxpayer17 asks you if she needs to file a NYS tax return.

You reply:

a.) Yes. You need to file a NYS return since you can be claimed as a dependent and your wages are great than $3,100.
b.) No. You do not need to file as your wages are less than the standard deduction.
c.) No. You do not need to file because your parents are claiming you as a dependent.
d.) No. You do not need to file because your wages are below $4,000.

Question 18

Mr. and Mrs. Taxpayer18 are filing their tax return as married filing jointly. Mr. Taxpayer18 had wages of $37,000 and Mrs. Taxpayer18 had a salary of $43,000. They are claiming the following itemized deductions for their federal tax return:

Real estate taxes	$4,200
State and local income taxes	$2,700
Mortgage Interest	$5,000
Gifts to charity	$1,000

They ask you if they should claim the NYS standard deduction or itemize, and what the deduction will be.

You reply:

a.) Itemize - $12,900. Your NYS deduction is always the same as the federal deduction.
b.) Itemize - $10,200. Since you itemized on your federal return, you have to itemize for NYS but state and local taxes are not an allowable deduction for NYS.
c.) Standard - $15,650. You take whichever deduction is higher. Since your allowable NYS deductions are $10,200, the standard deduction is higher.
d.) Standard - $15,650. You can claim the NYS standard deduction but only if you took the standard deduction on your federal return.

Question 19

Mr. Taxpayer19 is 60 years old and presents the following Form 1099-Rs to you:

1. $21,000 from NYS Department of Transportation (NYS DOT)
2. $10,000 from NYS Deferred Compensation Program
3. $8,000 from his father’s pension, who died in 2012
4. $2,000 from a cashed in life insurance policy

Mr. Taxpayer19 asks you which of his 1099s can be subtracted from federal adjusted gross Income.

You reply:

a) 1, 2, and 3 but not 4.
b) 1 and 2 but not 3 and 4.
c) 1, 2, and 4 but not 3.
d) 1, 3, and 4 but not 2.

Question 20

You finished preparing Mr. and Mrs. Taxpayer20's tax returns. Their joint NYS AGI was $106,000 and they have two children ages 10 and 12. In 2012 they owned their home and qualified for the STAR property exemption. They were able to claim the Empire State child credit and child and dependent care credit on their 2014 NYS Tax Return.

They ask you if they are eligible for the family tax relief credit.

You reply:

a.) No. Since you received the Empire State child credit you are not eligible for the family tax relief credit.
b.) Yes. You meet the qualifications for the family tax relief credit.
c.) No. You can only receive the credit if you have one child under the age of 17; you have two children under the age of 17 so you do not qualify.
d.) No. Since you received the child and dependent care credit you are not eligible for the family tax relief credit.

Question 21

Mr. Taxpayer21 is 19 years old and is an independent student. He is not claimed as a dependent on his parents' federal tax return. In September 2014, he moved to New York City to attend college. He earned $8,000 in wages while he lived in New York City.

Mr. Taxpayer21 asks you if he can claim the New York City school tax credit.

You reply:

a.) No. You can only claim the credit if you were a full-year resident of New York City.
b.) Yes. You are eligible for the credit since you had income in NYS. The credit will be prorated based on the number of months you lived in New York City.
c.) Yes. You are eligible for the credit; you must file Form NYC-210.
d.) No. Your New York State income exceeds the limit for the credit.

Question 22

Mr. and Mrs. Taxpayer22 earned $51,000 in wages in 2014. Mr. and Mrs. Taxpayer22 own a house in New York City where they resided for the entire tax year. They did not claim any dependents on their federal return. They have owned their home since 1998. They stated that they were able to claim the itemized deduction on their federal return. They stated that in 2014 they paid $2,650 in property tax and received the basic STAR rebate in 2014. Mr. and Mrs. Taxpayers22 ask if they would qualify for the Property Tax Circuit Breaker credit.

You reply:

a.) No. Your combined household income of $51,000 exceeds the limit for the Refundable Property Tax Circuit Breaker credit.
b.) Yes. You were a New York City resident for all of 2014 and your combined household income is below the $200,000 income level for the credit. The base property taxes exceed a percentage of the household gross income.
c.) No. Since you received the STAR rebate you would not qualify for the Refundable Property Tax Circuit Breaker credit.
d.) Yes. All full-year New York City residents qualify for the Refundable Property Tax Circuit Breaker credit.

Question 23

Mr. Taxpayer23 filed as head of household and claimed his 5-year-old son as a dependent on his federal return. In 2014, he worked and earned wages of $29,150. In 2014, Mr. Taxpayer23 paid child care expenses in the amount of $3,800 for which he has receipts from a certified day care provider. Mr. Taxpayer23 lived in Staten Island for the entire tax year. He meets all the qualifications to claim the federal child and dependent care credit. He asks you if he is entitled to the claim both the New York State and New York City Child and Dependent Care Credits (Form IT-216).

You reply:

a.) No. You may only claim either the New York State credit or the New York City credit, whichever is greater.
b.) No. You only qualify for the New York State credit because your child was over the age of 4 at the end of the year.
c.) Yes. You qualify for both the New York State and New York City credits.
d.) No. You only qualify for the New York State credit because your dependent was over the age of 4 by December 31st and therefore you do not qualify for the New York City credit.

Question 24

Mr. and Mrs.Taxpayer24 lived in an apartment in Queens, New York since 2006. Mr. and Mrs. Taxpayer24 purchased a home in Destin, Florida in January 2014. Mr. and Mrs. Taxpayer24 moved to Destin, Florida in March 2014. Mr. and Mrs. Taxpayer24 inform you that they changed their address through the NYS Tax Department's Online Services center on March 10, 2014. They filed as married filing jointly on their federal return. Mr. Taxpayer24's wages for January and February were $3,100, which was their only New York source income. They ask if they would be required to file a NYS and/or NYC tax return.

You reply:

a.) No. You are nonresidents or part-year residents of New York State with New York source income and New York adjusted gross income less than the New York State standard deduction.
b.) Yes. Since you were a resident of New York State and New York City on January 1, 2014, you are required to file a NYS and NYC return.
c.) Yes. You are only required to file a New York City Nonresident and Part-Year Resident Income Tax Return.
d.) Yes. Since you changed both your residency for New York State and New York City during the year, you must complete both a Nonresident and Part-Year Resident Income Tax Return (Form IT-203) and a Change of City Resident Status (Form IT-360.1).

Question 25

Ms. Taxpayer25 is a Connecticut resident. She started working in New York State in February 2014 for a company based in Yonkers, New York. She earned $42, 000 working for the Yonkers-based company. She told you that she commuted to her office 5 days per week. She asks if she is required to file a nonresident and part-year resident income tax return and if she is subject to the increased (to 16.75%) Yonkers surcharge.

You reply:

a.) Yes. You are required to file a NYS Nonresident and Part-Year Resident Income Tax Return (Form IT-203). All income earned in Yonkers in 2014 is subject to the increased surcharge rate.
b.) No. Only Yonkers residents or part-year residents are required to pay the16.75% Yonkers surcharge.
c.) You are not required to file a NYS return; however you are subject to the Yonkers surcharge.
d.) You are required to file a NYS Nonresident and Part-Year Resident Income Tax Return (Form IT-203) and a Yonkers Nonresident Return (Form Y-203). However, the Yonkers nonresident earnings tax rate was not changed and continued to be imposed at a rate of .5% on wages and net earnings from self-employment. The increase in the rate of the Yonkers resident income tax surcharge (to 16.75%) only applies to residents of Yonkers.