New York State Department of Taxation and Finance

Instructions for Form IT-203

Nonresident and Part-Year Resident Income Tax Return

IT-203-I

New York State • New York City • Yonkers

Check out *e-file*...
It's easy, fast and safe!
And if you qualify, you can e-file for FREE!
See page 60 and log on to ***www.nystax.gov*** for more information.

This booklet contains instructions for:

- **Form IT-203, *Nonresident and Part-Year Resident Income Tax Return***
- **Form IT-203-ATT, *Other Tax Credits and Taxes***
- **Form IT-203-B, *Income Allocation and College Tuition Itemized Deduction Worksheet***
- **Form IT-215, *Claim for Earned Income Credit***
- **Form IT-216, *Claim for Child and Dependent Care Credit***

This booklet also contains forms and instructions for:

- **Form IT-2104, *Employee's Withholding Allowance Certificate***
- **Form IT-2104.1, *New York State, City of New York, and City of Yonkers Certificate of Nonresidence and Allocation of Withholding Tax***

Form IT-203 highlights for tax year 2005

- **Form IT-203 has been reformatted as a four-page form and Forms IT-203-ATT and IT-203-B have been redesigned**
- **New Forms IT-2, *Summary of Federal Form W-2 Statements,* and IT-1099-R, *Summary of Federal Form 1099-R Statements,* must be used to report information from your federal Form(s) W-2 and 1099-R**
- **Certain New York State tax rates reduced**
- **Form IT-370, *Application for Automatic Six-Month Extension of Time to File for Individuals*, now automatically extends the due date of your return for six months**
- **You can contribute to the new WTC Memorial Fund**
- **Long-term care insurance credit is now limited**
- **Resident credit for taxes paid to a province of Canada now claimed on new Form IT-112-C, *New York State Resident Credit for Taxes Paid to a Province of Canada***
- **New nursing home assessment credit available**
- **Yonkers nonresident earnings tax has been increased**
- **New electronic filing requirements for tax return preparers**

(also see page 4)

Visit our Web site at *www.nystax.gov* for up-to-the-minute information on New York State tax matters, including matters that may affect your New York State personal income tax return.

How to avoid mistakes that slow down the processing of your return and refund

- **Use your preprinted peel-off label.**

  The peel-off label located under the flap on the inside front cover of your income tax packet is designed to speed processing and prevent common errors that may delay refund checks. But do not attach the label until you have completed and checked your return. See Step 5 on page 49 of these instructions.

- **Enter your social security number(s) in the boxes provided at the top of Form IT-203.**

  The peel-off label does not display your social security number(s). Be sure to enter your social security numbers in the same order as your name(s).

- **Be sure to mark an *X* in either the *Yes* or *No* box at Item C.**

  Item C asks whether or not you can be claimed as a dependent on another taxpayer's federal return. Be sure to mark either the *Yes* or *No* box, especially if you are single, since the answer determines the amount of standard deduction allowed.

- **Public employee 414(h) retirement contributions must be entered on line 21.**

  If you are a Tier 3 or Tier 4 member of the New York State and Local Retirement Systems (including the New York State Employees' Retirement System and the New York State Policemen's and Firemen's Retirement System), New York State Teachers' Retirement System, or an employee of the State or City University of New York who belongs to the Optional Retirement Program or a member of the Manhattan and Bronx Surface Transit Authority (MABSTOA) pension plan or any tier member of the New York City Employees' Retirement System, the New York City Teachers' Retirement System, the New York City Board of Education Retirement System, the New York City Police Pension Fund, or the New York City Fire Department Pension Fund, you must enter the amount of public employee 414(h) retirement contributions you made in 2005 on line 21.

- **New York City IRC 125 flexible benefits program amounts must be included on line 22.**

  Internal Revenue Code (IRC) section 125 amounts deducted or deferred from your salary under a flexible benefits program established by New York City and certain other New York City public employers must be included as an *Other* addition on line 22 of Form IT-203.

- **Check the New York *Standard deduction table* on page 2 of Form IT-203 and make sure that you have claimed the correct standard deduction for your filing status on line 33.**

  For example, do not claim a head of household filing status and then claim a standard deduction for a single or married filer.

- **Complete the New York *Dependent exemption worksheet* on page 34 and enter the line e number on line 35.**

  Some taxpayers make the mistake of entering the number of exemptions that they claimed on their federal return on line 35 of their Form IT-203. In general, federal exemptions include both personal and dependent exemptions. However, only dependent exemptions are allowed on your New York State return. The value of each New York dependent exemption is $1,000. To ensure that you receive credit for the correct number of New York dependent exemptions, complete the worksheet on page 34 of these instructions before making an entry at line 35 of your return.

- **Enter your refund or amount you owe on the correct line of your return.**

  Taxpayers sometimes enter the amount they owe on the **refund** line (line 68) instead of on the **amount you owe** line (line 70). The taxpayer then expects a refund, when in fact he or she owes tax. This will result in a bill for the tax owed plus interest and possible penalty. This situation can be avoided by making sure that if you owe tax, you enter the amount owed on the correct line and pay this amount when you file your return.

- **Nonobligated spouses should attach Form IT-280 to their returns.**

  If you are a nonobligated spouse who is filing Form IT-280 to disclaim your spouse's debt, use the original Form IT-280. **Do not** use a photocopy. If you need to get this form, see *Need help?* on the back cover.

- **Amount applied to 2006 estimated income tax**

  If you elect to apply all or part of the amount overpaid to your 2006 estimated income tax, that election generally **cannot** be changed after April 17, 2006 (April 18, 2006, if you file your federal return at the IRS Service Center in Andover, MA).

Your rights under the Tax Law — The Taxpayer Bill of Rights requires, in part, that the Tax Department advise you, in writing, of your rights and obligations during an audit, when appealing a Tax Department decision and when your appeal rights have been exhausted and you need to understand enforcement capabilities available to the Tax Department to obtain payment. For a complete copy of the information contained in all of these statements, you may request Publication 131, *Your Rights and Obligations Under the Tax Law*. For a copy of Publication 131, see *Need help?* on the back cover of these instructions.

How nonresidents and part-year residents are taxed

If you were a nonresident of New York State and received income in 2005 from New York State sources, or if you moved into or out of New York State in 2005, you must file Form IT-203, *Nonresident and Part-Year Resident Income Tax Return*. You are subject to New York State tax on income you received from New York sources while you were a nonresident and on all income you received while you were a New York State resident.

First, you must compute a base tax as if you were a resident of New York for the entire year, including items of income, gain, loss, and deduction from all sources. You must then divide your New York source amount of New York adjusted gross income by your federal amount of New York adjusted gross income, to determine an income percentage. Multiply the base tax by the income percentage to arrive at the amount of tax apportioned to New York based on New York source income.

If you were a resident of New York for all of 2005, you must use a resident income tax return, Form IT-150, or Form IT-201.

If you do not need an income tax forms packet mailed to you next year — If you use a paid preparer, or if you use computer software to prepare your return, or if for any other reason you do not need a tax packet mailed to you next year, please mark an ***X*** in the box at item D of your Form IT-203. By marking this box, you will help us reduce printing and mailing costs. See page 16 for additional information.

Notice to estimated income tax filers — The Tax Department plans to begin mailing estimated income tax vouchers in mid-February. Estimated income tax filers can expect to receive their IT-2105 payment vouchers in late February or early March.

Americans with Disabilities Act — 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, please call the *Personal Income Tax Information Center* number listed under the *Need help?* section on the back cover.

Table of contents

Highlights for tax year 2005 .....front cover, 4

General information

How to avoid mistakes 2
Your rights under the Tax Law 2
How nonresidents and part-year residents are taxed 2
Americans with Disabilities Act 2
Information on paying sales and use taxes 5
Who must file 6
New York nonresidents and part-year residents 6
Child's investment income (federal Forms 8814 and 8615) 6
New York source income 7
Special accruals 7
New York State resident, nonresident, and part-year resident defined 7
Joint and separate returns for married taxpayers 8
Innocent spouse relief 9
Members of the armed forces 9
Foreign earned income 9
U.S. nonresident aliens 10
Deceased taxpayers 10
Estates and trusts 10
Partnerships and LLP, LLC, LLIC, LLTC 10
How to get New York City forms 10
Nonresidents of Yonkers 10
Part-year residents of New York City and Yonkers 10
New York City school tax credit 10
Other forms you may have to file 10
Summary of Federal Form W-2 Statements (IT-2) 10
New York State net operating loss (NOL) 12
Amended return (Form IT-203-X) 12
Reminders 12
When to file 14
Where to file 14
Electronic Services 59
e-file electronic tax filing 60

Steps 1, 2, and 3 for preparing your return 15

Line instructions for Form IT-203 15
Filling in your tax return 15
Name and address box 15
Items A through F 16
Federal income and adjustments (lines 1-18) 16
Part-year resident income allocation worksheet and instructions 17
New York additions and subtractions/ New York adjusted gross income 22
New York additions (lines 20-22) 23
Public employee 414(h) retirement contributions (line 21) 23
NY City IRC 125 amounts; A-19 (line 22) 25
New York subtractions (lines 24-29) 27
Pensions of NYS, local, & federal govts. (line 25) ... 27
Pension and annuity income exclusion (line 28) 27
Long-term residential care deduction; S-24 (line 29) .. 30
Standard or itemized deduction (line 33) 32

Line instructions for Form IT-203 *(continued)*
Adjustment worksheets 1, 2, A, and B 33
Dependent exemption worksheet (line 35) 34
Tax computation (lines 38 through 55) 35
Credits and other taxes (lines 39-49) 38
NYS household credit tables (line 39) 38
NYS child and dependent care credit (line 41) 39
NYS earned income credit (line 43) 39
Sales or use tax (line 56) 40
Voluntary contributions (line 57) 45
Payments and refundable credits (lines 60-66) 45
NY City school tax credit (line 60) 45
Refund or amount you owe (lines 67-70) 46
Collection of debts from your overpayment 46
Underpayment (estimated tax) penalty (line 71) 47
Direct deposit and Electronic funds withdrawal (line 72) ... 48
Third-party designee 49

Steps 4 and 5 for preparing your return 49
Peel-off label 49
Decedent information 50

Steps 6, 7, 8, and 9 for preparing your return 50
Sign your return; return assembly; checklist 50
Mailing instructions 51
Private delivery services 51

Amending your New York State return 52

Instructions for Form IT-203-B 53
Schedule A, Allocation of income 53
Schedule B, Nonresident living quarters 53
Schedule C, College tuition itemized deduction 53

Instructions for Form IT-203-ATT 55
Other credits and taxes chart 56

Interest and penalties 58
New York State tax tables 61

Instructions for Form IT-215 69
Instructions for Form IT-216 73
School district names and code numbers 77

- Form IT-2104.1, *New York State, City of New York, and City of Yonkers Certificate of Nonresidence and Allocation of Withholding Tax*
- Form IT-2104, *Employee's Withholding Allowance Certificate*

Contribution fund information .....inside back cover
Need help? (telephone and fax numbers, Internet assistance) ..... back cover
Resolving tax problems ..... back cover

Form IT-203 highlights for tax year 2005

● **Form IT-203 redesigned —** Form IT-203 has been reformatted as a four-page form, replacing the old two-page version. This reduces crowding and reduces the need to attach separate schedules by providing space for additional items such as itemized deductions.

In addition, Form IT-203-ATT, *Other Tax Credits and Taxes*, now contains New York State, New York City, and Yonkers refundable credits as well as other New York State taxes. These credits and taxes were previously reported on Form IT-203-B.

Form IT-203-B, *Nonresident and Part-Year Resident Income Allocation and College Tuition Itemized Deduction Worksheet*, now contains Schedule A, *Allocation of wage and salary income to New York State*; Schedule B, *Living quarters maintained in NYS by a nonresident*; and Schedule C, *College tuition itemized deduction worksheet*. These schedules were previously found on Form IT-203-ATT.

● **Some tax rates reduced —** Certain rates within the New York State tax rate schedule have been reduced. See page 37.

In addition, effective January 1, 2006, the New York State tax surcharge applicable to higher income taxpayers expires. Be sure to check your 2006 withholding to ensure the correct amount of tax is withheld from your paycheck. See Form IT-2104, *Employee's Withholding Allowance Certificate*.

● **Yonkers income tax surcharge and nonresident earnings tax increased** The Yonkers resident income tax surcharge has been increased to a rate of 10% of the net state tax, and the Yonkers nonresident earnings tax has been increased to a rate of 0.5%.

● **New Forms IT-2 and IT-1099-R now required —** Starting this year, there are two new forms that you must use to report information from any federal Form(s) W-2 and certain Form(s)1099-R that you receive. Instead of attaching those federal forms to your New York return, you must now copy the required information from them onto new Form IT-2, *Summary of Federal Form W-2 Statements*, and (if applicable) Form IT-1099-R, *Summary of Federal Form 1099-R Statements*. See pages 10 and 11.

● **Six-month extension now available** Form IT-370, *Application for Automatic Six-Month Extension of Time to File for Individuals*, now automatically extends the due date of your return for **six** months instead of four. See page 14.

● **Long-term care insurance credit —** For tax years beginning on and after January 1, 2005, the long-term care insurance credit is now limited to the extent of a taxpayer's New York adjusted gross income derived from New York sources. For additional information, see Form IT-249, *Claim for Long-Term Care Insurance Credit*, and its instructions.

● **New Form IT-112-C for Canadian taxes —** For tax years beginning on or after January 1, 2005, you must claim the resident credit (and addback) for taxes paid to a Canadian province on new Form IT-112-C, *New York State Resident Credit for Taxes Paid to a Province of Canada*. Previously this credit (and addback) was claimed on Form IT-112-R. For additional information, see the instructions for Form IT-112-C. (Form IT-112-R is still in use for the resident credit related to taxes paid to other states.)

● **New credit for nursing home assessments —** For tax years 2005 and after, a new credit is allowed for the New York State assessment imposed on a residential health facility that is paid directly by an individual. For additional information, see Form IT-258, *Claim for Nursing Home Assessment Credit*, and its instructions.

● **Investment credit expanded —** An investment credit is now available for property that is principally used as a qualified film production facility. For additional information, see Form IT-212, *Investment Credit*, and its instructions.

● **Brownfield credits now available —** For tax years beginning on or after April 1, 2005, a taxpayer participating in the Brownfield Cleanup Program may be eligible for any one of three new credits relating to the cleanup and redevelopment of brownfield sites. For additional information, see the instructions for new Forms IT-611, *Claim for Brownfield Redevelopment Tax Credit;* IT-612, *Claim for Remediated Brownfield Credit for Real Property Taxes;* and IT-613, *Claim for Environmental Remediation Insurance Credit.*

Also, in determining New York adjusted gross income, there is a new addition you must make to federal adjusted gross income for premiums paid for environmental remediation insurance where the credit is claimed and the premiums are deducted in calculating your federal taxable income. See New York addition A-27 on page 26.

● **Fuel cell electric generating equipment credit expanded —** Beginning on or after July 1, 2005, individuals, partners in a partnership, shareholders of S corporations, and beneficiaries of estates and trusts may claim the fuel cell electric generating equipment credit. The credit applies to qualified fuel cell electric generating equipment expenditures made on or after July 1, 2005. Previously, only individuals could claim a credit for fuel cell electric generating equipment installed at their principal residence. For additional information, see Form IT-259, *Claim for Fuel Cell Electric Generating Equipment Credit*, and its instructions.

● **Special additional mortgage recording tax credit —** For tax years beginning on and after January 1, 2004, a credit is allowed equal to the amount of the special additional mortgage recording tax paid by a taxpayer for mortgages recorded on or after January 1, 2004, on real property located in New York State. For additional information, see Form IT-256, *Claim for Special Additional Mortgage Recording Tax Credit*, and its instructions.

● **New QETC credit —** For tax years beginning on or after January 1, 2005, this new credit is allowed for an eligible taxpayer that is a qualified emerging technology company (QETC). For additional information, see Form DTF-619, *Claim for QETC Facilities, Operations, and Training Credit*, and its instructions.

● **QEZE and EZ credits revised** Numerous changes have been made to the QEZE and EZ credits. For additional information, see TSB-M-05(5)I, *Summary of Certain Personal Income Tax Legislative Changes Enacted in 2005*, and the applicable credit claim forms.

● **Alternative fuels credit expired —** The alternative fuels credit **expired** for property placed in service after December 31, 2004.

● **New York State offsets —** Your overpayment may be reduced by amounts of outstanding tax debts owed to other states. See *Collection of debts from your overpayment* on page 46.

● **New reporting requirements for tax shelters —** There are new reporting requirements with respect to the disclosure of information relating to transactions that present the potential for tax avoidance (tax shelters). These new reporting requirements are similar to the tax shelter disclosure requirements for federal income tax purposes. Separate reporting requirements are imposed on those who utilize tax shelters and those who promote the use of tax shelters. For additional information, see TSB-M-05(2)C,(4)I, TSB-M-05(2.1)C,(4.1)I, and Publication 671.

● **Tax return preparers may have to e-file** Beginning January 1, 2006, many tax return preparers must e-file their clients' tax returns. The e-file requirement applies to individual personal income tax returns. If you use a paid preparer and do not wish to have your return e-filed, complete new Form IT-800, *Opt-Out Record for Tax Practitioners,* and give it to your preparer. This allows the preparer to file your return on paper. For additional information, see the *Practitioner Page* on our Web site at *www.nystax.gov.*

New for 2006

● **Solar energy system equipment credit** Beginning in 2006, a credit will be allowed, subject to certain limits, for expenditures in 2006 and after for solar energy system equipment that utilizes solar radiation to provide heating, cooling, hot water, or electricity for use in an individual's principal residence.

Information on paying sales and use taxes on your income tax return

When do you owe New York State and local sales or use tax?

When you make a purchase of taxable property or services from a seller (vendor) located in New York State and take delivery in New York State, the vendor should collect state and local sales or use tax and forward it to the Tax Department. However, you are responsible for paying the tax directly to the Tax Department under the following circumstances:

Deliveries into New York State — You owe state and local sales or use tax if you:

- purchase property or a service which is delivered to you in New York State without payment of New York State and local tax to the seller, such as through the Internet, by catalog, from television shopping channels, or on an Indian reservation.

Purchases outside New York State with subsequent use in New York State — You may also owe state and local sales or use tax if you are a resident of New York State for sales and use tax purposes at the time you purchase any of the following outside New York State:

- property you bring into New York State for use here;
- a service performed on property outside New York State and you bring that property into New York State for use here; or
- a service (such as an information service) you bring into New York State for use here.

(You may be eligible for a credit for sales or use tax paid to another state. See *Instructions for Worksheets 1, 2, and 3,* Column D, on page 42.)

However, you are not required to pay state or local sales or use tax on any property or service that you bring into New York State which you purchased outside of the state before you became a resident of New York State.

Additional local tax — You may owe an additional **local** tax if you are a resident of a locality (county or city) for sales and use tax purposes at the time of purchase and you:

- bring property into that locality that you purchased in another locality in New York State that has a lower tax rate;
- bring property into that locality on which you had a taxable service performed in another locality in New York State that has a lower tax rate; or
- bring a service (such as an information service) into that locality which you purchased in another locality in New York State that has a lower tax rate.

However, you are not required to pay any additional local tax on any property or service that you bring into a locality in New York State that you purchased outside that locality before you became a resident of that locality.

Note: For purposes of these sales and use tax instructions, the word *tax* will be used to refer to either the sales tax or the use tax, or both.

Who is a New York State resident for sales and use tax purposes?

For sales and use tax purposes, the definition of *resident* includes persons who may not be considered residents for personal income tax purposes. For example, persons maintaining a permanent place of abode in New York who do not spend more than 183 days a year in the state, college students, and military personnel may all be residents for sales and use tax purposes even if they are not residents for income tax purposes. For sales and use tax purposes, an individual is a resident of the state and of any locality in which he or she maintains a permanent place of abode. A *permanent place of abode* is a dwelling place maintained by a person, or by another for that person to use, whether or not owned by such person, on other than a temporary or transient basis. The dwelling may be a home, apartment or flat; a room including a room at a hotel, motel, boarding house, or club; a room at a residence hall operated by an educational, charitable or other institution; housing provided by the armed forces of the United States, whether the housing is located on or off a military base or reservation; or a trailer, mobile home, houseboat, or any other premises. This includes second homes. Therefore, you can be a resident of more than one locality and state for sales and use tax purposes.

An individual doing business in New York State is a resident for sales and use tax purposes of the state and of any county or city in which the individual is doing business, with respect to purchases of taxable property or services used in the business. Therefore, if an individual is engaged in business in New York State but has no permanent place of abode in New York State, the individual will owe use tax only on taxable purchases made with respect to the business operated in New York.

What tangible personal property and services are subject to sales and use taxes?

Most tangible personal property is subject to tax. Some examples are: cigarettes and other tobacco products; alcohol; candy; clothing; books; electronic equipment; furniture; collectibles (for example, stamps, coins, etc., bought for collections); works of art; off-the-shelf computer software; and generally, a garage sale item costing more than $600.

Some examples of tax exempt items are: prescription and nonprescription drugs and medicines used for humans; certain medical equipment; newspapers; periodicals; most food items; U.S. and New York State flags; Indian arts and crafts when purchased on an Indian reservation; used mobile homes; and college textbooks.

Only certain services are subject to tax. Taxable services include maintaining, servicing, and repairing tangible personal property and real property (for example, land and buildings). Some other examples are auto repair, appliance service, house repairs, lawn maintenance and information services. Some examples of exempt services are dry cleaning, veterinary (except for grooming and boarding), legal, accounting, and medical services.

Reporting and paying sales and use taxes

You must report any unpaid sales or use tax owed for 2005 on this personal income tax return.

Note: Do not use Form IT-203 to report and pay sales and use taxes with respect to a business if you (or the business) are registered, or required to be registered for sales tax purposes. Report and pay sales and use taxes with respect to business purchases on the applicable sales and use tax return.

If you are requesting an extension of time to **file** your personal income tax return and you owe sales or use tax, you must pay any sales or use tax you owe at the time you request the extension. See Form IT-370 for more information.

If you receive an automatic extension of time to **pay** your New York State personal income tax (e.g., you are in a foreign country), your sales or use tax is due when your New York State personal income tax return is due.

You may report and pay your sales or use tax liability on your personal income tax return for:

- your personal purchases;
- purchases related to your royalty activities or rental real estate activities reported in Part I of federal Schedule E; **and**
- purchases related to your Schedule C, C-EZ, or F business (not otherwise eligible for exemption) unless the business is, or is required to be, registered for sales tax purposes.

(continued)

Sales and use taxes *(cont.)*

If you are married and file a joint return, you may include your spouse's sales or use tax liability for:

- your spouse's purchases;
- purchases related to your spouse's royalty activities or rental real estate activities reported in Part I of federal Schedule E; **and**
- purchases related to your spouse's Schedule C, C-EZ, or F business (not otherwise eligible for exemption) unless the business is, or is required to be, registered for sales tax purposes.

If you are not filing an income tax return but owe sales or use tax for 2005, you must pay any unpaid sales or use tax by filing Form ST-140, *Individual Purchaser's Annual Report of Sales and Use Tax,* by April 17, 2006. However, if you (or the business) are registered, or required to be registered, for sales tax purposes, all sales and use taxes owed with respect to business purchases must be reported and paid with the periodic sales and use tax return.

At the time of registration, the New York State Department of Motor Vehicles (DMV) collects any unpaid sales or use tax on a motor vehicle, trailer, all-terrain vehicle, vessel, or snowmobile that must be registered or titled by DMV. Therefore, do not report or pay the sales or use tax on these items on your personal income tax return.

What happens if I don't pay the sales or use tax due?

Failure to pay sales or use tax may result in the imposition of penalty and interest. The Tax Department conducts both routine and special audits to promote compliance. In addition, the U.S. Customs Service provides the department with information from customs declarations filed by New York State residents returning from overseas travel. The department also obtains information on sales to New York State residents under information exchange agreements with other states.

Computing sales or use tax

To compute the amount of tax you owe, see *How to calculate and report your sales and use tax liability on Form IT-203*, beginning on page 40.

If you do not owe any sales or use tax, you **must** enter ***0*** on the sales or use tax line of your personal income tax return.

For more information, see Publication 774, *Purchaser's Obligations to Pay Sales and Use Taxes Directly to the Tax Department: Questions and Answers*.

For more information on taxable and exempt goods and services, see Publication 750, *A Guide to Sales Tax in New York State*.

Who must file

New York nonresidents and part-year residents

You must file a New York State nonresident and part-year resident return, Form IT-203, if you meet any of the following conditions:

- **Your federal filing status is:** **and you had New York source income, and your New York adjusted gross income (*Federal amount* column) is more than:**
  - — single, and you can be claimed as a dependent on another taxpayer's federal return $3,000
  - — single, and you cannot be claimed as a dependent on another taxpayer's federal return $7,500
  - — married filing joint return $14,600
  - — married filing separate return $6,500
  - — head of household $10,500
  - — qualifying widow(er) $14,600

New York source income is the sum of the net amount of items of income, gain, loss, and deduction derived from or connected with New York sources, including your share of those items from partnerships, S corporations and estates and trusts. See *New York source income* on page 7 for more information.

New York adjusted gross income is simply federal adjusted gross income increased or reduced by any required New York additions and subtractions.

New York additions and subtractions are explained on pages 22 through 32 of these instructions; see the federal instructions to find your filing status and figure your federal adjusted gross income if you do not have to file a federal return.

- You want to claim a refund of any New York State, New York City, or Yonkers income taxes withheld from your pay.
- You want to claim a refund of any of the following New York State, New York City, or Yonkers refundable credits:
  - — part-year resident refundable child care credit;
  - — part-year resident refundable New York State earned income credit;
  - — farmers' school tax credit;
  - — investment credit for new businesses;
  - — financial services industry investment tax credit for new businesses;
  - — EZ investment tax credit for new businesses and EZ employment incentive credit for new businesses;
  - — financial services industry EZ investment tax credit for new businesses, and financial services industry EZ employment incentive credit for new businesses;
  - — EZ wage tax credit for new businesses;
  - — ZEA wage tax credit for new businesses;
  - — QETC employment credit for new businesses;
  - — QETC facilities, operations, and training credit;
  - — IMB credit for energy taxes;
  - — QEZE credit for real property taxes;
  - — special additional mortgage recording tax credit;
  - — refundable Empire State film production credit;
  - — Brownfield credits;
  - — claim of right credit (New York State, New York City, and Yonkers);
  - — part-year resident refundable New York City earned income credit.
- You are subject to the minimum income tax on tax preference items derived from or connected with New York sources. For further information, see *Other forms you may have to file* (Form IT-220, *Minimum Income Tax*) on page 11 of these instructions.
- You were a part-year resident and you are subject to a separate tax on any lump-sum distributions for your resident period derived from or connected with New York sources. See *Other forms you may have to file* (Form IT-230, *Separate Tax on Lump-Sum Distributions*) on page 11.
- You incurred a net operating loss for New York State personal income tax purposes for the tax year, without incurring a similar net operating loss for federal income tax purposes. See *New York State net operating loss* on page 12 for more information.

Did you use federal Form 8814 or federal Form 8615 to report your child's investment income?

If you elected to file federal Form 8814 with your federal return, the amount of your child's investment income over $1,600 that was included in your federal gross income must be reported in the *Federal amount* column of your Form IT-203 and taxed at your rate. In this case, you will not file a New York return for your child. However, it will be to your advantage to file a New York return for your child since there will not be any New York tax on the first $3,000 of your child's investment income. To qualify for filing a New York return for your child, you must first file a federal income tax return and federal Form 8615 (instead of federal Form 8814) to report your child's investment income.

Who must file *(continued)*

New York source income — nonresidents

The *New York source income of a nonresident* is the sum of the income, gain, loss, or deduction derived from or connected with New York State included in your New York adjusted gross income. This includes income, gain, loss and deduction from:

- real or tangible personal property located in New York State;
- services performed in New York State;
- a business, trade, profession, or occupation carried on in New York State;
- a corporation in which you are a shareholder and that makes an election under section 660 of the Tax Law to be taxed as an S corporation;

New York source income also includes:

- your distributive share of New York State partnership income or gain;
- your share of New York State estate or trust income or gain;
- lottery winnings won in the New York State lottery, if the prize was won on or after October 1, 2000, and the total proceeds of the prize are more than $5,000;
- any gain from the sale, transfer, or other disposition of shares of stock in a cooperative housing corporation in connection with the grant or transfer of a proprietary leasehold, when the real property comprising the units of such cooperative housing corporation is located in New York State.

New York source income of a nonresident does **not** include the following income even if it was included in your federal adjusted gross income:

- certain pensions that are exempt from New York State taxation by reason of section 114 of Title 4 of the U.S. Code (see line 10 instructions on page 19), and annuities and pensions that meet the New York State definition of an annuity, unless the annuity is employed in or used as an asset of a business, trade, profession, or occupation carried on in New York State;
- interest, dividends, or gains from the sale or exchange of intangible personal property, unless they are part of the income you received from carrying on a business, trade, profession, or occupation in New York State;
- gambling winnings, other than lottery winnings won in the New York State lottery as described above, unless you are engaged in the business of gambling and you carry on that business in New York State;
- compensation you received for active service in the United States military (see *Members of the armed forces* on page 9);
- your income as a shareholder of a corporation that did **not** have an election in effect to be taxed as an S corporation under section 660 of the Tax Law;
- compensation you received from an interstate rail carrier, interstate motor carrier, or an interstate motor private carrier for regularly assigned duties performed in more than one state;
- compensation paid to you if (1) you are engaged on a vessel to perform assigned duties in more than one state as a pilot licensed under section 7101 of Title 46 of the U.S. Code, or (2) you perform regularly assigned duties while engaged as a master, officer, or crewman on a vessel operating on the navigable waters of more than one state.

Special accruals for full-year nonresidents

As a **full-year New York State nonresident** for 2005, you may have to use special accrual rules (see below) to compute your New York State personal income tax for 2005. You are subject to the special accrual rules **only** if you have accrued income for 2005 (see below) **and**:

- you were a resident of New York State on December 31, 2004; **or**
- you will be a resident of New York State on January 1, 2006.

You have accrued income for 2005 if:

- you have an item of income that was fixed and determinable in a tax year prior to 2005, but you are reporting that income for federal income tax purposes in tax year 2005; **or**
- you have an item of non-New York source income that was fixed and determinable in tax year 2005, but you will be reporting that income for federal income tax purposes in a tax year after 2005. *Non-New York source income* is income that is **not** attributable to (1) a business, trade, profession, or occupation carried on in **New York State**, or (2) the ownership of any interest in real or tangible personal property in New York State.

See Publication 210, *Change of Resident Status Special Accruals (For tax year 2005)*, for more detailed information and for assistance in computing your 2005 tax.

New York source income — part-year residents

The *New York source income of a part-year resident* is the sum of the following with adjustments for the special accruals defined below:

1) all income reported on your federal return for the period you are a resident of New York State; **and**
2) the New York source income for the period you were a nonresident of New York State.

Special accruals for part-year residents

Your accrued income as an individual moving out of New York State is income you earned in your New York State resident period but received after you became a nonresident of New York State. Your accrued income as an individual **moving into** New York State is non-New York State source income you earned in your nonresident period but received after you became a New York State resident. Income accrues to you as a taxpayer when the amount becomes fixed and determinable and you have an unrestricted right to receive it. An accrued expense is a cost that has been incurred but not yet paid.

If you **moved out** of New York State, you must accrue any item of income, gain, loss, or deduction that, under an accrual method of accounting, would be reportable at the time you changed your residence. This includes income or gain you elected to report on the installment basis. You also must accrue to New York State items of tax preference subject to the minimum income tax (Form IT-220), and the total taxable amount of lump-sum distributions subject to the separate tax on lump-sum distributions (Form IT-230).

If you became a New York State resident during the tax year, you must accrue any item of income, gain, loss, or deduction that, under an accrual method of accounting, would be reportable at the time you changed your residence, except that no accrual is required or allowed for items of income, gain, loss, or deduction derived from or connected with New York State sources.

Any item of income, gain, loss, or deduction accrued up to the time you changed your residence must be excluded in determining your New York source income, New York adjusted gross income, minimum taxable income, or total taxable amount of lump-sum distributions, for the year of change or any subsequent year.

See Publication 210, *Change of Resident Status Special Accruals (For tax year 2005)*, for more detailed information and for assistance in computing your 2005 tax.

New York State *resident, nonresident,* and *part-year resident* defined

You may have to pay income tax as a New York State resident even if you are not considered a resident for other purposes. For income tax purposes, your resident status depends on where you were domiciled and where you maintained a permanent place of abode during the taxable year.

In general, your *domicile* is the place you intend to have as your permanent home. Your domicile is, in effect, where your

(continued)

Who must file *(continued)*

permanent home is located. It is the place you intend to return to after being away (as on vacation abroad, business assignment, education leave, or military assignment).

You can have only one domicile. Your New York domicile does not change until you can demonstrate that you have abandoned your New York domicile and established a new permanent domicile outside New York State.

A change of domicile must be *clear and convincing*. Easily controlled factors such as where you vote, where your driver's license and registration are issued, or where your will is located are **not** primary factors in establishing domicile. To determine whether you have, in fact, changed your domicile, you should compare (1) the size, value, and nature of use of your first residence to the size, value, and nature of use of your newly acquired residence; (2) your employment and/or business connections in both locations; (3) the amount of time spent in both locations; (4) the physical location of items that have significant sentimental value to you in both locations; and (5) your close family ties in both locations. A change of domicile is *clear and convincing* only when your primary ties are clearly **greater** in the new location. When weighing your primary ties, keep in mind that some may weigh more heavily than others depending upon your overall lifestyle. If required by the Tax Department, it is the taxpayer's responsibility to produce documentation showing the necessary intention to effect a change of domicile.

If you move to a new location but intend to stay there only for a limited amount of time (no matter how long), your domicile does not change. For example: *Mr. Green of ABC Electronics in Elmira, New York was temporarily assigned to the Atlanta, Georgia branch office for two years. After his stay in Atlanta, he returned to his job in New York State. His domicile did not change during his stay in Georgia; it remained New York State.*

If your domicile is New York State and you go to a foreign country because of a business assignment by your employer, or for study, research, or any other purpose, your domicile does not change unless you show that you definitely do not intend to return to New York State.

A *permanent place of abode* is a residence (a building or structure where a person can live) you permanently maintain, whether you own it or not, and usually includes a residence your husband or wife owns or leases. A place of abode is not permanent if you maintain it only during a temporary or limited period of time for a particular purpose.

Resident

You are a New York State resident for income tax purposes if:

a) Your domicile is **not** New York State, but you maintain a permanent place of abode in New York State and spend **184 days or more** (any part of a day is a day for this purpose) in New York State during the taxable year. However, if you are a member of the armed forces, and your domicile is not New York State, you are not a resident under this definition; or

b) Your domicile is New York State. However, even if your domicile is New York State, you are not a resident if you meet **all three** of the conditions in either Group A or Group B as follows:

Group A

1) You did not maintain any permanent place of abode in New York State during the taxable year; **and**
2) you maintained a permanent place of abode outside New York State during the entire taxable year; **and**
3) you spent **30 days or less** in New York State during the taxable year.

Group B

1) You were in a foreign country for at least 450 days during any period of 548 consecutive days; **and**
2) you spent **90 days or less** in New York State during this 548-day period, and your spouse (unless legally separated) or minor children spent **90 days or less** in New York State during this 548-day period in a permanent place of abode maintained by you; **and**
3) during the nonresident portion of the taxable year in which the 548-day period begins and during the nonresident portion of the taxable year in which the 548-day period ends, you were present in New York State for no more than the number of days which bears the same ratio to 90 as the number of days in such portion of the taxable year bears to 548.

The following formula illustrates this condition:

$$\frac{\text{Number of days in the nonresident portion}}{548} \times 90 = \text{Maximum number of days allowed in New York State}$$

Nonresident

You are a New York State nonresident if you were not a resident of New York State for any part of the year.

Part-year resident

You are a New York State part-year resident if you meet the definition of resident or nonresident for only part of the year.

For the definition of a New York City or Yonkers resident, nonresident, and part-year resident, see the definitions of a New York State resident, nonresident, and part-year resident above, and substitute *New York City* or *Yonkers* in place of *New York State*.

Joint and separate returns for married taxpayers

If you filed a joint federal return and:

- both spouses are nonresidents and both have New York source income, **or**
- one spouse is a part-year resident and the other is a nonresident with New York source income, **or**
- both spouses are part-year residents,

you must file a joint New York State return using filing status ②. Both spouses must sign the return and will generally be jointly and severally (individually) liable for the entire tax, penalty, or interest due. This means that if one spouse does not pay the tax due, the other may have to. **Do not complete or attach Form IT-203-C to your return.**

Exception: If you meet one of the preceding three conditions but are unable to file a joint New York State return because the address or whereabouts of your spouse is unknown, or your spouse refuses to sign a joint New York State return, you **may** file a separate New York State return using filing status ③.

A separate return may be filed using the above exception **only** if you meet at least one of the following conditions:

- You can demonstrate that the address and whereabouts of your spouse are unknown, reasonable efforts have been made to locate your spouse, and good cause exists for the failure to file a joint New York return.
- Reasonable efforts have been made to have your spouse sign a joint return, there exists objective evidence of alienation from your spouse, such as judicial order of protection, legal separation under a decree of divorce or separate maintenance, or living apart for the 12 months immediately preceding application to file a separate return, or commencement of an action for divorce or commencement of certain family court proceedings, and good cause exists for the failure to file a joint New York return.

If you filed a joint federal return and:

- both spouses are nonresidents but only one has New York source income, **or**
- one spouse is a part-year resident and the other is a nonresident with no New York source income,

you must file a joint New York State return using filing status ② and include in the *Federal amount* column the joint income as reported on your federal income tax return. However, only the spouse with New York source income (or the part-year resident spouse) should sign Form IT-203.

Who must file *(continued)*

That spouse must also complete Form IT-203-C, *Nonresident or Part-Year Resident Spouse's Certification*, and attach it to the front of Form IT-203. In this case, any refund or notice of tax, penalty, or interest due will be issued only in the name of the spouse required to sign Form IT-203.

Innocent spouse relief

You may qualify for relief from full or partial tax liability on a joint return as an *innocent spouse*, if: (1) there is an understatement of tax on a joint return because of an omission or error involving income, deduction, credit, or basis; (2) you can show that when you signed the return you did not know and had no reason to know of the understatement; and (3) taking into account all the facts and circumstances it would be unfair to hold you liable for the understated tax. You may also request a *separation of liability* for any understated tax on a joint return if you and your spouse or former spouse are no longer married, or are legally separated, or have lived apart at all times during the 12-month period prior to the date of filing for relief. If you don't qualify as an innocent spouse or for separation of liability, you may qualify for *equitable relief* if you can show that, taking into account all the facts and circumstances of your situation, you should not be held liable for any understatement or underpayment of tax. See Form IT-285, *Request for Innocent Spouse Relief (and Separation of Liability and Equitable Relief),* for more information. Form IT-285 is used only for innocent spouse relief under the three circumstances stated above. Do **not** file Form IT-285 with your return.

If you want to disclaim your spouse's defaulted guaranteed student, state university, or city university loan, past-due support, or a past-due legally enforceable debt to a New York State agency because you do not want to apply your part of a joint refund or refundable credit to a debt owed solely by your spouse, use Form IT-280, *Nonobligated Spouse Allocation.* Form IT-280 must be completed and attached to the back of your original return when filed. (Also see *Disclaiming of spouse's debt* at line 68 on page 46.)

If you filed a joint federal return and one spouse is a New York State resident and the other is a nonresident or part-year resident, you must file separate New York State returns, using filing status ③. The New York State resident must use either Form IT-150 or Form IT-201; the nonresident or the part-year resident, if required to file a New York return, must use Form IT-203. However, if both of you choose to file as New York residents, you may elect to file a joint New York State resident return, using filing status ② on Form IT-150 or IT-201. Both spouses must sign the joint return and will be jointly and severally (individually) liable for the entire tax, penalty, or interest due.

Generally, you must file a joint New York State return if you wish to claim the New York State child and dependent care credit. However, if one spouse is a nonresident or part-year resident and the other spouse is a resident and both spouses have New York source income, and they file separate New York returns, the credit may be claimed on the separate return of the spouse with the lower taxable income.

If you each filed a separate federal return, each spouse having New York source income must file a separate New York State return.

Members of the armed forces

TIP **You may be eligible for free e-filing. See page 60 for more information.**

If your permanent home (domicile) was outside New York State when you entered the military, you do not become a New York State resident even if you were assigned to duty in New York State and establish a place of abode in New York State. If you are a New York State nonresident, your military pay is not subject to New York State tax and cannot be used to determine the amount of New York State personal income tax you must pay (see S-34 on page 32 of these instructions). Any other income that you receive from New York State sources while you are a nonresident (including your spouse's income) may be subject to tax. If you have a civilian job in New York State during your off-duty hours, the income you receive is subject to income tax. Income or gain from property located in New York State, or from a business, trade, or profession carried on in this state is also subject to tax.

If your permanent home (domicile) was in New York State when you entered the military, you are still a New York State resident and must file a resident return even if you are presently assigned to duty in another state or country.

Generally, your domicile does not change when you are serving temporarily in the armed forces of the United States. However, **if you meet all three conditions in Group A** on page 8 and want to file for a refund of any New York State income tax withheld, file nonresident Form IT-203 and attach an explanation which contains the following information:

- a statement that you had no permanent place of abode in New York State during the taxable year; **and**
- the location and a brief description of the permanent place of abode you maintained outside New York State and the beginning and ending dates of your stay there; **and**
- the exact number of days you were in New York State during the tax year.

Your barracks, bachelor officer's quarters, or quarters on ship generally do not qualify as a permanent place of abode.

If you meet all three conditions in Group B on page 8 and want to file for a refund, file Form IT-203 and attach a statement explaining how you meet the three conditions.

If you are stationed in a foreign country when your return is due and you qualify for an automatic two-month extension of time to file your federal return, you are automatically granted a two-month extension of time to file your New York State return.

If you are serving or did serve in a combat zone or certain other designated areas, you may qualify for additional extensions of time to file your return. For more information on extensions of time to file and other tax relief for military personnel, see Publication 361, *New York State Income Tax Information for Military Personnel and Veterans.*

City taxes: If you were a New York City or Yonkers resident when you entered the military and if your military pay is subject to New York State income tax, it is also subject to New York City or Yonkers taxes. However, if you meet the conditions for nonresident status, your military pay is not subject to the Yonkers nonresident earnings tax.

Exclusion of, or deduction from, foreign earned income

If you are entitled to claim a federal exclusion of, or deduction from, your foreign earned income (as stated under section 911 of the Internal Revenue Code (IRC)), you are also allowed to claim it on your New York State income tax return in the *Federal amount* column. You would also be allowed to claim that portion of the federal exclusion of, or deduction from, foreign earned income in the *New York State amount* column to the extent it relates to income reported in the *New York State amount* column. If you claim either the exclusion or the deduction, attach a copy of your federal Form 2555, *Foreign Earned Income*, or Form 2555-EZ, *Foreign Earned Income Exclusion*, to your New York State income tax return.

If you have not yet qualified for the exclusion or deduction but you have filed a federal return, you must also file a New York State return. You should report all income, including income earned in any foreign country, reported on your federal return. If you later qualify for an exclusion or deduction, you can file a claim for a refund on Form IT-113-X, *Claim for Credit or Refund of Personal Income Tax*, or you can file an amended return on Form IT-203-X, *Amended Nonresident and Part-Year Resident Income Tax Return*. Attach a copy of federal Form 2555 or 2555-EZ to your Form IT-113-X or to your Form IT-203-X. See *Amending your New York State return* on page 52 in these instructions.

(continued)

Who must file *(continued)*

U.S. nonresident aliens

If you are a U.S. nonresident alien for federal income tax purposes and are required to file federal Form 1040NR, *U.S. Nonresident Alien Income Tax Return*, or federal Form 1040NR-EZ, *U.S. Income Tax Return for Certain Nonresident Aliens with No Dependents*, you may be required to file a New York State nonresident return, Form IT-203. See *New York nonresidents and part-year residents* under *Who must file* on page 6 of these instructions.

If you must file a New York return and you checked filing status box 3, 4, or 5 on federal Form 1040NR, or box 2 on federal Form 1040NR-EZ, you must compute your New York State tax as married filing separately and mark an ***X*** in box 3 at item A on your Form IT-203. It is important to note that some income items and line references used on Form IT-203 do not correspond with those shown on federal Form 1040NR or 1040NR-EZ. The *Dependent exemption worksheet* for line 35 (on page 34) asks you to enter the number of exemptions from line 6d of your federal Form 1040 or 1040A. For a nonresident alien, the corresponding line to obtain this information is line 7d of federal Form 1040NR. Line 12 of federal Form 1040NR or line 5 of federal Form 1040NR-EZ is used to report income from scholarships and fellowships. Since there is no corresponding line on the New York State nonresident return, report this income as other income on line 15 of Form IT-203.

Also, if you filed federal Form 1040NR you should claim the New York deduction (itemized or standard) that is more advantageous to you.

Complete your return using the steps and line instructions beginning on page 15.

Deceased taxpayers

If a taxpayer died before filing a return for 2005, the taxpayer's spouse or personal representative may have to file and **sign** a return for that taxpayer. A personal representative can be an executor, administrator, or anyone who is in charge of the deceased taxpayer's property. If a taxpayer did not have to file a federal return but had New York State tax withheld, a New York State return must be filed to get a refund. If a joint federal income tax return was filed for the deceased taxpayer and the surviving spouse, a joint New York State return can be filed on Form IT-203. Enter ***Filing as surviving spouse*** in the area where you sign the return. If someone else is the personal representative for the deceased spouse, he or she must also sign the return. The filing due date is the same as if the taxpayer had lived. The person who files the return for the deceased should write the date of death in the *Decedent information* area indicated at the top of the return.

Estates and trusts

Estates and trusts are subject to New York State personal income tax. The fiduciary for an estate or trust must file Form IT-205, *New York State Fiduciary Income Tax Return*.

Each nonresident and part-year resident beneficiary of an estate or trust must include his or her share of the estate or trust income, if any portion of that income is derived from or connected with New York sources, on Form IT-203. For more information on responsibilities of beneficiaries, see *Beneficiaries (estates and trusts)* on page 23 of these instructions.

Partnerships/limited liability partnerships or companies

Partnerships, limited liability partnerships (LLP) and limited liability companies (LLC), limited liability investment companies (LLIC), and limited liability trust companies (LLTC) that are treated as partnerships for federal purposes, are not subject to the New York State personal income tax but individual members of the partnership are. If your partnership has a partner who is a New York State resident, or if the partnership has any income from New York State sources, it must file Form IT-204, *Partnership Return*. If you were a partner with New York source income, transfer your share of income or loss, deductions, and adjustments from Form IT-204 to your Form IT-203. If your partnership carried on a business in New York City, it may also be required to file New York City's Form NYC-204, *Unincorporated Business Tax Return for Partnerships*. For more information, see the instructions for Form NYC-204. You can get this form and its instructions by calling the New York City Department of Finance. See *How to get New York City forms* below.

Since New York State does not administer the New York City unincorporated business tax, do not file your Form NYC-204 with your state return.

How to get New York City forms

If you need to get tax forms and instructions from the NYC Department of Finance:

Online - Visit ***www.nyc.gov/finance***

By fax - Call Finance's *Tax Fax Service* at **(212) 504-4038** from the phone connected to your fax machine or modem (24 hours a day, 7 days a week).

By mail - Call Finance's *Forms Ordering Service* at **(212) 504-4035** anytime to receive forms and instructions by mail.

For more information on NYC business taxes, call *Finance Customer Assistance* at **(212) 504-4036**. For more information on NYC property taxes call **(212) 504-4080**. Customer assistance is available weekdays from 8:00 a.m. to 5:00 p.m.

Nonresidents of Yonkers

If you were not a Yonkers resident for 2005 but you earned wages or self-employment income from Yonkers and you have to file a New York State income tax return, you must also file Form Y-203, *Yonkers Nonresident Earnings Tax Return*.

If you are married, you cannot file jointly on Form Y-203. If you each have taxable earnings, you must each file a separate Form Y-203. Form Y-203 is due at the same time as your state return and must be attached to it. For more information, see the Form Y-203 instructions.

Part-year residents of New York City and Yonkers

If you changed your New York City or Yonkers resident status during the year, you must complete Form IT-360.1, *Change of City Resident Status*, and pay New York City resident tax or Yonkers resident income tax surcharge for the part of the year that you lived in New York City or Yonkers. If you earned wages in Yonkers or conducted a trade or business there (either as an individual or a member of a partnership) during the part of the year that you were not a Yonkers resident, you must complete Form Y-203, *Yonkers Nonresident Earnings Tax Return*, and pay any tax due. For more information, see Form IT-360.1-I, *Instructions for Form IT-360.1*.

New York City school tax credit

If you or your spouse (if married) are a New York City part-year resident, and cannot be claimed as a dependent on another taxpayer's federal return, you may be entitled to the New York City school tax credit. See the instructions for line 60 on page 45.

TIP **Even if you do not have to file an income tax return, you may still claim the New York City school tax credit by filing only Form NYC-210, *Claim for New York City School Tax Credit.*** For more information, see Form NYC-210. If you are filing a tax return on Form IT-150, IT-201, or IT-203, **do not** complete Form NYC-210; you claim the credit directly on your return.

Other forms you may have to file

Form IT-2, *Summary of Federal Form W-2 Statements*

You must complete Form(s) IT-2 if you **received any** federal Form(s) W-2. You must complete Form(s) IT-2 even if your federal Form(s) W-2 do not show any New York State, New York City, or Yonkers wages or tax withheld. Attach Form(s) IT-2 to your New York return. Do no attach any federal

Other forms you may have to file *(continued)*

Form(s) W-2 to your return; keep them for your records.

Married taxpayers filing jointly can report W-2 records for both spouses on one Form IT-2, but must mark an ***X*** in the box to indicate which spouse the information is for.

Form IT-1099-R, *Summary of Federal Form 1099-R Statements*

You must complete Form(s) IT-1099-R if you **received any** federal Form(s) 1099-R that show any **tax withheld** from New York State, New York City, or Yonkers. Attach Form(s) IT-1099-R to your New York return. Do not attach any federal Form(s) 1099-R to your return; keep them for your records. (To avoid confusion, please note that the New York form has an ***IT*** prefix in the form number.)

Married taxpayers filing jointly can report 1099-R records for both spouses on one Form IT-1099-R, but must mark an ***X*** in the box to indicate which spouse the information is for.

Form IT-203-B, *Nonresident and Part-Year Resident Income Allocation and College Tuition Itemized Deduction Worksheet,* *Attachment to Form IT-203*

You must complete **Schedule A** if you worked both in and out of New York State for an employer, and your income is not based on the volume of business transacted. You must complete **Schedule B** if you or your spouse maintained living quarters in New York State during any part of 2005. Complete **Schedule C** if you are claiming the college tuition itemized deduction. For more information, see the instructions for Schedule C on page 53.

Form IT-203-ATT, *Other Tax Credits and Taxes,* *Attachment to Form IT-203*

Complete this form if you are subject to any other New York State taxes, or are claiming credits other than those reported on Form IT-203. For more information, see the instructions for Form IT-203-ATT beginning on page 55.

Form IT-220, *Minimum Income Tax*

Complete this form if you have New York State tax preference items totaling more than the allowable specific deduction of $5,000 ($2,500 if you are married and filing separately). The tax preference items are: depreciation (pre-1987), intangible drilling costs, IRC section 1202 exclusion, and New York addition for restoration of net operating loss deduction. You may have to file Form IT-220 even if you are not required to file federal Form 6251, *Alternative Minimum Tax — Individuals*. For more information, see the instructions for Form IT-220.

Form IT-221, *Disability Income Exclusion*

Complete this form to figure the amount of your disability income that may be excluded from income on Form IT-203. To qualify, you must have retired due to permanent and total disability and you must not have reached age 65 when your tax year ended. If you claim this exclusion, the *Physician's statement* at the bottom of Form IT-221 may also have to be completed and signed by your doctor. For more information, see Form IT-221.

Form IT-230, *Separate Tax on Lump-Sum Distributions*

Complete Form IT-230 if you used federal Form 4972 to figure your federal tax on a lump-sum distribution from a qualified retirement plan. For more information, see the instructions for Form IT-230.

Form IT-398, *New York State Depreciation Schedule for IRC Section 168(k) Property*

Complete this form if you are an individual, partnership, estate, or trust to compute your New York depreciation deduction for IRC section 168(k) property placed in service beginning on or after June 1, 2003 (except for resurgence zone property, and New York liberty zone property described in IRC section 1400L (b)(2)).

Form IT-399, *New York State Depreciation Schedule*

Complete this form if you are an individual, partnership, estate, or trust to calculate your New York depreciation deduction for property placed in service during taxable years beginning in 1981, 1982, 1983, and 1984. New York State does not allow ACRS depreciation for property placed in service (whether inside or outside New York State) during these years.

For property placed in service outside New York State for taxable years beginning after December 31, 1984, but before January 1, 1994, see addition A-13 on page 25.

Form IT-2105, *Estimated Income Tax Payment Voucher for Individuals*

The total amount you must pay for 2006 through withholding and estimated income tax is the lesser of:

1) 90% of the income tax shown on the 2006 return, **or**
2) 100% of the income tax shown on the 2005 return (110% of that amount if you are not a farmer or fisherman and the New York adjusted gross income (*Federal amount* column) shown on that return is more than $150,000 or, if married filing separately, more than $75,000).

However, if you did not file a 2005 tax return, or if your 2005 return did not cover all 12 months, item 2 above does not apply.

For more information, see Form IT-2105-I, *Instructions for Form IT-2105 (Estimated Income Tax Payment Voucher for Individuals)*.

The 2006 Form IT-2105-I contains references to known law changes that apply to tax year 2006.

You must pay estimated income tax for 2006 if you expect to owe at least $300 of New York State or New York City or Yonkers income tax after deducting tax withheld and credits you are entitled to claim.

If you paid estimated income tax for 2005 and filed a 2004 New York State income tax return, you will automatically receive a 2006 estimated income tax packet in the mail (see *Notice to estimated income tax filers* at the bottom of page 2). Your packet will include your account statement for tax year 2005. It will show the total amount recorded in your account as of the date shown on the statement.

Review this statement carefully. If you disagree with any of the information, complete Form IT-2105.1, *Reconciliation of Estimated Income Tax Account for Individuals,* and fax or mail it immediately. **Fax: (518) 457-2249 or mail: NYS Tax Department, Estimated Tax Unit, W A Harriman Campus, Albany NY 12227**. Do not use a preaddressed peel-off label for this form or attach Form IT-2105.1 to your Form IT-203. You may also check your account by accessing our Web site and clicking on *Electronic Services*, instead of using Form IT-2105.1.

If you do not receive your 2006 estimated income tax packet by the date your first payment is due (generally April 15) or you would like to begin making estimated income tax payments, call or write us for forms and instructions. See *Need help?* on the back cover of these instructions.

Form IT-2106, *Estimated Income Tax Payment Voucher for Fiduciaries*

Estates and trusts must make estimated income tax payments. However, estates (and certain grantor trusts that receive the residue of the decedent's estate under the decedent's will) are exempt from paying estimated income tax for the first two years after the decedent's death. Generally, an estate or trust must pay estimated income tax if the estate or trust is expected to owe at least $300 of New York State or New York City or Yonkers income tax after deducting tax withheld and credits the estate or trust is entitled to claim for 2006.

A fiduciary of an estate or trust who makes an election to allocate any portion of the estate's or trust's estimated income tax

(continued)

Other forms you may have to file *(continued)*

payment among the beneficiaries must file Form IT-205-T, *Allocation of Estimated Tax Payments to Beneficiaries*. For more information, see the instructions for Form IT-205.

New York State net operating loss (NOL)

Nonresident: The New York State NOL to be included in the *New York State amount* column of a nonresident's Form IT-203 must be figured in the same manner as the corresponding federal deduction, but using only New York State items of income, gain, loss, and deduction in the computation. New York State modifications are **not** included in the computation of the NOL or in determining the amount of loss to be used in the carryback or carryover year.

It is possible, because of the above rules, for a nonresident to have a New York State NOL without having a federal NOL, or to have a New York State NOL that is larger or smaller than the corresponding federal NOL. A nonresident individual claiming a NOL for New York State purposes but not for federal income tax purposes must file Form IT-203. See *Who must file* beginning on page 6 of these instructions.

Part-year resident: A part-year resident of New York State who incurs losses in the resident or nonresident period, or both, must make a separate NOL computation for each period (resident and nonresident), using only those items of income, gain, loss, or deduction attributable to each period. For the resident period, compute the NOL using only those items of income, gain, loss, and deduction that would have been reported if a separate federal return was filed for the period of New York State residence. For the nonresident period, compute the NOL using the above rules for nonresidents.

To report a NOL on Form IT-203, see the instructions for *Line 15, Other income,* on page 21.

File Form IT-113-X to claim a personal income tax refund based upon a NOL carryback if the NOL and any related adjustments are the only changes being made to the carryback year.

Attach the following material to Form IT-113-X:

- A copy of the federal return for the loss year.
- For part-year residents, a copy of the federal NOL computation for the resident period and an attachment showing how the New York State loss was computed for the nonresident period.
- For nonresidents, a Form IT-203-X, *Amended Nonresident and Part-Year Resident Income Tax Return*, for the carryback year showing how the loss was computed. Write ***Recomputed to reflect the NOL*** at the top of the front page of the Form IT-203-X (for the carryback year).
- A copy of the original New York State return for each year affected by the carryback.

For more information on claiming a personal income tax refund based upon an NOL, see Form IT-113-X.

Stock options

If, as a New York State nonresident or part-year resident, you received stock options and the options you received are attributable to services performed in New York State, some or all of the federal income related to the options may be included in New York source income.

To determine the amount of federal income related to the options that must be included in New York source income, you should maintain records and documentation of your services performed in New York State.

For more information, see TSB-M-95(3)I. This TSB-M is available on the Tax Department Web site (see *Need Help?* on the back cover of these instructions).

Form IT-203-X, *Amended Nonresident and Part-Year Resident Income Tax Return*

Generally, an amended return claiming credit for, or a refund of, an overpayment must be filed within three years of the date that the original return was filed, or within two years of the date the tax was paid, whichever is later. However, if you file an amended federal return showing a change in your taxable income, tax preference items, total taxable amount or capital gain or ordinary income portion of a lump-sum distribution, claim for the earned income credit, credit for child and dependent care expenses, or the amount of any federal foreign tax credit affecting the computation of the New York State resident credit (does not apply to nonresidents), you must also file an amended New York State return within 90 days from the date you amend your federal return if the change increases or decreases your New York State tax.

You must also file an amended return to correct any error on your original nonresident and part-year resident return, and to report changes made by the IRS.

If the IRS changes **any** of the following:

- taxable income;
- tax preference items;
- total taxable amount or capital gain or ordinary income portion of a lump-sum distribution;
- the amount of your earned income credit;
- the amount of your credit for child and dependent care expenses;
- the amount of any claim of right adjustment;
- the amount of any federal foreign tax credit affecting the computation of the New York State resident credit (does not apply to nonresidents) for taxes paid to a province of Canada; or
- disallows your refund claim;

and the change increases or decreases your New York State tax, you must report these changes to the New York State Tax Department within 90 days from the date the IRS makes its final determination.

See page 52 for more information on completing and filing an amended return.

Reminders

You may be eligible for one or more of the following credits. For more information, see the *Other credits and taxes* chart beginning on page 56.

Credits that reduce tax (but cannot be carried forward)

New York State household credit

Part-year New York City household credit *

New York State child and dependent care credit

New York State earned income credit (nonresident portion)

Resident credit against separate tax on lump-sum distributions

Resident credit

New York State (and New York City *) accumulation distribution credit

Credit for part-year New York City unincorporated business tax (UBT) paid *

Defibrillator credit

QEZE tax reduction credit

* Claim these credits on Form IT-360.1.

Credits that reduce tax and the excess (if any) may be carried forward to future years

Part-year solar electric generating equipment credit

Part-year fuel cell electric generating equipment credit

Investment credit

Financial services industry (FSI) investment tax credit

Empire zone (EZ) investment tax credit and EZ employment incentive credit

Financial services industry EZ investment tax credit and employment incentive credit

EZ wage tax credit

ZEA wage tax credit

EZ capital tax credit

Qualified emerging technology company (QETC) employment credit

QETC capital tax credit

Special additional mortgage recording tax credit

Solar and wind energy credit carryover

Employment of persons with disabilities credit

Alternative fuels credit carryover

Reminders *(continued)*

Residential fuel oil storage tank credit carryover
Green building credit
Low-income housing credit
Long-term care insurance credit
Empire State film production credit

Refundable credits

Part-year New York City school tax credit
Part-year resident refundable New York State child and dependent care credit
Part-year resident refundable New York State earned income credit
Farmers' school tax credit
Investment credit for new businesses
Financial services industry investment tax credit for new businesses
EZ investment tax credit and EZ employment incentive credit for new businesses
Financial services industry EZ investment tax credit and financial services industry EZ employment incentive credit for new businesses
EZ wage tax credit for new businesses
QETC employment credit for new businesses
QETC facilities, operations, and training credit
Industrial or manufacturing business (IMB) credit for energy taxes
QEZE credit for real property taxes
Special additional mortgage recording tax credit
Refundable Empire State film production credit
Brownfield credits
New York State claim of right credit
New York City claim of right credit
Yonkers claim of right credit
Part-year resident refundable New York City earned income credit

Refunds and refundable credits

Even if you do not have to file a return, you should file to get a refund if New York State, New York City, or Yonkers income taxes were withheld from your pay or you are eligible to claim one of the refundable credits listed above.

Name and social security number

You must enter your name and social security number on all forms you send to us. **If you are making a payment,** write your social security number and ***2005 Income Tax*** on your check or money order.

You (and if married, your spouse, whether filing a joint return or married filing separately) must enter your social security number(s) in the boxes in the top right corner of Form IT-203, even when using the preprinted peel-off label.

Whole dollar amounts

You may round all money items on your return to the nearest dollar. For example, round $10.49 to $10; round $10.50 to $11. If you round to the nearest dollar, round for all amounts.

Wage and tax statements

Your employer must give you a wage and tax statement, federal Form W-2. This statement shows your total earnings and the amount of New York State, New York City, and Yonkers taxes withheld from your pay during the year.

If you received periodic annuity, pension, retired pay, or IRA payments, and income tax was withheld, the payer must give you a statement, federal Form 1099-R. This statement shows the amount of your gross and taxable retirement plan payments, and the New York State, New York City, and Yonkers tax withheld from your payments during the year.

If you received payments of lottery distributions and income tax was withheld from those payments, you should receive federal Form W-2G, *Certain Gambling Winnings*. This statement shows your total payments and the amount of New York State, New York City, and Yonkers taxes withheld during the year.

If you have not received your wage and tax statement by February 15, 2006, or if the statement you received is incorrect or lost, contact your employer. You must complete Form(s) IT-2, *Summary of Federal Form W-2 Statements*, if you received any federal Form(s) W-2. You must complete Form(s) IT-2 even if your federal Form(s) W-2 do not show any New York State, New York City, or Yonkers wages or tax withheld. You must complete Form IT-1099-R, *Summary of Federal Form 1099-R Statements,* if you received any federal Form(s) 1099-R that show any tax withheld from New York State, New York City, or Yonkers. See the instructions for lines 62, 63, and 64 on page 45.

Estimated income tax paid

Enter the amount of estimated income tax payments made for New York State, New York City, and Yonkers. Be sure to include any amounts of estimated income tax paid with Form IT-2663, *Nonresident Real Property Estimated Income Tax Payment Form*, Form IT-2664, *Nonresident Cooperative Unit Estimated Income Tax Payment Form*, and any amount of estimated income tax paid on your behalf by a partnership or New York S corporation of which you are a partner or shareholder. Before completing this section of your return, review the account statement that was included with your estimated income tax packet.

Report any discrepancies by completing the reconciliation Form IT-2105.1, provided in your estimated income tax packet, and fax or mail it immediately. Fax: (518) 457-2249 or mail: NYS Tax Department Estimated Tax Unit, WA Harriman Campus, Albany NY 12227.

Paid preparer information

For information relating to the signing of returns by a paid preparer (anyone you pay to prepare your return), e-file mandate for paid preparers, and other requirements relating to paid preparers, see Publication 58, *Information for Income Tax Return Preparers*.

Computer filled-in returns

If you use a computer to fill in your return, be sure you meet these requirements:

- If you do not use the official income tax forms that we provide, any computer-generated form you use must comply with the guidelines in Publication 75, *Specifications for Reproduction of Scannable and Nonscannable New York State Income Tax Forms,* for tax year 2005.
- Your software must conform to current federal and state income tax laws.

File a complete return

You must complete all required schedules and forms that make up your return, and include all pages of those forms and schedules when you file. Attach **only** those forms and schedules that apply to your return, and be sure that you have made all required entries. Returns that are missing required pages or that have pages with missing entries are considered incomplete and cannot be processed, and may subject taxpayers to penalty and interest.

Keep copies of your tax records

Please remember to keep a copy of your income tax return and all supporting schedules. Also keep any books, records, statements, or other related documents.

You may be asked by the Tax Department to provide copies of these records after filing your income tax return.

Don't delay your refund

We want to send your refund to you as soon as possible. You can help us by filing an error-free return. Be sure that you have checked your correct filing status, entered your social security number(s), signed your return and attached your summaries of federal wage and tax statements so that we do not have to send your return back to you. Please check the figures on your return and carefully follow Steps 5, 6, 7, 8, and 9 on pages 49 through 51 of these instructions.

(continued)

Reminders *(continued)*

Check your withholding for 2006

If you want to change the amount of tax withheld from your paycheck, complete the enclosed Form IT-2104, *Employee's Withholding Allowance Certificate*, and give it to your employer.

Other withholding certificates

If your income is subject to allocation and you want to have your withholding adjusted to reflect the allocation, complete Form IT-2104.1, *New York State, City of New York, and City of Yonkers Certificate of Nonresidence and Allocation of Withholding Tax,* and give it to your employer.

If you change residence, or if you are a nonresident and the percentage of services you perform within the state or city changes substantially, you must notify your employer within 10 days.

When to file

File your return as soon as you can after January 1, 2006, but not later than the filing deadline, **April 17, 2006** (April 18, 2006, if you file your federal return at the IRS Service Center in Andover, MA). If you file late, you may have to pay penalties and interest. See *Interest and penalties* on page 58.

Extension of time to file

If you know that you cannot meet the filing deadline, ask for an extension of time by filing New York State Form IT-370, *Application for Automatic Six-Month Extension of Time to File for Individuals*. The time to file will be automatically extended for **six months** if you file Form IT-370 on time and, if required, pay any tax you owe with it.

Extension requests may also be filed via the internet; access the Tax Department's Web site for information or to submit an extension request. See *Need help?* on the back cover for the Web site address.

If you expect to receive a refund, or anticipate having no amount of New York State, New York City, or Yonkers income tax, or no sales or use tax remaining unpaid as of the due date of the return, we will accept a copy of federal Form 4868, *Application for Extension of Time to File U.S. Individual Income Tax Return*, filed on or before the due date of the return. Attach another copy to your return when you file it. Write ***New York State copy*** at the top of the federal form.

If you are enclosing a payment with your extension request, mail Form IT-370 with your payment to: **Extension Request, PO Box 4125, Binghamton NY 13902-4125**.*

If the balance due with your extension request is ***0***, mail Form IT-370 (or the copy of your federal Form 4868) to: **Extension Request-NR, PO Box 4126, Binghamton NY 13902-4126**.*

* If you use a private delivery service to file your extension, use the *Private delivery services* address shown in the instructions for filing Form IT-370.

If you qualify for an automatic two-month extension of time to file your federal income tax return because (1) you are a U.S. citizen or resident and live outside the U.S. and your main place of business or post of duty is outside the U.S. and Puerto Rico, or (2) you are in the military service outside the U.S. and Puerto Rico when your 2005 return is due, you are entitled to a similar two-month automatic extension of time to file your New York income tax return. The time to pay your New York State, New York City and Yonkers income tax (with interest), and any New York State or local sales or use tax, is similarly automatically extended. You must attach to your New York State return a statement showing that you qualify for the federal automatic two-month extension. If you cannot file on or before the end of this automatic two-month extension, file Form IT-370 and pay any tax due (with interest) with it to receive an additional four months to file.

If you are serving or did serve in a combat zone or certain other designated areas, you may qualify for additional extensions of time to file your return. For more information on extensions of time to file and other tax relief for military personnel, see Publication 361, *New York State Income Tax Information for Military Personnel and Veterans.*

If you are a U.S. nonresident alien for federal income tax purposes and you qualify to file your federal income tax return on or before June 15, 2006, the filing deadline for your New York State return is June 15, 2006.

Statute of limitations

Generally, a claim for a credit or refund of an overpayment of income tax must be filed within three years from the time the return was filed or two years from the time the tax was paid, whichever period expires later. If no return was filed, the claim for a credit or refund must be filed within two years from the time the tax was paid.

Where to file

Use the preaddressed envelope that came with your tax packet. If you do not have a preaddressed envelope, address your envelope as follows:

STATE PROCESSING CENTER
PO BOX 61000
ALBANY NY 12261-0001

Private delivery services — If you choose, you may use a private delivery service, instead of the U.S. Postal Service, to file your return and pay tax. However, if, at a later date, you need to establish the date you filed your return or paid your tax, you cannot use the date recorded by a private delivery service **unless** you used a delivery service that has been designated by the U.S. Secretary of the Treasury or the Commissioner of Taxation and Finance. (Currently designated delivery services are listed in Publication 55, *Designated Private Delivery Services.* See *Need help?* on the back cover of these instructions for information on ordering forms and publications.) If you have used a designated private delivery service and need to establish the date you filed your return, contact that private delivery service for instructions on how to obtain written proof of the date your return was given to the delivery service for delivery. If you use **any** private delivery service, whether it is a designated service or not, address your return to: State Processing Center, 101 Enterprise Drive, Kingston NY 12401.

E-filing your return — For information on e-filing, see page 60.

Steps for preparing your return

Prepare your federal return first; much of the information on your New York State nonresident and part-year resident return will be the same. In many cases when New York State and federal tax laws are similar, the New York instructions do not repeat all the requirements, but instead, explain the differences.

If you used federal Form 8814 or 8615 to report your child's investment income, see page 6 for more information.

Step 1

Get all forms and publications you need.

If you need any forms or publications, see *Need help?* on the back cover.

Step 2

Get your tax records together.

If you received a salary or wages, get all your 2005 wage and tax statements together (Form W-2).

If you have not received your wage and tax statements by February 15, 2006, or if the form you received is incorrect, contact your employer.

Only your employer can issue or correct these forms.

If you had tax withheld from annuities, pensions, retired pay, or IRA payments, get together all of your federal Form(s) 1099-R. If you had tax withheld from lottery distributions, you will need your federal Form(s) W-2G. See the instructions for lines 62, 63, and 64 on page 45.

If you are a part-year resident and you paid income taxes to another state, a local government within another state, the District of Columbia or a province of Canada during your period of New York State residence, get a copy of the income tax return you filed with that taxing authority.

If you made payments during the year for New York State, New York City, or Yonkers estimated income tax, compare your account statement included in your estimated income tax packet with your records. You can also check your account by accessing our Web site at *www.nystax.gov* and clicking on *Electronic Services*.

If you plan to take any credits or deductions, get all the supporting information and records you will need.

Step 3

Fill in your return.

Fill in your return using the line instructions for Form IT-203 that begin below. Then continue with Step 4 on page 49.

Line instructions for Form IT-203

All information on your return, except for your mailing address, should be for the calendar year January 1 through December 31, 2005, or for your fiscal year that began in 2005. If you are filing for a fiscal year, enter the month and day your tax year began, and the month, day, and year that it ended in the area provided at the top of the front page. Make your entries in the **white** areas of Form IT-203.

Filling in your tax return

You may notice that Form IT-203, its attachments Forms IT-203-ATT and IT-203-B, and other selected forms and attachments (Forms IT-215, IT-216, etc.) are designed to let us use the latest scanning and image-processing equipment.

Boxes have been printed on the forms to guide you in making your handwritten entries. This will enable our scanning equipment to read your return more accurately and let us process it more efficiently. Please spend a moment reviewing the method below for making your entries:

— Print (use black ink only; no red or other color ink or pencils, please) or type all ***X*** marks and money amounts in the boxes and spaces provided.

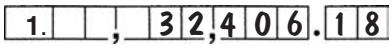
— Write your numbers and ***X*** marks like this:

— Do not use dollar signs, commas, decimal points, or any other punctuation marks or symbols. All necessary punctuation has been printed on the form.

— Make your money amount entries in the boxes, allowing one number for each box.

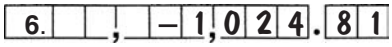
— Carefully enter your money amounts so that the **dollar amount** ends in the box immediately to the left of the decimal point and the **cents amount** starts in the box immediately to the **right** of the decimal point.

Example: *If your total amount of* Wages, salaries, tips, etc. *for line 1 of Form IT-203 is $32,406.18, your money field entry on line 1 of your Form IT-203 should look like this:*

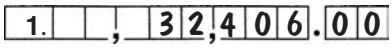


— Leave **blank** any entry areas that do not apply to you, and treat these blanks as zeros. Do not enter ***0*** in these areas unless instructed to do so.

— If you show a loss on lines 1 through 16 or on lines 18, 23 or 31, place a minus sign (-) in the box **immediately to the left** of the loss amount. Do not use brackets or parentheses. For example, a business loss of $1,024.81 on line 6 should look as follows:



— If you are **rounding all money items** on your return (see *Whole dollar amounts* on page 13) to the nearest dollar, it should look like this:



— When rounding or when entering a whole dollar amount, please enter ***00*** in the cents boxes. Do not leave the cents boxes blank.

Name and address box

Do not write in this box or attach your label until you have completed and checked your return.

Be sure to enter your social security number(s) in the boxes provided on Form IT-203.

You may be required to complete the *Permanent home address* lines on the front of Form IT-203.

Step 5 beginning on page 49 of these instructions will tell you how to complete this section of your return.

Decedent information

If the taxpayer whose name is listed first on the return died after December 31, 2004, enter the date of death in the boxes labeled *Taxpayer's date of death*, in month, day, and last 2 digits of year order. If the taxpayer whose name is listed second on the return died after December 31, 2004, enter the date of death in the boxes labeled *Spouse's date of death*, in month, day, and last 2 digits of year order. Also see *Deceased taxpayers* on page 10.

(continued)

Line instructions for Form IT-203 *(continued)*

Item A

Filing status

After determining your New York filing status, mark an ***X*** in only one box at item A on your New York return. In most cases, you must use the same filing status on your New York State return that you used on your federal return. The only exception to this rule applies to married taxpayers. See *Joint and separate returns for married taxpayers* on page 8 for filing status information for married taxpayers.

Joint and several tax liability — If you file a joint return, both you and your spouse are generally responsible for the tax and any interest or penalties due on the return. This means that if one spouse does not pay the tax due, the other may have to. However, see *Joint and separate returns for married taxpayers* on page 8 for information about certain relief available for spouses.

Item B

Did you itemize your deductions on your 2005 federal income tax return?

If you itemized your deductions on your 2005 federal income tax return, mark an ***X*** in the *Yes* box. If you claimed the standard deduction on your federal return, mark an ***X*** in the *No* box.

Item C

Can you be claimed as a dependent on another taxpayer's federal return?

If you can be claimed as a dependent on another taxpayer's federal return, you must mark an ***X*** in the *Yes* box. You must mark the *Yes* box even if the other taxpayer chose not to claim you as a dependent. For example, if another taxpayer was entitled to claim you as a dependent on his or her federal return, but they chose not to in order to allow you to claim the federal education credit, you must mark an ***X*** in the *Yes* box.

Item D

If you do not need an income tax forms packet mailed to you next year

Please help us reduce waste and taxpayer-financed paper, printing, and mailing costs. Mark an ***X*** in the box **if you do not need** a New York State income tax packet next year.

Most taxpayers do not need a full tax packet with forms and instructions because they can download them from our Web site at *www.nystax.gov*, use our fax-on-demand system, or get them at a post office, library, or community center (see *Need help?* on the back cover). Other taxpayers e-file, use tax preparation software, or go to an accountant or tax preparer to have their returns completed. **Please note that if you e-file, use software, or use a paid preparer, we will not send you a tax packet next year.**

If we sent you a tax packet this year and you are using an original paper return (Form IT-203) from your packet, we will automatically send you a tax packet next year unless you mark an ***X*** in the box (next year's forms will be available in January 2007). Consider your situation for next year and whether you will actually need these paper tax forms again. If not, mark an ***X*** in the box.

Item E

New York City part-year residents only:

1) **Number of months you lived in New York City in 2005.** Enter the number of months during 2005 that you lived in New York City.
2) **Number of months your spouse lived in New York City in 2005.** If you were married and marked an ***X*** in box 2 of Item A (*Married filing joint return*) and your spouse lived in New York City in 2005, enter the number of months during 2005 that your spouse lived in New York City.

We need this information to help verify your New York City school tax credit.

All other taxpayers should leave the boxes at item E blank.

Item F

Special conditions for filing your 2005 tax return

If you qualify for one or more of the special conditions below, enter the specified 2-digit code(s).

01 Combat zone

Enter this code if you qualify for an extension of time to file and pay your tax due under the combat zone or contingency operation relief provisions. See Publication 361, *New York State Income Tax Information for Military Personnel and Veterans*.

02 Combat zone - KIA

Enter this code if you are filing a return on behalf of a member of the armed forces who died while serving in a combat zone. See Publication 361 for information on filing a claim for tax forgiveness.

03 Out of the country

Enter this code if you qualify for an automatic two-month extension of time to file your federal return because you are out of the country. For additional information, see page 14.

04 Nonresident aliens

Enter this code if you are a U.S. nonresident alien for federal income tax purposes and you qualify to file your federal income tax return on or before June 15, 2006 (the filing deadline for your New York State return is similarly extended until June 15, 2006).

Federal income and adjustments — Lines 1 through 18

Lines 1 through 18 are a summary of the items that make up your federal adjusted gross income.

If you did not have to file a federal return, complete Form IT-203 as if you had filed a return for federal income tax purposes.

***Federal amount* column –** Enter in the *Federal amount* column the total amount reported on your federal return for each of the items listed. In general, the reporting of income in the *Federal amount* column must be reported as it appears on your federal return. However, if you are subject to the special accrual rules, either as a full-year nonresident or a part-year resident (see page 7), also include in the *Federal amount* column all items you would be required to include if you were filing a federal return on the accrual basis. If you file a joint federal return but must file a separate return for New York State, calculate the federal column **as if** you had filed a separate federal return.

If you did not file a federal return but are filing a New York return on Form IT-203, you must report in the *Federal amount* column the amounts you would have reported if a federal return were required.

New York State amount column – Enter in the *New York State amount* column the following:

— **Nonresidents:** report all the income included in the *Federal amount* column that you received from New York State sources.

— **Part-year residents:** report the income included in the *Federal amount* column that you received from all sources earned while you were a New York State resident and your New York State source income for the part of the year you were a nonresident of New York State. **Complete the income allocation worksheet provided on page 17 to determine your New York source income.** The worksheet instructions are provided after the worksheet.

For more information, see *New York source income* on page 7.

Part-year resident income allocation worksheet *(see instructions below)*

Adjusted gross income **Married persons filing separate New York State returns should complete separate worksheets.**		Federal income (all sources) Column A Income from federal return	New York State resident period Column B Income from Column A for resident period	New York State nonresident period Column C Income from Column A for nonresident period	Column D Income from Column C from NYS sources
1 Wages, salaries, tips, etc.	**1.**				
2 Taxable interest income	**2.**				
3 Ordinary dividends	**3.**				
4 Taxable refunds, credits or offsets of state and local income taxes	**4.**				
5 Alimony received	**5.**				
6 Business income or loss *(from federal Schedule C or C-EZ)*	**6.**				
7 Capital gain or loss *(from federal Schedule D)*	**7.**				
8 Other gains or losses *(from federal Form 4797)*	**8.**				
9 Taxable amount of IRA distributions	**9.**				
10 Taxable amount of pensions and annuities	**10.**				
11 Rental real estate, royalties, partnerships, S corporations, trusts, etc. *(from federal Schedule E)*	**11.**				
12 Farm income or loss *(from federal Schedule F)*	**12.**				
13 Unemployment compensation	**13.**				
14 Taxable amount of social security benefits	**14.**				
15 Other income	**15.**				
16 Add lines 1 through 15	**16.**				
17 Total federal adjustments to income	**17.**				
18 Subtract line 17 from line 16 *(see instructions below).* This is your **federal adjusted gross income**	**18.**				

The combined total of Columns B and C should equal the total of Column A. However, the combined total of Columns B and C may not equal the total of Column A if you have capital gains or losses. Add the amounts in Column B and D for each line of the worksheet above and transfer the total to the corresponding line of Form IT-203 in the *New York State amount* column.

Worksheet instructions

If you moved into or out of New York State during 2005, the *Part-year resident income allocation worksheet* will help you figure your New York State source income for the entire taxable year. You may round all money amounts on your return to the nearest dollar. For example, round $10.49 to $10; round $10.50 to $11. If you round to the nearest dollar, round for all amounts.

Column A — Enter the amounts of income and adjustments reported on your federal return plus all items you would be required to include if you were filing a federal return on the accrual basis.

Column B — Enter that part of the amount from Column A that you received during the period you were a New York State resident.

Column C — Enter that part of the amount from Column A that you received during the period you were a New York State nonresident.

Report in Column B if you moved out of New York State, or Column C if you moved into New York State, all items you would be required to report if you were filing a federal return on the accrual basis for the period before you changed your resident status. These accrual amounts are to be combined with the corresponding income on lines 1 through 18. See *Special accruals* on page 7.

Column D — Enter that part of the amount from Column C that you received during your nonresident period from:

- services you performed in New York State;
- property located in New York State; **and**
- businesses, trades, professions, or occupations conducted in New York State.

If your salary or wages were earned partially in New York State, you have to determine how much should be allocated to New York State and enter that amount in Column D. Complete Schedule A on the front of Form IT-203-B. Two additional Schedule A sections are provided on the back of this form. If you need to allocate wage and salary income from more than three jobs, complete and attach additional copies of this form.

Refer to each specific line instruction to determine the income from New York State sources earned during your nonresident period.

When you have completed the worksheet, transfer the amount in Column A of the worksheet to the corresponding line on Form IT-203 in the ***Federal amount* column**.

Add the amounts in Columns B and D for each line of the worksheet. Transfer the total to the corresponding line on Form IT-203 in the ***New York State amount* column**.

Example 1: *You moved from Indiana to New York State on August 15, 2005. On your federal return, you report $35,000 in total wages. Of this amount, $12,000 was earned while you were a New York State resident. On line 1, you would enter $35,000 in Column A, $12,000 in Column B, $23,000 in Column C and $0 in Column D (no income was earned in New York State prior to the move).*

Example 2: *You moved from New York State to Georgia on June 10, 2005. On June 1, 2005, your employer awarded you a guaranteed bonus of $2,000 that was paid to you on July 1, 2005. You must enter the $2,000 bonus in Column B, line 1, since this is income accruable to your resident period.*

Example 3: *You moved from New Jersey to New York State on May 10, 2005. You own stock in the XYZ Corporation which, on May 1, 2005, declared a $1,000 dividend payable on June 1, 2005. You also received $500 a month from rental property which was sold on April 30, 2005, and located in New York. You must report the $1,000 dividend income in Column C on line 3, since this is considered to be income accruable to the nonresident period. The rental income is reported in Column C and in Column D on line 11, since this income is derived from New York State sources during your nonresident period.*

Line 1

Wages, salaries, tips, etc.

***Federal amount* column –** Enter the total of all wages, salaries, fees, commissions, bonuses, tips, fringe benefits, etc., reported on your 2005 federal return. Generally, the amount you enter on this line should be shown in box 1 of your federal Form(s) W-2, *Wage and Tax Statement*. However, you must include all of these items even if they were not reported by your employer on a wage and tax statement or other income statement.

***New York State amount* column –** Enter that part of the *Federal amount* column that represents services performed in New York State as a nonresident.

If you were a part-year resident, you must also add the part of the federal amount that was earned while you were a resident.

Nonresident income earned partially in New York State – If any amount included in the *Federal amount* column, line 1, is income earned partly in New York State and does not depend directly on the volume of business transacted, figure the amount earned in New York State by completing Schedule A, *Allocation of wage and salary income to New York State*, on Form IT-203-B.

Do not rely on the amount shown in the *State wages, tips, etc.* box shown on your Form(s) W-2 to determine your income earned in New York State. See the instructions for Form IT-203-B, Schedule A, on page 53.

If your income subject to allocation depends entirely on the volume of business transacted, as in the case of a salesperson working on commission, do not use Schedule A. Divide your volume of business transacted in the state by your total volume of business transacted both in and out of New York State. Multiply your total income subject to allocation by this percentage. This is the amount of your income allocated to New York State. The location where the services or sales activities were actually performed determines where business is transacted. Attach a schedule to your return showing how you figured this allocation.

If you allocate your personal service income differently than explained above, attach a separate schedule showing complete details.

TIP **Failure to complete Schedule A of Form IT-203-B and attach it to your return will result in a delay in the processing of your return.**

Line 2

Taxable interest income

***Federal amount* column –** Enter the taxable interest income reported on your federal return.

***New York State amount* column –** Enter that part of the *Federal amount* column that represents interest income earned as a nonresident that is part of the receipts of a business, trade, profession or occupation carried on in New York State. If you carry on business both in and out of New York State, see the instructions for line 6.

If you were a part-year resident, you must also add the part of the federal amount that was earned while you were a resident.

Line 3

Ordinary dividends

***Federal amount* column –** Enter the ordinary dividends reported on line 9a of your federal return.

***New York State amount* column –** Enter that part of the *Federal amount* column that represents ordinary dividends earned as a nonresident that is part of the receipts of a business, trade, profession or occupation carried on in New York State. If you carry on business both in and out of New York State, see the instructions for line 6.

If you were a part-year resident, you must also add the part of the federal amount that was earned while you were a resident.

Line 4

Taxable refunds, credits, or offsets of state and local income taxes

***Federal amount* column –** Enter the total taxable state and local income tax refunds, credits, or offsets included as income on your federal return. Also enter this amount on line 24, *Federal amount* column.

***New York State amount* column –** Enter that part of the *Federal amount* column that represents the amount derived from or connected with New York State sources as a nonresident. Also enter this amount on line 24, *New York State amount* column.

If you were a part-year resident, include that part of the *Federal amount* column that you received while you were a New York State resident and any amount derived from or connected with New York sources as a nonresident. Also include this amount on line 24, *New York State amount* column.

Line 5

Alimony received

***Federal amount* column –** Enter the total alimony received as reported on your federal return.

***New York State amount* column –** Do not enter any alimony received for the period you were a nonresident.

If you were a part-year resident, enter only that part of the *Federal amount* column which represents the total alimony received while you were a New York resident.

Line 6

Business income or loss

***Federal amount* column –** Enter your business income or loss reported on your federal return and attach a copy of your federal Schedule C or Schedule C-EZ.

***New York State amount* column –** Enter the part of the *Federal amount* column that represents business income or loss you received as a nonresident from a business, trade or profession carried on in New York State.

If you were a part-year resident, you must also add the part of the federal amount that represents business income or loss you received while you were a resident.

Business carried on – Your business, trade, profession, or occupation (not including personal service as an employee) is considered to be carried on in New York State if you have, maintain, operate or occupy desk space, an office, a shop, a store, a warehouse, a factory, an agency or other place where your affairs are regularly carried on in New York State. This definition is not exclusive. Your business is considered to be carried on in New York State if it is transacted here with a fair measure of permanency and continuity.

Business carried on both in and out of New York State – If your business, trade, or profession is carried on both in and out of New York State and you maintain accounts clearly reflecting income from the New York operations, enter the net profit or loss from business carried on in New York State on line 6 in the *New York State amount* column.

If the New York State income of the business cannot be determined from your books, income from business carried on both in and out of New York State must be allocated according to a prescribed formula or an approved alternative method. Form IT-203-A, *Nonresident Business Allocation Schedule*, containing the statutory formula and other instructions pertaining to the allocation of business income, must be completed for this purpose and attached to Form IT-203. If you submit an alternative method for allocation, you must also complete Form IT-203-A and submit all information about your own method of allocation.

If you are self-employed and carry on a trade, business or profession in New York City, you may also be required to file New York City's Form NYC-202, *Unincorporated Business Tax Return for Individuals, Estates and Trusts*. For more information, see the Instructions for Form NYC-202. You can get this form and its instructions by calling the NYC Department of Finance. See *How to get New York City forms* on page 10. Since New York State does not administer the New York City unincorporated business tax, **do not** file your Form NYC-202 with your state return.

Passive activity loss — If you have a loss from passive activity, you must complete Form IT-182, *Passive Activity Loss Limitations for Nonresidents and Part-Year Residents*, to report your passive activity losses from New York sources. Attach this form to your Form IT-203.

Line 7

Capital gain or loss

***Federal amount* column –** Enter your capital gain or loss from the sale or exchange of property, including securities, as reported on your federal return. Attach a copy of federal Schedule D, if one was required to be completed for federal purposes, and any related schedules. If attaching a copy of federal Schedule D, and Schedule D contains gains or losses from the sale of real property, please note on the schedule the state(s) where the property is located.

***New York State amount* column**

Nonresidents: Figure the amount to be included on line 7, *New York State amount* column, as capital gain or loss from New York State sources in accordance with federal provisions for determining capital gains and losses. This includes a deduction for any capital loss carryover from New York State sources. Use a copy of federal Schedule D (Form 1040) as a worksheet in determining your New York capital gain or loss. Include in your computations only transactions that were from New York State sources. If these computations result in a net capital loss for New York State purposes, the loss is limited to $3,000 ($1,500 if you are married and filing separately) on the New York State return. Any balance of a 2005 net capital loss (in excess of the amount claimed on the 2005 return) will be treated as a carryover loss to be claimed on returns for later years.

Part-year residents: Enter that part of the *Federal amount* column that represents capital gains or losses realized during your resident period. Also include any capital gains or losses (included in the *Federal amount* column) realized during your period of nonresidence that are from New York State sources.

Capital transactions from New York sources

Include on line 7, *New York State amount* column:

- capital gains or losses derived from real or tangible personal property located within New York State, whether or not connected with a trade or business;
- any gain from the sale, transfer, or other disposition of shares of stock in a cooperative housing corporation in connection with the grant or transfer of a proprietary leasehold, when the real property comprising the units of such cooperative housing corporation is located in New York State, whether or not connected with a business;
- capital gains or losses from stocks, bonds and other intangible personal property used in or connected with a business, trade, profession or occupation carried on in New York State; **and**
- your share of any capital gain or loss derived from New York sources of a partnership of which you are a member (from Form IT-204), an estate or trust of which you are a beneficiary (from Form IT-205 or Form IT-205-A) or an electing New York State S corporation of which you are a shareholder. This information should be provided to you by the S corporation.

If any capital gains or losses are from business property (other than real property) of a business carried on both in and out of New York State, apply the business allocation percentage (from Form IT-203-A) or approved alternative method in determining the New York capital gain or loss. Gains and losses from the sale or disposition of real property are not subject to allocation. In all cases, use the federal basis of property in computing capital gains or losses.

Line 8

Other gains or losses

***Federal amount* column –** Enter the other gains or losses from the sale or exchange of assets used in a trade or business, as reported on your federal return. Attach a copy of federal Form 4797.

***New York State amount* column –** As a nonresident, figure the amount(s) to be included on line 8, in the *New York State amount* column, as the gain or loss from the sale or exchange of noncapital assets by applying the federal provisions for determining gains or losses from the sale or exchange of other than capital assets to your New York State transactions.

If you were a part-year resident, you must also add the part of the federal amount that was from other gains or losses from the sale or exchange of noncapital assets while you were a resident.

Noncapital transactions from New York State sources are those noncapital transactions includable in your federal return pertaining to property used in connection with a business, trade, profession or occupation carried on in New York State. Also included is your share of any noncapital gain or loss from a partnership of which you are a member (from Form IT-204) or an estate or trust of which you are a beneficiary (from Form IT-205 or IT-205-A) or an electing New York State S corporation of which you are a shareholder. This information should be provided to you by the S corporation. Use Form IT-203-A if an allocation is required.

Line 9

Taxable amount of IRA distributions

***Federal amount* column –** Enter the amount reported on your federal return.

***New York State amount* column**

Nonresidents: Do not enter any part of the *Federal amount* in the *New York State amount* column.

If you were a **part-year resident**, enter only that part of the federal amount that was received while you were a resident.

See the instructions for line 28 on page 27 to see if you qualify for the pension and annuity income exclusion.

Line 10

Taxable amount of pensions and annuities

***Federal amount* column –** Enter the taxable amount of pensions and annuities reported on your federal return.

***New York State amount* column**

Nonresidents: Certain pension income received while a nonresident is **not** taxable to New York State and should not be included in the *New York State amount* column.

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 certain retirement income of a nonresident. It protects all income received from pension plans recognized as *qualified* under the IRC and also exempts income received under certain deferred compensation plans that are *nonqualified* retirement plans under the tax code, but which meet additional requirements.

For more information, see Publication 36, *General Information for Senior Citizens and Retired Persons*, and Publication 88, *General Tax Information for New York State Nonresidents and Part-Year Residents*.

Even if your pension or other retirement benefit is not exempt under Title 4 of the U.S. Code, it is still exempt if it meets the New York definition of an annuity.

If the pension and annuity income is **not** exempt from New York tax, as explained above, and is based on services performed inside and outside New York State, enter on line 10 the amount of pension and annuity income received to the extent that the services were performed in New York State.

Part-year residents: Enter that part of the *Federal amount* column that represents the taxable amount of pensions and annuities received while a New York State resident.

Do not enter that part of the *Federal amount* column that represents a pension or annuity or other retirement benefit that is exempt from New York tax (as described above) because you received it as a nonresident.

If the amount on line 10 represents a pension or other benefit paid by the New York State or a municipal retirement system (including distributions from the TIAA-CREF Optional Retirement Program) or the United States, its territories or possessions, political subdivisions of these territories or possessions, the District of Columbia or any agency or instrumentality of any of the above (including the military), also include this amount on line 25. For more information, see the instructions for line 25 on page 27.

(continued)

If you entered an amount on line 10, either column, see the instructions for line 28 on page 27 to see if you qualify for the pension and annuity income exclusion.

Line 11

Rental real estate, royalties, partnerships, S corporations, trusts, etc.

***Federal amount* column –** Enter the amount reported on your federal return and attach a copy of federal Schedule E.

***New York State amount* column –** Enter that part of the *Federal amount* column that was derived from or connected with New York State sources as a nonresident. See the instructions below relating to each type of income received from these sources.

If you were a part-year resident, you must also add the part of the *Federal amount* column that was received from these sources while you were a resident.

- **Rent and royalty income —** As a nonresident, report in the *New York State amount* column rents and royalties from (1) real property located in New York State, whether or not used in connection with a business; (2) tangible personal property not used in a business if such property is located in New York State; and (3) tangible and intangible personal property used in or connected with a business, trade, profession or occupation carried on in New York State.

  If a business is carried on both in and out of New York State, apply the business allocation percentage (from Form IT-203-A) or alternate method to items included in item (3) in the preceding paragraph to determine the income from New York State sources. However, do not allocate income from real property. That income must be entirely included if the real property is located in New York State and entirely excluded if the real property is located outside New York State.

  Also report in the *New York State amount* column your share of any rental or royalty income from a partnership of which you are a member (from Form IT-204) or an estate or trust of which you are a beneficiary (from Form IT-205 or Form IT-205-A).

- **Partnership income —** As a nonresident, enter in the *New York State amount* column your distributive share of partnership income. This information should be provided to you by your partnership. If your distributive share includes any other items of partnership income taxable to a nonresident, those items must be included elsewhere in the *New York State amount* column on the appropriate lines. For example, your share of a partnership's New York capital gain would be included in determining the amount to be reported on line 7.

- **S corporation income —** As a nonresident, enter in the *New York State amount* column your pro rata share of an electing New York S corporation's items of income, gain, loss and deduction. This information should be provided to you by the S corporation. If your share includes any other items of income, such as dividends or capital gains, those items must be included elsewhere in the *New York State amount* column on the appropriate lines. If the corporation carried on business both in and out of New York State, the corporation's business allocation percentage and investment allocation percentage determined under Article 9-A, or the entire net income allocation percentage determined under Article 32, must be used to figure the amount of your income or loss that was derived from or connected with New York State sources.

- **Estate and trust income –** As a nonresident, enter in the New York State amount column your share of estate or trust income from New York State sources obtained from information provided by the fiduciary from Form IT-205 and Form IT-205-A. If your share includes any items of taxable estate or trust income from New York State sources not reported on line 11, those items should be included elsewhere in the New York State amount column on the appropriate lines describing that income.

Part-year residents

Except as provided below, if you were a part-year resident and a partner of a partnership, shareholder of an S corporation, or beneficiary of an estate or trust, you must determine the portion of your distributive share of partnership income, your pro rata share of S corporation income, or your share of estate or trust income to be reported in the *New York State amount* column, based on the number of days you were a resident and the number of days you were a nonresident during the partnership's, S corporation's, or estate's or trust's tax year which ends during your tax year. The portion attributable to your nonresident period is limited to the percentage of the distributive share of partnership income, the pro rata share of S corporation income, or share of estate or trust income derived from or connected with New York State sources. (Obtain this percentage from your partnership, S corporation, or estate or trust.) Based on these rules, the amount of your distributive or pro rata share of partnership or New York S corporation income, or your share of estate or trust income to be included in the *New York State amount* column, is computed using the following formula:

Step 1 (resident period) – To determine your *New York State amount* while a resident, multiply your distributive or pro rata share of income, or your share of estate or trust income for federal income tax purposes by a fraction whose numerator is the number of days you were a resident during the partnership's, S corporation's, or estate's or trust's tax year ending during your tax year, and whose denominator is the total number of days in the partnership's, S corporation's, or estate's or trust's tax year.

Step 2 (nonresident period) – To determine your *New York State amount* while a nonresident, first multiply your distributive or pro rata share of income, or your share of estate or trust income for federal income tax purposes by a fraction whose numerator is the number of days you were a nonresident during the partnership's, S corporation's, or estate's or trust's tax year ending during your tax year, and whose denominator is the total number of days in the partnership's, S corporation's, or estate's or trust's tax year. Then, if you are a partner or shareholder, multiply this result by the partnership's or New York S corporation's New York allocation percentage for the year. If you are a beneficiary of an estate or trust, determine the portion of this result that is derived from New York sources from information provided by the fiduciary from Form IT-205 and IT-205-A.

Step 3 – Add the amounts computed in Steps 1 and 2. This is the amount to include in the *New York State amount* column.

Example 1: *Sam Smith was a partner in partnership Q during 2005. Partnership Q's taxable year ends on December 31, 2005. Partnership Q carried on business both within and outside New York State and has determined that the partnership's New York allocation percentage is 65%. For tax year 2005, the distributive share of income from partnership Q included in Sam's* Federal amount *column on Form IT-203 was $40,000. Sam changed residence from New York State to New Jersey on September 30, 2005. Using Steps 1 through 3, the amount of partnership income that Sam Smith must include in New York source income (the* New York State amount *column) on his 2005 Form IT-203, is computed as follows:*

Step 1 *(resident period)*

$$\frac{273 \text{ (number of days from 1/1/2005 through 9/30/2005)}}{365} \times \$40{,}000 = \$29{,}917.81$$

Step 2 *(nonresident period)*

$$\frac{92 \text{ (number of days from 10/1/2005 through 12/31/2005)}}{365} \times \$40{,}000 = \$10{,}082.19 \times .65 = \$6{,}553.42$$

Step 3

Total amount to include in New York State amount *column = $36,471.23*

Example 2: *Tim Jones was a partner in partnership R during 2005. Partnership R's tax year began on November 1, 2004, and ended on October 31, 2005. Partnership R carried on business both within and outside New York State and has determined the partnership's New York allocation percentage is 60%. For tax year 2005, the distributive share of income from partnership R included in Tim's Federal amount column on Form IT-203 was $65,000. Tim changed residence from New York State to Vermont on May 31, 2005. Using steps 1 through 3, the amount of partnership income that Tim Jones must include in New York source income (the New York State amount column)*

on his 2005 Form IT-203, is computed as follows:

Step 1 *(resident period)*

$$\frac{212 \text{ (number of days from 11/1/2004 through 5/31/2005)}}{365} \times \$65{,}000 = \$37{,}753.42$$

Step 2 *(nonresident period)*

$$\frac{152 \text{ (number of days from 6/1/2005 through 10/31/2005)}}{365} \times \$65{,}000 = \$27{,}246.58 \times .60 = \$16{,}347.95$$

Step 3

Total amount to include in New York State amount *column = $54,101.37*

Exception: *As a part-year resident who is a partner of a partnership, shareholder of an S corporation, or beneficiary of an estate or trust, you may elect to determine the actual amount of your distributive share of partnership income, or your pro rata share of S corporation income, or share of estate or trust income to be reported in your* New York State amount *column, using a direct accounting method rather than using the proration method shown in Steps 1 through 3 above. The direct accounting method requires you to determine the actual amount of your share of income attributable to the period you were a resident and nonresident during the partnership's, S corporation's, or estate's or trust's tax year ending within your tax year. If you elect to use the direct accounting method, you must use the partnership's, S corporation's, or estate's or trust's method of accounting for federal income tax purposes to determine the amount attributable to each period. In addition, you must use the method for all items of income, gain, loss and deduction that are included in your distributive share of partnership income, your pro rata share of S corporation income, or your share of estate or trust income.*

Note: *If you are a partner, shareholder, or beneficiary of more than one entity, apply either method (proration method or direct accounting method) shown above separately to each entity. However, you are not required to use the same method for all entities.*

- **Passive activity loss —** If you have a loss from passive activity, you must complete Form IT-182, *Passive Activity Loss Limitations for Nonresidents and Part-year Residents,* to report your passive activity losses from New York sources. Attach this form to your Form IT-203.

  Limitations – Any deduction for passive activity losses for a nonresident must be recomputed to determine the amounts that would be allowed if the federal adjusted gross income took into account only items of income, gain, loss, or deduction derived from or connected with New York sources.

  If you were a part-year resident, you must recalculate your passive activity loss limitations as if separate federal returns were filed for your resident and nonresident periods.

Line 12

Farm income or loss

***Federal amount* column –** Enter the amount reported on your federal return and attach a copy of your federal Schedule F, Form 1040.

***New York State amount* column –** Enter that part of the *Federal amount* column that represents income or loss from farming carried on in New York State as a nonresident.

Reporting farm income is similar to reporting business income. See the instructions for reporting business income (line 6) on page 18, including the instructions for reporting when business is carried on both in and out of New York State.

If you were a part-year resident, you must also add the part of the federal amount that represents farm income or loss for the period you were a resident.

Line 13

Unemployment compensation

***Federal amount* column –** Enter the amount reported on your federal return.

***New York State amount* column –** Enter that part of the *Federal amount* column that represents taxable unemployment compensation received as a nonresident and derived or resulting from employment in New York State.

If the unemployment compensation received from New York State sources is based on wage or salary income earned partly in and partly out of New York State, figure the amount allocable to New York State in the same manner as the wage and salary income on which it is based.

If you were a part-year resident, you must also add the part of the federal amount that was received while you were a resident.

Line 14

Taxable amount of social security benefits

***Federal amount* column –** Enter the amount of taxable social security (and Tier 1 railroad retirement benefits) reported on your federal return. Also enter this amount on line 26.

***New York State amount* column**

Nonresidents: Do not enter any amount received for the period you were a nonresident.

Part-year residents: If you were a part-year resident, enter that part of the *Federal amount* column that represents any taxable amount of social security (and Tier 1 railroad retirement benefits) you received while you were a New York State resident. Also enter this amount on line 26.

Line 15

Other income

***Federal amount* column –** Enter the total other income reported on your federal return. Write each type of income and its amount in the white area on line 15. If you need more room, make a list showing each type of income and its amount, and attach the list to your New York return.

***New York State amount* column –** Enter that part of the *Federal amount* column derived from or connected with New York State sources as a nonresident.

New York State Lottery winnings – Prizes won by a **nonresident** in the New York State Lottery are New York source income includable in the New York State amount column if:

- the prize was won on or after October 1, 2000; **and**
- the total proceeds of the prize are more than $5,000.

Proceeds means the total amount of the prize won (not the installment amount, if the prize is payable in installments), less the cost to purchase just the winning ticket. If the prize is won by a group, the total prize won by the group (less the cost of the winning ticket), and not each group member's share of the prize, is used to determine if the proceeds exceed $5,000.

Accordingly, if you won a New York State Lottery prize on or after October 1, 2000, and the proceeds of that prize were more than $5,000, the total amount of the prize (not the proceeds) you received during 2005 that was included in the *Federal amount* column on line 15 must also be included in the *New York State amount* column on line 15.

However, if you won more than one lottery prize on or after October 1, 2000, but none of the proceeds of the individual prizes exceeded $5,000, do not include any of the prize(s) in the *New York State amount* column. This is true even if the total proceeds of all prizes won exceed $5,000.

The following examples illustrate the reporting of New York State Lottery prizes in the *New York State amount* column:

Example 1: *On October 8, 2005, you won a New York State Lottery prize of $6,000. On November 28, 2005, you won a New York State Lottery prize of $5,000. The cost to purchase the winning tickets was $1.00 for each ticket. The proceeds from the October 8, 2005, prize would be $5,999 ($6,000 minus $1.00), and the proceeds from the November 28, 2005, drawing would be $4,999 ($5,000 minus $1.00). Accordingly, since the proceeds from the prize won on November 28, 2005, were not more than $5,000 ($4,999), you do not have to include the $5,000 prize you received in the* New York State amount *column. However, since the proceeds of the October 8, 2005, prize ($5,999) exceeded $5,000, you must include the $6,000 you received from that prize in the* New York State amount *column.*

(continued)

Example 2: *On October 25, 2005, you won a New York State Lottery prize of $2,600. On November 16, you won another New York State Lottery prize of $3,000. The cost to purchase the winning tickets was $1.00 for each ticket. Accordingly, the total proceeds of both prizes were $5,598. However, because the proceeds of each prize separately were not more than $5,000, you do not have to include either prize in the* New York State amount *column.*

Example 3: *On November 20, 2005, you won a $1 million lottery prize as part of a group. Your share of the group's prize was $50,000, payable in installments of $2,500 for 20 years. You received the first installment on November 25, 2005. Since the total proceeds of the prize won by the group ($999,999) are over $5,000, you must include the $2,500 installment received in 2005 in the* New York State amount *column. In addition, for the next nineteen years, you must include each annual installment of $2,500 in the* New York State amount *on your nonresident return.*

If you are a part-year New York State resident you must include in the *New York State amount* column the amount of any lottery prize you won while a New York State resident, and the amount of any lottery prize you won during your nonresident period if the prize was won on or after October 1, 2000, and the total proceeds of the prize are more than $5,000.

Example 4: *On March 15, 2005, as a resident of New York State, you won $3,000 in the New York State Lottery. You moved to Connecticut and became a resident there on June 1, 2005.*

On November 12, 2005, you won a New York State Lottery prize of $7,200. The cost to purchase the winning ticket was $1.00. The proceeds from that drawing would be $7,199 ($7,200 minus $1.00). You must include the total prize of $7,200 you won while a nonresident (because the proceeds exceeded $5,000 and the prize was won on or after October 1, 2000), and the $3,000 you won while a resident of New York State, in the New York State amount *column on line 15.*

In the case of a lottery prize you elected to receive on the installment basis, see *Special accruals* on page 7.

Net operating loss – If you have a net operating loss (NOL) derived from New York sources (without a corresponding federal NOL) that you are carrying forward to 2005, enter the amount of the loss in the *New York State amount* column on line 15 with a minus sign (-). Attach a statement explaining the loss.

If you were a part-year resident, you must also add the part of the federal amount that was received while you were a resident.

Line 16

Add lines 1 through 15 of each column, and enter the totals on line 16.

Line 17

Total federal adjustments to income

***Federal amount* column –** Enter the total adjustments to income reported on your federal Form 1040, line 36. (If you filed federal Form 1040A, enter the amount reported on line 20). Write each adjustment and its amount in the white area on Form IT-203, line 17. If you need more room, make a list showing each adjustment and its amount and attach the list to your New York return.

If you did not have to file a federal return, claim the same adjustments to income that you would have claimed for federal income tax purposes.

New York State amount* column –** Enter that part of the ***Federal amount column that represents adjustments connected with income from New York State sources while you were a nonresident.

If you were a part-year resident, you must also add the part of the federal adjustment deductible while you were a New York State resident.

Alimony paid – All or a portion of a federal adjustment for alimony paid is allowed in the *New York State amount* column for nonresidents and part-year residents.

You must use the following formula to figure the amount of the federal deduction allowed in the *New York State amount* column for alimony paid:

$$\frac{\textit{NY State amount}\ \text{column, line 16}}{\textit{Federal amount}\ \text{column, line 16}} \times \text{Federal alimony deduction} = \text{New York alimony deduction}$$

The New York alimony deduction included on line 17 cannot be more than the alimony deduction claimed on your federal Form 1040, line 31a.

Moving expenses

Nonresidents: If you moved to a new home because you changed job locations in New York State or you started a new job in New York State, moving expenses that you incurred during your nonresident period are adjustments connected with income from New York State sources and are deductible. Include in the *New York State amount* column the part of the *Federal amount* column that represents adjustments connected with income from New York State sources. If your new job or new work location is outside New York State, your moving expenses are **not** deductible in the *New York State amount* column since they are not considered to be connected with income from New York State sources.

Part-year residents: If you were a part-year resident, any moving expenses that you paid or incurred during your resident period are deductible. Include that part of the federal amount in the *New York State amount* column. Moving expenses that you paid during your nonresident period are deductible **only** if your new work location is within New York State. (See *Nonresidents* above.)

Other adjustments to income

Any other adjustment to income that relates to wage or salary income earned partly in New York State or to income from a business that is carried on both in and out of New York State must be allocated to New York State on the same basis as the income to which it relates. Some of these adjustments include IRA deduction, tuition and fees deduction (if they are required as a condition of your employment by your New York employer), one-half of self-employment tax, and self-employed SEP, SIMPLE, and qualified plans.

Example: *You are allowed an adjustment of $800 on your federal return for payments by a self-employed person to a retirement plan, and these payments were made in connection with a business you operated both in and out of New York State.*

If, in determining your business income from New York State sources, you figure your business allocation percentage on Form IT-203-A to be 75% (see the instructions for line 6 on page 18), then 75% of this adjustment, or $600, should be included in the New York State amount *column on line 17.*

Line 18

Federal adjusted gross income

Subtract line 17 from line 16 in each column and enter the results on line 18. Generally, the amount in the *Federal amount* column will be the same as the adjusted gross income reported on your federal return. However, if you are subject to the special accruals, either as a full-year nonresident or part-year resident (see page 7), this amount will not be the same.

New York additions and subtractions/New York adjusted gross income

Certain items of income not taxed by the federal government are taxed by New York State. These *New York additions* must be included in your federal adjusted gross income in the *Federal amount* column and, to the extent they relate to income, loss or deduction derived from or connected with New York State sources, included in the *New York State amount* column. Enter any of the listed additions on lines 20 through 22. There are also certain items of income taxed by the federal government but not taxed by New York State. These *New York subtractions* must be deducted from your federal adjusted gross income in the *Federal amount* column and, to the extent they relate to income, loss or deduction derived from or connected with New York State sources, in the *New York State amount*

column. Enter any of the listed subtractions on lines 24 through 29. New York additions and subtractions that relate to intangible items of income, such as interest or ordinary dividends, are only required to the extent the property that generates the income is employed in a business, trade, profession or occupation carried on in New York State. See the instructions for lines 20 through 29 to identify any additions and subtractions that apply to you.

If you were a part-year resident, include the portion of any of the additions and subtractions that relate to your New York State resident period in the *New York State amount* column. Also, for the period you were a nonresident, include in the *New York State amount* column the portion of any of the additions and subtractions to the extent they are related to a business, trade, profession or occupation carried on in New York State or are from real or tangible personal property located in New York State.

Partners — If you have income from a partnership, include any New York additions and subtractions that apply to that income. Determine your share of partnership additions and subtractions from the partnership return, Form IT-204.

Beneficiaries (estates and trusts) — If you have income from an estate or trust, any New York additions and subtractions that apply to that income as well as any additions to or subtractions from federal itemized deductions, will be shown in your share of a single fiduciary adjustment. You, as a nonresident beneficiary, must include in the *Federal amount* column your share of the total fiduciary adjustment. Include in the *New York State amount* column **only** that portion of the nonresident beneficiary's share of the fiduciary adjustment that relates to income, loss or deduction derived from or connected with New York State sources. Attach a schedule showing how the fiduciary adjustment was figured. If the adjustment is a net addition, enter this amount on line 22; if the adjustment is a net subtraction, enter this amount on line 29. Identify this item as a ***fiduciary adjustment***.

If you filed federal Form 4970, *Tax on Accumulation Distribution of Trusts*, the income you reported on line 1 of Form 4970 is not included on Form IT-203, line 11. The IRC considers the distribution part of federal gross income. **Therefore, you must include on line 22 the amount of income you reported on Form 4970, line 1, less any interest income on state and local bonds and obligations of New York State or its local governments (that was included on Form 4970, line 5).**

S corporation shareholders — If you are a shareholder of a federal S corporation for which the election to be a New York S corporation was in effect for the taxable year, include in the *Federal amount* column any of the following additions and subtractions that apply to your pro rata share of S corporation items of income, loss or deduction. Include in the *New York amount* column any of the additions or subtractions included in the *Federal amount* column that relate to your pro rata share of S corporation items of income, loss or deduction that are derived from or connected with New York sources. Additions A-16, A-17, and A-18 and subtraction S-20 do not apply to you since they apply only to nonelecting S corporations. If the election to treat the corporation as a New York S corporation terminated during the taxable year, you must allocate those items.

Your share of S corporation items of income, loss, and deduction should be provided to you by the S corporation.

If you are a shareholder of an S corporation that was eligible to make the election to be a New York S corporation for the tax year but did not make the election, include additions A-16, A-17, and A-18 and subtraction S-20 in the *Federal amount* column. Include in the *New York State amount* column additions A-16, A-17, and A-18, and subtraction S-20, **only** if the S corporation stock was held as an asset of another business carried on by the shareholder in New York State. For example, if the S corporation's stock is held as an asset of a sole proprietorship operated by the shareholder in New York State, the shareholder is required to include the above additions and subtraction in the *New York State amount* column.

If you were not eligible to make the election to treat your corporation as a New York S corporation because the corporation was not subject to Article 9-A general business corporation franchise tax, or Article 32 banking corporation franchise tax, include in the *Federal amount* column any of the additions and subtractions below that apply to your pro rata share of S corporation items of income, loss or deduction. Include in the *New York State amount* column any additions and subtractions below that relate to S corporation items of income, gain, loss or deductions **only** if the S corporation stock is held as an asset of another business carried on by the shareholder in New York State. For example, if the S corporation's stock is held as an asset of a sole proprietorship operated by the shareholder in New York State, the shareholder must include any required additions and subtractions in the *New York State amount* column. Additions A-15, A-16, A-17, and A-18, and subtractions S-19 and S-20, do **not** apply to you since they apply only to electing and nonelecting New York S corporations.

If a gain or loss is recognized on your federal income tax return due to the disposition of stock or indebtedness of an S corporation that did not elect to be a New York S corporation for any taxable year after December 31, 1980, make addition A-18 or subtraction S-19, whichever applies to you.

You must make the additions and subtractions for the taxable year of the S corporation that ends in your taxable year.

New York additions

Line 20

Interest income on state and local bonds (but not those of NYS or its localities)

***Federal amount* column —** Enter any interest income on bonds or obligations of other states or political subdivisions of those states that you received or that was credited to you during 2005, that was **not** included in your federal adjusted gross income. This includes interest income on state and local bonds (but not those of New York State and local governments within the state), interest and dividend income from tax-exempt bond mutual funds and tax-exempt money market funds that invest in obligations of states other than New York.

If you purchased a bond between interest dates, include the amount of interest you received during the year, less the seller's accrued interest (the amount accrued from the interest date preceding your purchase to the date you purchased the bond). If you sold a bond between interest dates, include the amount of interest you received during the year plus the accrued interest amount (the amount accrued from the interest date preceding the date you sold the bond to the date you sold the bond). You should have received this information when you purchased or sold the bond.

***New York State amount* column —** Do **not** make this addition for any period you were a **nonresident** unless the addition is attributable to a business, trade, profession or occupation carried on in New York State.

If you were a part-year resident, you must also add the part of the federal amount that you received or that was credited to you for the period you were a resident.

Line 21

Public employee 414(h) retirement contributions

Enter in both the *Federal amount* column and the *New York State amount* column the amount of 414(h) retirement contributions shown on your wage and tax statement(s), federal Form W-2 made by:

- a Tier 3 or Tier 4 member of the New York State and Local Retirement Systems, which include the New York State Employees' Retirement System and the New York State Policemen's and Firemen's Retirement System; **or**
- a Tier 3 or Tier 4 member of the New York State Teachers' Retirement System; **or**
- an employee of the State or City University of New York who belongs to the Optional Retirement Program; **or**

(continued)

- members of the Manhattan and Bronx Surface Transit Authority (MABSTOA) Pension Plan; **or**
- any tier member of the New York City Employees' Retirement System, the New York City Teachers' Retirement System, the New York City Board of Education Retirement System, the New York City Police Pension Fund or the New York City Fire Department Pension Fund.

Do not enter on line 21 contributions to a section 401(k) deferred arrangement, section 403(b) annuity or section 457 deferred compensation plan.

Line 22

Other additions

Some additions that are not as common as those identified individually on Form IT-203 are reported on line 22 as *Other* additions.

Identify any of the following additions (below and on pages 25 and 26) that apply to you by writing the item number (A-1 through A-27) and the amount of each addition in the white area on line 22. Enter the total amount of these other additions on line 22 in the applicable *Federal amount* column and, to the extent they are from New York State sources, in the *New York State amount* column.

The acronym ***IRC*** refers to ***Internal Revenue Code***.

A-1 Investment income from certain obligations of U.S. government agencies or affiliations — Federal laws specifically exempt investment income from certain obligations of U.S. government agencies or affiliations from federal taxation but not from state taxation.

If, during 2005, you received or were credited with any interest or dividend income from any United States authority, commission or instrumentality that federal laws exempt from federal income tax but do not exempt from state income tax, **and if** you did not include that income in figuring your federal adjusted gross income (as you should not have), **then** include that income on line 22. If you are uncertain whether a particular federal bond or obligation is subject to state income tax, contact the New York State Tax Department at the number on the back cover of these instructions.

A-2 Personal income taxes and unincorporated business taxes deducted in determining federal adjusted gross income — No personal income taxes or unincorporated business taxes can be deducted in the computation of New York taxable income.

If you included a deduction for state, local or foreign income taxes, including unincorporated business taxes, when figuring your federal adjusted gross income, **then** you must include the amount of that deduction on line 22. For example, if you operated a business and deducted New York City unincorporated business tax on your federal Form 1040, Schedule C, as an expense of doing business, include this tax on line 22.

Partners — Include on line 22 your distributive share of state, local or foreign income taxes, including unincorporated business taxes, deducted in figuring net income.

S corporation shareholders — If you are a shareholder of a federal S corporation for which the election to be a New York S corporation was in effect, **and if** that corporation deducted taxes imposed by Article 9-A (general business corporation franchise tax) or Article 32 (banking corporation franchise tax) of the New York State Tax Law, **then** include your pro rata share of those taxes on line 22. (However, no state or local taxes of another state, political subdivision of another state, or the District of Columbia need be included.)

A-3 Interest expense on loans used to buy obligations exempt from New York State tax, amortized bond premium on bonds that are exempt from New York State tax and other expenses relating to the production of income exempt from New York State tax

a) **If** your federal adjusted gross income includes a deduction for interest expense used to buy bonds, obligations or securities whose interest income is taxable for federal purposes but exempt from New York State tax, **then** include that interest expense on line 22.

b) **If** your federal adjusted gross income includes a deduction for the amortization of bond premiums on bonds whose interest income is taxable for federal purposes but exempt from New York State tax, **then** include that amortized premium on line 22.

c) **If** your federal adjusted gross income includes a deduction for expenses relating to the production of income which is taxable for federal purposes but exempt from New York State tax, **then** include that interest expense on line 22.

A-4 Special additional mortgage recording tax deduction — If you excluded or deducted special additional mortgage recording tax in figuring your federal adjusted gross income and you were previously allowed a New York State personal income tax credit for that tax, **then** include on line 22 the amount excluded or deducted.

A-5 Special additional mortgage recording tax basis adjustment — If property on which you paid a special additional mortgage recording tax is sold or disposed of, and a special additional tax was paid on or before January 1, 1988, and you claimed the New York State credit in a prior year for the special additional mortgage recording tax paid on that property, and the federal basis of the property was not adjusted to reflect the amount of the credit allowed, **then** include on line 22 the amount of the basis that was not adjusted for the amount of the credit claimed. Do not make the addition for the special additional tax to record a mortgage on or after January 1, 2004, even if you claimed the credit for that tax.

A-6 Special depreciation — If you made an election for tax years beginning before 1987 for:

- special depreciation,
- research and development expenditures,
- waste treatment facility expenditures,
- air pollution control equipment expenditures, **or**
- acid deposition control equipment

then include on line 22 the amount of depreciation or expenditures relating to these items that was deducted in determining your federal adjusted gross income. Also see subtraction S-12 on page 29 of these instructions.

A-7 Percentage depletion — If you claimed a deduction on your federal return for percentage depletion on mines, oil and gas wells, and other natural deposits, **then** include on line 22 the amount deducted in figuring your federal adjusted gross income. Also see subtraction S-11 on page 29 of these instructions.

A-8 Sales or dispositions of assets acquired from decedents — In certain cases involving assets of decedents, the assets can acquire different bases for state and federal tax purposes. In those cases, adjustments in the gains or losses on the sales or disposition of those assets must eventually be made.

If, during the tax year, there was a sale or other disposition of any stocks, bonds, property or other assets that had been either inherited or sold or disposed of directly by the estate of a decedent, **and if** the estate of the decedent who left behind those assets was not large enough to require the filing of a federal estate tax return, and if the executor or administrator of that estate had valued those assets for New York State purposes at less than their value for federal purposes, **then** include on line 22 the **difference between** (a) the gain or loss on that sale or disposition that you figured into your federal adjusted gross income for the tax year and (b) the gain or loss that would have resulted if the executor or administrator had valued the assets for federal purposes at the same value that he or she valued them for New York State purposes.

This adjustment is no longer required for property acquired from decedents who died on or after February 1, 2000.

A-9 Disposition of solar and wind energy systems — In certain cases, because the federal government did not have a similar credit to adjust the basis of the system being acquired, New York State credits taken for the purchase and installation of a solar and wind energy system have to be added to federal adjusted gross income when the system is sold or disposed of.

If in any tax year beginning on or after January 1, 1981, and ending before December 31, 1986, you took a New York State solar and wind energy credit on property, **and if** that property was sold or otherwise disposed of in 2005, **and if** a reportable gain resulted for federal income tax purposes from that sale or disposition, **and if** you had included the cost of the energy system in the federal basis of the property but did not reduce the federal basis by the state credit, **then** include on line 22 the amount of the credit you had previously claimed.

A-10 New business investment; deferral recognition — If, in any tax year beginning on or after January 1, 1982, and before 1988, you chose to subtract all or a portion of a long-term capital gain from your federal adjusted gross income because that amount had been reinvested in a new New York business, **and if** that reinvestment was sold in 2005, **then** include on line 22 the amount that you had previously subtracted.

A-11 Deductions attributable to safe harbor leases (Such a lease is a financial arrangement between either a corporation, partnership, or certain grantor trusts and a person, firm, estate, or trust to acquire and use an asset; the arrangement is allowed for federal tax purposes, but is not allowed for state tax purposes unless it involves mass transit vehicles.) **— If**, in figuring your federal adjusted gross income, you took deductions attributable to a safe harbor lease (except for mass transit vehicles) made under an election provided for by section 168(f)(8) of the IRC as it was in effect for agreements entered into prior to January 1, 1984, **then** include those deductions on line 22, **and** see A-12, S-15, and S-16.

A-12 Safe harbor leases; election for qualified leased property (see A-11 above for a definition of safe harbor leases) **— If** your financial matters in 2005 involved a safe harbor lease (except for mass transit vehicles) made under an election provided for by section 168(f)(8) of the IRC as it was in effect for agreements entered into prior to January 1, 1984, **then** you must include on line 22 the income that you would have included in your federal adjusted gross income if such an election had not been made. Also see A-11, S-15, and S-16.

A-13 Accelerated cost recovery system (ACRS) deduction — New York State does not allow ACRS depreciation for property placed in service inside or outside New York State during tax years 1981, 1982, 1983, and 1984. You must figure your New York depreciation by using one of the methods provided for in section 167 of the IRC as it was in effect on December 31, 1980 (for example, straight line, declining balance).

For property (except for property classified as IRC section 280F property) placed in service outside New York State for tax years beginning after 1984 but before 1994, New York did not allow ACRS or MACRS depreciation under section 168 of the IRC. Instead, New York allowed the depreciation deduction that would have been allowed under IRC section 167 as it was in effect on December 31, 1980.

However, if you claimed ACRS depreciation on your federal return for property not classified as IRC section 280F property and that property was placed in service **outside** New York State in tax years beginning after December 31, 1984, but before January 1, 1994 (including property on which ACRS depreciation was figured in accordance with the Federal Tax Reform Act of 1986), you may:

- continue using the pre-1981 IRC section 167 depreciation on that property, making the applicable depreciation addition and subtraction; **or**
- choose to switch to the IRC section 168 depreciation deduction.

If you choose to switch to IRC section 168 depreciation deduction, do not make the New York depreciation addition and subtraction adjustments. Instead, you will be allowed to claim the same depreciation as was claimed on the federal tax return for property placed in service outside New York State in tax years 1985 through 1993. If you switch to IRC section 168 depreciation, you must use IRC section 168 depreciation from this taxable year forward, and must use it for all subject property owned by you. For more information concerning this property, see TSB-M-99(1)I. This TSB-M is available on the Tax Department Web site (see *Need help?* on the back cover of these instructions).

If you claimed ACRS depreciation on your federal return for:

- property placed in service during tax years 1981-1984 (other than 280F property); **or**
- property placed in service outside New York State for 1985-1993 (other than 280F property) and you elect to continue using IRC 167 depreciation;

then include on line 22 the amount that was deducted in figuring your federal adjusted gross income. You must complete and attach Form IT-399, *New York State Depreciation Schedule.*

A-14 Accelerated cost recovery property; year of disposition adjustment
If you disposed of property which was depreciated for federal purposes using ACRS, **and if** ACRS depreciation was not allowed for state purposes, **then** you must complete Part 2 of Form IT-399, *New York State Depreciation Schedule*, to figure the amount to include on line 22.

Additions A-15, A-16, A-17 and A-18 apply to S corporation shareholders only. For additional information, see New York State Publication 35, *New York Tax Treatment of S Corporations and Their Shareholders*.

A-15 S corporation shareholders; reduction for taxes — If you are a shareholder of an S corporation for which the election to be a New York S corporation is in effect for the taxable year, **then** include on line 22 your pro rata share of the S corporation's reductions for taxes imposed on built-in gains and reductions for taxes imposed on excess net passive income as described in sections 1366(f)(2) and (3) of the IRC.

A-16 S corporation shareholders; pass-through loss or deduction items
If you are a shareholder of an S corporation for which the election to be a New York S corporation was **not** in effect for the taxable year, **then** include on line 22 any S corporation pass-through items of loss or deduction taken into account in figuring your federal adjusted gross income, pursuant to section 1366 of the IRC.

A-17 S corporation shareholders; distributions relating to stock, cash distributions during post termination transition period, and distributions of undistributed taxable income — If you had S corporation distributions that were not included in federal adjusted gross income due to the application of IRC sections 1368, 1371(e) or 1379(c), **and if** these distributions were not previously subject to New York personal income tax because the election to be a New York S corporation was **not** in effect, **then** include these distributions on line 22.

A-18 S corporation shareholders; disposition of stock or indebtedness with increased basis — If you had a gain or loss reported on your federal income tax return because of the disposition of stock or indebtedness of an S corporation, **and if** that S corporation did **not** have an election to treat the corporation as a New York S corporation in effect for any taxable year beginning:

- after December 31, 1980, if taxable as a corporation under Article 9-A (general business corporation franchise tax) of the Tax Law; **or**
- after December 31, 1996, if taxable as a corporation under Article 32 (banking corporation franchise tax) of the Tax Law;

then include on line 22 the increase in basis of stock or indebtedness that is due to the application of IRC sections 1376(a) (as it was in effect for taxable years beginning before January 1, 1983) and 1367(a)(1)(A) and (B) for each taxable year that the New York election was **not** in effect.

Note: The IRC sections referenced above pertain to S corporation undistributed taxable income that was required to be included in the shareholder's federal adjusted gross income.

A-19 New York City flexible benefits program (IRC 125) — If your wage and tax statement(s), federal Form W-2, show(s) that an amount was deducted or deferred from your salary under a flexible benefits program established by New York City or certain other New York City public employers on your behalf, **then** include this amount on line 22.

(continued)

Note: For purposes of this addition, certain other New York City public employers include:

- City University of New York;
- New York City Health and Hospitals Corporation;
- New York City Transit Authority;
- New York City Housing Authority;
- New York City Off-Track Betting Corporation;
- New York City Board of Education;
- New York City School Construction Authority;
- New York City Rehabilitation Mortgage Insurance Corporation;
- Manhattan and Bronx Surface Transit Operating Authority; and
- Staten Island Rapid Transit Authority.

A-20 Health Insurance and the Welfare Benefit Fund Surcharge — If you were a career pension plan member of the New York City Employees' Retirement System or the New York City Board of Education Retirement System, **and if** you have an amount shown on your wage and tax statement(s), federal Form W-2 that was deducted from your salary for health insurance and the welfare benefit fund surcharge, **then** include this amount on line 22.

A-21 Farmers' school tax credit — If you claimed the farmers' school tax credit on your 2004 New York State tax return, **and if** you deducted your school taxes in figuring your federal adjusted gross income on your 2004 federal return, **then** you must include the amount of the credit claimed for 2004 on line 22 of this year's return. However, do not make this modification if you were required to report the amount of the credit as income on your 2005 federal return.

A-22 New York's 529 college savings program distributions — If you made a nonqualified withdrawal from an account established under New York's 529 college savings program, **then** include on line 22, in the *Federal amount* column, the amount from line g of the worksheet below.

Part-year residents only: Also include in the *New York State amount* column any portion of line g made while a resident of New York State.

A withdrawal is nonqualified if (1) the funds are used for purposes other than the higher education of the designated beneficiary; (2) the withdrawal is actually disbursed in cash or in-kind from the college savings program, even if the amount withdrawn is reinvested in New York's 529 college savings program within the IRC 60-day rollover period; or (3) on or after January 1, 2003, the funds are transferred from New York's 529 college savings program to another state's program (whether for the same beneficiary or for the benefit of another family member).

However, nonqualified withdrawals do not include any withdrawals made in tax year 2005 as a result of the death or disability of the designated beneficiary, regardless of how the funds are used.

Please note that transfers between accounts of family members not disbursed in cash or in-kind within New York's 529 college savings program are not considered distributions and are therefore **not** required to be added back as nonqualified withdrawals.

Include on lines a through g of the worksheet below the applicable amounts from all existing accounts of which you are the account owner. Do not include amounts applicable to accounts that were closed in a prior taxable year. If you are filing a joint return, include the applicable amounts from all existing accounts of which you and your spouse are the account owners.

Note: You must compute your Form IT-203, subtraction S-25, using instructions provided on page 30, before completing the *worksheet* below.

Worksheet

a. Total current and prior years' nonqualified withdrawals from your account(s) ..... a. _____

b. Total current and prior years' contributions to your account(s) .... b. _____

c. Total current year's S-25 subtraction modification and prior years' S-26 subtraction modifications* ... c. _____

d. Subtract line c from line b ..... d. _____

e. Total prior years' addition modifications** e. _____

f. Add lines d and e ..... f. _____

g. Subtract line f from line a. This is your current year A-22 addition modification. Enter on Form IT-203, line 22. If line g is ***0*** (zero) or less, there is no add-back. ..... g. _____

* These amounts are included in line 28 of your prior years' Form IT-203.

** These amounts are included in line 21 of your prior years' Form IT-203. For tax years 1998 and 1999, they are an A-23 addition modification, and for tax years 2000 and forward, they are an A-22 addition modification.

Also include on line(s) a and b your share of any amounts withdrawn or contributed by a partnership of which you are a member partner. The partnership should provide this information to you.

Retain this worksheet with your tax return.

A-23 Qualified emerging technology investments (QETI) — If you elected to defer the gain from the sale of a QETI, **then** include on line 22 the amount previously deferred when the reinvestment in the New York qualified emerging technology company (that qualified you for that deferral) is sold. See subtraction S-29 on page 31.

A-24 Sport utility vehicle expense deduction — If, in computing your federal adjusted gross income, you claimed an IRC section 179 deduction with respect to a sport utility vehicle that weighs more than 6,000 pounds, and you are not an eligible farmer as defined for purposes of the farmers' school tax credit (see Form IT-217-I), **then** include the amount of that deduction on line 22.

A *sport utility vehicle* means any four-wheeled passenger vehicle manufactured primarily for use on public streets, roads, and highways. However, *sport utility vehicle* does not include (1) any ambulance, hearse or combination ambulance-hearse used directly in a trade or business; (2) any vehicle used directly in the trade or business of transporting persons or property for compensation or hire; or (3) any truck, van, or motor home. A *truck* is defined as any vehicle that has a primary load-carrying device or container attached, or is equipped with an open cargo area or covered box not readily accessible from the passenger compartment.

A-25 IRC section 168(k) property depreciation — New York State does not follow the federal depreciation for IRC section 168(k) property (except for resurgence zone property, and New York liberty zone property described in IRC section 1400L(b)(2)) placed in service inside or outside New York State on or after June 1, 2003. **If** you claimed a depreciation deduction for property under section 168(k) of the IRC (except for resurgence zone property, and New York liberty zone property described in IRC section 1400L(b)(2)) on your federal return, **then** complete Part 1 of Form IT-398, *New York State Depreciation Schedule for IRC Section 168(k) Property,* to determine the amount to include on line 22. You must attach Form IT-398 to your return.

A-26 Royalty and interest payments made to a related member or members
For tax years beginning on or after January 1, 2003, you may be required to add back certain royalty payments made during the tax year to a related member or members for the use of intangible property, such as trademarks or patents, and interest payments made to a related member or members, to the extent the payments were deducted in computing your federal adjusted gross income. For additional information see section 612(r) of the Tax Law.

If you included a deduction for certain royalty payments or certain interest payments made during the tax year in computing your federal adjusted gross income, **then** include that amount on line 22.

A-27 Environmental remediation insurance premiums
If you paid premiums on or after April 1, 2005, for environmental remediation insurance and you claimed a deduction for such premiums and you also claimed

the environmental remediations insurance credit, then include on line 22 the amount of the environmental remediations insurance credit allowed.

New York subtractions

Line 24

Taxable refunds, credits, or offsets of state and local income taxes *(from line 4)*

Enter the same amount(s) entered on line 4 of your Form IT-203.

Line 25

Pensions of New York State and local governments and the federal government

Enter in both the *Federal amount* and *New York State amount* columns the amount included in line 10 that represents any pension you received, or distributions that were included in your federal adjusted gross income made to you from a pension plan which represents a return of contributions in a year prior to retirement, as an officer, employee, or beneficiary of an officer or employee of:

- New York State, which includes State and City University of New York and New York State Education Department employees who belong to the Optional Retirement Program;
- Certain public authorities, including:
  - — Metropolitan Transit Authority (MTA) Police 20-Year Retirement Program,
  - — Manhattan and Bronx Surface Transit Operating Authority (MABSTOA),
  - — Long Island Railroad Company;
- Local governments within the state including:
  - — New York State Teachers' Retirement System,
  - — New York City Teachers' Retirement System,
  - — New York City Teachers' Retirement IRC 403(b) plan,
  - — New York City variable supplemental funds (VSF), which includes:
    - – Transit Police Officers' VSF
    - – Transit Police Superior Officers' VSF
    - – Housing Police Officers' VSF
    - – Housing Police Superior Officers' VSF
    - – Police Officers' VSF
    - – Police Superior Officers' VSF
    - – Firefighters' VSF
    - – Fire Officers' VSF
    - – Corrections Officers' VSF
    - – Corrections Captain and Above VSF; and
- The United States, its territories or possessions, political subdivisions of these territories or possessions, the District of Columbia or any agency or instrumentality of any of the above (including the military).

Note: In the case of the Optional Retirement Program, only that portion of the pension payments or return of contributions that is attributable to your employment with the State or City University of New York or New York State Education Department would qualify for the above subtraction.

The portion of pension payments or return of contributions that was attributable to your employment by an employer other than a New York public employer, such as a private university, and any portion attributable to contributions you made to a supplemental annuity plan which was funded through a salary reduction program do not qualify for the subtraction. However, if these payments are periodic and the individual is 59½ or older, those payments, up to a maximum amount of $20,000, would qualify for the pension and annuity income exclusion under section 612(c)(3-a) of the Tax Law. For more information, see the instructions for line 28 below.

Line 26

Taxable amount of social security benefits *(from line 14)*

Enter the same amount(s) entered on line 14 of your Form IT-203.

Line 27

Interest income on U.S. government bonds

Enter in both the *Federal amount* and *New York State amount* columns the amount of interest income from U.S. government bonds or other U.S. government obligations that is included in the amount you reported on line 2. (This may be all or part of the line 2 amount or it may be zero. Check your interest income records to determine the correct amount to enter on line 27.) Interest income on bonds or other obligations of the U.S. government is **not** taxed by New York State. Dividends you received from a regulated investment company (mutual fund) that invests in obligations of the U.S. government and meets the 50% asset requirement every quarter qualify for the subtraction at line 27. Once this requirement is met, the portion of the dividends you receive that may be subtracted is based upon the portion of taxable income received by the mutual fund that is derived from federal obligations (section 612(c)(1) of the Tax Law).

Further information relating to meeting the 50% asset requirement and figuring your allowable subtraction (if any), can be obtained from the mutual fund.

If you include an amount on line 27 from more than one line on Form IT-203, attach a schedule showing the breakdown of the subtraction being claimed for each line.

Do not list the same interest more than once on lines 27 and 29; see line 29, subtractions S-1 and S-4.

Line 28

Pension and annuity income exclusion

***Federal amount* column –** If you were age 59½ before January 1, 2005, enter the qualifying pension and annuity income included in your 2005 federal adjusted gross income, **but not more than $20,000.** If you became 59½ during 2005, enter only the amount received after you became 59½, **but not more than $20,000.**

Do not enter any pension income that you received from New York State, local governments within the state, and the United States here; see the instructions for line 25 above.

Qualifying pension and annuity income includes:

- periodic payments for services you performed as an employee before you retired;
- periodic and lump-sum payments from an IRA, but **not** payments derived from contributions made after you retired;
- periodic distributions from government (IRC section 457) deferred compensation plans, after December 31, 2001;
- periodic payments from an HR-10 (Keogh) plan, but **not** payments derived from contributions made after you retired;
- lump-sum payments from an HR-10 (Keogh) plan, but only if federal Form 4972 is not used. Do **not** include that part of your payment that was derived from contributions made after you retired;
- periodic distributions from a cafeteria plan (IRC section 125) or a qualified cash or deferred profit sharing or stock bonus plan (IRC 401(k)) but not distributions derived from contributions made after you retired; and
- periodic distributions from an annuity contract (IRC section 403(b)) purchased by an employer for an employee and the employer is a corporation, community chest, fund, foundation, or public school.

Married taxpayers — If you and your spouse both qualify, each of you can subtract up to $20,000 of your own pension and annuity income. However, you cannot claim any unused part of your spouse's exclusion.

Example: *A husband and wife included total pension and annuity income of $45,000 in their federal adjusted gross income on their 2005 joint federal income tax return. Both individuals were 62 years of age. The husband received qualifying pension and annuity payments totaling $30,000 for the full year. The wife received qualifying pension and annuity payments totaling $15,000 for the full year. They are filing a joint 2005 New York State resident personal income tax return. In this instance the husband is entitled to claim a pension and annuity income exclusion limited to the*

(continued)

maximum amount allowed of $20,000, and the wife is entitled to claim a pension and annuity income exclusion of $15,000, for a total pension and annuity income exclusion of $35,000 ($20,000 plus $15,000).

Beneficiaries — If you received pension and annuity income of a decedent, you may make this subtraction if the decedent would have been entitled to it, had the decedent continued to live, regardless of the age of the beneficiary. If the decedent would have reached age 59½ during 2005, enter only the amount received after the decedent would have reached age 59½ but not more than $20,000.

If the deceased has more than one beneficiary, the decedent's $20,000 pension and annuity income exclusion must be allocated among the beneficiaries in the same ratio as the distribution is shared, so that the total pension and annuity income exclusion of all beneficiaries does not exceed $20,000 in total.

Note: The maximum exclusion allowable, from the total of all sources that qualify for the exclusion, may not exceed $20,000.

Example: *A taxpayer received pension and annuity income as a beneficiary of a decedent totaling $6,000. The decedent was 59½ before January 1, 2005. The total pension and annuity income of the decedent was $24,000, shared equally among four beneficiaries. Each beneficiary is entitled to one-quarter of the decedent's pension exclusion, or $5,000 ($20,000 divided by 4). The taxpayer also received a qualifying pension and annuity payment of $14,000 in 2005. The taxpayer is entitled to claim a pension and annuity income exclusion of $19,000 ($14,000 attributable to the taxpayer's own pension and annuity payment, plus $5,000 received as a beneficiary).*

Note in the above example that the total amount of the taxpayer's pension and annuity income exclusion that can be applied against the taxpayer's pension and annuity income received as a beneficiary is limited to the taxpayer's share of the decedent's pension and annuity income exclusion.

If you are also claiming the disability income exclusion, the total of your pension and annuity income exclusion and disability income exclusion cannot exceed $20,000.

***New York State amount* column**
Nonresidents: If you received pension or annuity income as a nonresident of New York State, and it was required to be reported in the *New York State amount* column on line 10 and it qualifies for the pension and annuity income exclusion (see above), enter that amount, but not more than $20,000, on line 28 in the *New York State amount* column.

However, if the amount included in the line 10, *New York State amount* column was allocated because you performed services inside and outside New York State, then up to $20,000 pension and annuity exclusion must be allocated in the same manner, using the same allocation percentage.

Part-year residents: You may be entitled to deduct in the *New York amount* column a pension and annuity income exclusion of up to $20,000 for each of your taxable periods.

For your period of residence, include that part of the qualifying pension and annuity income that you received during the period you were a resident, but not more than $20,000.

For your period of nonresidence, include only that part of the qualifying pension and annuity income you received during the period you were a nonresident that was required to be included in the line 10, *New York State amount* column, but not more than $20,000. If the pension and annuity income that you received during your nonresident period was allocated to New York because it was attributable to services performed inside and outside New York State, the pension and annuity income exclusion must be allocated using the same allocation percentage applied to your pension and annuity income included on line 10.

Line 29

Other subtractions

Some subtractions that are not as common as those identified individually on Form IT-203 are reported on line 29 as *Other* subtractions.

Identify any of the following subtractions (below and on pages 29 through 32) that apply to you by writing the item number (S-1 through S-35) and amount of each subtraction in the white area on line 29. Enter the total amount of these other subtractions on line 29 in the *Federal amount* column and, to the extent they are from New York sources, in the *New York State amount* column:

S-1 Certain investment income from U.S. government agencies — If you included in your federal adjusted gross income any interest or dividend income on bonds or securities of any United States authority, commission or instrumentality that is exempt from state income taxes under federal laws, **then** include that income on line 29. If you are uncertain whether a particular federal bond or security is exempt from state income tax, contact the New York State Tax Department at the number on the back cover of these instructions.

S-2 Certain railroad retirement income and railroad unemployment insurance benefits — If you included in your 2005 federal adjusted gross income **either**:

- supplemental annuity or tier 2 benefits received under the Railroad Retirement Act of 1974, **or**
- benefits received under the Railroad Unemployment Insurance Act,

and if those benefits are exempt from state income taxes under Title 45 of the United States Code, **then** include that income on line 29.

S-3 Certain investment income exempted by other New York State laws
If you included in your federal adjusted gross income any interest or dividend income from any obligations or securities authorized to be issued by the laws of New York State, **and if** that income is exempt from state taxation by those laws (such as income received from bonds, mortgages, and income debenture certificates of limited dividend housing corporations organized under the Private Housing Finance Law), **then** include that income on line 29. If you are uncertain whether a particular obligation or security is exempt from state income tax, contact the New York State Tax Department at the number on the back cover of these instructions.

S-4 Trade or business interest expense on loans used to buy federally tax-exempt obligations that are taxable to New York State — If investment income from an obligation is taxable to a trade or business, then interest expense incurred to buy that obligation is deductible when determining New York adjusted gross income.

If you are including, on either line 20 or line 22, interest income from bonds or other obligations that are federally tax-exempt but taxable to New York State, **and if** that interest expense is attributable to a trade or business carried on by you (as opposed to personal investments), **then** include that interest expense on line 29.

S-5 Trade or business expenses (other than interest expense) connected with federally tax-exempt income that is taxable to New York State — If income from an obligation is taxable to a trade or business, then expenses incurred to acquire or maintain that income is deductible when determining New York adjusted gross income.

If you are including, on either line 20 or line 22, income that is federally tax-exempt but taxable to New York State, **and if** you incurred expenses to either produce or collect that income or manage, conserve or protect the assets that produce that income that were not deducted for federal purposes, **and if** those expenses are attributable to a trade or business carried on by you (as opposed to personal investments), **then** include that expense on line 29.

S-6 Amortizable bond premiums on bonds that are owned by a trade or business and the interest on which is federally tax-exempt income but taxable to New York State — If investment income from an obligation is taxable to a trade or business, then expenses incurred to buy that obligation are deductible when determining New York adjusted gross income.

If you are including, on either line 20 or line 22, interest income that is federally tax-exempt but taxable to New York State, **and if** those bonds were bought for more than their face value (i.e., at a premium), **and if** you did not reduce your federal adjusted gross income by deducting the amortization of that premium attributable to 2005, **and if** those bonds were owned by a trade or business carried on by you in 2005 (as opposed to personal investments), **then** include that amortization on line 29.

S-7 Professional service corporation (PSC) shareholders — Between 1969 and 1988, New York State did not allow certain expenses of professional service corporations that were deductible on federal returns. When income attributable to those expenses is eventually received, it is not taxable to New York State.

If you received or were credited with pension or annuity income or other income or gain from a plan acquired through a PSC **that was both:**

- based on membership in that PSC, **and**
- included in your federal adjusted gross income for 2005,

and if, in a taxable year ending after 1969 and beginning before 1988, you included deductions made by that PSC for contributions to plans that produced that pension, annuity or other income, **then** include on line 29 the portion of those previously added deductions that can be allocated to the income you included in your 2005 federal adjusted gross income.

S-8 Wage and salary expenses allowed as federal credits but not as federal expenses — The federal government allows certain wage and salary payments to others to be taken as credits against taxes instead of as expenses against income. New York State does not have comparable credits, but does allow the expenses.

If you are entitled to take either a federal Indian employment credit, a work opportunity credit, or an empowerment zone employment credit for wages and salaries paid in 2005 to one or more people in certain groups, **then** include the amount of wages not deducted on line 29.

S-9 Sales or dispositions of assets acquired before 1960 with greater state than federal bases — When federally taxable gains are realized from the sale of certain assets that have higher adjusted bases for state tax purposes, subtraction adjustments must be made to reduce the gain for state tax purposes. State income tax laws prior to 1960 and currently existing state income tax laws about depletion can cause these differences in adjusted bases.

If your federal adjusted gross income included a gain that was from **either**:

- property that had a higher adjusted basis for New York State income tax purposes than for federal tax purposes on December 31, 1959 (or on the last day of a fiscal year ending during 1960); **or**
- property that was held in connection with mines, oil or gas wells, and other natural deposits and that had a higher adjusted basis for New York State income tax purposes than for federal tax purposes when sold;

then include on line 29 of your return the **lesser of**:

- the gain itself, **or**
- the difference in the adjusted bases.

Note: If you divide the gain on the sale or other disposition of jointly owned property between you and your spouse, then you must also divide any subtraction for different adjusted bases between you and your spouse as well.

S-10 Income earned before 1960 and previously reported to New York State Due to a different set of state income tax laws for any tax year ending before 1960 (and any fiscal tax year ending during 1960), income that you are reporting for federal purposes for 2005 that you previously reported for New York State tax purposes, is not subject to New York State tax again.

If you included any income (including annuity income) or gain in your 2005 federal adjusted gross income that was properly reported as income to New York State prior to 1960 (or during a fiscal year ending in 1960) by **either**:

- yourself, **or**
- the decedent or estate or trust from whom you acquired that income or gain,

then include that income or gain on line 29.

S-11 Cost depletion — New York State does not allow percentage depletion of natural resource holdings (see A-7 on page 24) but does allow cost depletion.

If you are making addition number A-7, for any percentage depletion deducted for property in determining your federal adjusted gross income, **then**:

- compute the cost depletion that would be allowed on that property by section 611 of the IRC, without any reference to either section 613 or 613-a of that code; **and**
- include that amount on line 29 of your return.

S-12 Special depreciation expenditures The excess expenditures incurred in taxable years beginning before 1987 in connection with depreciable, tangible business property located in New York State may be carried over to the following taxable year or years and subtracted from federal adjusted gross income for that year(s) if those expenses exceeded your New York adjusted gross income before the allowance of those expenditures.

If you incurred such expenditures, **then** complete Form IT-211, *Special Depreciation Schedule*, to figure the amount to include on line 29.

S-13 Loss from the sale or disposition of property that would have been realized if a federal estate tax return had been required — If you acquired property from a decedent and the property was valued by the executor of the estate in such a manner where the estate was insufficient to require the filing of a federal estate tax return, **and** a loss on the sale would have been realized if a federal estate tax return had been required, **then** include on line 29 the amount of the loss that would have been realized.

This adjustment is no longer required for property acquired from decedents who died on or after February 1, 2000.

S-14 Gain to be subtracted from the sale of a new business investment reported on your federal income tax return — If you reported a capital gain on your federal income tax return from the sale of a new business investment that was issued before 1988 and was held at least six years, **then** include on line 29 one-hundred percent (100%) of that federal gain.

S-15 Amount that was included in federal adjusted gross income because the IRC 168(f)(8) election was made (see A-11 on page 25 for a definition of safe harbor leases) — **If** an amount was included in federal adjusted gross income (except for mass transit vehicles) solely because you made the safe harbor election on your federal return for agreements entered into before January 1, 1984, **then** include that amount on line 29.

S-16 Amount that could have been excluded from federal adjusted gross income had the IRC 168(f)(8) election not been made (see A-11 on page 25 for a definition of safe harbor leases) — **If** an amount could have been excluded from federal adjusted gross income (except for mass transit vehicles) had the safe harbor election not been made on your federal return for agreements entered into before January 1, 1984, **then** include that amount on line 29.

S-17 New York depreciation allowed New York does not allow ACRS depreciation for property placed in service inside or outside New York State during tax years 1981, 1982, 1983, and 1984. You must figure your New York depreciation by using one of the methods provided for in section 167 of the IRC as it was in effect on December 31, 1980 (for example, straight line, declining balance).

For property (except for property classified as IRC section 280F property) placed in service outside New York State for tax years beginning after 1984 but before 1994, New York did not allow ACRS or MACRS depreciation under section 168 of the IRC. Instead, New York allowed the depreciation deduction that would have been allowed under IRC section 167 as it was in effect on December 31, 1980.

However, **if** you claimed ACRS depreciation on your federal return for property not

(continued)

classified as IRC section 280F property, **and** that property was placed in service **outside** New York State in tax years beginning after December 31, 1984, but before January 1, 1994 (including property on which ACRS depreciation was figured in accordance with the Federal Tax Reform Act of 1986), **then** you may:

- continue using the pre-1981 IRC section 167 depreciation on that property, making the applicable depreciation addition and subtraction; **or**
- choose to switch to the IRC section 168 depreciation deduction.

If you choose to switch to the IRC section 168 depreciation deduction, do not make the New York depreciation addition and subtraction adjustments. Instead, you will now be allowed to claim the same depreciation as was claimed on the federal tax return for property placed in service outside New York State in tax years 1985 through 1993. If you switch to IRC section 168 depreciation, you must use IRC section 168 depreciation from this taxable year forward, and must use it for all subject property owned by you. For more information concerning this property, see TSB-M-99(1)I. This TSB-M is available on the Tax Department's Web site *www.nystax.gov.*

If you claimed ACRS depreciation on your federal return for:

- property placed in service during tax years 1981-1984 (other than 280F property); **or**
- property placed in service outside New York State for 1985-1993 (other than 280F property), and you elect to continue using IRC 167 depreciation;

then complete Part 1 of Form IT-399, *New York State Depreciation Schedule,* to figure the amount of New York depreciation to include on line 29. You must attach Form IT-399 to your return.

S-18 Amount of ACRS deduction which is greater than depreciation claimed for New York State (year of disposition adjustment) — If you dispose of property that was placed in service inside or outside New York State after December 31, 1980, but before January 1, 1985, or property that was placed in service outside New York State after December 31, 1984, but before January 1, 1994 (except for section 280F property), **and** your total federal ACRS deduction is more than your New York depreciation deduction for that property, **then** complete Part 2 of Form IT-399, *New York State Depreciation Schedule*, to figure the amount of the adjustment to enter on line 29. See addition A-14 on page 25.

Subtractions S-19 and S-20 apply to S corporation shareholders only. For additional information, see New York State Publication 35, *New York Tax Treatment of S Corporations and Their Shareholders*.

S-19 S corporation shareholders; disposition of stock or indebtedness with a reduced basis/New York additions previously made for distributions relating to stock, cash distributions during post termination transition period, and distributions of undistributed taxable income — If you had a gain or loss reported on your federal income tax return because of the disposition of stock or indebtedness of an S corporation, **and if** that S corporation did **not** have an election to treat the corporation as a New York S corporation in effect for any taxable year beginning:

- after December 31, 1980, if taxable as a corporation under Article 9-A (General Business Corporation Franchise Tax) of the Tax Law, **or**
- after December 31, 1996, if taxable as a corporation under Article 32 (Banking Corporation Franchise Tax) of the Tax Law,

then include on line 29 the reduction in basis of stock or indebtedness that is due to the application of IRC sections 1376(b) (as it was in effect for taxable years beginning before January 1, 1983) and 1367(a)(2)(B) and (C) for each taxable year that the New York election was **not** in effect.

If you previously made any New York additions to federal adjusted gross income required under addition A-17 on page 25 (section 612(b)(20) of the New York Tax Law) that were made with respect to the stock described above, **then** include the total of those additions on line 29.

Note: The IRC sections referenced above pertain to the shareholder's pro rata share of S corporation loss and deduction that was required to be taken into account in figuring the shareholder's federal adjusted gross income.

S-20 S corporation shareholders pass-through income — If you are a shareholder of an S corporation for which the election to be a New York S corporation was **not** in effect for the taxable year, **then** include on line 29 any S corporation pass-through income that was included in your federal adjusted gross income pursuant to section 1366 of the IRC.

S-21 Certain disability income that could have been deducted under former IRC section 105(d) — Disability income included in your federal adjusted gross income may be subtracted when figuring your New York adjusted gross income.

If you were not yet 65 when your tax year ended **and** you retired on disability and were permanently and totally disabled when you retired, **then** complete Form IT-221, *Disability Income Exclusion*, to compute your disability income exclusion to enter on line 29.

S-22 Accelerated death benefits received that were includable in federal gross income — If you included in your federal adjusted gross income an amount received by any person as an accelerated payment or payments of part or all of the death benefit or special surrender value under a life insurance policy or a payment received as a viatical settlement, as a result of terminal illness defined as life expectancy of 12 months or less, or of a medical condition requiring extraordinary medical care or treatment, regardless of life expectancy, **then** include that amount on line 29.

S-23 Contributions for Executive Mansion, natural & historical resources, not deducted elsewhere — If you made contributions for the purpose of the preservation, improvement, and promotion of the Executive Mansion as a historical and cultural resource of the state of New York, **or** if you made contributions to the Natural Heritage Trust for the purpose of the preservation and improvement of the natural and historical resources constituting the natural heritage of the people of the state of New York in furtherance of their welfare and prosperity, **and** you did not deduct the amounts in determining federal adjusted gross income or New York itemized deductions, **then** include that amount on line 29 (sections 54.15 and 55.15 of the Arts and Cultural Affairs Law).

S-24 Long-term residential care deduction — If you were a resident in a continuing care retirement community that was issued a certificate of authority by the New York State Department of Health to operate as a continuing care retirement community, **then** include on line 29 the portion of the fees you paid during the year that are attributable to the cost of providing long-term benefits to you under a continuing care contract. However, do not enter more than the premium limitation shown for your age in the table below. If you and your spouse both qualify, you may each take the subtraction. However, you cannot claim any unused part of your spouse's subtraction.

Limitation

If your age at the end of 2005 was:	you cannot claim more than:
40 or younger	$ 270
at least 41 but not more than 50	$ 510
at least 51 but not more than 60	$ 1,020
at least 61 but not more than 70	$ 2,720
71 or older	$ 3,400

Note: If you are figuring your New York itemized deduction, see the instructions for *New York State itemized deduction worksheet,* line i, on page 32.

S-25 New York's 529 college savings program deduction — If you made contributions as the account owner to one or more tuition savings account(s) established under New York's 529 college savings program, **and** the contributions were not deductible or eligible for a credit for federal income tax purposes, **then** include that amount, up to $5,000 for an individual, head of household, qualifying widow(er), or married taxpayers filing separately, or up to $10,000 for married taxpayers filing a joint return, on line 29 in the ***Federal amount* column only**.

In determining the amount to enter on line 29, also include your share of contributions made by a partnership of which you are a partner. The partnership should provide this information to you.

Part-year residents only: Also include in the *New York State amount* column any such contribution(s) made while a resident of New York State.

S-26 New York's 529 college savings program distributions — If you made a withdrawal from an account established under New York's 529 college savings program, and part of the withdrawal was included in your federal adjusted gross income on line 21 of federal Form 1040, **then** include that amount on line 29 in the ***Federal amount* column only**.

Part-year residents only: Also include in the *New York State amount* column any such withdrawal(s) made while a resident of New York State. See A-22 on page 26.

S-27 Distributions made to a victim of Nazi persecution — If you included in your federal adjusted gross income amounts received from an eligible settlement fund or grantor trust as defined by section 13 of the Tax Law, (because you were an individual who was persecuted or targeted for persecution by the Nazi regime because of race, religion, ethnicity, sexual orientation, national origin, or physical or mental disability or handicap), or distributions received because of your status as a victim of Nazi persecution, or as a spouse or heir of the victim (successors or assignees, if payment is from an eligible settlement fund or grantor trust) **then** include that amount on line 29.

S-28 Items of income related to assets stolen from, hidden from, or otherwise lost to a victim of Nazi persecution — If you received items of income attributable to, derived from, or in any way related to assets stolen from, hidden from, or otherwise lost to a victim of Nazi persecution immediately prior to, during, and immediately after World War II, including but not limited to interest on the proceeds receivable as insurance under policies issued to a victim of Nazi persecution by European insurance companies immediately prior to and during World War II, or as a spouse or heir of such victim, **and** that income was included in your federal adjusted gross income, **then** include on line 29 the amount of that income included in federal adjusted gross income.

However, do not include on line 29 income attributable to assets acquired with assets as described above or with the proceeds from the sale of any asset described above. Also, do not enter on line 29 any income if you were not the first recipient of the asset, or if you are not a victim of Nazi persecution, or a spouse or descendent of a victim.

S-29 Qualified emerging technology investments (QETI) — You may defer the gain on the sale of qualified emerging technology investments (QETI) that are:

1) held for more than 36 months, **and**
2) rolled over into the purchase of a new QETI within 365 days.

Replacement QETI must be purchased within the 365 day period beginning on the date of sale. The gain is not deferred and must be recognized to the extent that the amount realized on the sale of the original QETI exceeds the cost of replacement QETI. The gain deferral applies to any QETI sold on or after March 12, 1998, that meets the holding-period criteria. The gain deferred must be added back in the year the replacement QETI is sold.

If you elect to defer the gain from the sale of QETI, **then** include on line 29 the amount of the gain deferral to the extent the gain was included in federal adjusted gross income. **If** purchase of the replacement QETI within the 365 day period occurs in the same taxable year as the sale of the original QETI, or in the following taxable year and before the date your personal income tax return is filed, **then** take the deduction on that return. **If** purchase of the replacement QETI within the 365 day period occurs in the following taxable year and on or after the date your personal income tax return is filed, **then** you must file an amended return to claim the deduction (see *Amending your New York State return* on page 52).

A *QETI* is an investment in the stock of a corporation or an ownership interest in a partnership or limited liability company (LLC). A QETI is also an investment in a partnership of an LLC to the extent such partnership or LLC invests in qualified emerging technology companies. The investment must be acquired by the taxpayer as provided in IRC section 1202(c)(1)(B) or from a person who acquired it pursuant to such IRC section. IRC section 1202(c)(1)(B) requires the acquisition to be original issue from the company, either directly or through an underwriter, and in exchange for cash, services or property (but not stock).

A qualified emerging technology company is a company that is located in New York State, that has total annual product sales of 10 million dollars or less, and meets either of the following criteria:

— its primary products or services are classified as emerging technologies; **or**

— it has research and development activities in New York State and its ratio of research and development funds to net sales equals or exceeds the average ratio for all surveyed companies classified (as determined by the National Science Foundation in the most recently published results from its Survey of Industry Research and Development, or any comparable successor survey, as determined by the Tax Department).

S-30 Sport utility vehicle expense deduction recapture — If, in computing your federal adjusted gross income, you were required to recapture certain amounts you claimed as an IRC section 179 deduction with respect to a sport utility vehicle that weighs more than 6,000 pounds, **and** you are not an eligible farmer as defined for purposes of the farmers' school tax credit (see Form IT-217-I), **then** include the amount you were required to recapture on line 29.

A *sport utility vehicle* means any four-wheeled passenger vehicle manufactured primarily for use on public streets, roads, and highways. However, *sport utility vehicle* does not include (1) any ambulance, hearse or combination ambulance-hearse used directly in a trade or business; (2) any vehicle used directly in the trade or business of transporting persons or property for compensation or hire; or (3) any truck, van, or motor home. A *truck* is defined as any vehicle that has a primary load-carrying device or container attached, or is equipped with an open cargo area or covered box not readily accessible from the passenger compartment.

S-31 IRC section 168(k) property depreciation — New York State does not follow the federal depreciation for IRC section 168(k) property (except for resurgence zone property, and New York liberty zone property described in IRC section 1400L(b)(2)) placed in service inside or outside New York State on or after June 1, 2003. **If** you claimed a depreciation deduction for property under section 168(k) of the IRC (except for resurgence zone property, and New York liberty zone property described in IRC section 1400L(b)(2)) on your federal return, **then** complete Part 1 of Form IT-398, *New York State Depreciation Schedule for IRC Section 168(k) Property,* to compute the amount of New York depreciation to include on line 29. You must attach Form IT-398 to your return.

S-32 Amount of IRC section 168(k) property deduction which is greater than the depreciation claimed for New York State (year of disposition adjustment) **If** you dispose of IRC section 168(k) property (except for resurgence zone property, and New York liberty zone property described in IRC section 1400L(b)(2)) placed in service inside or outside New York State on or after June 1, 2003, **and** your total federal depreciation deduction is more than your New York depreciation deduction for that property, **then** complete Part 2 of Form IT-398, *New York State Depreciation Schedule for IRC Section 168(k) Property*, to compute the amount of the disposition adjustment to enter on line 29. You must attach Form IT-398 to your return.

S-33 Royalty and interest payments made to a related member or members For tax years beginning on or after January 1, 2003, you may be required to subtract certain royalty payments for the use of intangible property such as trademarks or patents, and interest payments that you received either directly or indirectly during the tax year from a related member or members, to the extent the payments were

(continued)

included in your federal taxable income, and the payments were required to be added back by the related member or members in accordance with A-27. For additional information, see section 612(r) of the Tax Law.

If, you, as a related party, included in your federal adjusted gross income certain royalty or interest payments received during the tax year, **then** include that amount on line 29.

S-34 Military pay — Based on the *Service members' Civil Relief Act*, military pay received by a nonresident, or received by a part-year resident during the part-year resident's nonresident period, cannot be used to determine the amount of New York State personal income tax the nonresident or part-year resident military member (or the member's spouse) must pay.

***Federal amount* column**
Nonresidents: Include on line 29, *Federal amount* column only, the total amount of military pay included in the *Federal amount* column on line 1.

Part-year residents: Include on line 29, *Federal amount* column only, the portion of the military pay included in the *Federal amount* column on line 1 that you received during your **nonresident** period.

S-35 New York organized militia
If you are a member of the New York organized militia and you included in your federal adjusted gross income any income you received for performing active service within New York State due to emergency state active duty orders issued pursuant to section six of the Military Law, **then** include that income on line 29 in both the *Federal amount* column and the *New York State amount* column. Do not include on line 29 any income you receive for regular duties in the organized militia (for example, pay received for the annual two-week training program) or any income received because you were called to active duty in the United States armed forces. Members of the New York State organized militia include the New York Army National Guard, the New York Air National Guard, the New York Naval Militia, and the New York Guard.

New York adjusted gross income

Line 31

New York adjusted gross income — In the amount boxes to the left of the income percentage on line 45, enter the amounts from line 31 in the *Federal amount* column and the *New York State amount* column. If the amount on line 31 in either the *Federal amount* column or the *New York State amount* column is zero or less, skip lines 32 through 44; enter ***0*** on line 45 and continue on line 46.

Line 32

Be sure you enter the amount shown on line 31, ***Federal amount* column**, (and not the amount shown in the *New York State amount* column).

Line 33

Standard or itemized deduction — The deduction you take on line 33 depends on which deduction you took on your federal return.

- If you took the standard deduction on your federal return or you did not have to file a federal return, you must take the New York standard deduction on line 33. Find the correct amount for your filing status in the *New York State standard deduction table* on Form IT-203, enter that amount on line 33, and mark an ***X*** in the *standard* deduction box next to line 33.
- If you itemized your deductions on your federal return, complete the New York State itemized deduction worksheet, **now found on Form IT-203**, lines a through o, and compare the line o, amount to your standard deduction shown in the table on Form IT-203. Your tax will be less if you enter on line 33 the **larger** of these amounts (if you marked filing status ③, see *Caution* below).

To show which deduction you are taking, be sure to mark an ***X*** in either the *Standard* or the *Itemized* deduction box next to line 33.

Note: If you paid qualified college tuition expenses, your New York itemized deduction may be increased to an amount greater than your New York standard deduction. You should complete the *New York State itemized deduction worksheet* on Form IT-203, through line o, to determine if your allowable New York itemized deduction is greater than your standard deduction.

Caution: If you are married and filing separate returns (filing status ③), both of you must take the standard deduction unless both of you itemized deductions on your federal returns and both of you elect to itemize deductions on your New York returns.

New York State itemized deduction worksheet

Lines a through h

Enter on each line the total of each group of itemized deductions (medical and dental, taxes, moving expenses, etc.) and total itemized deductions exactly as you reported them on your federal Schedule A (Form 1040), *Itemized Deductions*. If your federal adjusted gross income is more than $145,950 ($72,975 if married filing separately), you may not have been able to deduct all of your federal itemized deductions. **For those taxpayers with income above this amount, the total of lines a through g, in most instances will not equal the amount on line h.** The difference represents itemized deductions disallowed for federal purposes.

Line i

State, local, and foreign income taxes and other subtraction adjustments

If your Form IT-203, line 18, **federal** amount is:

- **$145,950 or less** ($72,975 or less if you are married filing separately), and you itemized your deductions on your federal return, enter the amount of state, local and foreign **income** taxes (do not include any **general sales taxes** that you entered on federal Schedule A, line 5) included on line b and any other subtraction adjustments (from itemized deductions), *A* through *E*, listed below.
- **more than $145,950** (more than $72,975 if you are married filing separately), and you itemized your deductions on your federal return, complete Worksheets 1 and 2 on page 33.

Other subtraction adjustments from itemized deductions

On a separate sheet marked ***New York State itemized deduction worksheet, line i — Other subtraction adjustments***, identify by item letter (from the list of subtractions below) other subtraction adjustments that apply to you. Show the amount of each and attach this sheet to your return. Total all your subtractions and include that amount in the total for line i.

A Ordinary and necessary expenses paid or incurred in connection with income, or property held for the production of income, which is exempt from New York income tax but only to the extent deducted in figuring your federal taxable income.

B Amortization of bond premium attributable to 2005 on any bond whose interest income is exempt from New York income tax, but only to the extent deducted in figuring your federal taxable income.

C Interest expense on money borrowed to purchase or carry bonds or securities whose interest is exempt from New York income tax.

D If you are a shareholder of a federal S corporation that could elect but did not elect to be a New York S corporation, any S corporation deductions included in your federal itemized deductions. If an S corporation short year is involved, you must allocate those deductions.

E Premiums paid for long-term care insurance to the extent deducted in determining federal taxable income from Worksheet 1 below.

Partners — Include on line i the subtractions described above that apply to your share of partnership deduction items (if not included in your New York subtractions on page 2 of Form IT-203). Obtain this information from your partnership.

S corporation shareholders — If you are a shareholder of a federal S corporation for which the election to treat the corporation as a New York S corporation was in effect for the tax year, or if you were not eligible to make the election to treat your corporation as a New York S corporation because the corporation is not subject to Article 9-A, general business corporation franchise tax, or Article 32 banking corporation franchise tax, include on line i subtractions *A, B, C,* and *E*, described on page 32, that apply to your pro rata share of S corporation items of income, loss or deduction. If the election to be a New York S corporation terminated during the tax year, you must allocate those items. Obtain your share of S corporation items from the S corporation.

If you are a shareholder of a federal S corporation that could elect but did not elect to be a New York S corporation, include subtraction *D*.

Worksheet 1
Long-term care adjustment

1. Amount of long-term care premiums included on federal Form 1040, Schedule A, line 1 ..... 1. _____
2. Amount from federal Form 1040, Sch. A, line 1.. 2. _____
3. Divide line 1 by line 2 and round the result to the fourth decimal place..... 3. _____
4. Amount from federal Form 1040, Sch. A, line 4.. 4. _____
5. Multiply line 4 by line 3..... 5. _____

If Form IT-203, line 18 is:

- **$145,950 or less** ($72,975 or less if you are married filing separately), add the line 5 amount to the state, local, and foreign **income** taxes included on line b, and the amount of subtraction adjustments A through D on page 32. Enter the total on line i.
- **more than $145,950** (more than $72,975 if you are married filing separately), also enter the line 5 amount on line 10 of **Worksheet 2** below.

Worksheet 2
Subtraction adjustment limitation

1. Enter amount from line 9 of the federal itemized deduction worksheet *(in instructions for line 28 of federal Form 1040, Schedule A)* ..... 1. _____
2. Enter amount from federal itemized deduction worksheet, line 3 ..... 2. _____
3. Divide line 1 by line 2 and round the result to the fourth decimal place ..... 3. _____
4. Amount of state, local and foreign **income** taxes from federal Form 1040, Schedule A, lines 5* and 8..... 4. _____
5. Amount of subtraction adjustments *(from itemized deductions)* A and B on page 32, included in total federal itemized deductions from federal Form 1040, Schedule A, line 28, before any federal disallowance. Also include that portion of the deductions under subtraction adjustment D that is included in lines 18, 26, and 27 of federal Schedule A *(e.g., contributions)*..... 5. _____
6. Add lines 4 and 5 ..... 6. _____
7. Multiply line 6 by line 3... 7. _____
8. Subtract line 7 from line 6 .. 8. _____
9. Enter other subtraction adjustments (to itemized deductions) C and D listed on page 32, excluding that portion of D included in line 5..... 9. _____
10. Enter the amount from line 5 of **Worksheet 1** above ..... 10. _____
11. Add lines 8, 9, and 10. Enter the total on line i..... 11. _____

* Do not include on line 4 above any **general sales taxes** that you entered on federal Schedule A, line 5.

Line j

Subtract line i from line h and enter the result.

If you made no entry on line i, enter the amount from line h on line j.

Line k

Enter the amount from Form IT-203-B, Schedule C, line 1. You must first complete all of Schedule C in order to compute the college tuition itemized deduction. If you fail to complete Schedule C, your college tuition itemized deduction could be disallowed. See the instructions for Schedule C on page 53.

Line l

Addition adjustments for itemized deductions

On a separate sheet marked ***New York State itemized deduction worksheet, line l — Addition adjustments to itemized deductions***, identify by item letter (from the list of additions below) addition adjustments that apply to you. Show the amount of each and attach this sheet to your return. Total all your additions and include that amount in the total for line l.

F Interest expense on money borrowed to purchase or carry bonds or securities whose interest is subject to New York income tax, but exempt from federal income tax, if this interest expense was not deducted on your federal return or shown as a New York subtraction on the front page of your state return.

G Ordinary and necessary expenses paid or incurred during 2005 in connection with income, or property held for the production of income, which is subject to New York income tax but exempt from federal income tax, if these expenses were not deducted on your federal return or shown as a New York subtraction on the front page of your state return.

H Amortization of bond premium attributable to 2005 on any bond whose interest income is subject to New York income tax, but exempt from federal income tax, if this amortization was not deducted on your federal return or shown as a New York subtraction on the front page of your state return.

Partners — Include on line l the additions described above that apply to your share of partnership deduction items (if not included in your New York additions on page 2 of Form IT-203). Obtain this information from your partnership.

S corporation shareholders — If you are a shareholder of a federal S corporation for which the election to treat the corporation as a New York S corporation was in effect for the tax year, or if you were not eligible to make the election to treat your corporation as a New York S corporation because the corporation is not subject to Article 9-A general business corporation franchise tax,

(continued)

or Article 32 banking corporation franchise tax, include on line l additions *F* through *H*, described above, that apply to your pro rata share of S corporation items of income, loss, or deduction. If the election to be a New York S corporation terminated during the tax year, you must allocate those items. Obtain your share of S corporation items from the S corporation.

Line m

Add lines j, k, and l and enter the total on line m.

Line n

Itemized deduction adjustment

Enter the amount of your itemized deduction adjustment. If Form IT-203, line 32 is:

- $100,000 or less, leave line n blank and go to line o.
- more than $100,000 but not more than $475,000, fill in **Worksheet A** below.
- more than $475,000 but not more than $525,000, fill in **Worksheet B** below.
- more than $525,000, enter 50% (.50) of line m on line n.

Worksheet A

1. New York adjusted gross income from Form IT-203, line 32 ..... 1. _____
2. Filing status ① or ③ enter $100,000, **or** filing status ④ enter $150,000 **or** filing status ② or ⑤ enter $200,000..... 2. _____
3. Subtract line 2 from line 1. (If line 2 is more than line 1, leave line n blank. **Do not continue with this worksheet.**) ..... 3. _____
4. Enter the lesser of line 3 or $50,000..... 4. _____
5. Divide line 4 by $50,000 and round the result to the fourth decimal place ..... 5. _____
6. Enter 25% (.25) of line m.. 6. _____
7. Multiply line 5 by line 6. Enter here and on line n.... 7. _____

Worksheet B

1. Enter the excess of New York adjusted gross income from Form IT-203, line 32, over $475,000 *(cannot exceed $50,000)* ..... 1. _____
2. Divide line 1 by $50,000 and round the result to the fourth decimal place ..... 2. _____
3. Enter 25% (.25) of line m ..... 3. _____
4. Multiply line 2 by line 3..... 4. _____
5. Add lines 3 and 4. Enter the total on line n..... 5. _____

Line 35

New York dependent exemptions — Enter on line 35 the number of your dependent exemptions from the *Dependent exemption worksheet*, line e, below.

If you did not have to file a federal return, enter on lines *a*, *b*, and *d* of the worksheet the number of exemptions that would be allowed for federal income tax purposes.

Exemptions are allowed only for your dependents. Personal exemptions for you and for your spouse, if you are married, are not allowed.

Dependent exemption worksheet

Mark an ***X*** in only one box:

☐ If you filed federal Form 1040EZ, enter ***0*** on line 35.

☐ If you filed federal Form 1040A or 1040, complete this worksheet:

a. Enter the number of exemptions claimed on federal Form 1040A or 1040, line 6d ..... a. _____

b. See instructions below ..... b. _____

c. Add lines a and b ..... c. _____

d. Enter the total number of boxes checked on federal Form 1040A or 1040, line 6a and line 6b ..... d. _____

e. Subtract line d from line c. This is the number of your dependent exemptions to enter in the box(es) on Form IT-203, line 35 *(see* Example *below)* ..... e. _____

Line b instructions — If on your federal return you were entitled to claim a dependent as an exemption, but chose not to, include that dependent on line b. For example, if you were entitled to claim a dependent on your federal return, but chose not to in order to allow your dependent to claim the federal education credit on your dependent's federal tax return, you may still claim that dependent on your New York return.

Example: *If the result on line e above was **2**, the entry on Form IT-203, line 35 would be:*

... 35. 2,000.00

Since the value of each dependent exemption is $1,000, the total value of dependent exemptions in this example is $2,000.

Line 36

Taxable income — Subtract the amount on line 35 from the amount on line 34. The result is your taxable income. Enter this amount on line 36 and on line 37. Use this amount it to find your tax on line 38. If line 35 is more than line 34, leave line 36 and line 37 blank.

— Notes —

Tax computation

Line 38

New York State tax — Find your New York State tax by using either the ***New York State Tax Table*** on pages 61 through 68, or if applicable, the ***New York State tax rate schedule*** on page 37, or ***Tax computation worksheet 1, 2, 3, 4,*** *or* ***5*** below and on page 36.

Please note: Failure to use either the correct New York State tax table amount or the applicable tax rate schedule or tax computation worksheet may result in your having to pay a penalty if the tax you report on line 38 of your Form IT-203 is less than the correct tax.

If the amount on Form IT-203, line **32,** is

$100,000 or less, and

the amount on line **37** is

less than $65,000,

then you must find your New York State tax on the amount on **line 37** using the ***New York State Tax Table*** on pages 61 through 68 of these instructions. Be sure you use the correct column.

After you have found the correct tax, enter that amount on line 38.

If the amount on Form IT-203, line **32,** is

$100,000 or less, and

the amount on line **37** is

$65,000 or more,

then you must compute your tax using the ***New York State tax rate schedule*** on page 37 of these instructions. Be sure you use the correct filing status.

After you have computed the correct tax, enter the amount on line 38.

Do **not** use the *New York State tax table*.

If the amount on Form IT-203, line **32**, is

more than $100,000, but not more than $150,000; and

your filing status is:

- married filing jointly ② or qualifying widow(er) ⑤; or
- single ① or married filing separately ③, and Form IT-203, line 37, is **$100,000 or less**; or
- head of household ④, and Form IT-203, line 37, is **$125,000 or less**;

then you must compute your tax using ***Tax computation worksheet 1*** below.

Do **not** use the *New York State Tax Table.*

Tax computation worksheet 1

1. Enter your New York adjusted gross income from Form IT-203, line 32 .. 1. _____
2. Enter your taxable income from Form IT-203, line 37 ..... 2. _____
3. Multiply line 2 by 6.85% (.0685) ..... 3. _____
4. Enter your New York State tax on the line 2 amount above from *the New York State tax rate schedule* on page 37 ..... 4. _____
5. Subtract line 4 from line 3 ... 5. _____
6. Enter the excess of line 1 over $100,000 or enter $50,000, whichever amount is less ..... 6. _____
7. Divide line 6 by $50,000 and round the result to the fourth decimal place *(cannot exceed 1.0000)* ..... 7. _____
8. Multiply line 5 by line 7 ..... 8. _____
9. Add lines 4 and 8. **Enter here and on Form IT-203, line 38** ..... 9. _____

Note: For some taxpayers, the line 3 amount may be the same as the line 9 amount.

If the amount on Form IT-203, line **32**, is

more than $100,000, but not more than $150,000; and

your filing status is:

- single ① or married filing separately ③, and Form IT-203, line 37, is **more than $100,000**; or
- head of household ④, and Form IT-203, line 37, is **more than $125,000**;

then you must compute your tax using ***Tax computation worksheet 2*** below.

Do **not** use the *New York State Tax Table.*

Tax computation worksheet 2

1. Enter your New York adjusted gross income from Form IT-203, line 32 ..... 1. _____
2. Enter your taxable income from Form IT-203, line 37 ..... 2. _____
3. Enter your New York State tax on the line 2 amount above from the *New York State tax rate schedule* on page 37 ..... 3. _____
4. • For single ① and married filing separately ③, enter $397 on line 4.
   • For head of household ④, enter $563 on line 4 ..... 4. _____
5. Enter the excess of line 1 over $100,000 or enter $50,000, whichever amount is less ..... 5. _____
6. Divide line 5 by $50,000 and round the result to the fourth decimal place *(cannot exceed 1.0000)* ..... 6. _____
7. Multiply line 4 by line 6 ..... 7. _____
8. Add lines 3 and 7. **Enter here and on Form IT-203, line 38.** ..... 8. _____

(continued)

Tax computation *(continued)*

If the amount on Form IT-203, line **32**, is

more than $150,000, but not more than $500,000; and

your filing status is:

- married filing jointly ② or qualifying widow(er), and Form IT-203, line 37, is **$150,000 or less**;
- single ① or married filing separately ③, and Form IT-203, line 37, is **$100,000 or less**; or
- head of household ④, and Form IT-203, line 37, is **$125,000 or less**;

then you must compute your tax using ***Tax computation worksheet 3*** below.

Do **not** use The *New York State Tax Table.*

Tax computation worksheet 3

1. Enter your taxable income from Form IT-203, line 37 .. 1. _____
2. Multiply line 1 by 6.85% (.0685). **Enter here and on Form IT-203, line 38** ..... 2. _____

— Notes —

If the amount on Form IT-203, line **32**, is

more than $150,000, but not more than $500,000; and

your filing status is:

- married filing jointly ② or qualifying widow(er) ⑤, and Form IT-203, line 37, is **more than $150,000**;
- single ① or married filing separately ③, and Form IT-203, line 37, is **more than $100,000**; or
- head of household ④, and Form IT-203, line 37, is **more than $125,000**;

then you must compute your tax using ***Tax computation worksheet 4*** below.

Do **not** use the *New York State Tax Table.*

Tax computation worksheet 4

1. Enter your New York adjusted gross income from Form IT-203, line 32 ..... 1. _____
2. Enter your taxable income from Form IT-203, line 37 ..... 2. _____
3. Multiply line 2 by 7.25% (.0725) ..... 3. _____
4. Enter your New York State tax on the line 2 amount above from the *New York State tax rate schedule* on page 37 .... 4. _____
5. Subtract line 4 from line 3 5. _____
6. • For married filing jointly ②, and qualifying widow(er) ⑤, enter $794 on line 6.
   • For single ① and married filing separately ③, enter $397 on line 6.
   • For head of household ④, enter $563, on line 6... 6. _____
7. Subtract line 6 from line 5 7. _____
8. Enter the excess of line 1 over $150,000 or enter $50,000, whichever amount is less ..... 8. _____
9. Divide line 8 by $50,000 and round the result to the fourth decimal place *(cannot exceed 1.0000)* .... 9. _____
10. Multiply line 7 by line 9.. 10. _____
11. Enter amount from line 6 11. _____
12. Add lines 4, 10, and 11. **Enter here and on Form IT-203, line 38** .... 12. _____

Note: For some taxpayers, the line 3 amount may be the same as the line 12 amount.

If the amount on Form IT-203, line **32**, is **more than $500,000**,

then you must compute your tax using ***Tax computation worksheet 5*** below.

Do **not** use the *New York State Tax Table.*

Tax computation worksheet 5

1. Enter your taxable income from Form IT-203, line 37 .. 1. _____
2. Multiply line 1 by 7.7% (.077). **Enter here and on Form IT-203, line 38** ..... 2. _____

— Notes —

Tax computation *(continued)*

Line 38 *(continued)*

— Notes —

New York State tax rate schedule

Married filing jointly and qualifying widow(er) — filing status ② and ⑤							
If line 37 is: over	but not over	The tax is:					
$ 0	$16,000			4%	of line 37		
16,000	22,000	$640	plus	4.5%	of the excess over		$16,000
22,000	26,000	910	plus	5.25%	" " " "		22,000
26,000	40,000	1,120	plus	5.9%	" " " "		26,000
40,000	150,000	1,946	plus	6.85%	" " " "		40,000
150,000	500,000	9,481	plus	7.25%	" " " "		150,000
500,000		34,856	plus	7.7%	" " " "		500,000

Single and married filing separately — filing status ① and ③							
If line 37 is: over	but not over	The tax is:					
$ 0	$8,000			4%	of line 37		
8,000	11,000	$320	plus	4.5%	of the excess over		$8,000
11,000	13,000	455	plus	5.25%	" " " "		11,000
13,000	20,000	560	plus	5.9%	" " " "		13,000
20,000	100,000	973	plus	6.85%	" " " "		20,000
100,000	500,000	6,453	plus	7.25%	" " " "		100,000
500,000		35,453	plus	7.7%	" " " "		500,000

Head of household — filing status ④							
If line 37 is: over	but not over	The tax is:					
$ 0	$11,000			4%	of line 37		
11,000	15,000	$440	plus	4.5%	of the excess over		$11,000
15,000	17,000	620	plus	5.25%	" " " "		15,000
17,000	30,000	725	plus	5.9%	" " " "		17,000
30,000	125,000	1,492	plus	6.85%	" " " "		30,000
125,000	500,000	8,000	plus	7.25%	" " " "		125,000
500,000		35,187	plus	7.7%	" " " "		500,000

Tax computation *(continued)*

Line 39

New York State household credit

Enter your New York State household credit. You qualify to claim this credit if you marked the *No* box for item C on the front page of your Form IT-203 and if you marked:

- filing status ① **only (Single)** and the amount on Form IT-203, line 18, *Federal amount* column, is **not** over $28,000; **or**
- filing status ②, ③, ④, or ⑤ and the amount on Form IT-203, line 18, *Federal amount* column, is **not** over $32,000.

Note: The New York State household credit is not a refundable credit. It can only be used to lower the tax that you owe. Any unused portion of the credit is not refundable.

To find the amount of your New York State household credit:

- **Filing status ① only (Single) —** Use *New York State household credit table 1* below.
- **Filing status ②, ④ and ⑤ —** Use *New York State household credit table 2* below. Married 1040EZ filers use column 2.
- **Filing status ③ only (Married filing separate return) —** Use *New York State household credit table* 3 below.

New York State household credit table 1

Filing status ① only (Single)

If Form IT-203, line 18 *Federal amount* column is:

Over	but not over	enter on Form IT-203, line 39:
.....	5,000.*	$75
$ 5,000	6,000	60
6,000	7,000	50
7,000	20,000	45
20,000	25,000	40
25,000	28,000	20
28,000	No credit is allowed; do not make an entry on Form IT-203, line 39.	

* This may be any amount up to $5,000, including ***0*** or a negative amount.

New York State household credit table 2

Filing status ②, ④ and ⑤

If Form IT-203, line 18 *Federal amount* column is:		And the number of exemptions from your *Dependent exemption worksheet*, line c, page 34 (married 1040EZ filers use column 2), is:							
		1	2	3	4	5	6	7	over 7 **
Over	but not over	Enter on Form IT-203, line 39:							
.....	$ 5,000 *	$ 90	105	120	135	150	165	180	15
$ 5,000	6,000	75	90	105	120	135	150	165	15
6,000	7,000	65	80	95	110	125	140	155	15
7,000	20,000	60	75	90	105	120	135	150	15
20,000	22,000	60	70	80	90	100	110	120	10
22,000	25,000	50	60	70	80	90	100	110	10
25,000	28,000	40	45	50	55	60	65	70	5
28,000	32,000	20	25	30	35	40	45	50	5
32,000	No credit is allowed; do not make an entry on Form IT-203, line 39.								

* This may be any amount up to $5,000, including ***0*** or a negative amount.
** For each exemption over 7, add amount in this column to column 7 amount.

New York State household credit table 3

Filing status ③ only (Married filing separate return)

If Form IT-203, line 18, *** *Federal amount* column total from both returns is:		And the number of exemptions from both *Dependent exemption worksheets*, line c, page 34, is:							
		1	2	3	4	5	6	7	over 7 **
Over	but not over	Enter on Form IT-203, line 39:							
.....	$ 5,000 *	$ 45.00	52.50	60.00	67.50	75.00	82.50	90.00	7.50
$ 5,000	6,000	37.50	45.00	52.50	60.00	67.50	75.00	82.50	7.50
6,000	7,000	32.50	40.00	47.50	55.00	62.50	70.00	77.50	7.50
7,000	20,000	30.00	37.50	45.00	52.50	60.00	67.50	75.00	7.50
20,000	22,000	30.00	35.00	40.00	45.00	50.00	55.00	60.00	5.00
22,000	25,000	25.00	30.00	35.00	40.00	45.00	50.00	55.00	5.00
25,000	28,000	20.00	22.50	25.00	27.50	30.00	32.50	35.00	2.50
28,000	32,000	10.00	12.50	15.00	17.50	20.00	22.50	25.00	2.50
32,000	No credit is allowed; do not make an entry on Form IT-203, line 39.								

* This may be any amount up to $5,000, including ***0*** or a negative amount.
** For each exemption over 7, add amount in this column to column 7 amount.
*** If spouse is filing Form IT-201, use the amount from Form IT-201, line 18.

Tax computation *(continued)*

Line 41

New York State child and dependent care credit

To claim this credit, complete Form IT-216, *Claim for Child and Dependent Care Credit*.

Enter on line 41 the amount of child and dependent care credit from Form IT-216, line 14.

Attach your completed Form IT-216 to your Form IT-203. For more information, see Form IT-216 and its instructions, Form IT-216-I (included in this booklet).

Line 43

New York State earned income credit

You can claim this credit only if you were allowed an earned income credit on your federal income tax return.

To claim this credit, complete Form IT-215, *Claim for Earned Income Credit*. Enter the amount of credit from Form IT-215, line 16 (or line 17 if married filing a separate return) on line 43 of Form IT-203.

Attach your completed Form IT-215 to your return. For more information, see Form IT-215 and its instructions, Form IT-215-I (included in this booklet).

If you are having the IRS compute your federal earned income credit, on Form IT-215 complete lines 1 through 9 (and lines 21, 23, and 24 if you are a part-year resident) **and write *EIC*** on line 43 of Form IT-203 in the amount column. Be sure to fill in lines 45, 47, 49, 51 through 57, and lines 60 through 65 of your return. Do **not** complete lines 66 through 71. The Tax Department will figure your New York State earned income credit for you.

If you are due a refund, we will send you the refund along with a statement that shows how the refund was computed. If you owe tax, you will receive a bill that must be paid within 10 days or by April 17, 2006, whichever is later (April 18, 2006, if you file your federal return at the IRS Service Center in Andover, MA).

Line 45

Income percentage

To figure your income percentage, divide the amount from line 31 in the *New York State amount* column by the amount from line 31 in the *Federal amount* column. (These amounts must be entered in the boxes to the left of line 45.) **Round the result to the fourth decimal place.** For example, if the amounts used were $12,000 divided by $36,000, the result would be .3333. Enter this decimal on line 45; **do not convert to a percentage**.

If the amount on line 31 in either the *Federal amount* column or *New York State amount* column is zero or less, enter ***0*** on line 45.

If the amount on line 31 in the *New York State amount* column is more than the amount on line 31 in the *Federal amount* column, **the income percentage will be more than 100%**. For example, if the amounts used were $25,000 divided by $15,000, the result would be 1.6667.

If you used Form IT-230, Part 2, you must complete the *Nonresident and part-year resident income percentage schedule* on page 3 of Form IT-230-I, *Instructions for Form IT-230*, to figure the income percentage to enter on line 45.

Line 47

New York State nonrefundable credits

Enter the total amount of New York State nonrefundable credits from Form IT-203-ATT, line 8. For more information, see the instructions for Form IT-203-ATT, *Other Tax Credits and Taxes,* beginning on page 55.

Line 49

Net other New York State taxes

Enter the amount of net other New York State taxes from Form IT-203-ATT, line 33. For more information, see the instructions for Form IT-203-ATT, *Other Tax Credits and Taxes, beginning on page 55.*

Lines 51 through 55 apply only to New York City and Yonkers taxes. If you are not subject to New York City or Yonkers, taxes do not fill in these lines.

Line 51

Part-year New York City resident tax

If you were a New York City resident for only part of 2005, enter your part-year New York City resident tax from Form IT-360.1, *Change of City Resident Status*, and attach it to your return. For more information, see Form IT-360.1-I, *Instructions for Form IT-360.1*.

Line 52

New York City minimum income tax

Enter your New York City minimum income tax. If you were a New York City resident for part of 2005 and you are subject to the New York State minimum income tax, you must also figure your New York City minimum income tax for that part of the year that you were a New York City resident on Form IT-220 and attach it to your return. For more information, see IT-220-I, *Instructions for Form IT-220*.

If you are self-employed and carry on a trade, business or profession in New York City, you may also be required to file New York City's Form NYC-202, *Unincorporated Business Tax Return for Individuals, Estates and Trusts*. For more information, see the instructions for Form NYC-202. You can get this form and its instructions by calling the NYC Department of Finance. See *How to get New York City forms* on page 10. Since New York State does not administer the New York City unincorporated business tax, **do not** file your Form NYC-202 with your Form IT-203.

Line 53

Yonkers nonresident earnings tax

Complete line 53 only if you are subject to the Yonkers nonresident earnings tax.

If you were not a Yonkers resident but earned wages or conducted a trade or business there (either as an individual or a member of a partnership), you are subject to the Yonkers nonresident earnings tax. Fill in Form Y-203, *Yonkers Nonresident Earnings Tax Return*, and enter the tax on line 53. Attach Form Y-203 to the back of Form IT-203. For more information, see Form Y-203-I, *Instructions for Form Y-203*.

Line 54

Part-year Yonkers resident income tax surcharge

Enter your part-year Yonkers resident income tax surcharge. If you were a Yonkers resident for only part of 2005, fill in Form IT-360.1 and attach it to your return. If you were subject to the Yonkers nonresident earnings tax for the remainder of the year, see the instructions for Form Y-203. For more information, see Form IT-360.1-I, *Instructions for Form IT-360.1*.

— Notes —

How to calculate and report your sales and use tax liability on Form IT-203

Line 56

Sales or use tax

For general information on paying sales and use taxes, see *Information on paying sales and use taxes on your income tax return* on page 5. To determine if you owe sales or use tax, continue with these instructions.

Complete the *Computation of total sales or use tax due* section below, using the *Sales and use tax chart* and any of Worksheets 1, 2, and 3 beginning on page 41 that apply.

Purchases for less than $1,000 each — You may elect to use one of two methods to compute your sales and use taxes for nonbusiness-related purchases of individual items or services costing less than $1,000 each (excluding shipping and handling):

- the *Sales and use tax chart* below, or
- the *Exact Calculation Method* on Worksheet 1 on page 41.

The *Sales and use tax chart* is a simple, time-saving method to use to compute your sales or use tax on individual items or services costing less than $1,000 each. However, you may not use the *Sales and use tax chart* for business-related purchases or for royalty activity or rental real estate activity-related purchases, regardless of the amount. You must use the *Exact Calculation Method* on Worksheet 3 on page 42 to calculate your tax on these purchases.

Note: For purposes of the sales or use tax line instructions, the word *tax* will be used to refer to either the sales tax or the use tax, or both.

If you do not owe sales or use tax, you **must** enter ***0*** on line 56 of Form IT-203.

Computation of total sales or use tax due

1 Tax due on nonbusiness-related items or services costing less than $1,000 each, excluding shipping and handling
(Enter your tax due on all nonbusiness-related purchases where the price of each item or service was under $1,000. You may use the Exact Calculation Method *by entering the amount from line 3 of* Worksheet 1, *on page 41. Or, you may elect to determine the amount by using the* Sales and use tax chart *below. Continue with lines 2 and 3.)* ..... **1.** _____

2 Tax due on nonbusiness-related items or services costing $1,000 or more each *(from line 1 of* Worksheet 2 *on page 41)* ..... **2.** _____

3 Tax due on Schedule C, Schedule C-EZ, or Schedule F business-related purchases, or Schedule E (Part I), royalty or rental real estate related purchases *(from line 3 of* Worksheet 3 *on page 42)* ..... **3.** _____

4 Total sales or use tax due *(add lines 1, 2, and 3; enter the total here and on line 56 of Form IT-203)* ..... **4.** _____

Sales and use tax chart
(for line 1 computation only)

If your federal adjusted gross income (line 18, *Federal amount* column) is:	**Tax amount**
up to $15,000 *	$5
$15,001 - $30,000	$15
$30,001 - $50,000	$22
$50,001 - $75,000	$27
$75,001 - $100,000	$39
$100,001 - $150,000	$54
$150,001 - $200,000	$68
$200,001 and greater ...	.0341% (.000341) of income, or $200, whichever amount is smaller

* This may be any amount up to $15,000, including ***0*** or a negative amount.

The following rule is for a nonresident or part-year resident for income tax purposes who did not maintain a permanent place of abode for sales tax purposes during the entire tax year.

If you maintained a permanent place of abode in New York State for sales and use tax purposes for only part of the year, multiply the tax amount from the chart (determined based on your total federal adjusted gross income for 2005) by the number of months you maintained the permanent place of abode in New York State and divide the result by 12. Enter that amount on line 1. In determining the number of months you maintained the abode in New York, count any period you maintained the abode for more than one-half month as a full month; do not count a period of one-half month or less.

Example: *You maintain a permanent place of abode in Monroe County in New York State for the entire tax year.*

Over the course of the year, you purchased several items for less than $1,000 each (excluding shipping and handling) over the Internet and by catalog. You had these items delivered to your residence in Monroe County. You know that you did not pay any tax on the items purchased. You may elect to use the Sales and use tax chart *to determine the tax due on these purchases.*

Also, on August 15, 2005, you received, at your Monroe County residence, a computer that you ordered from a retailer located in Michigan for $1,500 including the retailer's $100 charge for shipping and handling. The Michigan retailer did not collect any New York or Michigan sales or use tax.

Your federal adjusted gross income for the year is $53,400. You determine the amount of tax due as follows:

For line 1 of the Computation of total sales or use tax due, *you elect to use the* Sales and use tax chart *and select the amount based on your federal AGI of $53,400.*

Enter this amount on line 1 of the Computation of total sales or use tax due *$27*

For line 2 of the Computation of total sales or use tax due, *you use* Worksheet 2 *to calculate your tax liability on the computer purchase. $1,500 × 8% (state and local combined rate in Monroe County from* Chart I, *on page 43). Enter this amount on line 2 of the* Computation of total sales or use tax due *120.00*

Total tax..... $147.00

Line 56 Sales or use tax *(continued)*

Worksheet 1 — Exact calculation of tax due for nonbusiness-related purchases during 2005 costing less than $1,000 each.

Use this worksheet for nonbusiness-related purchases where the item or service cost less than $1,000 each, excluding shipping and handling. However, the shipping and handling charges must be included in column A of Part I and Part II when computing your tax due. Therefore, the total purchase price may exceed $110 in column A of Part I and $1,000 in column A of Part II when the shipping and handling charges are included.

Part I — Purchases of clothing and footwear costing less than $110, excluding shipping and handling, made on or after January 31, 2005, and before February 7, 2005, or on or after August 30, 2005, and before September 6, 2005.

Purchases of clothing and footwear, and items used to make or repair exempt clothing, costing less than $110 per item or pair (excluding shipping and handling) made on or after January 31, 2005, and before February 7, 2005, or on or after August 30, 2005, and before September 6, 2005, were exempt from the **state** portion of the tax and from some local taxes. However, if the locality where you reside chose not to provide the clothing and footwear exemption, the **local** portion of the tax still applied. *Chart II* on page 44 of these instructions lists the appropriate rate of local tax for you to enter for your locality in column B below. If your locality provided the clothing and footwear exemption, its rate will be listed as ***0***. In this case, do not complete Part I.

List all clothing and footwear purchases under $110 per item, excluding shipping and handling, made during the above periods if your locality imposed tax during one or both of these periods. (See *Chart II* on page 44.)

For fully taxable clothing and footwear purchases and for purchases of all other taxable items and services costing less than $1,000 per item or service, excluding shipping and handling, you must also complete Part II below.

A Purchase price *(see instructions on page 42)*	B Your local rate *(from Chart II, page 44; see instr. on page 42)*	C Tax *(multiply column A by column B)*	D Tax paid to another taxing jurisdiction, if any *(see instructions on page 42)*	E Tax due *(subtract column D from column C; do not enter less than zero)*

1 Total *(add the Part I, column E amounts; do not enter less than zero)* ..... **1.**

Part II — All other taxable items and services

List all other taxable items and services and taxable clothing and footwear not included in Part I on which no New York State or local tax was collected from you at the time of purchase or on which you owe additional local tax (see *Information on paying sales and use taxes on your income tax return* beginning on page 5).

Note: Any unpaid sales or use tax on a motor vehicle, trailer, all-terrain vehicle, vessel, or snowmobile that must be registered or titled by the New York State Department of Motor Vehicles is collected at the time of registration. Therefore, do not report or pay the sales or use tax on these items on your personal income tax return.

A Purchase price *(see instructions on page 42)*	B Combined state and local rate *(from Chart I, page 43; see instr. on page 42)*	C Tax *(multiply column A by column B)*	D Tax paid to another taxing jurisdiction, if any *(see instructions on page 42)*	E Tax due *(subtract column D from column C; do not enter less than zero)*

2 Total *(add the Part II, column E amounts; do not enter less than zero)* ..... **2.**

3 Add lines 1 and 2; transfer this amount to the *Computation of total sales or use tax due* section, line 1, on page 40 ..... **3.**

Worksheet 2 — Nonbusiness-related purchases during 2005 costing $1,000 or more each.

Use this worksheet for nonbusiness-related purchases where the item or service cost $1,000 or more each, excluding shipping and handling. If any item or service cost $25,000 or more each, excluding shipping and handling, you must also complete Form IT-135, *Sales and Use Tax Report for Purchases of Items and Services Costing $25,000 or More,* and attach it to your return.

Note: Any unpaid sales or use tax on a motor vehicle, trailer, all-terrain vehicle, vessel, or snowmobile that must be registered or titled by the New York State Department of Motor Vehicles is collected at the time of registration. Therefore, do not report or pay the sales or use tax on these items on your personal income tax return.

A Purchase price *(see instructions on page 42)*	B Combined state and local rate *(from Chart I, page 43; see instr. on page 42)*	C Tax *(multiply column A by column B)*	D Tax paid to another taxing jurisdiction, if any *(see instructions on page 42)*	E Tax due *(subtract column D from column C; do not enter less than zero)*

1 Total *(transfer this amount to the* Computation of total sales or use tax due *section, line 2, on page 40)* ..... **1.**

Line 56 Sales or use tax *(continued)*

Worksheet 3 — Schedule C, C-EZ, and Schedule F taxable business purchases or Schedule E (Part I) taxable royalty or rental real estate activity-related purchases during 2005.

Part I — Purchases of clothing and footwear costing less than $110, excluding shipping and handling, made on or after January 31, 2005, and before February 7, 2005, or on or after August 30, 2005, and before September 6, 2005.

Purchases of clothing and footwear, and items used to make or repair exempt clothing, costing less than $110 per item or pair (excluding shipping and handling) made on or after January 31, 2005, and before February 7, 2005, or on or after August 30, 2005, and before September 6, 2005, were exempt from the **state** portion of the tax and from some local taxes. However, if the locality where you reside chose not to provide the clothing and footwear exemption, the **local** portion of the tax still applied. *Chart II* on page 44 of these instructions lists the appropriate rate of local tax for you to enter for your locality in column B below. If your locality provided the clothing and footwear exemption, its rate will be listed as ***0***. In this case, do not complete Part I.

List all clothing and footwear purchases under $110 per item, excluding shipping and handling, made during the above periods if your locality imposed tax during one or both of these periods. (See *Chart II* on page 44.) However, the shipping and handling charges must be included in column A when computing your tax due.

A Purchase price *(see instructions below)*	B Your local rate *(from* Chart II, *page 44; see instructions below)*	C Tax *(multiply column A by column B)*	D Tax paid to another taxing jurisdiction, if any *(see instructions below)*	E Tax due *(subtract column D from column C; do not enter less than zero)*

1 Total *(add the* Part I, *column E amounts; do not enter less than zero)* ..... **1.**

Part II — All other taxable items and services

List all other taxable items and services and taxable clothing and footwear not included in Part I on which no New York State or local tax was collected from you at the time of purchase or on which you owe additional local tax (see: *Information on paying sales and use taxes on your income tax return* beginning on page 5). If any item or service purchased cost $25,000 or more each, excluding shipping and handling, you must also complete Form IT-135, *Sales and Use Tax Report for Purchases of Items and Services Costing $25,000 or More* and attach it to your return.

Note: Any unpaid sales or use tax on a motor vehicle, trailer, all-terrain vehicle, vessel or snowmobile that must be registered or titled by the New York State Department of Motor Vehicles is collected at the time of registration. Therefore, do not report or pay the sales or use tax on these items on your personal income tax return.

A Purchase price *(see instructions below)*	B Combined state and local rate *(from* Chart I, *page 43; see instructions below)*	C Tax *(multiply column A by column B)*	D Tax paid to another taxing jurisdiction, if any *(see instructions below)*	E Tax due *(subtract column D from column C; do not enter less than zero)*

2 Total *(add the* Part II, *column E amounts; do not enter less than zero)* ..... **2.**

3 Add lines 1 and 2; transfer this amount to the *Computation of total sales or use tax due* section, line 3, on page 40 ..... **3.**

Instructions for Worksheets 1, 2, and 3

Column A — Purchase price

The tax is generally computed on the price you paid for an item or service, **including** any shipping or handling charges made by the seller. However, if you were a resident of New York State for sales and use tax purposes at the time of purchase and you purchased property outside New York State which you used outside the state for more than six months before you brought it into the state, compute the tax on the lower of the cost or fair market value of the property at the time you brought it into New York State. This may result in a lower amount of tax. The same six month rule applies for purposes of computing local tax.

Column B — Rate

The tax rate to use is determined as follows:

- If the property or service is delivered to you in New York State, the tax is computed at the combined state and local rate in effect in the locality where the delivery occurs regardless of where you reside. The rate that applies is the rate in effect at the time of delivery.
- If you are a New York State resident for sales and use tax purposes and you purchase property or services outside New York State which you bring into New York State to your jurisdiction of residence, tax is computed at the combined state and local rate in effect where you reside. The rate that applies is the rate in effect at the time you brought the property or service into that jurisdiction.

In addition, if you use the property or service in another locality in New York State, you owe tax to the second locality if you were a resident of that locality at the time of the purchase, and its rate is higher than the rate in effect where the property was originally delivered to you in New York State or brought by you into New York State.

See *Chart I* or *Chart II* on pages 43 and 44 for a listing of rates through November 30, 2005. For rate changes effective December 1, 2005, visit our Web site or call the Tax Department. See *Need help?* on the back cover of these instructions.

Column D — Tax paid to another taxing jurisdiction, if any

To determine whether the tax you paid to another state or local jurisdiction in another state qualifies for credit against New York State and local tax, see Publication 39, *A Guide to New York State Reciprocal Credits for Sales Taxes Paid to Other States*. If you bought the item or service in a locality in New York State other than the New York locality where you reside, the tax you paid at the time of purchase may be claimed as a credit against the tax due in the New York locality where you reside. Federal excise taxes and customs duties, and taxes and fees you paid in foreign countries are not allowed as a credit against any New York State or local sales or use tax that you owe.

Line 56 Sales or use tax *(continued)*

Chart I

New York State Sales and Use Tax Rates by Jurisdiction

This chart and the notes below show the combined state and local tax rates for the period January 1, 2005, through November 30, 2005. Use these rates for your entries in the Worksheets on pages 41 and 42. New York State's additional 1/4% sales and use tax rate expired effective June 1, 2005. As a result, on June 1, 2005, the state sales and use tax rate was reduced to 4%. **Therefore, for purchases prior to June 1, 2005, the rates listed below must be increased by 1/4%.** Changes to county and city rates that occurred during the period are noted in the footnotes below.

New York City comprises five counties. These counties are also boroughs whose names are more widely known. The counties, with borough names shown in parentheses, are Bronx (Bronx), Kings (Brooklyn), New York (Manhattan), Queens (Queens), and Richmond (Staten Island).

Note that tax rates may change over the course of the year. The tax rates included with these instructions were effective through November 30, 2005. For information on whether the rates changed after November 30, 2005, visit our Web site at *www.nystax.gov* or call the Tax Department at 1 800 225-5829.

County or other locality	Tax rate %	County or other locality	Tax rate %	County or other locality	Tax rate %
New York State — only	4	Jefferson	7¾	Richmond (Staten Island) — see *New York City*	
Albany	8	Kings (Brooklyn) — see *New York City*		Rockland	8
Allegany	8½	Lewis	7¾	St. Lawrence	7
Bronx — see *New York City*		Livingston	8	Saratoga — except	7
Brooklyn — see *New York City*		Madison — except	8	Saratoga Springs (city)	7
Broome	8	Oneida (city)	8	Schenectady	8
Cattaraugus — except	8	Manhattan — see *New York City*		Schoharie	8
Olean (city)	8	Monroe	8	Schuyler	8
Salamanca (city)	8	Montgomery	8	Seneca	8
Cayuga — except	8	Nassau	8⅝	Staten Island — see *New York City*	
Auburn (city)	8	New York (Manhattan) — see *New York City*		Steuben — except	8
Chautauqua[1]	8¼	New York City[3]	8⅜	Corning (city)	8
Chemung	8	Niagara	8	Hornell (city)	8
Chenango — except	8	Oneida[2] — except	9½	Suffolk	8⅝
Norwich (city)	8	Rome[2] (city)	9½	Sullivan	7½
Clinton	7¾	Sherrill[2] (city)	9½	Tioga	8
Columbia	8	Utica[2] (city)	9½	Tompkins — except	8
Cortland	8	Onondaga	8	Ithaca (city)	8
Delaware	8	Ontario — except	7	Ulster	8
Dutchess	8⅛	Canandaigua (city)	7	Warren — except	7
Erie	8¼	Geneva (city)	7	Glens Falls (city)	7
Essex	7¾	Orange	8⅛	Washington	7
Franklin	7	Orleans	8	Wayne	8
Fulton — except	7	Oswego — except	8	Westchester — except	7⅜
Gloversville (city)	7	Fulton (city)	8	Mount Vernon (city)	8⅜
Johnstown (city)	7	Oswego (city)	8	New Rochelle (city)	8⅜
Genesee	8	Otsego	8	White Plains (city)	7⅞
Greene	8	Putnam[4]	7⅞	Yonkers (city)	8⅜
Hamilton	7	Queens — see *New York City*		Wyoming	8
Herkimer	8	Rensselaer	8	Yates	8

[1] The Chautauqua County combined rate was 7¼% from January 1, 2005, through February 28, 2005.

[2] The combined state and local rate was 8¼% from January 1, 2005, through February 28, 2005.

[3] The New York City combined rate was 8⅝% from January 1, 2005, through May 31, 2005.

[4] The Putnam County combined rate was 7½% from January 1, 2005, through May 31, 2005, and 7⅜% from June 1, 2005, through August 31, 2005.

Line 56 Sales or use tax *(continued)*

Chart II

Local Sales and Use Tax Rates on Clothing and Footwear

Effective 1/31/05 - 2/6/05 and 8/30/05 - 9/5/05

Local tax rates are shown below for jurisdictions that imposed tax on purchases of clothing and footwear costing less than $110 per item, excluding shipping and handling, during the period beginning 1/31/05 and ending 2/6/05 or beginning 8/30/05 and ending 9/5/05.

Use these rates for your entries in the worksheets on pages 41 and 42.

If the rate for your locality is ***0***, no state or local tax is due on clothing and footwear costing less than $110 purchased during that period.

Taxing jurisdiction	1/31-2/6 Tax rate %	8/30 - 9/5 Tax rate %
Albany County	0	0
Allegany County	0	0
Broome County	0	0
Cattaraugus County (outside the following)	0	0
Olean (city)	0	0
Salamanca (city)	0	0
Cayuga County (outside the following)	0	0
Auburn (city)	0	0
Chautauqua County	0	0
Chemung County	0	0
Chenango County (outside the following)	0	0
Norwich (city)	0	0
Clinton County	0	0
Columbia County	0	0
Cortland County	0	0
Delaware County	0	0
Dutchess County	0	0
Erie County	0	0
Essex County	0	0
Franklin County	0	0
Fulton County (outside the following)	0	0
Gloversville (city)	0	0
Johnstown (city)	0	0
Genesee County	0	0
Greene County	0	0
Hamilton County	0	0
Herkimer County	0	0
Jefferson County	0	0
Lewis County	3¾	3¾
Livingston County	0	0
Madison County (outside the following)	0	0
Oneida (city)	0	0
Monroe County	0	0
Montgomery County	0	0
Nassau County	4½	4⅝
New York City	0	0
Niagara County	0	0
Oneida County (outside the following)	0	0
Rome (city)	0	0
Sherrill (city)	0	0
Utica (city)	1½	1½

Taxing jurisdiction	1/31-2/6 Tax rate %	8/30 - 9/5 Tax rate %
Onondaga County	0	0
Ontario County (outside the following)	0	0
Canandaigua (city)	0	0
Geneva (city)	0	0
Orange County	4	4⅛
Orleans County	0	0
Oswego County (outside the following)	0	0
Fulton (city)	4	4
Oswego (city)	4	0
Otsego County	0	0
Putnam County[1]	3¼	3⅞
Rensselaer County	0	0
Rockland County	0	0
St. Lawrence County	0	0
Saratoga County (outside the following)	0	0
Saratoga Springs (city)	0	0
Schenectady County	0	0
Schoharie County	0	0
Schuyler County	0	0
Seneca County	0	0
Steuben County (outside the following)	0	0
Corning (city)	0	0
Hornell (city)	0	0
Suffolk County	0	0
Sullivan County	0	0
Tioga County	0	0
Tompkins County (outside the following)	0	0
Ithaca (city)	0	0
Ulster County	0	0
Warren County (outside the following)	0	0
Glens Falls (city)	0	0
Washington County	0	0
Wayne County	0	0
Westchester County (outside the following)	3¼	3⅜
Mount Vernon (city)	4¼	4⅜
New Rochelle (city)	4¼	4⅜
White Plains (city)	3¾	3⅞
Yonkers (city)	4¼	4⅜
Wyoming County	0	0
Yates County	0	0

[1] The rate in Putnam County during the second one-week exemption period was: August 30-31, 2005: 3⅜%; September 1-5, 2005: 3⅞%.

Line 57

Voluntary contributions

You may elect to make a voluntary contribution to any of the funds listed below. Enter your contribution in the amount boxes to the right of the fund you wish to contribute to. **Enter on line 57 the total amount of contributions made to one or more of the funds.**

See the inside back cover for more information about these funds.

Your contribution will reduce your refund or increase your tax payment. You cannot change the amount(s) you give after you file your return.

Return a Gift to Wildlife

If you want to return a gift to wildlife, enter the amount of your contribution in the designated boxes at the left of line 57. The amount you give must be in whole dollars: $5, $10, $20 or any other dollar amount. Include this amount in the total contributions on line 57.

Missing and Exploited Children Clearinghouse (MECC) Fund

If you want to contribute to the Missing and Exploited Children Clearinghouse (MECC) Fund, enter any whole dollar amount in the designated boxes at the left of line 57. Include this amount in the total contributions on line 57.

Breast Cancer Research and Education Fund

If you want to contribute to the Breast Cancer Research and Education Fund, enter any whole dollar amount in the designated boxes at the left of line 57. Include this amount in the total contributions on line 57. New York State will match this contribution to the Breast Cancer Research and Education Fund, dollar for dollar.

Prostate Cancer Research, Detection, and Education Fund

If you want to contribute to the new Prostate Cancer Research, Detection, and Education Fund, enter any whole dollar amount in the designated boxes at the left of line 57. The fund will be used to provide grants to the New York State Coalition to Cure Prostate Cancer, which will help coordinate and manage prostate cancer research, detection, and education efforts in New York State. Include this amount in the total contributions on line 57. New York State will match this contribution to the Prostate Cancer Research, Detection, and Education Fund, dollar for dollar.

Alzheimer's Disease Assistance Fund

If you want to contribute to the Alzheimer's Disease Assistance Fund, enter any whole dollar amount in the designated boxes at the left of line 57. Include this amount in the total contributions on line 57.

United States Olympic Committee/Lake Placid Olympic Training Center Fund

If you want to contribute to the United States Olympic Committee/Lake Placid Olympic Training Center Fund, enter $2 in the designated box at the left of line 57. (Enter $4 if your spouse also wants to contribute and you are filing jointly.) Include this amount in the total contributions on line 57.

World Trade Center Memorial Foundation Fund (WTC Memorial Fund)

If you want to contribute to the World Trade Center Memorial Foundation Fund, enter any whole dollar amount in the designated boxes at the left of line 57. Include this amount in the total contributions on line 57.

Payments and refundable credits

Line 60

Part-year New York City school tax credit

If you qualify, enter on line 60 your part-year New York City school tax credit, and answer question 1, and if applicable question 2, at item E on the front page of your Form IT-203.

To claim this credit you must be a New York City resident for at least part of the taxable year, and marked the *No* box for item C on the front page of your Form IT-203.

Regardless of your filing status for New York State, if you (or your spouse, if married) were a part-year New York City resident, the allowable portion of the New York City school tax credit must be prorated. Use the proration chart below to figure your part-year New York City school tax credit.

If you are claiming filing status ①, ③, or ④, use the first column in the tax credit proration chart below to determine your part-year New York City school tax credit to enter on Form IT-203, line 60.

If you are claiming filing status ⑤, use the second column in the tax credit proration chart below to determine your part-year New York City school tax credit to enter on Form IT-203, line 60.

Special rule for filing status ②: If both spouses were New York City part-year residents, find your part-year credit in the chart below using filing status ②. If both spouses do **not** have the same period of city residence, figure the credit using the spouse with the longest New York City resident period.

Example 1: *You were a 5-month New York City resident and your spouse was an 8-month New York City resident; you marked filing status ② (Married filing joint return) on your Form IT-203. You would determine your New York City school tax credit from the chart below using filing status ②, and a resident period of 8 months. Your allowable credit would be $83.33.*

If one spouse was a New York City part-year resident and the other spouse was a nonresident of the city for the entire year, you must determine your allowable credit from the chart below using filing status ③. The nonresident spouse is not entitled to the credit.

Example 2: *You were a 5-month New York City resident and your spouse was a full-year nonresident of New York City; you marked filing status ②* (Married filing joint return) *on your Form IT-203. You would determine your credit from the chart below using filing status ③, and a resident period of 5 months. Your allowable credit would be $26.04.*

Part-year New York City school tax credit proration chart

Resident period *(months)*	Filing status ①, ③, and ④	Filing status ② and ⑤ only
1	5.21	10.42
2	10.42	20.83
3	15.63	31.25
4	20.83	41.67
5	26.04	52.08
6	31.25	62.50
7	36.46	72.92
8	41.67	83.33
9	46.88	93.75
10	52.08	104.17
11	57.29	114.58
12	62.50	125.00

Line 61

Other refundable credits

Enter the total New York State, New York City and Yonkers refundable credits from Form IT-203-ATT, Part I, line 17. For more information, see the *Instructions for Form IT-203-ATT, Other Tax Credits and Taxes*, beginning on page 55.

Lines 62, 63, and 64

Total New York State, New York City and Yonkers tax withheld

If you had New York State, New York City, or Yonkers tax withheld from your wages, you must complete new Form(s) IT-2, *Summary of Federal Form W-2 Statements*. If you had New York State, New York City, or Yonkers tax withheld from annuities, pensions, retirement pay or IRA payments, you must complete new Form(s) IT-1099-R, *Summary of Federal Form 1099-R Statements*.

Enter on the appropriate line, your total New York State, New York City, and Yonkers tax withheld from:

— Form(s) IT-2,

— Form(s) IT-1099-R, and

— New York State lottery distributions (you must attach federal Form W-2G; see *Step 7* on page 51).

Attach these forms to your return. **Do not** attach federal form(s) W-2 or 1099-R to your return.

However, you should keep copies of all federal and New York State forms with your records.

Line 65

Total of estimated income tax payments, and amount paid with extension Form IT-370

Enter on this line the total of your estimated income tax payments for New York State, New York City and Yonkers. Also enter the amount you paid with Form IT-370, *Application for Automatic Six-Month Extension of Time to File for Individuals*.

- **Estimated income tax paid**

  Include on line 65 the total of your 2005 estimated income tax payments (include your last installment, even if paid in 2006) and any overpayment from your 2004 return that you asked us to apply to your 2005 estimated income tax. If this amount was adjusted by the Tax Department after you filed your 2004 return, enter the adjusted amount.

  Also include on line 65 any amounts of estimated income tax paid with Form IT-2663, *Nonresident Real Property Estimated Income Tax Payment Form*, Form IT-2664, *Nonresident Cooperative Unit Estimated Income Tax Payment Form*, and any amount of estimated income tax paid on your behalf by a partnership, S corporation, or LLC of which you are a partner, shareholder, or member.

  If you marked filing status ② but made **separate** 2005 estimated income tax payments (Form IT-2105), enter your combined total estimated income tax paid. If you have separate estimated income tax accounts, you will receive separate account statements. If the amount does not agree with the account statement(s) included in your estimated income tax packet(s), complete the reconciliation Form IT-2105.1 for each account in error and fax or mail the Form(s) IT-2105.1 immediately. **Fax: (518) 457-2249 or mail: NYS Tax Department, Estimated Tax Unit, W A Harriman Campus, Albany NY 12227.** Do not use a pre-addressed label for this form.

  If you are the beneficiary of a trust and are claiming your share of any payment of estimated income taxes allocated to you by the trust, include your amount on line 65 and attach a copy of the notification issued by the trust to the front of your return. This notification must include the name and identifying number of the trust and the amount allocated to you. **Do not** include any amounts you paid for the **New York City** unincorporated business tax. File the New York City unincorporated business tax return directly with the New York City Department of Finance.

- **Amount paid with Form IT-370**

  If you filed Form IT-370 to get an extension of time to file Forms IT-203 and Y-203, include on line 65 the amount you paid with Form IT-370.

  If you checked filing status ② but filed **separate** Forms IT-370, enter the total amount paid by you and your spouse with your separate Forms IT-370.

Refund or amount you owe

Line 67

Amount overpaid

If line 66 is more than line 59, subtract line 59 from line 66. Enter the result on line 67 unless you owe an underpayment of income tax (estimated income tax) penalty.

If you owe a penalty for underpayment of income tax (see line 71 instructions on page 47) subtract the penalty amount from the overpayment and enter the net overpayment on line 67. If your underpayment of income tax penalty is greater than your overpayment (line 67), enter the difference on line 70 and leave line 67 blank.

Your net overpayment can be (1) refunded to you, by check, (2) directly deposited into your bank account (see line 68 below), or (3) applied to your 2006 estimated income tax. Your overpayment can also be (4) apportioned between (1) and (3) or (2) and (3). Any overpayment credited toward your 2006 estimated income tax cannot be refunded after April 17, 2006 (April 18, 2006, if you file your federal return at the IRS Service Center in Andover, MA).

Line 68

Refund

Enter the amount of overpayment from line 67 that you want refunded to you. You must file a return to get a refund. The Tax Department will not refund an amount of one dollar or less unless you attach to your return a signed statement asking for it.

If you want us to deposit your refund directly into your bank account, see *Refund — Direct Deposit* on page 48.

Collection of debts from your overpayment

We will keep all or part of your overpayment (refund) if you owe a New York State tax liability or a New York City or Yonkers personal income tax liability, if you owe past-due support or a past-due legally enforceable debt to the IRS, to a New York State agency, or to another state, if you defaulted on a guaranteed student, state university, or city university loan, or if you owe a New York City tax warrant judgment debt. We will refund any amount that exceeds your debt.

A New York State agency includes any state department, board, bureau, division, commission, committee, public authority, public benefit corporation, council, office, or other entity performing a governmental or proprietary function for the state or a social services district.

If you have questions about whether you owe a past-due legally enforceable debt to the IRS or to a state agency, contact the IRS or the state agency.

For New York State tax liabilities or New York City or Yonkers personal income tax liabilities, call 1 800 835-3554 (from areas outside the U.S. and outside Canada, call (518) 485-6800) or write to: NYS Tax Department, Tax Compliance Division, W A Harriman Campus, Albany NY 12227.

For information relating to a New York City tax warrant judgment debt, call (212) 232-3550.

Disclaiming of spouse's debt

If you marked filing status ② and you do not want to apply your part of the overpayment to your spouse's non-IRS debt because you are not liable for it, complete Form IT-280, *Nonobligated Spouse Allocation*, and attach it to your original return. We need the information on Form IT-280 to process your refund as quickly as possible. You cannot file an amended return to disclaim your spouse's non-IRS debt after you have filed your original return.

We will notify you if we keep your overpayment because of a past-due legally enforceable debt to the IRS. If your spouse owes the debt and you do not want your part of the overpayment to be used to pay the debt, you **cannot** use Form IT-280 to disclaim your spouse's debt. Instead, you will need to file federal Form 8379, *Injured Spouse Claim and Allocation*, with the IRS.

Make sure you receive your refund

Every year a large number of refund checks are returned to the Tax Department, mainly because of mailing address problems. Many of these checks eventually reach their owners after this delay, but many others never do, despite our best efforts.

You can receive your refund check without delay. Please remember these important points:

- Make sure you enter your social security number(s) at the top of your return.
- We mail the refund to the address shown on the return.
- Don't assume that we already have your correct address. Check it.
- Use the label supplied with the return whenever possible. Make any corrections directly on the label; see *Step 5* on page 49.
- Make sure the address is **complete.** Include ***c/o*** if necessary, and PO Box and apartment numbers, if any.
- If you're moving, notify the U.S. Postal Service of the new address.
- If you use a computer, make sure your software is printing your address properly.
- Make sure everything is legible.
- If someone else is preparing your return, make sure they have your correct address.

Line 69

New York State, New York City, and Yonkers estimated income tax for 2006

Enter the amount of overpayment from line 67 that you want credited to your New York State, New York City and Yonkers estimated income tax for 2006. Do not include any amount that you claimed as a refund on line 68. Subtract line 68 from line 67 to determine how much you can apply to 2006. **This election to apply all or part of the amount overpaid to your 2006 estimated income tax generally cannot be changed after April 17, 2006** (April 18, 2006, if you file your federal return at the IRS Service Center in Andover, MA).

Line 70

Amount you owe

If line 66 is less than line 59, subtract line 66 from line 59.

If you owe more than one dollar, include full payment with your return. (You do not have to pay one dollar or less.) Make your check or money order payable to ***New York State Income Tax*** and write your social security number and ***2005 Income Tax*** on it**. Do not send cash**.

You may also pay your taxes by **credit card** (see below).

If you also have to pay an estimated income tax penalty (for underpayment of income tax - line 71), that amount must be included with any tax you owe on line 70. Send one check or money order for the total amount (estimated income tax penalty plus any tax due).

Staple your payment to the front of your return.

If you include penalties or interest with your check or money order, identify and enter these amounts in the white area (not in the boxes) to the left of the ***Owe*** box at line 70 of Form IT-203 (but not the underpayment of estimated income tax penalty; see line 71 below).

Computing interest and penalties: You may compute the interest and penalty by visiting ***www.nystax.gov*** and clicking on *Electronic Services,* or call 1 800 225-5829 and we will compute the interest and penalty for you.

Line 71

Penalty for underpayment of income tax (estimated income tax penalty)

Generally, you are not subject to a penalty if your 2005 prepayments equal at least 100% of your 2004 income tax (110% of that amount if you are not a farmer or fisherman and the New York adjusted gross income *(Federal amount* column), on that return is more than $150,000 or, if married filing separately, more than $75,000) based upon a return covering 12 months. However, if line 70 is at least $300 and, in addition, represents more than 10% of the income tax shown on your return or you underpaid your estimated income tax liability for any payment period, you may owe a penalty. For more information, get Form IT-2105.9, *Underpayment of Estimated Tax by Individuals and Fiduciaries*, to see if you owe a penalty and to figure the amount.

If you owe an estimated income tax penalty, and you computed an overpayment, see the line 67 instructions. If you computed an amount due, see the line 70 instructions. Be sure to attach Form IT-2105.9 to your return.

Do not include any other penalty or interest amounts on line 71. **If you include penalties or interest with your check or money order, identify and enter these amounts in the white area to the left of line 70 (not in the boxes) on page 4 of Form IT-203.**

Payment options

By check or money order

If you owe more than one dollar, include full payment with your return. Make check or money order payable to ***New York State Income Tax*** and write your social security number and ***2005 Income Tax*** on it. Do not send cash.

By credit card

You can use your American Express Cards ®, Discover®/Novus®, MasterCard®, or Visa® to pay the amount you owe on your 2005 New York State income tax return. You can pay your income taxes due with your return by credit card using a touch-tone phone or through the Internet. The credit card service provider will charge you a convenience fee to cover the cost of this service, and you will be told the amount before you confirm the credit card payment. Please note that the convenience fee, terms, and conditions may vary between the credit card service providers. These are the same credit card service providers that have agreements with the IRS to process income tax payments.

You can make your payment by credit card regardless of how you file your income tax return. For returns filed before the due date, you can make credit card payments any time up to the due date. For returns filed on or after the due date, you should make your credit card payment at the same time you file your return. Credit cards cannot be used to pay any tax due on an amended return.

You can pay your income taxes due with your return using **either** of the two credit card service providers listed below.

Official Payments Corp.sm
Call toll free **1 800 2PAYTAXsm**
(1 800 272-9829), or
Visit their Web site at
www.officialpayments.com

OR

Link2Gov Corporation
Call toll free **1 866 TAXESNY**
(1 866 829-3769), or
Visit their Web site at
www.nytaxpayment.com

You can also connect to either of these Web sites by going to the Tax Department's Web site at ***www.nystax.gov*** and clicking on *Electronic Services*.

Whether paying by telephone or through the Internet, follow the simple instructions to enter personal identifying information, the credit card number and expiration date, and the amount of the payment (**line 70 of Form IT-203**). Have a copy of your completed New York State income tax return available. You will be told the amount of the convenience fee that the credit card service provider will charge you to cover the cost of this service. At this point you may elect to accept or cancel the credit card transaction.

If you accept the credit card transaction you will be given a confirmation number. **Please keep this confirmation number as proof of payment.** For additional information go to ***www.nystax.gov*** and click on *Electronic Services*.

By automatic bank withdrawal

You may authorize the Tax Department to make an electronic funds withdrawal from your bank account. File Now/Pay Later! If you file before April 18, you must specify a payment date up to and including April 18. Money will not be withdrawn from your account before the date you specify. If you file after April 18, money will be withdrawn from your account on the date your return is processed. To avoid interest and penalties, you must authorize a withdrawal on or before the filing deadline. If you designate a weekend or a bank holiday, the payment will be withdrawn the next business day. For more information, see *Electronic funds withdrawal* and the line 72 instructions on page 48.

Installment payments

If you cannot pay the full amount you owe with your return, you can ask to make monthly installment payments. However, because you will have to pay interest and be subject to a late payment penalty on any tax not paid by April 17, 2006 (April 18, 2006, if you file your return at the IRS Service Center in Andover, MA), you should consider alternatives such as a commercial or private loan before requesting an installment agreement.

(continued)

To limit interest and penalty charges, file your return on time and pay as much of the tax as possible with your return.

To request an income tax installment payment agreement:

- Complete New York State Form DTF-383, *Income Tax Installment Payment Agreement Request.* To get Form DTF-383, see *Need help?* on the back cover or use the forms order blank, *Forms and Publications Ordering Information* (Form IT-86), that came with your income tax packet.
- **Attach your completed Form DTF-383 to the front of your 2005 income tax return.** The Tax Department will notify you of its decision with respect to your request.

Line 72

Account information

If you are requesting direct deposit of your refund to, or automatic withdrawal of your taxes from, your bank account, you must mark the appropriate box and supply the information requested for a, b, and c.

The following requirements apply to both direct deposit and electronic funds withdrawal:

Enter your bank's 9-digit routing number on line 72a. If the first two digits are not 01 through 12, or 21 through 32, the transaction will be rejected. On the sample check below, the routing number is *090090099*.

If your check states that it is payable through a bank different from the one where you have your checking account, **do not** use the routing number on that check. Instead, contact your bank for the correct routing number to enter on line 72a.

Enter your account number on line 72b. The number can be up to 17 characters (both numbers and letters). Include hyphens (-) but omit spaces and special symbols. Enter the number from left to right and leave any unused boxes blank.

On line 72c, mark an ***X*** in the box for the type of account, checking or savings.

- If you mark *Checking*, enter the account number shown on your checks. (On the sample check below, the account number is *1357902468*. **Do not** include the check number.)
- If you mark *Savings*, you can get your savings account number from a preprinted savings account deposit slip, your passbook or other bank records, or from your bank.

If you encounter any problem with direct deposit to, or electronic withdrawal from, your account, call toll free 1 800 225-5829. The processing time for an income tax return is approximately six to eight weeks.

Refund — Direct deposit

Mark an ***X*** in the box for *Refund* on line 72.

The Tax Department will not notify you that your refund has been deposited. However, if the amount we deposit is different from the amount of refund you claimed, we will send you a written explanation of the adjustment within two weeks from the date your refund is deposited.

We will make every effort to comply with your request for direct deposit. However, we cannot be responsible when a bank refuses a direct deposit. Some banks, for example, do not allow a joint refund to be deposited into an individual account. You can contact your bank to confirm routing and account numbers and to make sure that it will accept your deposit. If we cannot make the direct deposit for any reason, we will send a check to the mailing address on your return.

Owe – Electronic funds withdrawal

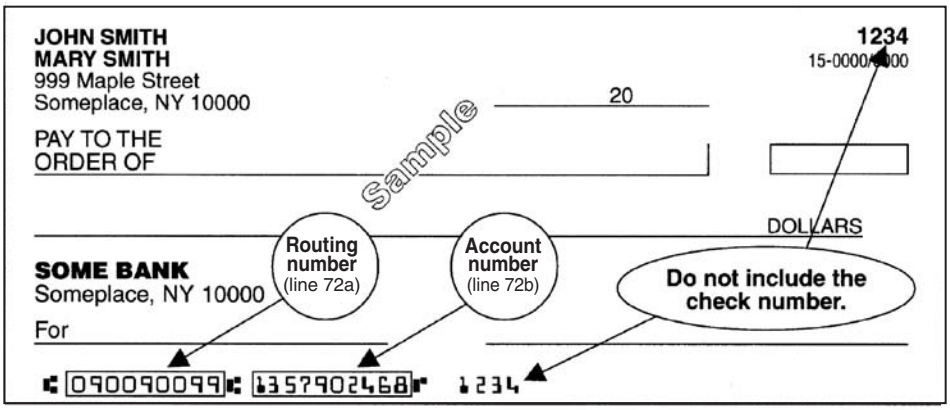
Mark an ***X*** in the box for *Owe* on line 72 and enter the effective date for the Tax Department to make an electronic funds withdrawal from your bank account.

The Tax Department will only use electronic funds withdrawal for the one tax payment you have authorized. Your confirmation will be your bank statement that includes a *NYS Tax Payment* line item. If we determine that the amount you owe is different from the amount claimed on our return, we will only withdraw less than or equal to the amount you have claimed. We will send you a bill for any additional amount owed, which may include penalty and interest.

If your bank returns your electronic funds withdrawal (insufficient funds, incorrect bank account information, closed accounts, etc.), the Tax Department will send a notification letter to the mailing address on your return. You will need to submit a check or money order to the address on the notification, or you may elect to pay by credit card (see page 47).

We will make every effort to comply with your request for electronic funds withdrawal. However, we cannot be responsible when a bank refuses an electronic funds withdrawal. You can contact your bank to confirm routing and account numbers and to make sure that it will accept the withdrawal.

If, for any reason, we cannot comply with your request for electronic funds withdrawal, we will send a notice to the mailing address on your return.



Note: *The routing and account numbers may appear in different places on your check.*

Federal/state tax agreement

Under authority of federal and New York State laws, the New York State Department of Taxation and Finance and the Internal Revenue Service have entered into a federal/state agreement for the mutual exchange of tax information.

Privacy notification

The Commissioner of Taxation and Finance may collect and maintain personal information pursuant to the New York State Tax Law, including but not limited to, sections 171, 171-a, 287, 308, 429, 475, 505, 697, 1096, 1142, and 1415 of that Law; and may require disclosure of social security numbers pursuant to 42 USC 405(c)(2)(C)(i).

This information will be used to determine and administer tax liabilities and, when authorized by law, for certain tax offset and exchange of tax information programs as well as for any other lawful purpose.

Information concerning quarterly wages paid to employees is provided to certain state agencies for purposes of fraud prevention, support enforcement, evaluation of the effectiveness of certain employment and training programs and other purposes authorized by law.

Failure to provide the required information may subject you to civil or criminal penalties, or both, under the Tax Law.

This information is maintained by the Director of Records Management and Data Entry, NYS Tax Department, W A Harriman Campus, Albany NY 12227; telephone 1 800 225-5829. From areas outside the United States and outside Canada, call (518) 485-6800.

Line 73

Part-year residents

If you were a New York State resident for part of the year, enter the date you moved in the appropriate box, review the explanation for items a), b), and c) below, and mark an ***X*** in the box that describes your situation on the last day of the tax year:

a) If you moved into New York State, mark an ***X*** in box a. You will need to file a resident income tax return next year.

b) If you moved out of New York State and you continue to receive income from New York State sources, mark an ***X*** in box b. You will need to file a nonresident and part-year resident income tax return next year.

c) If you moved out of New York State and no longer receive income from New York State sources, mark an ***X*** in box c.

Line 74

Nonresidents: Did you maintain living quarters in New York State?

If you or your spouse had living quarters available for your use in New York State during any part of 2005, mark an ***X*** in the *Yes* box and complete Schedule B on Form IT-203-B. These living quarters would include a house, apartment, co-op or any other living quarters maintained or paid for by you or your spouse, or any New York State living quarters **maintained for your primary use** by another person, family member or employer.

For an example of living quarters maintained for your primary use, see the instructions for Form IT-203-B, Schedule B, on page 53.

Note: If you marked the *Yes* box, and you spend 184 days or more (any part of a day is a day for this purpose) in New York State, you may be considered a resident for New York State income tax purposes. See *Resident* under *Who must file*, on page 8 of these instructions.

In addition, if you marked the *Yes* box and the living quarters were located in New York City or Yonkers, you may also be considered a resident of New York City or Yonkers for income tax filing purposes.

If you meet the definition of a resident of New York State, New York City, or Yonkers, you may not file Form IT-203. You must file using either Form IT-150, *Resident Income Tax Return (short form),* or Form IT-201, *Resident Income Tax Return (long form).*

If you are in the military and did not maintain a permanent place of abode within the state, attach a statement to that effect to your return (see Publication 361, *New York State Income Tax Information for Military Personnel and Veterans).*

Third-party designee

Do you want to authorize a friend, family member, or any other person (third-party designee) to discuss your 2005 tax return with the New York State Tax Department?

If ***No***, mark an ***X*** in the *No* box.

If ***Yes***, mark an ***X*** in the *Yes* box.

Enter the designee's name, phone number, and any five numbers the designee chooses as his or her personal identification number (PIN). If you want to authorize the paid preparer who signed your return to discuss the return with the Tax Department, just enter ***Preparer*** in the space for the designee's name. You do not have to provide the other information requested.

If you mark the *Yes* box, you (and your spouse, if filing a joint return) are authorizing the Tax Department to discuss with the designee any questions that arise during the processing of your return. You are also authorizing the designee to:

- give the Tax Department any information that is missing from your return;
- call the Tax Department for information about the processing of your return or the status of your refund or payment(s); and
- respond to certain Tax Department notices that you share with the designee about math errors, offsets, and return preparation. We will **not** send notices to the designee.

You are not authorizing the designee to receive your refund check, bind you to anything (including any additional tax liability), or otherwise represent you before the Tax Department. If you want the designee to perform those services for you, you must file Form POA-1, *Power of Attorney*. Copies of statutory tax notices or documents (such as a *Notice of Deficiency*) will only be sent to your designee if you file Form POA-1.

A third-party designee authorization cannot be revoked. However, the authorization will end automatically on the due date (without regard to extensions) for filing your 2006 tax return. For most taxpayers, the due date will be April 16, 2007.

Now continue with *Step 4*.

Step 4

Check the figures on your return and any attachments.

Step 5

Complete the top of the front page of your return.

Peel-off label

- Remove the peel-off label from under the flap on the inside front cover of your packet and place it in the name and address box at the top of Form IT-203.
- Check the label to make sure the information on it is complete and correct. The label includes two barcodes which represent the numeric information on the label. This label allows us to take advantage of the latest technology available to process your return.

School district code		County
Your name		
Spouse's name		
Number and street		
City	State	ZIP code

Also on the label is a single letter that indicates the form you filed last year.

- If your name, your spouse's name, or your address is wrong, cross it out and make corrections, in black ink only, directly on the label. Space for each name on the label is limited to 36 characters. Do not correct the label if it is correct except for some missing final characters.
- If any other information is incorrect or missing — or if you do not have a peel-off label (see below) — enter the correct information in the designated white spaces and boxes at the top of Form IT-203. Do not enter information for these items if they are correct on the label.
- Do not enter information in the white spaces of the address, the county of residence, the school district name, or school district code number boxes (see page 50 for details) if all the information on the peel-off label is correct.

If you do not have a peel-off label

Enter all of the following information, in black ink only, in the white spaces and boxes at the top of the front page of your return, as explained below:

- **name and address** (both names if filing a joint return; see ***Note*** below);
- **permanent home address** (if different from mailing address);
- **New York State county of residence** (on December 31, 2005):
  - — **part-year resident:** print or type in the white space at the top of Form IT-203 the county of the last residence you occupied in New York State;
  - — **nonresident** of New York State for the **entire** year: enter the abbreviation ***NR*** in the county space;
- **school district name and code number** (see page 50 for details).

Note: Please keep your name and address entries within the spaces provided. For example, your first name and middle initial should not go past the vertical line separating them from your last name, and your last name should start to the right of the vertical line. Similarly, your mailing address, ZIP code, etc., should be kept within the boxes provided.

(continued)

Social security numbers

- **You must enter your social security number(s) in the boxes to the right of the name(s) whether or not you are using the peel-off label.**
- Be sure your social security numbers are in the same order as your names.

School district name and code number

- **Part-year residents:** Enter the name and code number of your public school district for the period you were a New York resident. This is the district where you were a resident on December 31, 2005, or the district where you were a resident of New York before you moved out of the state. School districts and code numbers are listed on pages 77 through 80 of these instructions. If you do not know the name of the school district, contact the nearest public school to your New York State home.
- **You must enter your school district name and code number** even if you were absent from the school district temporarily, if the school your children attended was not in your school district, or if you had no children attending school. School aid may be affected if the school district or code number is not correct.
- If you were a **nonresident** of New York State for the **entire** year, enter the abbreviation ***NR*** in the school district name box. Leave the code box blank.

Permanent home address

- **You must provide your permanent home address if you use a different address for your mailing address (such as your post office box number) on your return.**
- **Part-year residents:** Enter your permanent home address for the portion of the year that you were a resident of New York State, if it is **not** the same as your mailing address.

  If you moved into the state, enter your permanent home address as of December 31, 2005.

  If you moved out of the state prior to December 31, 2005, enter as your permanent home address the address of the New York State residence you occupied last in 2005.

  We ask for your permanent home address to verify your school district name and code number, which are used in figuring state aid to local school districts.

  Your permanent home address is the address of the dwelling place in New York State that you occupied last in the tax year, whether you or your spouse own or rent it. A summer or vacation home is not your permanent home.

  Your permanent home address is not always the same as the mailing address that is entered on your income tax return.

  For example, you may use a post office box number for your mailing address; this is not your permanent home address.

  — If you use a paid preparer and you use the preparer's address as your mailing address, enter the address of your permanent home in the space provided.

  — If you are a permanent resident of a nursing home, enter the nursing home address as your permanent home address.

  — If you are married and maintain separate New York State residences and are filing separate New York State returns, enter as your permanent home address the address of your own residence.
- **Nonresidents:** Enter the address of your residence outside New York State that you consider to be your domicile and your permanent place of abode if it is different from your mailing address. For definitions of *domicile* and *permanent place of abode*, see *resident, nonresident* and *part-year resident defined* on pages 7 and 8 of these instructions.

  If you moved into New York State after December 31, 2005, enter the address of the residence that you maintained during 2005 outside New York State that you considered to be your domicile and your permanent place of abode.
- **Members of the armed forces:** If your permanent home was in New York State when you entered the military, enter your New York permanent home address regardless of where you were stationed during 2005.

Foreign address

Enter the information in the following order: city, province or state, and country. Follow the country's practice for entering the postal code. Do not abbreviate the country name.

Decedent information

If the taxpayer whose name is listed first on the return died after December 31, 2004, enter the date of death in the boxes labeled *Taxpayer's date of death*, in month, day, and last 2 digits of year order. If the taxpayer whose name is listed second on the return died after December 31, 2004, enter the date of death in the boxes labeled *Spouse's date of death*, in month, day, and last 2 digits of year order. Also, see *Deceased taxpayers* on page 10.

Step 6

Sign and date your return at the bottom on the back page.

You must sign and date your original return and enter your occupation. If you are married filing a joint return and you are not required to attach Form IT-203-C to your return, you must both sign Form IT-203. If you are married filing a joint return and you are required to attach Form IT-203-C to your return, only the spouse with New York source income (shown in the *New York State amount* column) must sign Form IT-203. **Your return cannot be processed if you do not properly sign it and attach a signed Form IT-203-C, if required.**

If the return is for someone who died and there is no surviving spouse to sign it, the name and address of the person signing it must be printed or typed below the signature.

Enter your daytime telephone number including the area code. This **voluntary** entry will enable the Tax Department to correct minor errors or omissions quickly by calling you rather than writing or sending back your return. You are not required to give your telephone number.

You should keep a copy of your return and any attachments in a safe place in case you need to refer to them at a later date. If someone prepares your return for you, be sure to get a copy for your records.

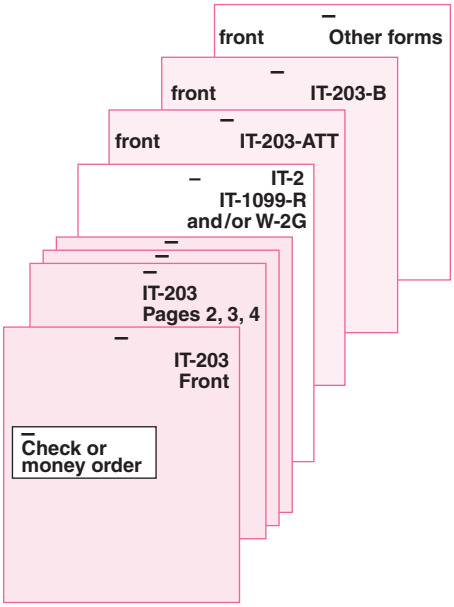
If you pay someone to prepare your return, the paid preparer must also sign it and fill in the other blanks in the paid preparer's area of your return. A person who prepares your return and does not charge you should not fill in the paid preparer's area.

Note to paid preparers — When signing a taxpayer's New York State income tax return, you must enter the same identification number that you used on the taxpayer's federal return, either your social security number or your federal preparer tax identification number (PTIN). If you did not prepare a federal income tax return for the taxpayer, you must use your PTIN if you have one; otherwise, use your social security number. See Publication 58, *Information for Income Tax Return Preparers,* for additional information.

Step 7

Return assembly

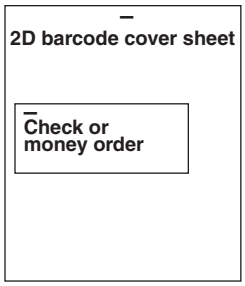
Illustrated below is the correct way to assemble your return and the various attachments for the most efficient handling. You can help ensure that your return (and your refund, if you are entitled to one) is processed as quickly as possible by taking a few moments to assemble your forms as shown.



- **Staple** payments, if any, to the front of your return where indicated.
- **Staple** new Form(s) IT-2 and IT-1099-R (if applicable) to page 4 of your Form IT-203, face up. Also staple federal Form W-2G (if applicable).
- If you are filing Form IT-280, *Nonobligated Spouse Allocation*, please staple it, along with any related correspondence, to the back of your return.
- **Staple** any other forms behind your Form IT-203, face up.

Two-dimensional (2D) barcode cover sheet *(for users of tax preparation software only)*

If your software package or preparer prints a 2D barcode cover sheet as page one of your Form IT-203, place the cover sheet face up, on the top of the front page of Form IT-203, and staple the entire return at the top of the cover sheet. Staple payments, if any, to the front of the 2D barcode cover sheet where indicated. If you need to change and reprint your return, also be sure to reprint the 2D barcode cover sheet.



Please note: Do not write, print, or photocopy anything on the back of the 2D barcode cover sheet.

Remember to file a complete return

You must complete all required schedules and forms that make up your return, and include all pages of those forms and schedules when you file. Attach **only** those forms and schedules that apply to your return, and be sure that you have made all required entries. Returns that are missing required pages or that have pages with missing entries are considered incomplete and cannot be processed, and may subject taxpayers to penalty and interest.

Step 8

Checklist

Before you mail your return, a quick check will help you avoid common errors that may delay your refund. **Did you:**

- ☐ **attach your peel-off label?** If you do not have a label, did you enter your name(s), address and other information required in Step 5, in the white spaces at the top of your return?
- ☐ **enter your social security number(s)** in the boxes to the right of the name entries (whether you use a peel-off label or not)?
- ☐ **enter your permanent home address**, if required? See *Permanent home address* on page 50.
- ☐ mark an ***X*** in your filing status box at item A?
- ☐ mark an ***X*** in the *Yes* or *No* box at items B and C?
- ☐ enter at item E the number of months you and/or your spouse lived in New York City if you entered an amount on line 60?
- ☐ mark an ***X*** in the *Standard* or *Itemized* deduction box next to line 33?
- ☐ enter your dependent exemption amount on line 35?
- ☐ use the correct tax table, tax rate schedule, or tax computation worksheet?
- ☐ claim any credit(s) that you may qualify for and attach a copy of the specific credit form?
- ☐ complete line 56 to report the amount of New York State and local sales or use tax owed?
- ☐ mark an ***X*** in the appropriate box at line 73 because you moved into or out of New York State in 2005, and enter the date you moved?
- ☐ **sign your return?** (unless filing Form IT-203-C, both husband and wife must sign a joint return)
- ☐ make your check or money order payable to *New York State Income Tax* for the full amount you owe?
- ☐ **write your social security number and *2005 Income Tax* on your check or money order?**
- ☐ **attach Form IT-203-ATT?** (if you:
  1) are claiming other tax credits; **or**
  2) are subject to other New York State taxes).
- ☐ **attach Form IT-203-B?** (if you:
  1) are allocating wage or salary income on Schedule A, *Allocation of wage and salary income to New York State;*
  2) marked the *Yes* box at line 74 of Form IT-203 and must complete Schedule B, *Living quarters maintained in New York State by a nonresident);* ***or***
  3) are claiming the college tuition itemized deduction on Schedule C).

Step 9

Use the preaddressed mailing envelope

To speed your refund, use the preaddressed envelope that came with your tax packet. If you do not have a preaddressed envelope, address your envelope as follows:

STATE PROCESSING CENTER
PO BOX 61000
ALBANY NY 12261-0001

Private delivery services — If you choose, you may use a private delivery service, instead of the U.S. Postal Service, to file your return and pay tax. However, if, at a later date, you need to establish the date you filed your return or paid your tax, you cannot use the date recorded by a private delivery service **unless** you used a delivery service that has been designated by the U.S. Secretary of the Treasury or the Commissioner of Taxation and Finance. (Currently designated delivery services are listed in Publication 55, *Designated Private Delivery Services.* See *Need help?* on the back cover of these instructions for information on ordering forms and publications.) If you have used a designated private delivery service and need to establish the date you filed your return, contact that private delivery service for instructions on how to obtain written proof of the date your return was given to the delivery service for delivery. If you use **any** private delivery service, whether it is a designated service or not, address your return to: State Processing Center, 101 Enterprise Drive, Kingston NY 12401.

Amending your New York State return

Which form to use

If after filing your 2005 New York State Form IT-203, you realize that you made an error, or if the IRS makes changes to your federal return (whether you agree with the changes or not), you must file an amended New York State return on 2005 Form IT-203-X, *Amended Nonresident and Part-Year Resident Income Tax Return*, to correct the error or to report the changes.

To file an amended return or report federal changes for tax years 1995 and after, use Form IT-203-X and its instructions (Form IT-203-X-I) for the specific year you are amending.

To file an amended return or report federal changes for tax years prior to 1995, you must use Form IT-203 and its instructions for the tax year you are amending. Mark *Amended* at the top of the front page of that prior year's Form IT-203 (for example, an amended 1994 return would be filed on 1994 Form IT-203, marked *Amended)*.

If you are reporting federal changes for a tax year prior to 1988, use Form IT-115, *Report of Federal Changes*.

Do **not** use Form IT-203-X to report a NOL carryback, to protest a paid assessment which was based on a statement of audit changes, or to file a protective claim; use Form IT-113-X, *Claim for Credit or Refund of Personal Income Tax*. However, if you are reporting any of the above and some other change(s) to your 2005 Form IT-203, you must file Form IT-203-X showing all changes; do **not** use Form IT-113-X in this case.

Caution: If you were a full-year New York State resident for this tax year, you must use Form IT-201-X, *Amended Resident Income Tax Return*, to correct an error or to report federal changes; do **not** use Form IT-203-X in this case. For more information, see the instructions for Form IT-201-X.

When to file

Generally, Form 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.

For more specific information regarding the timeliness of filing a refund claim, making changes to your original New York State return, or reporting changes made by the IRS, see Form IT-203-X-I, *Instructions for Form IT-203-X*.

Forms, information, and records you will need in order to file

You will need the following items in order to file your amended nonresident and part-year resident income tax return on Form IT-203-X:

— **A blank Form IT-203-X with instructions for the tax year you are amending (that is, tax years 1995 and thereafter).**

— Other blank New York forms for the tax year you are amending, if you are amending certain other taxes, credits or deductions that require an additional form to be filed (for example, IT-203-ATT, IT-203-B, IT-212, IT-212-ATT, IT-215, IT-216, IT-217, IT-219, IT-220, IT-230, IT-360.1, IT-399, IT-2105.9, etc.), if applicable. For more information on other forms you may have to file, see pages 10 through 12 of these instructions.

— Form IT-203-P (Packet) or IT-203-I (Instructions) for the tax year you are amending.

— A copy of your originally filed New York return for the tax year you are amending, including supporting forms and schedules.

— A copy of your originally filed and amended (if you filed one) federal income tax return for the tax year you are amending.

— Copies of your original and any subsequent or corrected wage and tax statements for the applicable tax year.

— Copies of detailed final federal determination if reporting federal changes for the applicable tax year.

When amending, use Form IT-203 instructions for information

If, when filing Form IT-203-X, you have any questions on the taxability of income, on whether or not a deduction is allowable on your amended return, on the use of federal figures on your New York return or on whether or not an item of income or deduction should be sourced to New York State, see the instructions for Form IT-203. If you still feel you need assistance, see *Need help?* in the instructions for Form IT-203 or Form IT-203-X.

For more information about filing an amended nonresident and part-year resident income tax return, see Form IT-203-X-I, *Instructions for Form IT-203-X*, for the tax year you are amending. See *Need help?* on the back cover for information on how to get forms.

Instructions for Form IT-203-B, *Nonresident and Part-Year Resident Income Allocation and College Tuition Itemized Deduction Worksheet*

New for 2005

Form IT-203-B, *Nonresident and Part-Year Resident Income Allocation and College Tuition Itemized Deduction Worksheet,* now contains Schedule A, *Allocation of wage and salary income to New York State*; Schedule B, *Living quarters maintained in NYS by a nonresident*; and Schedule C, *College tuition itemized deduction worksheet*. These schedules were previously found on Form IT-203-ATT.

Schedule A

Allocation of wage and salary income to New York State

Using Schedule A, you will figure the amount of wage and salary income allocable to New York State by determining the ratio of days (excluding nonwork days such as Saturdays, Sundays, holidays, sick leave, vacation, etc.) you worked in New York State to the total number of days you worked both in and out of the state during the year. This ratio will be applied to your total wage or salary income subject to allocation.

Work days are days on which you were required to perform the usual duties of your job. Any allowance for days worked outside New York State must be based upon the performance of services which, because of necessity (not convenience) of the employer, obligate the employee to out-of-state duties in the service of his employer. Such duties are those which, by their very nature, cannot be performed at the employer's place of business.

Applying the above principles to the allocation formula, normal work days spent at home are considered days worked in New York, and days spent at home that are not normal work days are considered to be nonworking days.

If any amount included on line 1 of Form IT-203 in the *Federal amount* column represents wage and salary income earned both inside and outside New York State while a nonresident, and that income does not depend directly on the volume of business transacted (see the instructions for Form IT-203, line 1 on page 18 of these instructions), figure the amount earned in New York State by completing a Schedule A for each job where such wages or salaries were earned inside and outside New York State.

However, if you changed your residence into or out of New York State during the year, do not allocate any income earned for the resident period.

If you have to allocate wages or salaries received from more than one job, you must complete a separate Schedule A for each job showing the wages or salaries, and workdays, that apply to each job. Total the line *p* amounts from all Schedule A sections and include the total on line 1 of Form IT-203.

If the period of employment is less than a full year, base the figures you enter in Schedule A on the actual period of employment. For example, if you were employed in and out of New York State for separate periods of 170 days by one employer and 195 days by another employer, enter 170 days on line 1a of the first allocation schedule and 195 days on line 2a of the second schedule.

If you were married and both you and your spouse worked in New York State and earned wages subject to allocation, each of you must complete a separate Schedule A for each job with allocable wages. If you are filing jointly, include the combined amounts of wages allocated to New York from the separate Schedule A's on Form IT-203, line 1, in the *New York State amount* column.

Two additional copies of Schedule A are provided on the back of the form. If you need to allocate wage and salary income from more than three jobs, attach additional copies of Form IT-203-B.

Failure to complete Schedule A and attach it to your Form IT-203 will result in a delay in the processing of your return.

Schedule B

Living quarters maintained in New York State by a nonresident

Complete this schedule if you marked the *Yes* box at line 74 on page 4 of Form IT-203. If you or your spouse had living quarters available for your use in New York State during any part of 2005, enter the address(es). These living quarters would include a house, apartment, co-op or any other living quarters maintained or paid for by you or your spouse, or any living quarters **maintained for your use** by another person, family member or employer.

For example, if a company were to lease an apartment for the use of the company's president or chief executive officer, and the dwelling was principally available to that individual, the individual would be considered as maintaining living quarters in New York even though others might use the apartment on an occasional basis.

Give the number of days you were in New York State, even if on personal business. Do not count days you traveled through New York State to use a common carrier such as an airplane, train, or bus.

Note: If you marked the *Yes* box, and you spent 184 days or more (any part of a day is a day for this purpose) in New York State, you may be considered a resident for New York State income tax purposes. See *Resident* under *Who must file*, on page 8 of these instructions.

In addition, if you checked the *Yes* box and the living quarters were located in New York City or Yonkers, you may also be considered a resident of New York City or Yonkers for income tax filing purposes.

If you meet the definition of a resident of New York State, New York City, or Yonkers, you may not file Form IT-203. You must file using either Form IT-150, *Resident Income Tax Return (short form)*, or Form IT-201, *Resident Income Tax Return (long form)*.

Schedule C

College tuition itemized deduction worksheet

For tax years beginning on or after January 1, 2001, if you, your spouse, or your dependent(s) were a student enrolled at or attending an institution of higher education, you may be entitled to a college tuition itemized deduction.

The maximum deduction allowed is $10,000 per eligible student.

Note: If a student is claimed as a dependent on another person's New York State tax return, only the person who claims the student as a dependent may claim the itemized deduction. If a student is **not** claimed as a dependent on another person's New York State tax return, only the student may claim the itemized deduction. However, if your spouse is the eligible student, see *Special rules* below.

Eligible student means the taxpayer, the taxpayer's spouse, or the taxpayer's dependent (for whom an exemption for federal income tax purposes is allowed).

Qualified college tuition expenses mean the tuition required for the enrollment or attendance of the eligible student at an institution of higher education. It does not matter whether the expenses were paid by cash, check, credit card, or with borrowed funds. In addition, the eligible student does not have to be enrolled in a degree program or attend full time for the expenses to qualify. However, only undergraduate enrollment or attendance qualifies. Tuition payments required for enrollment or attendance in a course of study leading to the granting of a postbaccalaureate or other graduate degree **do not** qualify.

Generally, qualified tuition expenses paid on behalf of an eligible student by someone other than the student (such as a relative) are treated as paid by the student. However, if the eligible student is claimed as a dependent on another person's New York

(continued)

Instructions for Form IT-203-B *(continued)*

State tax return, qualified college tuition expenses paid (or treated as paid) by the student are treated as paid by the person who claims the student as a dependent. Therefore, if you claim the student as a dependent, you are treated as having paid expenses that were paid from the student's earnings, gifts, inheritances, or savings.

Qualified college tuition expenses paid on behalf of an eligible student from a qualified state tuition program (such as New York's 529 college savings program), are considered to be payments of qualified college tuition expenses for purposes of this deduction. However, if the student is claimed as a dependent on your New York State tax return, these payments are also treated as paid by you.

If you or the eligible student claims a federal deduction or credit for qualified college tuition expenses, for example, as an adjustment to income on federal Form 1040, as an itemized deduction on federal Schedule A, or as a deduction on federal Schedule C (Form 1040), or when computing the Hope or Lifetime Learning credits, you can still use these expenses to compute the college tuition itemized deduction.

Qualified tuition expenses do not include:

— tuition paid through the receipt of scholarships or financial aid (for this purpose, financial aid does not mean student loans, other loans and grants that must be repaid either before or after the student ceases attending school);

— amounts paid for room and board, insurance, medical expenses (including student health fees), transportation, or other similar personal, living, or family expenses; or

— fees for course-related books, supplies, equipment, and nonacademic activities, even if the fees are required to be paid to the institution as a condition of enrollment or attendance.

An *institution of higher education* means any institution of higher education or business, trade, technical, or other occupational school, located in or out of New York State, that is 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.

Special rules

Limitation: The maximum amount of qualified college tuition expenses allowed for each eligible student is $10,000. However, there is no limit on the number of eligible students for whom you may claim the itemized deduction.

Spouses filing separately: If you and your spouse are filing separate returns, you may each claim your separately computed college tuition itemized deduction. However, you must each claim your separately computed itemized deduction based only upon the amount of qualified college tuition expenses you paid (or were treated as paid by you) for yourself, your spouse, or a person who you claim as a dependent on your separate return. You cannot claim a deduction for qualified college tuition expenses that you paid for your spouse's dependent. (These expenses are treated as paid by your spouse for purposes of the deduction.)

Column A

Enter the first and last name of the eligible student. If you are claiming the college tuition itemized deduction for more than three students, attach a separate statement.

Column B

Enter the student's social security number.

Column C

Enter the name(s) of the institution of higher learning to whom you paid qualified college tuition expenses.

Column D

Enter only qualified college tuition expenses paid for the eligible student in 2005. Qualified college tuition expenses paid in 2005 for an academic period that begins in 2006 or thereafter are considered expenses eligible for the 2005 college tuition itemized deduction.

You must reduce the total of your qualified college tuition expenses by any scholarships or financial aid received, or by any refunds of qualified college tuition expenses. If the refund, scholarship, or financial aid is received in the same year in which the expenses were paid or in the following year before you file your tax return, or if you can determine the amount of the refund, scholarship, or financial aid even if it has not yet been received, then reduce your qualified college tuition expenses by the amount received, or that will be received, and figure your itemized deduction using the reduced amount of qualified college tuition expenses. If the refund, scholarship, or financial aid is received after you file your return for the year in which the expenses were paid and you were not able to determine the amount of the refund, scholarship, or financial aid in order to reduce your qualified college tuition expenses, you must file Form IT-203-X, *Amended Nonresident and Part-Year Resident Income Tax Return,* to figure the amount by which your college tuition itemized deduction would have been reduced if the refund, scholarship, or financial aid had been received in the year for which you claimed the itemized deduction.

Instructions for Form IT-203-ATT, *Other Tax Credits and Taxes*

New for 2005

Form IT-203-ATT, *Other Tax Credits and Taxes*, now contains New York State, New York City, and Yonkers refundable credits as well as New York State nonrefundable credits and other New York State taxes. The credits and taxes that are now reported on Form IT-203-ATT were previously reported on Form IT-203-B.

Purpose of Form IT-203-ATT

If you are claiming other New York State, New York City, or Yonkers credits listed on pages 56 and 57 (credits that are not entered directly on Form IT-203), or if you are subject to other New York State or New York City taxes, you must complete Form IT-203-ATT and attach it to your Form IT-203.

Instructions

Enter your name and social security number as it is listed on your Form IT-203. If you are filing a joint return, enter both names and use the social security number of the taxpayer listed first on your Form IT-203.

The chart on pages 56 and 57 lists other credits you may claim and other taxes you may have to pay, along with credit **code** numbers, where applicable, and the line reference for Form IT-203-ATT.

Find the credits and taxes that apply to you. Complete the additional credit forms as indicated. Carefully enter the money amounts on the appropriate lines and the **code** numbers, where applicable. (See *Example* below.) **You must attach all applicable credit forms and tax computations to Form IT-203.**

See specific line instructions for line 2 below. Also see the special instructions for *Section B* below.

Line 2

If you receive an accumulation distribution as a beneficiary of a trust, you may be allowed a credit for New York State income taxes paid by the trust. Attach a copy of the computation of your New York State accumulation distribution credit provided to you by the trust and enter the amount of the credit on line 2.

Section B

This section lists credits that reduce your tax but that cannot be refunded. If the amount of the credit exceeds your tax, you may carry the excess over to a future year (or years). If you are claiming an original credit or a carryover of a credit, be sure to complete the appropriate credit form and attach it to your Form IT-203.

If the amount of the credits reported in Section B exceeds the sum of the taxes shown on line 46 of Form IT-203, and line 20 of Form IT-203-ATT, reduced by the credits reported on line 3 of Form IT-203-ATT, you may have a credit carryover to 2006. If you have an excess credit and you are claiming more than one credit in Section B, you may apply the credits against the amount determined above in any manner you wish in order to determine the excess. However, it will be to your advantage to apply carryover credits with limited carryover periods first.

If you are claiming more than one nonrefundable carryover credit, you must complete the *Application of credit and computation of carryover* section on each individual credit form to indicate the amount of each credit you choose to apply to your 2005 tax and the amount of each credit available for carryover to 2006. Failure to complete the *Application of credit and computation of carryover* section on the credit form(s) may cause a delay in processing your refund.

For information on credits and carryovers, see Publication 99, *General Information on New York State and New York City Income Tax Credits*.

Example: *If you claimed the long-term care insurance credit, the EZ wage tax credit, the employment of persons with disabilities credit, and the QETC capital tax credit, Section B of Form IT-203-ATT would look like this:*

Section B — New York State nonrefundable/carryover credits

4	Long-term care insurance credit *(attach Form IT-249)*	4. 1,200.00
5	Investment credit *(attach Form IT-212)*	5.
6	Part-year solar electric generating equipment credit *(attach Form IT-255)*	6.
7	Other nonrefundable/carryover credits *(from the chart beginning on page 56; attach all applicable forms)*	

	Code	Dollars	Cents		Code	Dollars	Cents
7a.	161	3,000	00	7h.			
7b.	251	1,055	00	7i.			
7c.	622	1,378	00	7j.			
7d.				7k.			
7e.				7l.			
7f.				7m.			
7g.				7n.			

	Total other nonrefundable/carryover credits *(add lines 7a through 7n)*	7. 5,433.00
8	**Total New York State nonrefundable credits** *(see page 55,* Section B *instructions)* *(add lines 1 through 7; enter here and on* ***Form IT-203, line 47****)*	8. 6,633.00

(continued)

Instructions for Form IT-203-ATT *(continued)*

Other credits and taxes

To claim these credits or report these taxes:	See these forms and their instructions:	Enter on Form IT-203-ATT:	Enter code:
Accumulation distribution credit — New York State	See instructions, pg 55	Line 2	
Alternative fuels credit			
Carryover portion	IT-253	Line 7a-7n	253
Addback on early dispositions	IT-253	Line 19a-19l	253
Child and dependent care credit			
Part-year resident refundable	IT-216	Line 9	
Excess	IT-216	Line 30	
Brownfield credits			
Refundable portion	IT-611	Line 12a-12l	171
	IT-612	Line 12a-12l	172
	IT-613	Line 12a-12l	173
Addback	IT-611	Line 19a-19l	171
	IT-612	Line 19a-19l	172
	IT-613	Line 19a-19l	173
Claim of right credit (New York State)	IT-257	Line 14	
Claim of right credit (New York City)	IT-257	Line 15	
Claim of right credit (Yonkers)	IT-257	Line 16	
Defibrillator credit	IT-250	Line 3a-3b	250
Earned income credit (New York State)			
Part-year resident refundable	IT-215	Line 10	
Excess	IT-215	Line 32	
Earned income credit (New York City)			
Part-year resident refundable	IT-215	Line 11	
Empire State film production credit			
Carryover portion	IT-248	Line 7a-7n	248
Refundable portion	IT-248	Line 12a-12l	248
EZ capital tax credit			
Carryover portion	IT-602	Line 7a-7n	162
Addback on early dispositions	IT-602	Line 19a-19l	162
EZ investment tax credit *(including EZ employment incentive credit)*			
Carryover portion	IT-603	Line 7a-7n	163
Refundable portion	IT-603	Line 12a-12l	163
Addback on early dispositions	IT-603	Line 19a-19l	163
EZ wage tax credit			
Carryover portion	IT-601	Line 7a-7n	161
Refundable portion	IT-601	Line 12a-12l	161
Employment of persons with disabilities credit	IT-251	Line 7a-7n	251
Farmers' school tax credit			
Refundable portion	IT-217	Line 12a-12l	217
Addback on converted property	IT-217	Line 19a-19l	217
FSI EZ investment tax credit *(including FSI EZ employment incentive credit)*			
Carryover portion	IT-605	Line 7a-7n	165
Refundable portion	IT-605	Line 12a-12l	165
Addback on early dispositions	IT-605	Line 19a-19l	165

Instructions for Form IT-203-ATT *(continued)*

Other credits and taxes *(continued)*

To claim these credits or report these taxes:	See these forms and their instructions:	Enter on Form IT-203-ATT:	Enter code:
FSI investment tax credit *(including FSI employment incentive credit)*			
Carryover portion	IT-252	Line 7a-7n	252
Refundable portion	IT-252	Line 12a-12l	252
Addback on early dispositions	IT-252	Line 19a-19n	252
Fuel cell electric generating equipment credit	IT-259	Lines 7a-7n	259
Green building credit	DTF-630	Line 7a-7n	630
Historic barn rehabilitation credit	See investment credit		
IMB credit for energy taxes	DTF-623	Line 12a-12l	623
Investment credit *(including employment incentive credit and historic barn rehabilitation credit)*			
Carryover portion	IT-212	Line 5	
Refundable portion	IT-212	Line 12a-12l	212
Addback on early dispositions	IT-212	Line 19a-19l	212
Long-term care insurance credit	IT-249	Line 4	
Low-income housing credit			
Carryover portion	DTF-624	Line 7a-7n	624
Addback	DTF-626	Line 19a-19l	626
Lump-sum distributions (credit)			
Resident credit	IT-112.1	Line 26	
Lump-sum distributions (taxes)			
New York State separate tax	IT-230	Line 25	
New York State capital gain portion	IT-230	Line 18	
New York State Minimum income tax	IT-220	Line 28	
Nursing home assessment credit	IT-258	Line 12a-12l	258
QETC capital tax credit			
Carryover portion	DTF-622	Line 7a-7n	622
Addback on early dispositions	DTF-622	Line 19a-19l	622
QETC employment credit	DTF-621	Line 12a-12l	621
QETC facilities, operations, and training credit	DTF-619	Line 12a-12l	619
QEZE credit for real property taxes			
Refundable portion	IT-606	Line 12a-12l	166
Addback	IT-606	Line 19a-19l	166
QEZE tax reduction credit	IT-604	Line 3a-3b	164
Resident credit			
For taxes paid to other state	IT-112-R	Line 1	
For taxes paid to a province of Canada	IT-112-C	Line 1	
Addback for taxes paid to a province of Canada	IT-112-C	Lines 19a-19l	141
Residential fuel oil storage tank credit carryover	See instructions below*	Line 7a-7n	054
Solar electric generating equipment credit	IT-255	Line 6	
Solar and wind energy credit carryover	See instructions below*	Line 7a-7n	052
Special additional mortgage recording tax credit			
Carryover portion	IT-256	Line 7a-7n	256
Refundable portion	IT-256	Line 12a-12l	256
ZEA wage tax credit	IT-601.1	Line 7a-7n	160

* Taxpayers carrying over any unused credit(s) from 2004 to 2005 must attach a schedule(s) showing how the carryover(s) was computed. Be sure to enter the applicable code shown above for the credit(s) carryover(s) you are claiming.

Interest and penalties

Interest — Interest will be charged on income tax or sales or use tax that is not paid on or before the due date of your return, even if you received an extension of time to file your return. Interest is a charge for the use of money and in most cases may not be waived. Interest is compounded daily and the rate is adjusted quarterly.

If you are due a refund, you may also be entitled to receive interest on your overpayment. Interest is compounded daily and the rate is adjusted quarterly. If the refund is made within 45 days after the due date of your return, no interest will be paid. If you file your return after the due date (including extensions), no interest will be paid if the refund is made within 45 days after the date you filed. If the refund is not made within this 45-day period, interest will be paid from the due date of the return or from the date you filed, whichever is later. However, interest will not be paid to you:

1) on the portion of your refund that is attributable to the part-year child and dependent care credit, the New York State earned income credit, the farmers' school tax credit, the New York City school tax credit, or the part-year New York City earned income credit; **or**
2) if your return cannot be processed.

To be processed, your return must show your name, address, social security number, signature and the information needed to mathematically verify your tax liability.

Late filing penalty — If you file late, you will be charged a penalty of 5% of the income tax due for each month, or part of a month, the return is late, up to a maximum of 25%, unless you extend the time to file or attach to your return an explanation showing reasonable cause for the delay. If your return is more than 60 days late, this penalty will not be less than the lesser of $100 or 100% of the amount required to be shown as income tax due on the return, reduced by any tax paid and by any credit that may be claimed. For information on getting an extension of time to file your return, see *When to file* on page 14 of these instructions.

Late payment penalty — If you do not pay your income tax when due, you will be charged a penalty of ½ of 1% of the unpaid amount for each month or part of a month it is not paid, up to a maximum of 25%. This penalty is in addition to the interest charged for late payments.

This penalty may not be charged if you attach to your return an explanation showing reasonable cause for paying late.

If you figure your income tax incorrectly — You may have to pay a penalty if the income tax you report on your return is less than your correct tax. If you are off by more than 10% or $2,000, whichever is more, you may have to pay this penalty. The penalty is 10% of the difference between the income tax you reported and the income tax you actually owe.

Underpayment of estimated income tax penalty — You may be subject to a penalty for underpayment of estimated income tax if your 2005 withholding and estimated income tax payments do not equal:

- at least 90% of the income tax shown on your return for the taxable year; **or**
- 100% of the income tax shown on your return for the preceding taxable year (110% of that amount if you are not a farmer or fisherman and the New York adjusted gross income *(Federal amount* column) shown on that return is more than $150,000 or, if married filing separately, more than $75,000) based on a return covering 12 months.

You will **not** be subject to underpayment of estimated income tax penalty if you owe less than $300 of New York State, New York City or Yonkers income tax after deducting tax withheld, estimated tax payments, and credits you are entitled to claim.

For more information, see Form IT-2105.9, *Underpayment of Estimated Tax by Individuals and Fiduciaries*, and its instructions, to see if you owe the penalty, how to figure the penalty and which exceptions to the penalty apply.

Negligence penalty — If your return does not show all of the income tax imposed under the Tax Law, its rules or regulations, due to negligence or intentional disregard but not with intent to defraud, you will be charged a penalty of 5% of any deficient amount. In general, a deficiency is the difference between the correct income tax and the income tax shown on your return. In addition, 50% of the interest due on any underpayment resulting from negligence will be added to your income tax.

Fraudulent returns — If any part of a deficiency is due to fraud, you will be charged a penalty of 50% of the deficiency. In general, a deficiency is the difference between the correct income tax and the income tax shown on your return. In addition, 50% of the interest due on any deficiency resulting from a fraudulent act will be added to your income tax.

Frivolous returns — A penalty of up to $500 will be imposed on any person who files a frivolous income tax return. A return is considered frivolous when it does not contain information needed to judge the correctness of the income tax return, or reports information that is obviously and substantially incorrect, and intended to delay or impede the administration of Article 22 of the Tax Law or the processing of the return.

This penalty is added to any other penalty provided by law.

PRINTED ON RECYCLED PAPER

Electronic Services

We invite you to visit our Web site at *www.nystax.gov* to learn about our growing list of Electronic Services.

- Learn how to e-file your income tax return.
- Determine if you are eligible for free e-filing with FreeFile.
- Determine which income tax form to file.
- Pay your income taxes by credit card or electronic funds withdrawal.
- Apply for an income tax installment payment agreement.
- Apply for an automatic extension of time to file your return.
- Check the status of your income tax refund.
- Review your estimated tax account balance.
- Visit our Taxpayer Answer Center to find answers to all your tax questions.
- View and pay open assessments.
- Use the penalty and interest calculator.
- Sign up for free e-mail notifications through our subscription service.

www.nystax.gov

Easy All you need is a computer and Internet access!

Fast Faster refunds than ever before! If you owe tax, several payment options are available...including File Now/Pay Later!

Safe E-file is secure and accurate. You receive an electronic acknowledgment!

Free You may qualify for FREE e-filing of your New York State income tax return! Check our Web site!

You can file your income tax return electronically (e-file) using your personal computer and one of the many commercially available software packages, or you can choose to have a tax professional e-file your return for you.

E-filing is the fastest way to receive your refund, if you are entitled to one. The speed and accuracy of computers allow electronic returns to be processed faster than paper returns, and using tax preparation software greatly reduces the possibility of errors and delays.

***E-file* is faster and more accurate than paper filing, and if you qualify, it may be free. For more details, visit our e-filing Web site at:**

www.nystax.gov/elf

The following forms may be e-filed:

IT-150	IT-203-C	IT-214	IT-230	IT-360.1
IT-201	IT-112-R	IT-215	IT-249	IT-370
IT-201-ATT	IT-112-C	IT-216	IT-256	IT-398
IT-203	IT-112.1	IT-217	IT-258	IT-2105.9
IT-203-ATT	IT-212	IT-219	IT-272	Y-203
IT-203-B	IT-212-ATT	IT-220	IT-280	

E-file your tax-due return

E-filed returns with a balance due may be paid by submitting a check or money order with Form IT-201-V, *Payment Voucher for E-Filed Income Tax Returns*; by credit card (see instructions on page 47), or by authorizing the Tax Department to withdraw the payment from your bank account (electronic funds withdrawal).

Based on Taxable Income - line 37 of Form IT-203

Example: Mr. and Mrs. Jones are filing a joint return. Their taxable income on line 37 of Form IT-203 is $38,275. First, they find the 38,250 - 38,300 income line. Next, they find the column for Married filing jointly and read down the column. The amount shown where the income line and filing status column meet is $1,844. This is the tax amount they must write on line 38 of Form IT-203.

At least	But less than	Single or Married filing separately	Married filing jointly *	Head of a house-hold
		Your New York State tax is:		
38,200	38,250	2,221	1,841	2,055
38,250	38,300	2,225	1,844	2,059
38,300	38,350	2,228	1,847	2,062
38,350	38,400	2,232	1,850	2,066

Important: If your New York adjusted gross income (line 32 of Form IT-203) is more than $100,000, you must complete "Tax computation worksheet 1, 2, 3, 4, or 5" on pages 35 and 36 of these instructions.

If line 37 (taxable income) is -		And you are -		
At least	But less than	Single or Married filing separately	Married filing jointly *	Head of a house-hold
		Your New York State tax is:		
$0	$13	$0	$0	$0
13	25	1	1	1
25	50	2	2	2
50	100	3	3	3
100	150	5	5	5
150	200	7	7	7
200	250	9	9	9
250	300	11	11	11
300	350	13	13	13
350	400	15	15	15
400	450	17	17	17
450	500	19	19	19
500	550	21	21	21
550	600	23	23	23
600	650	25	25	25
650	700	27	27	27
700	750	29	29	29
750	800	31	31	31
800	850	33	33	33
850	900	35	35	35
900	950	37	37	37
950	1,000	39	39	39
1,000		Your New York State tax is:		
1,000	1,050	41	41	41
1,050	1,100	43	43	43
1,100	1,150	45	45	45
1,150	1,200	47	47	47
1,200	1,250	49	49	49
1,250	1,300	51	51	51
1,300	1,350	53	53	53
1,350	1,400	55	55	55
1,400	1,450	57	57	57
1,450	1,500	59	59	59
1,500	1,550	61	61	61
1,550	1,600	63	63	63
1,600	1,650	65	65	65
1,650	1,700	67	67	67
1,700	1,750	69	69	69
1,750	1,800	71	71	71
1,800	1,850	73	73	73
1,850	1,900	75	75	75
1,900	1,950	77	77	77
1,950	2,000	79	79	79

If line 37 (taxable income) is -		And you are -		
At least	But less than	Single or Married filing separately	Married filing jointly *	Head of a house-hold
2,000		Your New York State tax is:		
2,000	2,050	81	81	81
2,050	2,100	83	83	83
2,100	2,150	85	85	85
2,150	2,200	87	87	87
2,200	2,250	89	89	89
2,250	2,300	91	91	91
2,300	2,350	93	93	93
2,350	2,400	95	95	95
2,400	2,450	97	97	97
2,450	2,500	99	99	99
2,500	2,550	101	101	101
2,550	2,600	103	103	103
2,600	2,650	105	105	105
2,650	2,700	107	107	107
2,700	2,750	109	109	109
2,750	2,800	111	111	111
2,800	2,850	113	113	113
2,850	2,900	115	115	115
2,900	2,950	117	117	117
2,950	3,000	119	119	119
3,000		Your New York State tax is:		
3,000	3,050	121	121	121
3,050	3,100	123	123	123
3,100	3,150	125	125	125
3,150	3,200	127	127	127
3,200	3,250	129	129	129
3,250	3,300	131	131	131
3,300	3,350	133	133	133
3,350	3,400	135	135	135
3,400	3,450	137	137	137
3,450	3,500	139	139	139
3,500	3,550	141	141	141
3,550	3,600	143	143	143
3,600	3,650	145	145	145
3,650	3,700	147	147	147
3,700	3,750	149	149	149
3,750	3,800	151	151	151
3,800	3,850	153	153	153
3,850	3,900	155	155	155
3,900	3,950	157	157	157
3,950	4,000	159	159	159

If line 37 (taxable income) is -		And you are -		
At least	But less than	Single or Married filing separately	Married filing jointly *	Head of a house-hold
4,000		Your New York State tax is:		
4,000	4,050	161	161	161
4,050	4,100	163	163	163
4,100	4,150	165	165	165
4,150	4,200	167	167	167
4,200	4,250	169	169	169
4,250	4,300	171	171	171
4,300	4,350	173	173	173
4,350	4,400	175	175	175
4,400	4,450	177	177	177
4,450	4,500	179	179	179
4,500	4,550	181	181	181
4,550	4,600	183	183	183
4,600	4,650	185	185	185
4,650	4,700	187	187	187
4,700	4,750	189	189	189
4,750	4,800	191	191	191
4,800	4,850	193	193	193
4,850	4,900	195	195	195
4,900	4,950	197	197	197
4,950	5,000	199	199	199
5,000		Your New York State tax is:		
5,000	5,050	201	201	201
5,050	5,100	203	203	203
5,100	5,150	205	205	205
5,150	5,200	207	207	207
5,200	5,250	209	209	209
5,250	5,300	211	211	211
5,300	5,350	213	213	213
5,350	5,400	215	215	215
5,400	5,450	217	217	217
5,450	5,500	219	219	219
5,500	5,550	221	221	221
5,550	5,600	223	223	223
5,600	5,650	225	225	225
5,650	5,700	227	227	227
5,700	5,750	229	229	229
5,750	5,800	231	231	231
5,800	5,850	233	233	233
5,850	5,900	235	235	235
5,900	5,950	237	237	237
5,950	6,000	239	239	239

* This column must also be used by a qualifying widow(er)

continued on next page

2005 New York State Tax Table

If line 37 (taxable income) is - At least	But less than	And you are - Single or Married filing separately	Married filing jointly *	Head of a house-hold
6,000		**Your New York State tax is:**		
6,000	6,050	241	241	241
6,050	6,100	243	243	243
6,100	6,150	245	245	245
6,150	6,200	247	247	247
6,200	6,250	249	249	249
6,250	6,300	251	251	251
6,300	6,350	253	253	253
6,350	6,400	255	255	255
6,400	6,450	257	257	257
6,450	6,500	259	259	259
6,500	6,550	261	261	261
6,550	6,600	263	263	263
6,600	6,650	265	265	265
6,650	6,700	267	267	267
6,700	6,750	269	269	269
6,750	6,800	271	271	271
6,800	6,850	273	273	273
6,850	6,900	275	275	275
6,900	6,950	277	277	277
6,950	7,000	279	279	279
7,000		**Your New York State tax is:**		
7,000	7,050	281	281	281
7,050	7,100	283	283	283
7,100	7,150	285	285	285
7,150	7,200	287	287	287
7,200	7,250	289	289	289
7,250	7,300	291	291	291
7,300	7,350	293	293	293
7,350	7,400	295	295	295
7,400	7,450	297	297	297
7,450	7,500	299	299	299
7,500	7,550	301	301	301
7,550	7,600	303	303	303
7,600	7,650	305	305	305
7,650	7,700	307	307	307
7,700	7,750	309	309	309
7,750	7,800	311	311	311
7,800	7,850	313	313	313
7,850	7,900	315	315	315
7,900	7,950	317	317	317
7,950	8,000	319	319	319
8,000		**Your New York State tax is:**		
8,000	8,050	321	321	321
8,050	8,100	323	323	323
8,100	8,150	326	325	325
8,150	8,200	328	327	327
8,200	8,250	330	329	329
8,250	8,300	332	331	331
8,300	8,350	335	333	333
8,350	8,400	337	335	335
8,400	8,450	339	337	337
8,450	8,500	341	339	339
8,500	8,550	344	341	341
8,550	8,600	346	343	343
8,600	8,650	348	345	345
8,650	8,700	350	347	347
8,700	8,750	353	349	349
8,750	8,800	355	351	351
8,800	8,850	357	353	353
8,850	8,900	359	355	355
8,900	8,950	362	357	357
8,950	9,000	364	359	359

If line 37 (taxable income) is - At least	But less than	And you are - Single or Married filing separately	Married filing jointly *	Head of a house-hold
9,000		**Your New York State tax is:**		
9,000	9,050	366	361	361
9,050	9,100	368	363	363
9,100	9,150	371	365	365
9,150	9,200	373	367	367
9,200	9,250	375	369	369
9,250	9,300	377	371	371
9,300	9,350	380	373	373
9,350	9,400	382	375	375
9,400	9,450	384	377	377
9,450	9,500	386	379	379
9,500	9,550	389	381	381
9,550	9,600	391	383	383
9,600	9,650	393	385	385
9,650	9,700	395	387	387
9,700	9,750	398	389	389
9,750	9,800	400	391	391
9,800	9,850	402	393	393
9,850	9,900	404	395	395
9,900	9,950	407	397	397
9,950	10,000	409	399	399
10,000		**Your New York State tax is:**		
10,000	10,050	411	401	401
10,050	10,100	413	403	403
10,100	10,150	416	405	405
10,150	10,200	418	407	407
10,200	10,250	420	409	409
10,250	10,300	422	411	411
10,300	10,350	425	413	413
10,350	10,400	427	415	415
10,400	10,450	429	417	417
10,450	10,500	431	419	419
10,500	10,550	434	421	421
10,550	10,600	436	423	423
10,600	10,650	438	425	425
10,650	10,700	440	427	427
10,700	10,750	443	429	429
10,750	10,800	445	431	431
10,800	10,850	447	433	433
10,850	10,900	449	435	435
10,900	10,950	452	437	437
10,950	11,000	454	439	439
11,000		**Your New York State tax is:**		
11,000	11,050	456	441	441
11,050	11,100	459	443	443
11,100	11,150	462	445	446
11,150	11,200	464	447	448
11,200	11,250	467	449	450
11,250	11,300	469	451	452
11,300	11,350	472	453	455
11,350	11,400	475	455	457
11,400	11,450	477	457	459
11,450	11,500	480	459	461
11,500	11,550	483	461	464
11,550	11,600	485	463	466
11,600	11,650	488	465	468
11,650	11,700	490	467	470
11,700	11,750	493	469	473
11,750	11,800	496	471	475
11,800	11,850	498	473	477
11,850	11,900	501	475	479
11,900	11,950	504	477	482
11,950	12,000	506	479	484

If line 37 (taxable income) is - At least	But less than	And you are - Single or Married filing separately	Married filing jointly *	Head of a house-hold
12,000		**Your New York State tax is:**		
12,000	12,050	509	481	486
12,050	12,100	511	483	488
12,100	12,150	514	485	491
12,150	12,200	517	487	493
12,200	12,250	519	489	495
12,250	12,300	522	491	497
12,300	12,350	525	493	500
12,350	12,400	527	495	502
12,400	12,450	530	497	504
12,450	12,500	532	499	506
12,500	12,550	535	501	509
12,550	12,600	538	503	511
12,600	12,650	540	505	513
12,650	12,700	543	507	515
12,700	12,750	546	509	518
12,750	12,800	548	511	520
12,800	12,850	551	513	522
12,850	12,900	553	515	524
12,900	12,950	556	517	527
12,950	13,000	559	519	529
13,000		**Your New York State tax is:**		
13,000	13,050	561	521	531
13,050	13,100	564	523	533
13,100	13,150	567	525	536
13,150	13,200	570	527	538
13,200	13,250	573	529	540
13,250	13,300	576	531	542
13,300	13,350	579	533	545
13,350	13,400	582	535	547
13,400	13,450	585	537	549
13,450	13,500	588	539	551
13,500	13,550	591	541	554
13,550	13,600	594	543	556
13,600	13,650	597	545	558
13,650	13,700	600	547	560
13,700	13,750	603	549	563
13,750	13,800	606	551	565
13,800	13,850	609	553	567
13,850	13,900	612	555	569
13,900	13,950	615	557	572
13,950	14,000	618	559	574
14,000		**Your New York State tax is:**		
14,000	14,050	620	561	576
14,050	14,100	623	563	578
14,100	14,150	626	565	581
14,150	14,200	629	567	583
14,200	14,250	632	569	585
14,250	14,300	635	571	587
14,300	14,350	638	573	590
14,350	14,400	641	575	592
14,400	14,450	644	577	594
14,450	14,500	647	579	596
14,500	14,550	650	581	599
14,550	14,600	653	583	601
14,600	14,650	656	585	603
14,650	14,700	659	587	605
14,700	14,750	662	589	608
14,750	14,800	665	591	610
14,800	14,850	668	593	612
14,850	14,900	671	595	614
14,900	14,950	674	597	617
14,950	15,000	677	599	619

* This column must also be used by a qualifying widow(er)

continued on next page

If line 37 (taxable income) is - At least	But less than	And you are - Single or Married filing separately	Married filing jointly *	Head of a house-hold
15,000		**Your New York State tax is:**		
15,000	15,050	679	601	621
15,050	15,100	682	603	624
15,100	15,150	685	605	627
15,150	15,200	688	607	629
15,200	15,250	691	609	632
15,250	15,300	694	611	634
15,300	15,350	697	613	637
15,350	15,400	700	615	640
15,400	15,450	703	617	642
15,450	15,500	706	619	645
15,500	15,550	709	621	648
15,550	15,600	712	623	650
15,600	15,650	715	625	653
15,650	15,700	718	627	655
15,700	15,750	721	629	658
15,750	15,800	724	631	661
15,800	15,850	727	633	663
15,850	15,900	730	635	666
15,900	15,950	733	637	669
15,950	16,000	736	639	671
16,000		**Your New York State tax is:**		
16,000	16,050	738	641	674
16,050	16,100	741	643	676
16,100	16,150	744	646	679
16,150	16,200	747	648	682
16,200	16,250	750	650	684
16,250	16,300	753	652	687
16,300	16,350	756	655	690
16,350	16,400	759	657	692
16,400	16,450	762	659	695
16,450	16,500	765	661	697
16,500	16,550	768	664	700
16,550	16,600	771	666	703
16,600	16,650	774	668	705
16,650	16,700	777	670	708
16,700	16,750	780	673	711
16,750	16,800	783	675	713
16,800	16,850	786	677	716
16,850	16,900	789	679	718
16,900	16,950	792	682	721
16,950	17,000	795	684	724
17,000		**Your New York State tax is:**		
17,000	17,050	797	686	726
17,050	17,100	800	688	729
17,100	17,150	803	691	732
17,150	17,200	806	693	735
17,200	17,250	809	695	738
17,250	17,300	812	697	741
17,300	17,350	815	700	744
17,350	17,400	818	702	747
17,400	17,450	821	704	750
17,450	17,500	824	706	753
17,500	17,550	827	709	756
17,550	17,600	830	711	759
17,600	17,650	833	713	762
17,650	17,700	836	715	765
17,700	17,750	839	718	768
17,750	17,800	842	720	771
17,800	17,850	845	722	774
17,850	17,900	848	724	777
17,900	17,950	851	727	780
17,950	18,000	854	729	783

If line 37 (taxable income) is - At least	But less than	And you are - Single or Married filing separately	Married filing jointly *	Head of a house-hold
18,000		**Your New York State tax is:**		
18,000	18,050	856	731	785
18,050	18,100	859	733	788
18,100	18,150	862	736	791
18,150	18,200	865	738	794
18,200	18,250	868	740	797
18,250	18,300	871	742	800
18,300	18,350	874	745	803
18,350	18,400	877	747	806
18,400	18,450	880	749	809
18,450	18,500	883	751	812
18,500	18,550	886	754	815
18,550	18,600	889	756	818
18,600	18,650	892	758	821
18,650	18,700	895	760	824
18,700	18,750	898	763	827
18,750	18,800	901	765	830
18,800	18,850	904	767	833
18,850	18,900	907	769	836
18,900	18,950	910	772	839
18,950	19,000	913	774	842
19,000		**Your New York State tax is:**		
19,000	19,050	915	776	844
19,050	19,100	918	778	847
19,100	19,150	921	781	850
19,150	19,200	924	783	853
19,200	19,250	927	785	856
19,250	19,300	930	787	859
19,300	19,350	933	790	862
19,350	19,400	936	792	865
19,400	19,450	939	794	868
19,450	19,500	942	796	871
19,500	19,550	945	799	874
19,550	19,600	948	801	877
19,600	19,650	951	803	880
19,650	19,700	954	805	883
19,700	19,750	957	808	886
19,750	19,800	960	810	889
19,800	19,850	963	812	892
19,850	19,900	966	814	895
19,900	19,950	969	817	898
19,950	20,000	972	819	901
20,000		**Your New York State tax is:**		
20,000	20,050	975	821	903
20,050	20,100	978	823	906
20,100	20,150	982	826	909
20,150	20,200	985	828	912
20,200	20,250	988	830	915
20,250	20,300	992	832	918
20,300	20,350	995	835	921
20,350	20,400	999	837	924
20,400	20,450	1,002	839	927
20,450	20,500	1,006	841	930
20,500	20,550	1,009	844	933
20,550	20,600	1,012	846	936
20,600	20,650	1,016	848	939
20,650	20,700	1,019	850	942
20,700	20,750	1,023	853	945
20,750	20,800	1,026	855	948
20,800	20,850	1,030	857	951
20,850	20,900	1,033	859	954
20,900	20,950	1,036	862	957
20,950	21,000	1,040	864	960

If line 37 (taxable income) is - At least	But less than	And you are - Single or Married filing separately	Married filing jointly *	Head of a house-hold
21,000		**Your New York State tax is:**		
21,000	21,050	1,043	866	962
21,050	21,100	1,047	868	965
21,100	21,150	1,050	871	968
21,150	21,200	1,053	873	971
21,200	21,250	1,057	875	974
21,250	21,300	1,060	877	977
21,300	21,350	1,064	880	980
21,350	21,400	1,067	882	983
21,400	21,450	1,071	884	986
21,450	21,500	1,074	886	989
21,500	21,550	1,077	889	992
21,550	21,600	1,081	891	995
21,600	21,650	1,084	893	998
21,650	21,700	1,088	895	1,001
21,700	21,750	1,091	898	1,004
21,750	21,800	1,095	900	1,007
21,800	21,850	1,098	902	1,010
21,850	21,900	1,101	904	1,013
21,900	21,950	1,105	907	1,016
21,950	22,000	1,108	909	1,019
22,000		**Your New York State tax is:**		
22,000	22,050	1,112	911	1,021
22,050	22,100	1,115	914	1,024
22,100	22,150	1,119	917	1,027
22,150	22,200	1,122	919	1,030
22,200	22,250	1,125	922	1,033
22,250	22,300	1,129	924	1,036
22,300	22,350	1,132	927	1,039
22,350	22,400	1,136	930	1,042
22,400	22,450	1,139	932	1,045
22,450	22,500	1,143	935	1,048
22,500	22,550	1,146	938	1,051
22,550	22,600	1,149	940	1,054
22,600	22,650	1,153	943	1,057
22,650	22,700	1,156	945	1,060
22,700	22,750	1,160	948	1,063
22,750	22,800	1,163	951	1,066
22,800	22,850	1,167	953	1,069
22,850	22,900	1,170	956	1,072
22,900	22,950	1,173	959	1,075
22,950	23,000	1,177	961	1,078
23,000		**Your New York State tax is:**		
23,000	23,050	1,180	964	1,080
23,050	23,100	1,184	966	1,083
23,100	23,150	1,187	969	1,086
23,150	23,200	1,190	972	1,089
23,200	23,250	1,194	974	1,092
23,250	23,300	1,197	977	1,095
23,300	23,350	1,201	980	1,098
23,350	23,400	1,204	982	1,101
23,400	23,450	1,208	985	1,104
23,450	23,500	1,211	987	1,107
23,500	23,550	1,214	990	1,110
23,550	23,600	1,218	993	1,113
23,600	23,650	1,221	995	1,116
23,650	23,700	1,225	998	1,119
23,700	23,750	1,228	1,001	1,122
23,750	23,800	1,232	1,003	1,125
23,800	23,850	1,235	1,006	1,128
23,850	23,900	1,238	1,008	1,131
23,900	23,950	1,242	1,011	1,134
23,950	24,000	1,245	1,014	1,137

* This column must also be used by a qualifying widow(er)

continued on next page

2005 New York State Tax Table

If line 37 (taxable income) is - At least	But less than	And you are - Single or Married filing separately	Married filing jointly *	Head of a house-hold
24,000		**Your New York State tax is:**		
24,000	24,050	1,249	1,016	1,139
24,050	24,100	1,252	1,019	1,142
24,100	24,150	1,256	1,022	1,145
24,150	24,200	1,259	1,024	1,148
24,200	24,250	1,262	1,027	1,151
24,250	24,300	1,266	1,029	1,154
24,300	24,350	1,269	1,032	1,157
24,350	24,400	1,273	1,035	1,160
24,400	24,450	1,276	1,037	1,163
24,450	24,500	1,280	1,040	1,166
24,500	24,550	1,283	1,043	1,169
24,550	24,600	1,286	1,045	1,172
24,600	24,650	1,290	1,048	1,175
24,650	24,700	1,293	1,050	1,178
24,700	24,750	1,297	1,053	1,181
24,750	24,800	1,300	1,056	1,184
24,800	24,850	1,304	1,058	1,187
24,850	24,900	1,307	1,061	1,190
24,900	24,950	1,310	1,064	1,193
24,950	25,000	1,314	1,066	1,196
25,000		**Your New York State tax is:**		
25,000	25,050	1,317	1,069	1,198
25,050	25,100	1,321	1,071	1,201
25,100	25,150	1,324	1,074	1,204
25,150	25,200	1,327	1,077	1,207
25,200	25,250	1,331	1,079	1,210
25,250	25,300	1,334	1,082	1,213
25,300	25,350	1,338	1,085	1,216
25,350	25,400	1,341	1,087	1,219
25,400	25,450	1,345	1,090	1,222
25,450	25,500	1,348	1,092	1,225
25,500	25,550	1,351	1,095	1,228
25,550	25,600	1,355	1,098	1,231
25,600	25,650	1,358	1,100	1,234
25,650	25,700	1,362	1,103	1,237
25,700	25,750	1,365	1,106	1,240
25,750	25,800	1,369	1,108	1,243
25,800	25,850	1,372	1,111	1,246
25,850	25,900	1,375	1,113	1,249
25,900	25,950	1,379	1,116	1,252
25,950	26,000	1,382	1,119	1,255
26,000		**Your New York State tax is:**		
26,000	26,050	1,386	1,121	1,257
26,050	26,100	1,389	1,124	1,260
26,100	26,150	1,393	1,127	1,263
26,150	26,200	1,396	1,130	1,266
26,200	26,250	1,399	1,133	1,269
26,250	26,300	1,403	1,136	1,272
26,300	26,350	1,406	1,139	1,275
26,350	26,400	1,410	1,142	1,278
26,400	26,450	1,413	1,145	1,281
26,450	26,500	1,417	1,148	1,284
26,500	26,550	1,420	1,151	1,287
26,550	26,600	1,423	1,154	1,290
26,600	26,650	1,427	1,157	1,293
26,650	26,700	1,430	1,160	1,296
26,700	26,750	1,434	1,163	1,299
26,750	26,800	1,437	1,166	1,302
26,800	26,850	1,441	1,169	1,305
26,850	26,900	1,444	1,172	1,308
26,900	26,950	1,447	1,175	1,311
26,950	27,000	1,451	1,178	1,314

If line 37 (taxable income) is - At least	But less than	And you are - Single or Married filing separately	Married filing jointly *	Head of a house-hold
27,000		**Your New York State tax is:**		
27,000	27,050	1,454	1,180	1,316
27,050	27,100	1,458	1,183	1,319
27,100	27,150	1,461	1,186	1,322
27,150	27,200	1,464	1,189	1,325
27,200	27,250	1,468	1,192	1,328
27,250	27,300	1,471	1,195	1,331
27,300	27,350	1,475	1,198	1,334
27,350	27,400	1,478	1,201	1,337
27,400	27,450	1,482	1,204	1,340
27,450	27,500	1,485	1,207	1,343
27,500	27,550	1,488	1,210	1,346
27,550	27,600	1,492	1,213	1,349
27,600	27,650	1,495	1,216	1,352
27,650	27,700	1,499	1,219	1,355
27,700	27,750	1,502	1,222	1,358
27,750	27,800	1,506	1,225	1,361
27,800	27,850	1,509	1,228	1,364
27,850	27,900	1,512	1,231	1,367
27,900	27,950	1,516	1,234	1,370
27,950	28,000	1,519	1,237	1,373
28,000		**Your New York State tax is:**		
28,000	28,050	1,523	1,239	1,375
28,050	28,100	1,526	1,242	1,378
28,100	28,150	1,530	1,245	1,381
28,150	28,200	1,533	1,248	1,384
28,200	28,250	1,536	1,251	1,387
28,250	28,300	1,540	1,254	1,390
28,300	28,350	1,543	1,257	1,393
28,350	28,400	1,547	1,260	1,396
28,400	28,450	1,550	1,263	1,399
28,450	28,500	1,554	1,266	1,402
28,500	28,550	1,557	1,269	1,405
28,550	28,600	1,560	1,272	1,408
28,600	28,650	1,564	1,275	1,411
28,650	28,700	1,567	1,278	1,414
28,700	28,750	1,571	1,281	1,417
28,750	28,800	1,574	1,284	1,420
28,800	28,850	1,578	1,287	1,423
28,850	28,900	1,581	1,290	1,426
28,900	28,950	1,584	1,293	1,429
28,950	29,000	1,588	1,296	1,432
29,000		**Your New York State tax is:**		
29,000	29,050	1,591	1,298	1,434
29,050	29,100	1,595	1,301	1,437
29,100	29,150	1,598	1,304	1,440
29,150	29,200	1,601	1,307	1,443
29,200	29,250	1,605	1,310	1,446
29,250	29,300	1,608	1,313	1,449
29,300	29,350	1,612	1,316	1,452
29,350	29,400	1,615	1,319	1,455
29,400	29,450	1,619	1,322	1,458
29,450	29,500	1,622	1,325	1,461
29,500	29,550	1,625	1,328	1,464
29,550	29,600	1,629	1,331	1,467
29,600	29,650	1,632	1,334	1,470
29,650	29,700	1,636	1,337	1,473
29,700	29,750	1,639	1,340	1,476
29,750	29,800	1,643	1,343	1,479
29,800	29,850	1,646	1,346	1,482
29,850	29,900	1,649	1,349	1,485
29,900	29,950	1,653	1,352	1,488
29,950	30,000	1,656	1,355	1,491

If line 37 (taxable income) is - At least	But less than	And you are - Single or Married filing separately	Married filing jointly *	Head of a house-hold
30,000		**Your New York State tax is:**		
30,000	30,050	1,660	1,357	1,494
30,050	30,100	1,663	1,360	1,497
30,100	30,150	1,667	1,363	1,501
30,150	30,200	1,670	1,366	1,504
30,200	30,250	1,673	1,369	1,507
30,250	30,300	1,677	1,372	1,511
30,300	30,350	1,680	1,375	1,514
30,350	30,400	1,684	1,378	1,518
30,400	30,450	1,687	1,381	1,521
30,450	30,500	1,691	1,384	1,525
30,500	30,550	1,694	1,387	1,528
30,550	30,600	1,697	1,390	1,531
30,600	30,650	1,701	1,393	1,535
30,650	30,700	1,704	1,396	1,538
30,700	30,750	1,708	1,399	1,542
30,750	30,800	1,711	1,402	1,545
30,800	30,850	1,715	1,405	1,549
30,850	30,900	1,718	1,408	1,552
30,900	30,950	1,721	1,411	1,555
30,950	31,000	1,725	1,414	1,559
31,000		**Your New York State tax is:**		
31,000	31,050	1,728	1,416	1,562
31,050	31,100	1,732	1,419	1,566
31,100	31,150	1,735	1,422	1,569
31,150	31,200	1,738	1,425	1,572
31,200	31,250	1,742	1,428	1,576
31,250	31,300	1,745	1,431	1,579
31,300	31,350	1,749	1,434	1,583
31,350	31,400	1,752	1,437	1,586
31,400	31,450	1,756	1,440	1,590
31,450	31,500	1,759	1,443	1,593
31,500	31,550	1,762	1,446	1,596
31,550	31,600	1,766	1,449	1,600
31,600	31,650	1,769	1,452	1,603
31,650	31,700	1,773	1,455	1,607
31,700	31,750	1,776	1,458	1,610
31,750	31,800	1,780	1,461	1,614
31,800	31,850	1,783	1,464	1,617
31,850	31,900	1,786	1,467	1,620
31,900	31,950	1,790	1,470	1,624
31,950	32,000	1,793	1,473	1,627
32,000		**Your New York State tax is:**		
32,000	32,050	1,797	1,475	1,631
32,050	32,100	1,800	1,478	1,634
32,100	32,150	1,804	1,481	1,638
32,150	32,200	1,807	1,484	1,641
32,200	32,250	1,810	1,487	1,644
32,250	32,300	1,814	1,490	1,648
32,300	32,350	1,817	1,493	1,651
32,350	32,400	1,821	1,496	1,655
32,400	32,450	1,824	1,499	1,658
32,450	32,500	1,828	1,502	1,662
32,500	32,550	1,831	1,505	1,665
32,550	32,600	1,834	1,508	1,668
32,600	32,650	1,838	1,511	1,672
32,650	32,700	1,841	1,514	1,675
32,700	32,750	1,845	1,517	1,679
32,750	32,800	1,848	1,520	1,682
32,800	32,850	1,852	1,523	1,686
32,850	32,900	1,855	1,526	1,689
32,900	32,950	1,858	1,529	1,692
32,950	33,000	1,862	1,532	1,696

* This column must also be used by a qualifying widow(er)

continued on next page

If line 37 (taxable income) is - At least	But less than	And you are - Single or Married filing separately	Married filing jointly *	Head of a house-hold
33,000		**Your New York State tax is:**		
33,000	33,050	1,865	1,534	1,699
33,050	33,100	1,869	1,537	1,703
33,100	33,150	1,872	1,540	1,706
33,150	33,200	1,875	1,543	1,709
33,200	33,250	1,879	1,546	1,713
33,250	33,300	1,882	1,549	1,716
33,300	33,350	1,886	1,552	1,720
33,350	33,400	1,889	1,555	1,723
33,400	33,450	1,893	1,558	1,727
33,450	33,500	1,896	1,561	1,730
33,500	33,550	1,899	1,564	1,733
33,550	33,600	1,903	1,567	1,737
33,600	33,650	1,906	1,570	1,740
33,650	33,700	1,910	1,573	1,744
33,700	33,750	1,913	1,576	1,747
33,750	33,800	1,917	1,579	1,751
33,800	33,850	1,920	1,582	1,754
33,850	33,900	1,923	1,585	1,757
33,900	33,950	1,927	1,588	1,761
33,950	34,000	1,930	1,591	1,764
34,000		**Your New York State tax is:**		
34,000	34,050	1,934	1,593	1,768
34,050	34,100	1,937	1,596	1,771
34,100	34,150	1,941	1,599	1,775
34,150	34,200	1,944	1,602	1,778
34,200	34,250	1,947	1,605	1,781
34,250	34,300	1,951	1,608	1,785
34,300	34,350	1,954	1,611	1,788
34,350	34,400	1,958	1,614	1,792
34,400	34,450	1,961	1,617	1,795
34,450	34,500	1,965	1,620	1,799
34,500	34,550	1,968	1,623	1,802
34,550	34,600	1,971	1,626	1,805
34,600	34,650	1,975	1,629	1,809
34,650	34,700	1,978	1,632	1,812
34,700	34,750	1,982	1,635	1,816
34,750	34,800	1,985	1,638	1,819
34,800	34,850	1,989	1,641	1,823
34,850	34,900	1,992	1,644	1,826
34,900	34,950	1,995	1,647	1,829
34,950	35,000	1,999	1,650	1,833
35,000		**Your New York State tax is:**		
35,000	35,050	2,002	1,652	1,836
35,050	35,100	2,006	1,655	1,840
35,100	35,150	2,009	1,658	1,843
35,150	35,200	2,012	1,661	1,846
35,200	35,250	2,016	1,664	1,850
35,250	35,300	2,019	1,667	1,853
35,300	35,350	2,023	1,670	1,857
35,350	35,400	2,026	1,673	1,860
35,400	35,450	2,030	1,676	1,864
35,450	35,500	2,033	1,679	1,867
35,500	35,550	2,036	1,682	1,870
35,550	35,600	2,040	1,685	1,874
35,600	35,650	2,043	1,688	1,877
35,650	35,700	2,047	1,691	1,881
35,700	35,750	2,050	1,694	1,884
35,750	35,800	2,054	1,697	1,888
35,800	35,850	2,057	1,700	1,891
35,850	35,900	2,060	1,703	1,894
35,900	35,950	2,064	1,706	1,898
35,950	36,000	2,067	1,709	1,901

If line 37 (taxable income) is - At least	But less than	And you are - Single or Married filing separately	Married filing jointly *	Head of a house-hold
36,000		**Your New York State tax is:**		
36,000	36,050	2,071	1,711	1,905
36,050	36,100	2,074	1,714	1,908
36,100	36,150	2,078	1,717	1,912
36,150	36,200	2,081	1,720	1,915
36,200	36,250	2,084	1,723	1,918
36,250	36,300	2,088	1,726	1,922
36,300	36,350	2,091	1,729	1,925
36,350	36,400	2,095	1,732	1,929
36,400	36,450	2,098	1,735	1,932
36,450	36,500	2,102	1,738	1,936
36,500	36,550	2,105	1,741	1,939
36,550	36,600	2,108	1,744	1,942
36,600	36,650	2,112	1,747	1,946
36,650	36,700	2,115	1,750	1,949
36,700	36,750	2,119	1,753	1,953
36,750	36,800	2,122	1,756	1,956
36,800	36,850	2,126	1,759	1,960
36,850	36,900	2,129	1,762	1,963
36,900	36,950	2,132	1,765	1,966
36,950	37,000	2,136	1,768	1,970
37,000		**Your New York State tax is:**		
37,000	37,050	2,139	1,770	1,973
37,050	37,100	2,143	1,773	1,977
37,100	37,150	2,146	1,776	1,980
37,150	37,200	2,149	1,779	1,983
37,200	37,250	2,153	1,782	1,987
37,250	37,300	2,156	1,785	1,990
37,300	37,350	2,160	1,788	1,994
37,350	37,400	2,163	1,791	1,997
37,400	37,450	2,167	1,794	2,001
37,450	37,500	2,170	1,797	2,004
37,500	37,550	2,173	1,800	2,007
37,550	37,600	2,177	1,803	2,011
37,600	37,650	2,180	1,806	2,014
37,650	37,700	2,184	1,809	2,018
37,700	37,750	2,187	1,812	2,021
37,750	37,800	2,191	1,815	2,025
37,800	37,850	2,194	1,818	2,028
37,850	37,900	2,197	1,821	2,031
37,900	37,950	2,201	1,824	2,035
37,950	38,000	2,204	1,827	2,038
38,000		**Your New York State tax is:**		
38,000	38,050	2,208	1,829	2,042
38,050	38,100	2,211	1,832	2,045
38,100	38,150	2,215	1,835	2,049
38,150	38,200	2,218	1,838	2,052
38,200	38,250	2,221	1,841	2,055
38,250	38,300	2,225	1,844	2,059
38,300	38,350	2,228	1,847	2,062
38,350	38,400	2,232	1,850	2,066
38,400	38,450	2,235	1,853	2,069
38,450	38,500	2,239	1,856	2,073
38,500	38,550	2,242	1,859	2,076
38,550	38,600	2,245	1,862	2,079
38,600	38,650	2,249	1,865	2,083
38,650	38,700	2,252	1,868	2,086
38,700	38,750	2,256	1,871	2,090
38,750	38,800	2,259	1,874	2,093
38,800	38,850	2,263	1,877	2,097
38,850	38,900	2,266	1,880	2,100
38,900	38,950	2,269	1,883	2,103
38,950	39,000	2,273	1,886	2,107

If line 37 (taxable income) is - At least	But less than	And you are - Single or Married filing separately	Married filing jointly *	Head of a house-hold
39,000		**Your New York State tax is:**		
39,000	39,050	2,276	1,888	2,110
39,050	39,100	2,280	1,891	2,114
39,100	39,150	2,283	1,894	2,117
39,150	39,200	2,286	1,897	2,120
39,200	39,250	2,290	1,900	2,124
39,250	39,300	2,293	1,903	2,127
39,300	39,350	2,297	1,906	2,131
39,350	39,400	2,300	1,909	2,134
39,400	39,450	2,304	1,912	2,138
39,450	39,500	2,307	1,915	2,141
39,500	39,550	2,310	1,918	2,144
39,550	39,600	2,314	1,921	2,148
39,600	39,650	2,317	1,924	2,151
39,650	39,700	2,321	1,927	2,155
39,700	39,750	2,324	1,930	2,158
39,750	39,800	2,328	1,933	2,162
39,800	39,850	2,331	1,936	2,165
39,850	39,900	2,334	1,939	2,168
39,900	39,950	2,338	1,942	2,172
39,950	40,000	2,341	1,945	2,175
40,000		**Your New York State tax is:**		
40,000	40,050	2,345	1,948	2,179
40,050	40,100	2,348	1,951	2,182
40,100	40,150	2,352	1,955	2,186
40,150	40,200	2,355	1,958	2,189
40,200	40,250	2,358	1,961	2,192
40,250	40,300	2,362	1,965	2,196
40,300	40,350	2,365	1,968	2,199
40,350	40,400	2,369	1,972	2,203
40,400	40,450	2,372	1,975	2,206
40,450	40,500	2,376	1,979	2,210
40,500	40,550	2,379	1,982	2,213
40,550	40,600	2,382	1,985	2,216
40,600	40,650	2,386	1,989	2,220
40,650	40,700	2,389	1,992	2,223
40,700	40,750	2,393	1,996	2,227
40,750	40,800	2,396	1,999	2,230
40,800	40,850	2,400	2,003	2,234
40,850	40,900	2,403	2,006	2,237
40,900	40,950	2,406	2,009	2,240
40,950	41,000	2,410	2,013	2,244
41,000		**Your New York State tax is:**		
41,000	41,050	2,413	2,016	2,247
41,050	41,100	2,417	2,020	2,251
41,100	41,150	2,420	2,023	2,254
41,150	41,200	2,423	2,026	2,257
41,200	41,250	2,427	2,030	2,261
41,250	41,300	2,430	2,033	2,264
41,300	41,350	2,434	2,037	2,268
41,350	41,400	2,437	2,040	2,271
41,400	41,450	2,441	2,044	2,275
41,450	41,500	2,444	2,047	2,278
41,500	41,550	2,447	2,050	2,281
41,550	41,600	2,451	2,054	2,285
41,600	41,650	2,454	2,057	2,288
41,650	41,700	2,458	2,061	2,292
41,700	41,750	2,461	2,064	2,295
41,750	41,800	2,465	2,068	2,299
41,800	41,850	2,468	2,071	2,302
41,850	41,900	2,471	2,074	2,305
41,900	41,950	2,475	2,078	2,309
41,950	42,000	2,478	2,081	2,312

* This column must also be used by a qualifying widow(er)

continued on next page

2005 New York State Tax Table

If line 37 (taxable income) is - At least	But less than	And you are - Single or Married filing separately	Married filing jointly *	Head of a house-hold
42,000		**Your New York State tax is:**		
42,000	42,050	2,482	2,085	2,316
42,050	42,100	2,485	2,088	2,319
42,100	42,150	2,489	2,092	2,323
42,150	42,200	2,492	2,095	2,326
42,200	42,250	2,495	2,098	2,329
42,250	42,300	2,499	2,102	2,333
42,300	42,350	2,502	2,105	2,336
42,350	42,400	2,506	2,109	2,340
42,400	42,450	2,509	2,112	2,343
42,450	42,500	2,513	2,116	2,347
42,500	42,550	2,516	2,119	2,350
42,550	42,600	2,519	2,122	2,353
42,600	42,650	2,523	2,126	2,357
42,650	42,700	2,526	2,129	2,360
42,700	42,750	2,530	2,133	2,364
42,750	42,800	2,533	2,136	2,367
42,800	42,850	2,537	2,140	2,371
42,850	42,900	2,540	2,143	2,374
42,900	42,950	2,543	2,146	2,377
42,950	43,000	2,547	2,150	2,381
43,000		**Your New York State tax is:**		
43,000	43,050	2,550	2,153	2,384
43,050	43,100	2,554	2,157	2,388
43,100	43,150	2,557	2,160	2,391
43,150	43,200	2,560	2,163	2,394
43,200	43,250	2,564	2,167	2,398
43,250	43,300	2,567	2,170	2,401
43,300	43,350	2,571	2,174	2,405
43,350	43,400	2,574	2,177	2,408
43,400	43,450	2,578	2,181	2,412
43,450	43,500	2,581	2,184	2,415
43,500	43,550	2,584	2,187	2,418
43,550	43,600	2,588	2,191	2,422
43,600	43,650	2,591	2,194	2,425
43,650	43,700	2,595	2,198	2,429
43,700	43,750	2,598	2,201	2,432
43,750	43,800	2,602	2,205	2,436
43,800	43,850	2,605	2,208	2,439
43,850	43,900	2,608	2,211	2,442
43,900	43,950	2,612	2,215	2,446
43,950	44,000	2,615	2,218	2,449
44,000		**Your New York State tax is:**		
44,000	44,050	2,619	2,222	2,453
44,050	44,100	2,622	2,225	2,456
44,100	44,150	2,626	2,229	2,460
44,150	44,200	2,629	2,232	2,463
44,200	44,250	2,632	2,235	2,466
44,250	44,300	2,636	2,239	2,470
44,300	44,350	2,639	2,242	2,473
44,350	44,400	2,643	2,246	2,477
44,400	44,450	2,646	2,249	2,480
44,450	44,500	2,650	2,253	2,484
44,500	44,550	2,653	2,256	2,487
44,550	44,600	2,656	2,259	2,490
44,600	44,650	2,660	2,263	2,494
44,650	44,700	2,663	2,266	2,497
44,700	44,750	2,667	2,270	2,501
44,750	44,800	2,670	2,273	2,504
44,800	44,850	2,674	2,277	2,508
44,850	44,900	2,677	2,280	2,511
44,900	44,950	2,680	2,283	2,514
44,950	45,000	2,684	2,287	2,518

If line 37 (taxable income) is - At least	But less than	And you are - Single or Married filing separately	Married filing jointly *	Head of a house-hold
45,000		**Your New York State tax is:**		
45,000	45,050	2,687	2,290	2,521
45,050	45,100	2,691	2,294	2,525
45,100	45,150	2,694	2,297	2,528
45,150	45,200	2,697	2,300	2,531
45,200	45,250	2,701	2,304	2,535
45,250	45,300	2,704	2,307	2,538
45,300	45,350	2,708	2,311	2,542
45,350	45,400	2,711	2,314	2,545
45,400	45,450	2,715	2,318	2,549
45,450	45,500	2,718	2,321	2,552
45,500	45,550	2,721	2,324	2,555
45,550	45,600	2,725	2,328	2,559
45,600	45,650	2,728	2,331	2,562
45,650	45,700	2,732	2,335	2,566
45,700	45,750	2,735	2,338	2,569
45,750	45,800	2,739	2,342	2,573
45,800	45,850	2,742	2,345	2,576
45,850	45,900	2,745	2,348	2,579
45,900	45,950	2,749	2,352	2,583
45,950	46,000	2,752	2,355	2,586
46,000		**Your New York State tax is:**		
46,000	46,050	2,756	2,359	2,590
46,050	46,100	2,759	2,362	2,593
46,100	46,150	2,763	2,366	2,597
46,150	46,200	2,766	2,369	2,600
46,200	46,250	2,769	2,372	2,603
46,250	46,300	2,773	2,376	2,607
46,300	46,350	2,776	2,379	2,610
46,350	46,400	2,780	2,383	2,614
46,400	46,450	2,783	2,386	2,617
46,450	46,500	2,787	2,390	2,621
46,500	46,550	2,790	2,393	2,624
46,550	46,600	2,793	2,396	2,627
46,600	46,650	2,797	2,400	2,631
46,650	46,700	2,800	2,403	2,634
46,700	46,750	2,804	2,407	2,638
46,750	46,800	2,807	2,410	2,641
46,800	46,850	2,811	2,414	2,645
46,850	46,900	2,814	2,417	2,648
46,900	46,950	2,817	2,420	2,651
46,950	47,000	2,821	2,424	2,655
47,000		**Your New York State tax is:**		
47,000	47,050	2,824	2,427	2,658
47,050	47,100	2,828	2,431	2,662
47,100	47,150	2,831	2,434	2,665
47,150	47,200	2,834	2,437	2,668
47,200	47,250	2,838	2,441	2,672
47,250	47,300	2,841	2,444	2,675
47,300	47,350	2,845	2,448	2,679
47,350	47,400	2,848	2,451	2,682
47,400	47,450	2,852	2,455	2,686
47,450	47,500	2,855	2,458	2,689
47,500	47,550	2,858	2,461	2,692
47,550	47,600	2,862	2,465	2,696
47,600	47,650	2,865	2,468	2,699
47,650	47,700	2,869	2,472	2,703
47,700	47,750	2,872	2,475	2,706
47,750	47,800	2,876	2,479	2,710
47,800	47,850	2,879	2,482	2,713
47,850	47,900	2,882	2,485	2,716
47,900	47,950	2,886	2,489	2,720
47,950	48,000	2,889	2,492	2,723

If line 37 (taxable income) is - At least	But less than	And you are - Single or Married filing separately	Married filing jointly *	Head of a house-hold
48,000		**Your New York State tax is:**		
48,000	48,050	2,893	2,496	2,727
48,050	48,100	2,896	2,499	2,730
48,100	48,150	2,900	2,503	2,734
48,150	48,200	2,903	2,506	2,737
48,200	48,250	2,906	2,509	2,740
48,250	48,300	2,910	2,513	2,744
48,300	48,350	2,913	2,516	2,747
48,350	48,400	2,917	2,520	2,751
48,400	48,450	2,920	2,523	2,754
48,450	48,500	2,924	2,527	2,758
48,500	48,550	2,927	2,530	2,761
48,550	48,600	2,930	2,533	2,764
48,600	48,650	2,934	2,537	2,768
48,650	48,700	2,937	2,540	2,771
48,700	48,750	2,941	2,544	2,775
48,750	48,800	2,944	2,547	2,778
48,800	48,850	2,948	2,551	2,782
48,850	48,900	2,951	2,554	2,785
48,900	48,950	2,954	2,557	2,788
48,950	49,000	2,958	2,561	2,792
49,000		**Your New York State tax is:**		
49,000	49,050	2,961	2,564	2,795
49,050	49,100	2,965	2,568	2,799
49,100	49,150	2,968	2,571	2,802
49,150	49,200	2,971	2,574	2,805
49,200	49,250	2,975	2,578	2,809
49,250	49,300	2,978	2,581	2,812
49,300	49,350	2,982	2,585	2,816
49,350	49,400	2,985	2,588	2,819
49,400	49,450	2,989	2,592	2,823
49,450	49,500	2,992	2,595	2,826
49,500	49,550	2,995	2,598	2,829
49,550	49,600	2,999	2,602	2,833
49,600	49,650	3,002	2,605	2,836
49,650	49,700	3,006	2,609	2,840
49,700	49,750	3,009	2,612	2,843
49,750	49,800	3,013	2,616	2,847
49,800	49,850	3,016	2,619	2,850
49,850	49,900	3,019	2,622	2,853
49,900	49,950	3,023	2,626	2,857
49,950	50,000	3,026	2,629	2,860
50,000		**Your New York State tax is:**		
50,000	50,050	3,030	2,633	2,864
50,050	50,100	3,033	2,636	2,867
50,100	50,150	3,037	2,640	2,871
50,150	50,200	3,040	2,643	2,874
50,200	50,250	3,043	2,646	2,877
50,250	50,300	3,047	2,650	2,881
50,300	50,350	3,050	2,653	2,884
50,350	50,400	3,054	2,657	2,888
50,400	50,450	3,057	2,660	2,891
50,450	50,500	3,061	2,664	2,895
50,500	50,550	3,064	2,667	2,898
50,550	50,600	3,067	2,670	2,901
50,600	50,650	3,071	2,674	2,905
50,650	50,700	3,074	2,677	2,908
50,700	50,750	3,078	2,681	2,912
50,750	50,800	3,081	2,684	2,915
50,800	50,850	3,085	2,688	2,919
50,850	50,900	3,088	2,691	2,922
50,900	50,950	3,091	2,694	2,925
50,950	51,000	3,095	2,698	2,929

* This column must also be used by a qualifying widow(er)

continued on next page

If line 37 (taxable income) is - At least	But less than	And you are - Single or Married filing separately	Married filing jointly *	Head of a household
51,000		**Your New York State tax is:**		
51,000	51,050	3,098	2,701	2,932
51,050	51,100	3,102	2,705	2,936
51,100	51,150	3,105	2,708	2,939
51,150	51,200	3,108	2,711	2,942
51,200	51,250	3,112	2,715	2,946
51,250	51,300	3,115	2,718	2,949
51,300	51,350	3,119	2,722	2,953
51,350	51,400	3,122	2,725	2,956
51,400	51,450	3,126	2,729	2,960
51,450	51,500	3,129	2,732	2,963
51,500	51,550	3,132	2,735	2,966
51,550	51,600	3,136	2,739	2,970
51,600	51,650	3,139	2,742	2,973
51,650	51,700	3,143	2,746	2,977
51,700	51,750	3,146	2,749	2,980
51,750	51,800	3,150	2,753	2,984
51,800	51,850	3,153	2,756	2,987
51,850	51,900	3,156	2,759	2,990
51,900	51,950	3,160	2,763	2,994
51,950	52,000	3,163	2,766	2,997
52,000		**Your New York State tax is:**		
52,000	52,050	3,167	2,770	3,001
52,050	52,100	3,170	2,773	3,004
52,100	52,150	3,174	2,777	3,008
52,150	52,200	3,177	2,780	3,011
52,200	52,250	3,180	2,783	3,014
52,250	52,300	3,184	2,787	3,018
52,300	52,350	3,187	2,790	3,021
52,350	52,400	3,191	2,794	3,025
52,400	52,450	3,194	2,797	3,028
52,450	52,500	3,198	2,801	3,032
52,500	52,550	3,201	2,804	3,035
52,550	52,600	3,204	2,807	3,038
52,600	52,650	3,208	2,811	3,042
52,650	52,700	3,211	2,814	3,045
52,700	52,750	3,215	2,818	3,049
52,750	52,800	3,218	2,821	3,052
52,800	52,850	3,222	2,825	3,056
52,850	52,900	3,225	2,828	3,059
52,900	52,950	3,228	2,831	3,062
52,950	53,000	3,232	2,835	3,066
53,000		**Your New York State tax is:**		
53,000	53,050	3,235	2,838	3,069
53,050	53,100	3,239	2,842	3,073
53,100	53,150	3,242	2,845	3,076
53,150	53,200	3,245	2,848	3,079
53,200	53,250	3,249	2,852	3,083
53,250	53,300	3,252	2,855	3,086
53,300	53,350	3,256	2,859	3,090
53,350	53,400	3,259	2,862	3,093
53,400	53,450	3,263	2,866	3,097
53,450	53,500	3,266	2,869	3,100
53,500	53,550	3,269	2,872	3,103
53,550	53,600	3,273	2,876	3,107
53,600	53,650	3,276	2,879	3,110
53,650	53,700	3,280	2,883	3,114
53,700	53,750	3,283	2,886	3,117
53,750	53,800	3,287	2,890	3,121
53,800	53,850	3,290	2,893	3,124
53,850	53,900	3,293	2,896	3,127
53,900	53,950	3,297	2,900	3,131
53,950	54,000	3,300	2,903	3,134

If line 37 (taxable income) is - At least	But less than	And you are - Single or Married filing separately	Married filing jointly *	Head of a household
54,000		**Your New York State tax is:**		
54,000	54,050	3,304	2,907	3,138
54,050	54,100	3,307	2,910	3,141
54,100	54,150	3,311	2,914	3,145
54,150	54,200	3,314	2,917	3,148
54,200	54,250	3,317	2,920	3,151
54,250	54,300	3,321	2,924	3,155
54,300	54,350	3,324	2,927	3,158
54,350	54,400	3,328	2,931	3,162
54,400	54,450	3,331	2,934	3,165
54,450	54,500	3,335	2,938	3,169
54,500	54,550	3,338	2,941	3,172
54,550	54,600	3,341	2,944	3,175
54,600	54,650	3,345	2,948	3,179
54,650	54,700	3,348	2,951	3,182
54,700	54,750	3,352	2,955	3,186
54,750	54,800	3,355	2,958	3,189
54,800	54,850	3,359	2,962	3,193
54,850	54,900	3,362	2,965	3,196
54,900	54,950	3,365	2,968	3,199
54,950	55,000	3,369	2,972	3,203
55,000		**Your New York State tax is:**		
55,000	55,050	3,372	2,975	3,206
55,050	55,100	3,376	2,979	3,210
55,100	55,150	3,379	2,982	3,213
55,150	55,200	3,382	2,985	3,216
55,200	55,250	3,386	2,989	3,220
55,250	55,300	3,389	2,992	3,223
55,300	55,350	3,393	2,996	3,227
55,350	55,400	3,396	2,999	3,230
55,400	55,450	3,400	3,003	3,234
55,450	55,500	3,403	3,006	3,237
55,500	55,550	3,406	3,009	3,240
55,550	55,600	3,410	3,013	3,244
55,600	55,650	3,413	3,016	3,247
55,650	55,700	3,417	3,020	3,251
55,700	55,750	3,420	3,023	3,254
55,750	55,800	3,424	3,027	3,258
55,800	55,850	3,427	3,030	3,261
55,850	55,900	3,430	3,033	3,264
55,900	55,950	3,434	3,037	3,268
55,950	56,000	3,437	3,040	3,271
56,000		**Your New York State tax is:**		
56,000	56,050	3,441	3,044	3,275
56,050	56,100	3,444	3,047	3,278
56,100	56,150	3,448	3,051	3,282
56,150	56,200	3,451	3,054	3,285
56,200	56,250	3,454	3,057	3,288
56,250	56,300	3,458	3,061	3,292
56,300	56,350	3,461	3,064	3,295
56,350	56,400	3,465	3,068	3,299
56,400	56,450	3,468	3,071	3,302
56,450	56,500	3,472	3,075	3,306
56,500	56,550	3,475	3,078	3,309
56,550	56,600	3,478	3,081	3,312
56,600	56,650	3,482	3,085	3,316
56,650	56,700	3,485	3,088	3,319
56,700	56,750	3,489	3,092	3,323
56,750	56,800	3,492	3,095	3,326
56,800	56,850	3,496	3,099	3,330
56,850	56,900	3,499	3,102	3,333
56,900	56,950	3,502	3,105	3,336
56,950	57,000	3,506	3,109	3,340

If line 37 (taxable income) is - At least	But less than	And you are - Single or Married filing separately	Married filing jointly *	Head of a household
57,000		**Your New York State tax is:**		
57,000	57,050	3,509	3,112	3,343
57,050	57,100	3,513	3,116	3,347
57,100	57,150	3,516	3,119	3,350
57,150	57,200	3,519	3,122	3,353
57,200	57,250	3,523	3,126	3,357
57,250	57,300	3,526	3,129	3,360
57,300	57,350	3,530	3,133	3,364
57,350	57,400	3,533	3,136	3,367
57,400	57,450	3,537	3,140	3,371
57,450	57,500	3,540	3,143	3,374
57,500	57,550	3,543	3,146	3,377
57,550	57,600	3,547	3,150	3,381
57,600	57,650	3,550	3,153	3,384
57,650	57,700	3,554	3,157	3,388
57,700	57,750	3,557	3,160	3,391
57,750	57,800	3,561	3,164	3,395
57,800	57,850	3,564	3,167	3,398
57,850	57,900	3,567	3,170	3,401
57,900	57,950	3,571	3,174	3,405
57,950	58,000	3,574	3,177	3,408
58,000		**Your New York State tax is:**		
58,000	58,050	3,578	3,181	3,412
58,050	58,100	3,581	3,184	3,415
58,100	58,150	3,585	3,188	3,419
58,150	58,200	3,588	3,191	3,422
58,200	58,250	3,591	3,194	3,425
58,250	58,300	3,595	3,198	3,429
58,300	58,350	3,598	3,201	3,432
58,350	58,400	3,602	3,205	3,436
58,400	58,450	3,605	3,208	3,439
58,450	58,500	3,609	3,212	3,443
58,500	58,550	3,612	3,215	3,446
58,550	58,600	3,615	3,218	3,449
58,600	58,650	3,619	3,222	3,453
58,650	58,700	3,622	3,225	3,456
58,700	58,750	3,626	3,229	3,460
58,750	58,800	3,629	3,232	3,463
58,800	58,850	3,633	3,236	3,467
58,850	58,900	3,636	3,239	3,470
58,900	58,950	3,639	3,242	3,473
58,950	59,000	3,643	3,246	3,477
59,000		**Your New York State tax is:**		
59,000	59,050	3,646	3,249	3,480
59,050	59,100	3,650	3,253	3,484
59,100	59,150	3,653	3,256	3,487
59,150	59,200	3,656	3,259	3,490
59,200	59,250	3,660	3,263	3,494
59,250	59,300	3,663	3,266	3,497
59,300	59,350	3,667	3,270	3,501
59,350	59,400	3,670	3,273	3,504
59,400	59,450	3,674	3,277	3,508
59,450	59,500	3,677	3,280	3,511
59,500	59,550	3,680	3,283	3,514
59,550	59,600	3,684	3,287	3,518
59,600	59,650	3,687	3,290	3,521
59,650	59,700	3,691	3,294	3,525
59,700	59,750	3,694	3,297	3,528
59,750	59,800	3,698	3,301	3,532
59,800	59,850	3,701	3,304	3,535
59,850	59,900	3,704	3,307	3,538
59,900	59,950	3,708	3,311	3,542
59,950	60,000	3,711	3,314	3,545

* This column must also be used by a qualifying widow(er)

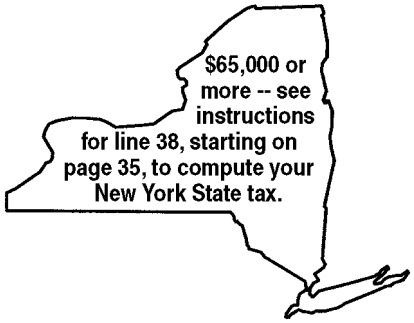
continued on next page

2005 New York State Tax Table

If line 37 (taxable income) is - At least	But less than	And you are - Single or Married filing separately	Married filing jointly *	Head of a house-hold
60,000		**Your New York State tax is:**		
60,000	**60,050**	3,715	3,318	3,549
60,050	**60,100**	3,718	3,321	3,552
60,100	**60,150**	3,722	3,325	3,556
60,150	**60,200**	3,725	3,328	3,559
60,200	**60,250**	3,728	3,331	3,562
60,250	**60,300**	3,732	3,335	3,566
60,300	**60,350**	3,735	3,338	3,569
60,350	**60,400**	3,739	3,342	3,573
60,400	**60,450**	3,742	3,345	3,576
60,450	**60,500**	3,746	3,349	3,580
60,500	**60,550**	3,749	3,352	3,583
60,550	**60,600**	3,752	3,355	3,586
60,600	**60,650**	3,756	3,359	3,590
60,650	**60,700**	3,759	3,362	3,593
60,700	**60,750**	3,763	3,366	3,597
60,750	**60,800**	3,766	3,369	3,600
60,800	**60,850**	3,770	3,373	3,604
60,850	**60,900**	3,773	3,376	3,607
60,900	**60,950**	3,776	3,379	3,610
60,950	**61,000**	3,780	3,383	3,614
61,000		**Your New York State tax is:**		
61,000	**61,050**	3,783	3,386	3,617
61,050	**61,100**	3,787	3,390	3,621
61,100	**61,150**	3,790	3,393	3,624
61,150	**61,200**	3,793	3,396	3,627
61,200	**61,250**	3,797	3,400	3,631
61,250	**61,300**	3,800	3,403	3,634
61,300	**61,350**	3,804	3,407	3,638
61,350	**61,400**	3,807	3,410	3,641
61,400	**61,450**	3,811	3,414	3,645
61,450	**61,500**	3,814	3,417	3,648
61,500	**61,550**	3,817	3,420	3,651
61,550	**61,600**	3,821	3,424	3,655
61,600	**61,650**	3,824	3,427	3,658
61,650	**61,700**	3,828	3,431	3,662
61,700	**61,750**	3,831	3,434	3,665
61,750	**61,800**	3,835	3,438	3,669
61,800	**61,850**	3,838	3,441	3,672
61,850	**61,900**	3,841	3,444	3,675
61,900	**61,950**	3,845	3,448	3,679
61,950	**62,000**	3,848	3,451	3,682

If line 37 (taxable income) is - At least	But less than	And you are - Single or Married filing separately	Married filing jointly *	Head of a house-hold
62,000		**Your New York State tax is:**		
62,000	**62,050**	3,852	3,455	3,686
62,050	**62,100**	3,855	3,458	3,689
62,100	**62,150**	3,859	3,462	3,693
62,150	**62,200**	3,862	3,465	3,696
62,200	**62,250**	3,865	3,468	3,699
62,250	**62,300**	3,869	3,472	3,703
62,300	**62,350**	3,872	3,475	3,706
62,350	**62,400**	3,876	3,479	3,710
62,400	**62,450**	3,879	3,482	3,713
62,450	**62,500**	3,883	3,486	3,717
62,500	**62,550**	3,886	3,489	3,720
62,550	**62,600**	3,889	3,492	3,723
62,600	**62,650**	3,893	3,496	3,727
62,650	**62,700**	3,896	3,499	3,730
62,700	**62,750**	3,900	3,503	3,734
62,750	**62,800**	3,903	3,506	3,737
62,800	**62,850**	3,907	3,510	3,741
62,850	**62,900**	3,910	3,513	3,744
62,900	**62,950**	3,913	3,516	3,747
62,950	**63,000**	3,917	3,520	3,751
63,000		**Your New York State tax is:**		
63,000	**63,050**	3,920	3,523	3,754
63,050	**63,100**	3,924	3,527	3,758
63,100	**63,150**	3,927	3,530	3,761
63,150	**63,200**	3,930	3,533	3,764
63,200	**63,250**	3,934	3,537	3,768
63,250	**63,300**	3,937	3,540	3,771
63,300	**63,350**	3,941	3,544	3,775
63,350	**63,400**	3,944	3,547	3,778
63,400	**63,450**	3,948	3,551	3,782
63,450	**63,500**	3,951	3,554	3,785
63,500	**63,550**	3,954	3,557	3,788
63,550	**63,600**	3,958	3,561	3,792
63,600	**63,650**	3,961	3,564	3,795
63,650	**63,700**	3,965	3,568	3,799
63,700	**63,750**	3,968	3,571	3,802
63,750	**63,800**	3,972	3,575	3,806
63,800	**63,850**	3,975	3,578	3,809
63,850	**63,900**	3,978	3,581	3,812
63,900	**63,950**	3,982	3,585	3,816
63,950	**64,000**	3,985	3,588	3,819

If line 37 (taxable income) is - At least	But less than	And you are - Single or Married filing separately	Married filing jointly *	Head of a house-hold
64,000		**Your New York State tax is:**		
64,000	**64,050**	3,989	3,592	3,823
64,050	**64,100**	3,992	3,595	3,826
64,100	**64,150**	3,996	3,599	3,830
64,150	**64,200**	3,999	3,602	3,833
64,200	**64,250**	4,002	3,605	3,836
64,250	**64,300**	4,006	3,609	3,840
64,300	**64,350**	4,009	3,612	3,843
64,350	**64,400**	4,013	3,616	3,847
64,400	**64,450**	4,016	3,619	3,850
64,450	**64,500**	4,020	3,623	3,854
64,500	**64,550**	4,023	3,626	3,857
64,550	**64,600**	4,026	3,629	3,860
64,600	**64,650**	4,030	3,633	3,864
64,650	**64,700**	4,033	3,636	3,867
64,700	**64,750**	4,037	3,640	3,871
64,750	**64,800**	4,040	3,643	3,874
64,800	**64,850**	4,044	3,647	3,878
64,850	**64,900**	4,047	3,650	3,881
64,900	**64,950**	4,050	3,653	3,884
64,950	**65,000**	4,054	3,657	3,888
65,000 or more:				



* This column must also be used by a qualifying widow(er)

Instructions for Form IT-215, *Claim for Earned Income Credit*

This form may be e-filed as an attachment to an e-filed return; you cannot e-file this form by itself.

General information

Who qualifies

To qualify for the **New York State earned income credit** (NYS EIC) you must:

— have claimed the federal earned income credit for tax year 2005; **and**

— file (or have filed) a New York State return for 2005.

To qualify for the **New York City earned income credit** (NYC EIC) you must:

— have been a full-year or part-year resident of New York City for 2005;

— have claimed the federal earned income credit for 2005; **and**

— file (or have filed) a New York State income tax return for 2005.

Note: Because of the different methods for computing the two credits (NYS EIC and NYC EIC), if you qualify for the NYC EIC, you may end up with a NYC EIC amount even if you do not end up with a NYS EIC amount (line 16 of Form IT-215). Be sure to complete ***Worksheet C, New York City earned income credit,*** on page 71 to compute your NYC EIC. Also be sure to attach Form IT-215 to your income tax return.

If you are a resident or part-year resident, you may qualify for a refund of any earned income credit in excess of your tax liability. Nonresidents of New York State **do not** qualify for a refund of the New York State earned income credit.

How to claim the credit

To claim the **NYS EIC**, you must complete Form IT-215 using the information from your federal return, worksheets, and, if applicable, the federal earned income credit line instructions.

To claim the **NYC EIC**, you must:

- complete Form IT-215, using the information from your federal return, worksheets, and, if applicable, the federal earned income credit line instructions; and
- complete ***Worksheet C, New York City earned income credit,*** on page 71.

Important reminder to file a complete return

You must complete all required schedules and forms that make up your return, and include all pages of those forms and schedules when you file. Attach **only** those forms and schedules that apply to your return, and be sure that you have made all required entries. Returns that are missing required pages or that have pages with missing entries are considered incomplete and cannot be processed, and may subject taxpayers to penalty and interest.

Where to file

If you have previously filed your 2005 New York State income tax return and you answered *Yes* at line 3, mail your completed Form IT-215 to:

STATE PROCESSING CENTER
PO BOX 61000
ALBANY NY 12261-0001

If you need information about using a *Private delivery service* instead of the U.S. Postal Service, see the instructions for your tax return.

Filling in your tax forms

For complete information on how to fill in New York State scannable income tax forms, see the instructions for:

- resident returns (Forms IT-150 and IT-201),
- nonresident and part-year resident return (Form IT-203),
- partnership return (Form IT-204), **or**
- fiduciary return (Form IT-205).

Also see the instructions for the above returns for the *Privacy notification* or if you *Need help* in contacting the Tax Department.

Line instructions

All resident, nonresident, and part-year resident filers complete lines 1 through 17 as applicable.

All part-year New York State resident filers must also complete lines 18 through 26.

All New York City residents and part-year residents must also complete lines 27 and 28.

Line 1 — You must have claimed the federal earned income credit for 2005 in order to claim the New York State and New York City earned income credits.

Line 2 — You cannot claim the New York State and New York City earned income credits if your investment income is more than $2,700. For most people, investment income is the total amount of:

— taxable interest (from line 8a of federal Form 1040 or 1040A);

— tax-exempt interest (from line 8b of federal Form 1040 or 1040A);

— ordinary dividends income (from line 9a of federal Form 1040 or 1040A); and

— capital gain net income from line 10 of Form 1040A or line 13 of Form 1040 (if more than zero).

For additional information on what qualifies as investment income, see **federal** Publication 596, *Earned Income Credit.*

Line 3 — File Form IT-215 with your original 2005 New York State income tax return. If you have already filed your original return, you may file Form IT-215 by itself. Mail your form to: State Processing Center, PO Box 61000, Albany NY 12261-0001.

If you haven't previously filed your income tax return for this year, you **must** file this claim with a return.

Line 4 — If you claimed qualifying children on your 2005 federal Schedule EIC, list the same children (up to two) in the spaces provided on line 4 of Form IT-215. If you claimed more than two qualifying children on your 2005 federal Schedule EIC, enter the required information for two qualifying children in the spaces provided on the form and attach a statement to your return with the required identifying information for each additional child. Be sure to include your name and social security number (SSN) on your attachment.

Caution: To be eligible to claim the New York State and New York City earned income credits, you must provide a correct and valid SSN for each child listed on line 4.

If you have applied for a SSN by filing federal Form SS-5 with the Social Security Administration, but you have not received it by April 17, 2006:

1) File Form IT-370 requesting an automatic extension of time to file until October 16, 2006. (This extension does not give you any extra time to pay any tax owed. You should pay any New York taxes you expect to owe to avoid interest or penalty charges. For more information, see Form IT-370, *Application for Automatic Six-Month Extension of Time to File for Individuals.)* **or**

2) File your return on time without claiming the earned income credits and do not attach Form IT-215. After receiving the SSN, file Form IT-215 and claim the credits.

Be sure to mark an ***X*** in the box under the heading *Full-time student* if your child was born before 1987 and was a full-time student under 24. Mark an ***X*** in this box **only** if you marked the ***Yes*** box on your 2005 federal Schedule EIC, line 4a.

Be sure to mark an ***X*** in the box under the heading *Person with disability* if your child was born before 1987 and was permanently disabled during any part of 2005. Mark an ***X*** in this box **only** if you marked the ***Yes*** box on your 2005 federal Schedule EIC, line 4b.

If you marked the box *Person with disability*, and your qualifying person is 24 years of age or older, **you must attach a letter from a physician stating that the person is disabled**. When we receive a letter from your qualifying person's doctor stating that your qualifying person is, by definition, permanently and totally disabled, we will keep that statement on file, and you will not have to provide this information again.

Line 6 — Complete *Worksheet A* below to determine the amount to enter on line 6.

Worksheet A
wages, salaries, tips, etc.

1. Enter the amount from federal Form 1040EZ, line 1; Form 1040A, line 7; or Form 1040, line 7;

   or

   if you are a **member of the clergy or a church employee** who checked the ***Yes*** box in step 5, line 1, of the federal Form 1040 instructions for lines 66a and 66b, enter the amount from the first space of step 5, line 2, of the Form 1040 instructions..... 1. _____
2. Enter the amount, **if any,** from federal Form 1040EZ, line 8b; Form 1040A line 41b; or Form 1040, line 66b ..... 2. _____
3. **Add lines 1 and 2. Enter here and on Form IT-215, line 6.** ..... 3. [ ]

Line 7 — If you received a taxable scholarship or fellowship grant that was not reported on a federal Form W-2, if you were paid an amount as an inmate in a penal institution for work, or if you received an amount as a pension or annuity from a nonqualified deferred compensation plan or a nongovernmental section 457 plan (this amount may be shown on your wage and tax statement(s) federal Form W-2, box 11), enter the amount from your federal Form 1040A instructions for line 41a, or from your federal Form 1040 instructions for line 66a, the amount in the second space (the *subtract* line) of step 5, line 2.

Line 8 — *Business income or loss* applies only to **federal** Form 1040 filers. Enter the amount of business income or loss from your federal Form 1040 instructions, *Earned Income Credit Worksheet B,* the total of lines 1e, 2c and 3. **Do not use a minus sign or brackets to show a loss.** Mark an ***X*** in the appropriate box on line 8 to indicate if the amount reported is a profit or a loss. Be sure to enter your employer identification number (EIN) for your business. If you have income or loss from more than one business, enter the EIN representing your primary business activity. If your primary business activity doesn't have an EIN, enter your social security number.

Line 10 — This amount can be found on the appropriate line of your **federal** return. However, if you owe the federal alternative minimum tax, enter the amount of the federal earned income credit, as originally computed in the *EIC Worksheet* in your federal instructions **before** any reduction for the alternative minimum tax.

Line 11 — For 2005, the NYS EIC is 30% (.30) of the federal earned income credit reduced by any household credit allowed. The rate has already been filled in for you.

Line 12 — This amount represents your NYS EIC **before** it has been reduced by the amount of household credit allowed.

If the amount on line 12 is more than 0, and you are a full-year or part-year New York City resident, be sure to complete ***Worksheet C, New York City earned income credit,*** on page 71 to compute your NYC EIC. Enter the amount of your NYC EIC on Form IT-215, line 27.

Lines 13, 14, and 15 — Form IT-150 filers, continue with line 13. Form IT-201 or IT-203 filers, complete ***Worksheet B*** on the back of Form IT-215. Then continue with line 13.

Line 16 — If you are attaching this claim to your original 2005 New York State income tax return and you answered *No* at line 3:

For filing status ①, ②, ④, or ⑤

- **Residents —** Enter the line 16 amount on Form IT-150, line 39, or Form IT-201, line 64.
- **Nonresidents —** Enter the line 16 amount on Form IT-203, line 43.
- **Part-year residents —** Enter the line 16 amount on Form IT-203, line 43, **and continue on** line 18.

For filing status ③, *Married filing separate return*

- The line 16 amount represents both spouses' combined (total) NYS EIC. You must complete line 17 and indicate the amount of line 16 that you are claiming.

Line 17 — Complete this line **only** if your filing status is ③, *Married filing separate return.* See the instructions for Form IT-150, IT-201, or IT-203 to determine your filing status.

If you are attaching this claim to your original return, show the portion of line 16 that you are claiming as your share of the NYS EIC, and follow the appropriate instructions below. Remember, while the NYS EIC can be split in any manner you and your spouse agree to, the combined amount of both spouses' New York State credits cannot be more than the amount on line 16.

- **Residents —** Enter the line 17 amount on Form IT-150, line 39, or Form IT-201, line 64.
- **Nonresidents —** Enter the line 17 amount on Form IT-203, line 43.
- **Part-year residents —** Enter the line 17 amount on Form IT-203, line 43, **and continue on** line 18.

Part-year New York State residents only

Lines 18 through 26 need to be completed **only** by part-year New York State residents claiming the NYS EIC who are filing, or have previously filed, Form IT-203, *Nonresident and Part-Year Resident Income Tax Return,* for this year. The amounts for these lines can be found on the appropriate lines of Form IT-203 or Form IT-203-ATT, *Other Tax Credits and Taxes,* or their instructions (Form IT-203-I).

The NYS EIC must first reduce your tax liability to zero before the remaining excess NYS EIC is eligible to be refunded. The amount to be refunded will be based on the ratio of resident period income to the combined income from both the resident and nonresident periods.

Line 25 — Divide line 23 by line 24 and round the result to the fourth decimal place. (Do not enter more than 100% (1.0000) even if your actual result is more than 100%.) If the result is zero percent (0%), you have no remaining excess earned income credit available to be refunded. Do not complete line 26.

Line 26 — If line 25 is greater than 0%, multiply line 22 by line 25. If you answered

No at line 3, enter the line 26 amount on Form IT-203-ATT, line 10, and attach Form IT-215 to your Form IT-203. This amount represents the refundable portion of your part-year resident NYS EIC.

Note to paid preparers — When signing a taxpayer's New York State income tax return, you must use the same number (social security number of federal preparers tax identification number) that you use when preparing federal income tax returns. For more information relating to the signing of returns by a paid preparer and other requirements relating to paid preparers, see Publication 58, *Information for Income Tax Return Preparers*.

Instructions for completing *Worksheet C, New York City earned income credit,* below:

Line 1 — You must have claimed the federal earned income credit for 2005 and have completed Form IT-215 in order to claim the **NYC EIC.** Because of the different methods in computing the two credits (NYS EIC and NYC EIC), if you qualify for the NYC EIC, you will end up with an NYC EIC amount even if you do not end up with a NYS EIC amount (line 16 of Form IT-215 is ***0***).

Line 4 — Complete this line only if your New York City filing status is *Married filing separate return*. See the instructions for Form IT-150, IT-201, or IT-203 to determine your filing status.

Remember that while the NYC EIC can be split in any manner you and your spouse agree to, the combined amount of both spouses' New York City credits cannot be more than the amount on line 3. **If you are a full-year New York City resident, enter this amount on Form IT-215, line 27; also enter on Form IT-150, line 43, or on Form IT-201, line 68. If you are a part-year New York City resident, continue with line 5.**

Lines 6 and 7 — Part-year New York City residents must also enter this amount on Form IT-215, line 28.

Note: If your filing status is married filing a joint return, you and your spouse had different New York City resident periods, and you are filing separate Forms IT-360.1, enter on lines 6 and 7 both spouses' combined (total) amounts from both Forms IT-360.1.

Worksheet C

New York City earned income credit

(Worksheet C instructions above)

1 Amount of federal EIC claimed *(from Form IT-215, line 10; see instructions above)* ..... **1.** ___,___.__

2 NYC EIC rate 5% (.05) ..... **2.** ___.05

3 Allowable NYC EIC *(multiply line 1 by line 2)* ..... **3.** ___.__

- **If your New York City filing status is *Married filing separate return*, also complete line 4 below.**
- **Part-year New York City residents must also complete lines 5 through 9 below.**
- **All others enter the line 3 amount on Form IT-215, line 27; also enter on Form IT-150, line 43, or on Form IT-201, line 68.**

4 If your New York City filing status is *Married filing separate return*, the NYC EIC credit on line 3 above can be divided between spouses in any manner you wish. **Enter on line 4 the amount of credit you are claiming.** ..... **4.** ___.__

- **Part-year New York City residents must also complete lines 5 through 9 below.**
- **All others enter the line 4 amount on Form IT-215, line 27; also enter on Form IT-150, line 43, or on Form IT-201, line 68.**

Part-year New York City residents only (If your filing status is ② and you and your spouse had different New York City periods of residency, see the Worksheet C instructions above)

5 NYC earned income credit *(from line 3 or line 4 above)* ..... **5.** ___.__

6 Enter the amount from Form IT-360.1, line 20, **Column B**; also enter this amount on Form IT-215, line 28B. ..... **6.** ___,___.__

7 Enter the amount from Form IT-360.1, line 20, **Column A**; also enter this amount on Form IT-215, line 28A. ..... **7.** ___,___.__

8 Divide line 6 by line 7 *(round the result to four decimal places; cannot exceed 1.000)* ..... **8.** ___.____

9 Part-year New York City resident EIC *(multiply line 5 by line 8)*. **Enter this amount on Form IT-215, line 27**; also enter on **Form IT-201, line 68**, or on **Form IT-203-ATT, line 11**..... **9.** ___.__

Also complete line 28 on Form IT-215.

— Notes —

Instructions for Form IT-216, *Claim for Child and Dependent Care Credit*

This form may be e-filed as an attachment to an e-filed return; you cannot e-file this form by itself.

General information

The New York State child and dependent care credit is a minimum of 20% and as much as 110% of the federal credit, depending on the amount of your New York adjusted gross income.

Who qualifies

If you **qualify** to claim the federal child and dependent care credit, you can **claim** the New York State credit (whether you actually claim the federal credit or not).

If you did not file federal Form 2441, or federal Form 1040A, Schedule 2, you can still claim the New York State child and dependent care credit on Form IT-216 if **all four** of the following apply:

1. Your filing status is *Single, Head of household, Qualifying widow(er) with dependent child*, or *Married filing joint return.* However, see special rule for *Married persons filing separate federal and New York State returns* below.
2. The care was provided so you (and your spouse, if you were married) could work or look for work. However, if you did not find a job and have no earned income for the year, you cannot take the credit. If your spouse was a student or disabled, see the line 7 instructions on page 75.
3. Your child (or other qualifying person(s) for whom the care was provided) lived in the same home with you for more than half the year.
4. The person who provided the care was not your spouse or a person whom you can claim as a dependent. If your child provided the care, he or she must have been age 19 or older by the end of 2005.

Married persons filing separate federal and New York State returns — If your filing status is *Married filing separate return* and **all** of the following apply, you are considered unmarried for purposes of figuring the child and dependent care credit:

- you lived apart from your spouse during the last six months of 2005; **and**
- the qualifying person lived in your home more than half of 2005; **and**
- you provided over half the cost of keeping up your home.

If you meet **all** the requirements to be treated as unmarried and meet items 2 through 4 above, you may claim the credit. If you do not meet all the requirements to be treated as unmarried, you **cannot** claim the credit.

Married persons filing joint federal returns, but required to file separate New York returns — If you and your spouse file jointly for federal purposes, but are required to file separate New York returns because one spouse is a resident and the other spouse is either a nonresident or part-year resident, you may still claim the credit. However, the credit must be claimed on the return of the spouse with the lower taxable income (computed without regard to the credit).

Married persons not required to file a federal return — If you and your spouse are not required to file a federal income tax return, the New York State child and dependent care credit is allowed only if you file a joint New York State tax return (Form IT-150, IT-201, or IT-203).

How to claim the credit

In addition to the above federal requirements, to claim the New York State child and dependent care credit you must:

— file (or have filed) a New York State income tax return for 2005,

— report the required information about the care provider on line 2 of Form IT-216, **and**

— complete Form IT-216.

Important terms

A ***qualifying person*** is:

- Any child **under age 13** whom you can claim as a dependent (but see *Exception for children of divorced or separated parents* below). If the child turned 13 during the year, the child is a qualifying person for the part of the year he or she was under age 13.
- Your disabled spouse who is not able to care for himself or herself.
- Any disabled person not able to care for himself or herself who has the same principal place of abode and who you can claim as a dependent for federal purposes (or could claim as a dependent for federal purposes, except that the person had gross income of $3,200 or more). If this person is your child, see *Exception for children of divorced or separated parents* below. To find out who is a dependent, see the instructions for federal Form 1040 or Form 1040A, line 6c.

Caution: To be a qualifying person, the person **must** have shared the same home with you in 2005.

Exception for children of divorced or separated parents — If you were divorced, legally separated, or lived apart from your spouse during the last six months of 2005, you may be able to take the credit even if your child is not your dependent. If your child is not your dependent, he or she is a qualifying person only if **all five** of the following **federal** requirements apply to you:

1. You had custody of the child for a longer time in 2005 than the other parent. For the definition of custody, see federal Publication 501, *Exemptions, Standard Deduction, and Filing Information.*
2. One or both of the parents provided over half of the child's support in 2005.
3. One or both of the parents had custody of the child for more than half of 2005.
4. The child was under age 13 or was disabled and could not care for himself or herself.
5. The other parent claims the child as a dependent because of **one** of the following:
   — As the custodial parent, you signed **federal Form 8332,** *Release of Claim to Exemption for Child of Divorced or Separated Parents,* or a similar statement agreeing not to claim the child's exemption for 2005.
   — Your divorce decree or written agreement went into effect before 1985 and states that the other parent can claim the child as a dependent, and the other parent gave at least $600 for the child's support in 2005. This rule does not apply if your decree or agreement was changed after 1984 to say that the other parent cannot claim the child as a dependent.

Dependent care benefits — include amounts your employer paid directly to either you or your care provider for the care of your qualifying person(s) while you worked. These benefits also include the fair market value of care in a day-care facility provided or sponsored by your employer. Your salary may have been reduced to pay for these benefits. If you received dependent care benefits, they should be shown in box 10 of your 2005 federal W-2 form(s).

Benefits you received as a partner should be shown in box 13 of your Schedule K-1 (federal Form 1065) with code N.

Qualified expenses — include amounts paid for household services and care of the qualifying person(s) while you worked or looked for work. Child support payments are **not** qualified expenses. Expenses reimbursed by a state social service agency are **not** qualified expenses unless you included the reimbursement in your income. Also, expenses paid through a dependent care account are not qualified expenses.

Household services — are services needed to care for the qualifying person as well as to run the home. They include, for example, the services of a cook, maid, babysitter, housekeeper, or cleaning person if the services were partly for the care of the qualifying person(s). Do not include services of a chauffeur or gardener.

You may also include your share of the employment taxes paid on wages for qualifying child and dependent care services.

***Care of the qualifying person* —** includes the cost of services for the qualifying person's well-being and protection. It does not include the cost of clothing or entertainment.

You may include the cost of care provided outside your home for your dependent under age 13 or any other qualifying person(s) who regularly spends at least 8 hours a day in your home. If the care was provided by a dependent care center, the center must meet all applicable state and local regulations. A ***dependent care center*** is a place that provides care for more than six persons (other than persons who live there) and receives a fee, payment, or grant for providing services for any of those persons, even if the center is not run for profit.

You may include amounts paid for food and schooling **only** if these items are part of the total care and cannot be separated from the total cost. But **do not** include the cost of schooling for a child in the first grade or above. Also, **do not** include any expenses for sending your child to an overnight camp.

Some disabled spouse and dependent care expenses may qualify as ***medical expenses*** if you itemize deductions on federal Schedule A (Form 1040). For more information on qualifying medical expenses, see federal Publication 503, *Child and Dependent Care Expenses,* and Publication 502, *Medical and Dental Expenses.*

***Prior year's expenses* —** If you had qualified expenses for 2004 that you didn't pay until 2005, you may be able to claim these qualified expenses and increase the amount of credit you can take in 2005. For more information, see *Amount of Credit* in **federal** Publication 503, *Child and Dependent Care Expenses.* Also see the instructions for line 11 on the next page.

***Earned income* —** Generally, this is your wages, salaries, tips, and other taxable employee compensation. This is the amount shown on federal Form 1040 or Form 1040A, line 7, reduced by:

- any amount for a scholarship or fellowship grant if you did not get a wage and tax statement (federal form W-2) for it;
- any amount also reported on federal Schedule SE because you were a member of the clergy or a church employee; **and**
- any amount received as a pension or annuity from a nonqualified deferred compensation plan or a nongovernment section 457 plan.

Earned income **does not** include certain nontaxable earned income, such as meals and lodging provided for the convenience of your employer, voluntary salary deferrals, military basic quarters and subsistence allowances and in-kind quarters and subsistence, and military pay earned in a combat zone. For more information, see federal Publication 503, *Child and Dependent Care Expenses.*

If you were a statutory employee and are filing Schedule C or C-EZ with your federal return to report income and expenses as a statutory employee, earned income also includes the amount from line 1 of that Schedule C or C-EZ.

If you were self-employed, earned income also includes the amount shown on federal Schedule SE, line 3, minus any deduction you claim on federal Form 1040, line 27. If you use either optional method to figure self-employment tax, subtract any deduction you claim on federal Form 1040, line 27, from the total of the amounts on federal Schedule SE, Section B, lines 3 and 4b, to figure your earned income.

Note: You must reduce your earned income by any loss from self-employment.

If you are **filing a joint federal return,** disregard community property laws. If your spouse died in 2005 and had no earned income, see federal Publication 503. If your spouse was a student or disabled in 2005, see the line 7 instructions on the next page.

Where to file

If you have previously filed your 2005 New York State income tax return and you answered *Yes* at line 1, mail your completed form to:

STATE PROCESSING CENTER
PO BOX 61000
ALBANY NY 12261-0001

If you need information about using a *Private delivery service* instead of the U.S. Postal Service, see the instructions for your tax return.

Important reminder to file a complete return

You must complete all required schedules and forms that make up your return, and include all pages of those forms and schedules when you file. Attach **only** those forms and schedules that apply to your return, and be sure that you have made all required entries. Returns that are missing required pages or that have pages with missing entries are considered incomplete and cannot be processed, and may subject taxpayers to penalty and interest.

Filling in your tax forms

For complete information on how to fill in New York State scannable income tax forms, see the instructions for:

- resident returns (Forms IT-150 and IT-201),
- nonresident and part-year resident return (Form IT-203),
- partnership return (Form IT-204), **or**
- fiduciary return (Form IT-205).

Also see the instructions for the above returns for the *Privacy notification* or if you *Need help* in contacting the Tax Department.

Line instructions (for all filers)

All filers complete lines 1 through 14 as applicable.

Line 1 — File Form IT-216 with your original 2005 New York State income tax return. If you have already filed your original return, you may file Form IT-216 by itself. If you haven't previously filed your income tax return for this year, you **must** file one with this claim.

Line 2 — Complete columns A through D for each person or organization that provided the care. If you have more than two providers, enter the required identifying information for two providers in the spaces provided on the form. Attach a statement to your return with the same required identifying information for the additional providers. Be sure to put your name and social security number on the statement. You can use federal Form W-10, *Dependent Care Provider's Identification and Certification*, or any other source listed in its instructions to get the information from the care provider. If you do not give correct or complete information, your credit may be disallowed unless you can show you used due diligence (a serious and earnest effort) in trying to get the required information.

You can show **due diligence** to get the information by keeping in your records a federal Form W-10 completed by the care provider; or, you may keep one of the other sources of information listed in the instructions for Form W-10. If the provider does not give you the information, complete the entries you can on line 2 of Form IT-216. For example, enter the provider's name and address. Write ***See attached*** in the columns for which you do not have the information. Then, attach an explanation to your Form IT-216 indicating that the care provider did not give you the information you requested.

Line 2 columns A and B — Enter the care provider's name and address. If you were covered by your employer's dependent care plan, and your employer furnished the care (either at your workplace or by hiring a care provider), enter your employer's name in column A. Next, write ***See Form IT-2*** in column B. Then leave columns C and D blank. If your employer paid a third party (not hired by your employer) on your behalf to provide the care, you must give information on the third party in columns A through D.

Line 2 column C — If the care provider is an individual, enter his or her social security number (SSN). Otherwise, enter the provider's employer identification number (EIN). If the provider is a tax-exempt organization, write ***Tax-exempt*** in column C.

Line 2 column D — Enter the total amount you **actually paid** in 2005 to the care provider. Also include amounts your employer paid to a third party on your behalf. It does not matter when the expenses were incurred. Do not reduce this amount by any reimbursement you received.

Line 3 — List the name, qualified expenses paid in 2005, social security number, and year of birth for the qualifying person(s) for whom you are claiming the New York State child and dependent care credit.

If you have more than two qualifying persons, mark an ***X*** in the box at line 3. Enter the required information for two qualifying persons in the spaces provided on the form. Attach a statement to your return with the required identifying information for all additional qualifying persons. Be sure to put your name and your social security number on the attachment.

Caution: To be eligible to claim the New York State child and dependent care credit, you must provide a correct and valid social security number (SSN) for each person listed on your tax return. If the Internal Revenue Service (IRS) has issued you an individual taxpayer identification number (ITIN) because either you or a qualifying person claimed on Form IT-216 is a resident or nonresident alien, enter this ITIN in place of the social security number.

If you have applied for a social security number by filing federal Form SS-5 with the Social Security Administration **or** you have applied for an ITIN by filing federal Form W-7 with the IRS, but you have not received your SSN or ITIN by the due date of your return, you can either:

1. File Form IT-370 requesting an automatic extension of time to file until October 16, 2006. (This extension does not give you any extra time to pay any tax owed. You should pay any New York taxes you expect to owe to avoid interest or penalty charges. For more information, see Form IT-370, *Application for Automatic Six-Month Extension of Time to File for Individuals*.)
2. File your return on time without claiming the child and dependent care credit and do not attach Form IT-216. After receiving the SSN, file Form IT-216 and claim the credit.

Also be sure to mark an ***X*** in the box under the heading *Person with disability* if the qualifying person had a disability and was incapable of caring for himself or herself during 2005. If you have marked the box *Person with disability* and your qualifying person is 13 years of age or older, you must attach a letter from a doctor stating that the person is disabled. When we receive a letter from your qualifying person's doctor stating that your qualifying person is, by definition, permanently and totally disabled, we will keep that statement on file, and you will not have to provide this information again.

Line 5 — Using the filing description below that fits you, enter the amount of your qualified expenses as instructed.

— If you filed federal Form 2441 or federal Form 1040A, Schedule 2 to claim the federal child and dependent care credit, enter on Form IT-216, line 5, the line 3 amount from federal Form 2441, or federal Form 1040A, Schedule 2.

— If you did not file federal Form 2441 or federal Form 1040A, Schedule 2 but are completing Form IT-216 to claim the New York State child and dependent care credit, enter the amount of qualifying expenses you incurred and paid in 2005. **Do not include** the following expenses on line 5:
   1. Qualified expenses you incurred in 2005 but did not pay until 2006. However, next year you may be able to use these expenses to increase your 2006 credit.
   2. Qualified expenses you incurred in 2004 but did not pay until 2005. If you had prior year expenses you did not pay until 2005, see the instructions for line 11 below.
   3. Expenses you paid through a dependent care account.

For more information, see *Qualified expenses* on the front page.

Line 6 — Enter **only your** earned income on line 6 (do not include your spouse's). If this amount is zero or less, **stop**. You cannot claim the child and dependent care credit. For more information, see *Earned income* on the previous page.

Line 7 — If you are filing your return using filing status ②, *Married filing joint return*, enter **only your spouse's** earned income on line 7. If this amount is zero or less, **stop**. You cannot claim the child and dependent care credit. If you are using any other filing status, enter the amount from line 6 on line 7.

Spouse who was a student or disabled
Your spouse was a ***student*** if he or she was enrolled as a full-time student at a school during any five months of 2005. Your spouse was ***disabled*** if he or she was not capable of self-care. Figure your spouse's earned income on a monthly basis.

For each month or part of a month your spouse was a student or was disabled, he or she is considered to have worked and earned income. His or her other earned income for each month is considered to be at least $250 ($500 if more than one qualifying person was cared for in 2005). If your spouse also worked during that month, use the higher of $250 (or $500) or his or her actual earned income for that month. If, in the same month, both you and your spouse were either students or disabled, this rule applies to only one of you for that month.

For any month that your spouse was not disabled or a student, use your spouse's actual earned income if he or she worked during the month.

Line 8 — Enter the smallest of line 5, 6, or 7. Federal limitations require you to use the lesser of qualified expenses, your earned income, or your spouse's earned income (if applicable) in the computation of the federal credit.

Line 9 — Enter your federal adjusted gross income from federal Form 1040A, line 22, or federal Form 1040, line 38.

Line 10 — Enter on line 10 the appropriate decimal amount for your federal adjusted gross income shown on line 9.

Line 11 — This is your eligible federal child and dependent care credit before any federal limitation. If you claimed the child and dependent care credit on your federal return, the amount shown on Form IT-216, line 11, should be the same as the amount shown on federal Form 2441, line 9, or federal Form 1040A, Schedule 2, line 9, before any federal limitation.

If you had qualified expenses for 2004 that you didn't pay until 2005, you may be able to claim these qualified expenses and increase the amount of credit you can take in 2005. If you can take a credit for 2004 expenses paid in 2005, write ***PYE*** and the amount of the credit you are claiming for prior year expenses on the dotted line next to line 11. Also include this amount in the line 11 amount box. Attach a statement showing how you figured the credit for 2004 expenses.

Line 12 — Transfer the amount from line 11 to line 12, and complete the remainder of Form IT-216.

Line 13 — For 2005, the New York State child and dependent care credit is a minimum of 20% and as much as 110% of the federal credit, depending on the amount of your New York adjusted gross income. Enter in the space provided your New York adjusted gross income using the following:

- **Form IT-150 filers –** amount from line 21 of Form IT-150.
- **Form IT-201 filers –** amount from line 33 of Form IT-201.
- **Form IT-203 filers –** amount from line 31 of Form IT-203.

If you filed a federal joint tax return, but were allowed to file as *Married filing separate return* for New York State income tax purposes, enter from the table below the decimal amount that applies to the amount shown on your federal return as federal adjusted gross income.

Line 14 — If you are attaching this claim to your original 2005 New York State income tax return and you answered *No* at line 1:

- **Residents:** Enter the line 14 amount on Form IT-150, line 38, or Form IT-201, line 63.

- **Nonresidents:** Enter the line 14 amount on Form IT-203, line 41.
- **Part-year residents:** Enter the line 14 amount on Form IT-203, line 41 **and continue** on line 15 of Form IT-216.

If you pay someone to prepare your return, the paid preparer must also sign and fill in the other blanks in the paid preparer's area of your return. A person who prepares your return and does not charge you should not fill in the paid preparer's area.

Line instructions for part-year residents only (lines 15-22)

Lines 15 through 22 need to be completed **only** by part-year residents claiming the New York State child and dependent care credit who are filing, or have previously filed, Form IT-203, *Nonresident and Part-Year Resident Income Tax Return,* for 2005. The amounts for these lines can be found on the appropriate lines of Form IT-203 or Form IT-203-ATT, *Other Tax Credits and Taxes*, or the instructions for Form IT-203.

The New York State child and dependent care credit must first reduce your tax liability to zero before the remaining excess is eligible to be refunded. The amount to be refunded will be based on the ratio of resident period income to the combined income from both the resident and nonresident periods.

Line 21 — Divide line 19 by line 20 and round the result to the fourth decimal place. **Do not enter more than 100% (1.0000)** even if your actual result is more than 100%. If the result is zero percent (0%), you have no remaining excess child care credit available to be refunded. Do not complete line 22.

Line 22 — If line 21 is greater than 0%, multiply line 18 by line 21 and enter the result on line 22. If you answered *No* at line 1, transfer the line 22 amount to Form IT-203-ATT, line 9 and attach Form IT-216 to your Form IT-203. This amount represents the refundable portion of your part-year resident child and dependent care credit.

New York State child and dependent care credit limitation table

If your New York adjusted gross income is - Over	But not over	Enter on line 13
$	25,000*	1.100
25,000	25,200	1.099
25,200	25,400	1.098
25,400	25,600	1.097
25,600	25,800	1.095
25,800	26,000	1.094
26,000	26,200	1.093
26,200	26,400	1.091
26,400	26,600	1.090
26,600	26,800	1.089
26,800	27,000	1.087
27,000	27,200	1.086
27,200	27,400	1.085
27,400	27,600	1.083
27,600	27,800	1.082
27,800	28,000	1.081
28,000	28,200	1.079
28,200	28,400	1.078
28,400	28,600	1.077
28,600	28,800	1.075
28,800	29,000	1.074
29,000	29,200	1.073
29,200	29,400	1.071
29,400	29,600	1.070
29,600	29,800	1.069
29,800	30,000	1.067
30,000	30,200	1.066
30,200	30,400	1.065
30,400	30,600	1.063
30,600	30,800	1.062
30,800	31,000	1.061
31,000	31,200	1.059
31,200	31,400	1.058
31,400	31,600	1.057
31,600	31,800	1.055
31,800	32,000	1.054
32,000	32,200	1.053
32,200	32,400	1.051

If your New York adjusted gross income is - Over	But not over	Enter on line 13
32,400	32,600	1.050
32,600	32,800	1.049
32,800	33,000	1.047
33,000	33,200	1.046
33,200	33,400	1.045
33,400	33,600	1.043
33,600	33,800	1.042
33,800	34,000	1.041
34,000	34,200	1.039
34,200	34,400	1.038
34,400	34,600	1.037
34,600	34,800	1.035
34,800	35,000	1.034
35,000	35,200	1.033
35,200	35,400	1.031
35,400	35,600	1.030
35,600	35,800	1.029
35,800	36,000	1.027
36,000	36,200	1.026
36,200	36,400	1.025
36,400	36,600	1.023
36,600	36,800	1.022
36,800	37,000	1.021
37,000	37,200	1.019
37,200	37,400	1.018
37,400	37,600	1.017
37,600	37,800	1.015
37,800	38,000	1.014
38,000	38,200	1.013
38,200	38,400	1.011
38,400	38,600	1.010
38,600	38,800	1.009
38,800	39,000	1.007
39,000	39,200	1.006
39,200	39,400	1.005
39,400	39,600	1.003
39,600	39,800	1.002
39,800	40,000	1.001

If your New York adjusted gross income is - Over	But not over	Enter on line 13
40,000	50,000	1.000
50,000	50,200	0.995
50,200	50,400	0.984
50,400	50,600	0.973
50,600	50,800	0.963
50,800	51,000	0.952
51,000	51,200	0.941
51,200	51,400	0.931
51,400	51,600	0.920
51,600	51,800	0.909
51,800	52,000	0.899
52,000	52,200	0.888
52,200	52,400	0.877
52,400	52,600	0.867
52,600	52,800	0.856
52,800	53,000	0.845
53,000	53,200	0.835
53,200	53,400	0.824
53,400	53,600	0.813
53,600	53,800	0.803
53,800	54,000	0.792
54,000	54,200	0.781
54,200	54,400	0.771
54,400	54,600	0.760
54,600	54,800	0.749
54,800	55,000	0.739
55,000	55,200	0.728
55,200	55,400	0.717
55,400	55,600	0.707
55,600	55,800	0.696
55,800	56,000	0.685
56,000	56,200	0.675
56,200	56,400	0.664
56,400	56,600	0.653
56,600	56,800	0.643
56,800	57,000	0.632
57,000	57,200	0.621
57,200	57,400	0.611

If your New York adjusted gross income is - Over	But not over	Enter on line 13
57,400	57,600	0.600
57,600	57,800	0.589
57,800	58,000	0.579
58,000	58,200	0.568
58,200	58,400	0.557
58,400	58,600	0.547
58,600	58,800	0.536
58,800	59,000	0.525
59,000	59,200	0.515
59,200	59,400	0.504
59,400	59,600	0.493
59,600	59,800	0.483
59,800	60,000	0.472
60,000	60,200	0.461
60,200	60,400	0.451
60,400	60,600	0.440
60,600	60,800	0.429
60,800	61,000	0.419
61,000	61,200	0.408
61,200	61,400	0.397
61,400	61,600	0.387
61,600	61,800	0.376
61,800	62,000	0.365
62,000	62,200	0.355
62,200	62,400	0.344
62,400	62,600	0.333
62,600	62,800	0.323
62,800	63,000	0.312
63,000	63,200	0.301
63,200	63,400	0.291
63,400	63,600	0.280
63,600	63,800	0.269
63,800	64,000	0.259
64,000	64,200	0.248
64,200	64,400	0.237
64,400	64,600	0.227
64,600	64,800	0.216
64,800	65,000	0.205
65,000	No Limit	0.200

*This may be any amount up to $25,000, including zero or a negative amount.

School districts and code numbers

If you were a part-year resident of New York State, use this list to find the name and code number of the public school district located in the county where you were last a New York State resident. (If you were also a part-year resident of New York City, look for your listing after Nassau County.) Enter the school district name and code number at the top of the front of your return in the spaces provided. If you do not know the name of your school district, contact the nearest public school to your New York State home. **We have extensively revised this list, updating the names of many school districts. Please check your school district name carefully.**

Caution: You must enter your school district and code number even if you were absent temporarily, if the school your children attended was not in your school district, or if you had no children attending school. School aid may be affected if your school district or code number is not correct.

Albany

Albany **005**
Berne-Knox-Westerlo **050**
Bethlehem **051**
Cairo-Durham **076**
Cohoes **122**
Duanesburg **153**
Green Island **236**
Greenville **240**
Guilderland **246**
Maplewood-Colonie **371**
Menands **388**
Middleburgh **393**
Mohonasen **402**
Niskayuna **439**
North Colonie **443**
Ravena-Coeymans-Selkirk **524**
Schalmont **568**
Schoharie **572**
South Colonie **595**
Voorheesville **660**
Watervliet **674**

Allegany

Alfred-Almond **010**
Andover **017**
Arkport **021**
Belfast **044**
Bolivar-Richburg **054**
Canaseraga **083**
Canisteo-Greenwood **086**
Cuba-Rushford **138**
Dalton-Nunda (Keshequa) **320**
Fillmore **192**
Friendship **209**
Genesee Valley **018**
Hinsdale **277**
Letchworth **339**
Pioneer **498**
Portville **512**
Scio **575**
Wellsville **683**
Whitesville **702**

Bronx

Bronx **068**

Brooklyn (see *Kings*)

Broome

Afton **003**
Bainbridge-Guilford **031**
Binghamton **053**
Chenango Forks **107**
Chenango Valley **108**
Cincinnatus **113**
Deposit **146**
Greene **238**
Harpursville **259**
Johnson City **313**
Maine-Endwell **364**
Marathon **372**
Newark Valley **432**
South Mountain-Hickory **720**
Susquehanna Valley **627**
Union-Endicott **651**
Vestal **658**
Whitney Point **703**
Windsor **710**

Cattaraugus

Allegany-Limestone **011**
Cattaraugus-Little Valley **094**
Cuba-Rushford **138**
Ellicottville **181**
Forestville **198**
Franklinville **205**
Frewsburg **208**
Gowanda **230**
Hinsdale **277**
Olean **462**
Pine Valley **497**
Pioneer **498**
Portville **512**
Randolph **522**
Salamanca **556**
Springville-Griffith Institute **244**
Ten Broeck Academy and Franklinville **205**
West Valley **690**

Cayuga

Auburn **025**
Cato-Meridian **092**
Groton **245**
Hannibal **257**
Homer **281**
Jordan-Elbridge **315**
Moravia **407**
Oswego **472**
Port Byron **507**
Red Creek **525**
Skaneateles **588**
Southern Cayuga **609**
Union Springs **650**
Weedsport **681**

Chautauqua

Bemus Point **048**
Brocton **067**
Cassadaga Valley **091**
Chautauqua Lake **104**
Clymer **119**
Dunkirk **155**
Falconer **189**
Forestville **198**
Fredonia **206**
Frewsburg **208**
Gowanda **230**
Jamestown **306**
Panama **479**
Pine Valley **497**
Randolph **522**
Ripley **536**
Sherman **583**
Silver Creek **587**
Southwestern **611**
Westfield Academy and Central **692**

Chemung

Corning-Painted Post **132**
Elmira **182**
Elmira Heights **183**
Horseheads **287**
Newfield **436**
Odessa-Montour **460**
Spencer-Van Etten **613**
Watkins Glen **675**
Waverly **676**

Chenango

Afton **003**
Bainbridge-Guilford **031**
Brookfield **070**
Chenango Forks **107**
Cincinnatus **113**
DeRuyter **141**
Gilbertsville-Mount Upton **222**
Greene **238**
Harpursville **259**
Norwich **455**
Otselic Valley **606**
Oxford Academy and Central **475**
Sherburne-Earlville **582**
Sidney **586**
Unadilla Valley **422**
Whitney Point **703**

Clinton

AuSable Valley **026**
Beekmantown **043**
Chateaugay **102**
Chazy **105**
Northeastern Clinton **418**
Northern Adirondack **453**
Peru **492**
Plattsburgh **503**
Saranac **560**
Saranac Lake **561**

Columbia

Chatham **103**
East Greenbush **158**
Germantown **221**
Hudson **289**
Ichabod Crane **294**
New Lebanon **426**
Pine Plains **496**
Red Hook **526**
Schodack **571**
Taconic Hills **632**
Webutuck (Northeast) **680**

Cortland

Cincinnatus **113**
Cortland **134**
DeRuyter **141**
Dryden **152**
Fabius-Pompey **187**
Greene **238**
Groton **245**
Homer **281**
Marathon **372**
McGraw **385**
Newark Valley **432**
Tully **646**
Whitney Point **703**

Delaware

Andes **016**
Bainbridge-Guilford **031**
Charlotte Valley **101**
Delhi **144**
Deposit **146**
Downsville **150**
Franklin **203**
Gilboa-Conesville **223**
Hancock **256**

Delaware *(continued)*

Jefferson **310**
Livingston Manor **349**
Margaretville **375**
Oneonta **464**
Roscoe **545**
Roxbury **547**
Sidney **586**
South Kortright **601**
Stamford **620**
Sullivan West **143**
Unatego **649**
Walton **663**
Worcester **711**

Dutchess

Arlington **022**
Beacon **040**
Carmel **089**
Dover **149**
Haldane **249**
Hyde Park **293**
Millbrook **396**
Pawling **483**
Pine Plains **496**
Poughkeepsie **514**
Red Hook **526**
Rhinebeck **531**
Spackenkill **612**
Taconic Hills **632**
Wappingers **665**
Webutuck (Northeast) **680**

Erie

Akron **004**
Alden **007**
Amherst **719**
Attica **024**
Buffalo **073**
Cheektowaga **106**
Cheektowaga-Sloan **589**
Clarence **114**
Cleveland Hill **115**
Depew **145**
East Aurora **156**
Eden **171**
Frontier **210**
Gowanda **230**
Grand Island **232**
Hamburg **251**
Holland **278**
Iroquois **300**
Kenmore-Town of Tonawanda **319**
Lackawanna **326**
Lake Shore (Evans-Brant) **330**
Lancaster **332**
Maryvale **378**
North Collins **442**
Orchard Park **468**
Pioneer **498**
Silver Creek **587**
Springville-Griffith Institute **244**
Sweet Home **628**
Tonawanda City **638**
West Seneca **689**
Williamsville **706**

School districts and code numbers

Essex

AuSable Valley **026**
Crown Point **137**
Elizabethtown-Lewis **179**
Keene **317**
Lake Placid **328**
Minerva **399**
Moriah **408**
Newcomb **434**
Putnam **517**
Saranac Lake **561**
Schroon Lake **573**
Ticonderoga **636**
Westport **696**
Willsboro **707**

Franklin

AuSable Valley **026**
Brasher Falls **058**
Brushton-Moira **072**
Chateaugay **102**
Malone **365**
Northern Adirondack **453**
Salmon River **558**
Saranac Lake **561**
St. Regis Falls **619**
Tupper Lake **647**

Fulton

Amsterdam **015**
Broadalbin-Perth **065**
Dolgeville **148**
Edinburg **173**
Fonda-Fultonville **197**
Fort Plain **201**
Galway **212**
Gloversville **227**
Johnstown **314**
Mayfield **383**
Northville **454**
Oppenheim-Ephratah **467**
Saint Johnsville **618**
Wheelerville **698**

Genesee

Akron **004**
Albion **006**
Alden **007**
Alexander **008**
Attica **024**
Batavia **036**
Brockport **066**
Byron-Bergen **075**
Caledonia-Mumford **077**
Elba **177**
Iroquois **300**
Le Roy **338**
Medina **387**
Oakfield-Alabama **458**
Pavilion **482**
Pembroke **487**
Royalton-Hartland **548**
Wyoming **714**

Greene

Cairo-Durham **076**
Catskill **093**
Coxsackie-Athens **135**
Gilboa-Conesville **223**
Greenville **240**
Hunter-Tannersville **291**
Margaretville **375**
Onteora **466**
Ravena-Coeymans-Selkirk **524**
Windham-Ashland-Jewett **709**

Hamilton

Indian Lake **296**
Inlet **298**
Lake Pleasant **329**
Long Lake **354**
Northville **454**
Piseco **499**
Poland **506**
Raquette Lake **523**
Wells **682**

Herkimer

Adirondack **002**
Cherry Valley-Springfield **616**
Dolgeville **148**
Fort Plain **201**
Frankfort-Schuyler **202**
Herkimer **268**
Holland Patent **279**
Ilion **295**
Little Falls **346**
Mohawk **401**
Mount Markham **412**
New Hartford **424**
Oppenheim-Ephratah **467**
Owen D. Young
(Van Hornesville) **474**
Poland **506**
Remsen **528**
Richfield Springs **533**
Sauquoit Valley **564**
Saint Johnsville **618**
Town of Webb **639**
West Canada Valley **685**
Whitesboro **701**

Jefferson

Alexandria **009**
Belleville Henderson **045**
Carthage **090**
Copenhagen **129**
General Brown **217**
Gouverneur **229**
Hammond **253**
Indian River **297**
LaFargeville **324**
Lyme **356**
Sackets Harbor **288**
Sandy Creek **559**
South Jefferson **600**
Thousand Islands **634**
Watertown **672**

Kings (Brooklyn)

Brooklyn **071**

Lewis

Adirondack **002**
Beaver River **041**
Camden **079**
Carthage **090**
Copenhagen **129**
Harrisville **261**
Lowville Academy and
Central **355**
Sandy Creek **559**
South Jefferson **600**
South Lewis **602**

Livingston

Avon **029**
Caledonia-Mumford **077**
Canaseraga **083**
Dalton-Nunda (Keshequa) **320**

Livingston *(continued)*

Dansville **140**
Geneseo **218**
Honeoye **282**
Honeoye Falls-Lima **283**
Le Roy **338**
Livonia **350**
Mount Morris **413**
Naples **420**
Pavilion **482**
Perry **490**
Wayland-Cohocton **677**
Wheatland-Chili **697**
York **716**

Madison

Brookfield **070**
Canastota **084**
Cazenovia **095**
Chittenango **111**
DeRuyter **141**
East Syracuse-Minoa **167**
Edmeston **174**
Fabius-Pompey **187**
Fayetteville-Manlius **370**
Hamilton **252**
Madison **361**
Morrisville-Eaton **411**
Mount Markham **412**
Oneida **463**
Otselic Valley **606**
Sherburne-Earlville **582**
Stockbridge Valley **624**
Unadilla Valley **422**
Vernon-Verona-Sherrill **584**
Waterville **673**

Manhattan (see *New York*)

Monroe

Avon **029**
Brighton **063**
Brockport **066**
Byron-Bergen **075**
Caledonia-Mumford **077**
Churchville-Chili **112**
East Irondequoit **160**
East Rochester **165**
Fairport **188**
Gates Chili **216**
Greece **235**
Hilton **276**
Holley **280**
Honeoye Falls-Lima **283**
Kendall **318**
Penfield **488**
Pittsford **500**
Rochester **538**
Rush-Henrietta **549**
Spencerport **614**
Victor **659**
Wayne **678**
Webster **679**
West Irondequoit **299**
Wheatland-Chili **697**

Montgomery

Amsterdam **015**
Broadalbin-Perth **065**
Canajoharie **081**
Cherry Valley-Springfield **616**
Cobleskill-Richmondville **120**
Duanesburg **153**

Montgomery *(continued)*

Fonda-Fultonville **197**
Fort Plain **201**
Galway **212**
Johnstown **314**
Owen D. Young
(Van Hornesville) **474**
Saint Johnsville **618**
Schalmont **568**
Schoharie **572**
Scotia-Glenville **576**
Sharon Springs **579**

Nassau

Amityville **014**
Baldwin **032**
Bellmore **046**
Bellmore-Merrick CHS*
Bethpage **052**
Carle Place **088**
Cold Spring Harbor **123**
East Meadow **162**
East Rockaway **166**
East Williston **168**
Elmont **184**
Farmingdale **191**
Floral Park-Bellerose **195**
Franklin Square **204**
Freeport **207**
Garden City **214**
Glen Cove **224**
Great Neck **234**
Hempstead **265**
Herricks **270**
Hewlett-Woodmere **272**
Hicksville **273**
Island Park **302**
Island Trees **303**
Jericho **311**
Lawrence **337**
Levittown **340**
Locust Valley **352**
Long Beach **353**
Lynbrook **357**
Malverne **366**
Manhasset **368**
Massapequa **379**
Merrick **389**
Mineola **398**
New Hyde Park-
Garden City Park **425**
North Bellmore **441**
North Merrick **444**
North Shore **448**
Oceanside **459**
Oyster Bay-East Norwich **476**
Plainedge **501**
Plainview-Old Bethpage **502**
Port Washington **511**
Rockville Centre **539**
Roosevelt **544**
Roslyn **546**
Seaford **577**
Sewanhaka CHS*
Syosset **630**
Uniondale **652**
Valley Stream CHS*
Valley Stream 13 **655**
Valley Stream 24 **656**
Valley Stream 30 **657**
Wantagh **664**
Westbury **691**
West Hempstead **687**

* Do not use a high school district (CHS) in Bellmore-Merrick, Sewanhaka, or Valley Stream. Use the code number for the elementary school district where you live.

(continued)

New York – Staten Island

School districts and code numbers

New York (Manhattan)

Manhattan **369**

New York City (see individual counties)

Niagara

Akron **004**
Barker **035**
Lewiston-Porter **341**
Lockport **351**
Medina **387**
Newfane **435**
Niagara Falls **437**
Niagara Wheatfield **438**
North Tonawanda **450**
Royalton-Hartland **548**
Starpoint **621**
Wilson **708**

Oneida

Adirondack **002**
Brookfield **070**
Camden **079**
Central Square **098**
Clinton **117**
Holland Patent **279**
Madison **361**
Mount Markham **412**
New Hartford **424**
New York Mills **430**
Oneida **463**
Oriskany **469**
Poland **506**
Remsen **528**
Rome **541**
Sauquoit Valley **564**
Stockbridge Valley **624**
Town of Webb **639**
Utica **653**
Vernon-Verona-Sherrill **584**
Waterville **673**
West Canada Valley **685**
Westmoreland **695**
Whitesboro **701**

Onondaga

Baldwinsville **033**
Cato-Meridian **092**
Cazenovia **095**
Central Square **098**
Chittenango **111**
DeRuyter **141**
East Syracuse-Minoa **167**
Fabius-Pompey **187**
Fayetteville-Manlius **370**
Homer **281**
Jamesville-Dewitt **307**
Jordan-Elbridge **315**
LaFayette **325**
Liverpool **348**
Lyncourt **358**
Marcellus **373**
Moravia **407**
North Syracuse **449**
Onondaga **465**
Phoenix **494**
Skaneateles **588**
Solvay **593**
Syracuse **631**
Tully **646**
West Genesee **686**
Westhill **694**

Ontario

Bloomfield **157**
Canandaigua **082**
Geneva **219**
Honeoye **282**
Honeoye Falls-Lima **283**
Livonia **350**
Lyons **360**
Manchester-Shortsville (Red Jacket) **527**
Marcus Whitman **374**
Naples **420**
Newark **431**
Palmyra-Macedon **478**
Penn Yan **489**
Phelps-Clifton Springs (Midlakes) **493**
Pittsford **500**
Victor **659**
Wayland-Cohocton **677**

Orange

Chester **110**
Cornwall **133**
Eldred **178**
Florida **196**
Goshen **228**
Greenwood Lake **243**
Highland Falls-Fort Montgomery **275**
Kiryas Joel Village **725**
Marlboro **377**
Middletown **394**
Minisink Valley **400**
Monroe-Woodbury **403**
Newburgh **433**
North Rockland **445**
Pine Bush **495**
Port Jervis **510**
Ramapo **626**
Tuxedo **648**
Valley **405**
Wallkill **662**
Warwick Valley **668**
Washingtonville **669**

Orleans

Albion **006**
Barker **035**
Brockport **066**
Byron-Bergen **075**
Holley **280**
Kendall **318**
Lyndonville **359**
Medina **387**
Oakfield-Alabama **458**
Royalton-Hartland **548**

Oswego

Altmar-Parish-Williamstown **012**
Camden **079**
Cato-Meridian **092**
Central Square **098**
Fulton **211**
Hannibal **257**
Mexico Academy and Central **390**
Oswego **472**
Phoenix **494**
Pulaski Academy and Central **516**
Sandy Creek **559**
South Jefferson **600**

Otsego

Bainbridge-Guilford **031**
Charlotte Valley **101**
Cherry Valley-Springfield **616**
Cobleskill-Richmondville **120**
Cooperstown **128**
Edmeston **174**
Franklin **203**
Gilbertsville-Mount Upton **222**
Laurens **336**
Milford **395**
Morris **409**
Mount Markham **412**
Oneonta **464**
Owen D. Young (Van Hornesville) **474**
Richfield Springs **533**
Schenevus (Andrew S. Draper) **570**
Sharon Springs **579**
Sidney **586**
Unadilla Valley **422**
Unatego **649**
Worcester **711**

Putnam

Brewster **060**
Carmel **089**
Garrison **215**
Haldane **249**
Lakeland **331**
Mahopac **363**
North Salem **447**
Pawling **483**
Putnam Valley **518**
Wappingers **665**

Queens

Queens **519**

Rensselaer

Averill Park **027**
Berlin **049**
Brunswick (Brittonkill) **064**
Cambridge **078**
East Greenbush **158**
Hoosick Falls **285**
Hoosic Valley **284**
Ichabod Crane **294**
Lansingburgh **334**
Mechanicville **386**
New Lebanon **426**
North Greenbush (Williams) **704**
Rensselaer **530**
Schodack **571**
Stillwater **623**
Troy **642**
Wynantskill **713**

Richmond (Staten Island)

Staten Island **622**

Rockland

Clarkstown **423**
East Ramapo **615**
Nanuet **419**
North Rockland **445**
Nyack **457**
Pearl River **484**
Ramapo **626**
South Orangetown **605**

Saratoga

Amsterdam **015**
Ballston Spa **034**
Broadalbin-Perth **065**
Burnt Hills-Ballston Lake **074**
Corinth **131**
Edinburg **173**
Galway **212**
Hadley-Luzerne **247**
Hudson Falls **290**
Mechanicville **386**
Niskayuna **439**
Northville **454**
Saratoga Springs **562**
Schuylerville **574**
Scotia-Glenville **576**
Shenendehowa **581**
South Glens Falls **597**
Stillwater **623**
Waterford-Halfmoon **670**

Schenectady

Amsterdam **015**
Burnt Hills-Ballston Lake **074**
Duanesburg **153**
Galway **212**
Mohonasen **402**
Niskayuna **439**
Schalmont **568**
Schenectady **569**
Schoharie **572**
Scotia-Glenville **576**
South Colonie **595**

Schoharie

Berne-Knox-Westerlo **050**
Cairo-Durham **076**
Canajoharie **081**
Charlotte Valley **101**
Cobleskill-Richmondville **120**
Duanesburg **153**
Fonda-Fultonville **197**
Gilboa-Conesville **223**
Greenville **240**
Jefferson **310**
Middleburgh **393**
Schoharie **572**
Sharon Springs **579**
Stamford **620**

Schuyler

Bradford **057**
Corning-Painted Post **132**
Dundee **154**
Hammondsport **254**
Horseheads **287**
Odessa-Montour **460**
South Seneca **607**
Spencer-Van Etten **613**
Trumansburg **643**
Watkins Glen **675**

Seneca

Clyde-Savannah **118**
Geneva **219**
Lyons **360**
Phelps-Clifton Springs (Midlakes) **493**
Romulus **542**
Seneca Falls **578**
South Seneca **607**
Trumansburg **643**
Waterloo **671**

Staten Island *(see Richmond)*

School districts and code numbers

Steuben

Addison **001**
Alfred-Almond **010**
Andover **017**
Arkport **021**
Avoca **028**
Bath **037**
Bradford **057**
Campbell-Savona **080**
Canaseraga **083**
Canisteo-Greenwood **086**
Corning-Painted Post **132**
Dansville **140**
Elmira **182**
Hammondsport **254**
Hornell **286**
Jasper-Troupsburg **308**
Naples **420**
Penn Yan **489**
Prattsburg **515**
Wayland-Cohocton **677**
Whitesville **702**

St. Lawrence

Alexandria **009**
Brasher Falls **058**
Brushton-Moira **072**
Canton **087**
Clifton-Fine **116**
Colton-Pierrepont **124**
Edwards-Knox **724**
Gouverneur **229**
Hammond **253**
Harrisville **261**
Hermon-DeKalb **269**
Heuvelton **271**
Indian River **297**
Lisbon **345**
Madrid-Waddington **362**
Massena **380**
Morristown **410**
Norwood-Norfolk **456**
Ogdensburg **461**
Parishville-Hopkinton **480**
Potsdam **513**
Salmon River **558**
St. Regis Falls **619**
Tupper Lake **647**

Suffolk

Amagansett **013**
Amityville **014**
Babylon **030**
Bayport-Blue Point **039**
Bay Shore **038**
Brentwood **059**
Bridgehampton **062**
Center Moriches **096**
Central Islip **097**
Cold Spring Harbor **123**
Commack **125**
Comsewogue **126**
Connetquot **127**
Copiague **130**
Deer Park **142**
East Hampton **159**
East Islip **161**
East Moriches **163**
Eastport/South Manor **170**
East Quogue **164**
Elwood **186**
Farmingdale **191**
Fire Island **193**
Fishers Island **194**
Greenport **239**
Half Hollow Hills **250**
Hampton Bays **255**

Suffolk *(continued)*

Harborfields **258**
Hauppauge **264**
Huntington **292**
Islip **304**
Kings Park **321**
Lindenhurst **344**
Longwood **392**
Mattituck-Cutchogue **382**
Middle Country **391**
Miller Place **397**
Montauk **404**
Mount Sinai **414**
New Suffolk **429**
North Babylon **440**
Northport-East Northport **452**
Oysterponds **477**
Patchogue-Medford **481**
Port Jefferson **509**
Quogue **521**
Remsenburg-Speonk **529**
Riverhead **537**
Rocky Point **540**
Sachem **553**
Sagaponack **555**
Sag Harbor **554**
Sayville **566**
Shelter Island **580**
Shoreham-Wading River **585**
Smithtown **590**
Southampton **608**
South Country **596**
South Huntington **599**
Southold **610**
Springs **617**
Three Village **635**
Tuckahoe Common **645**
Wainscott **661**
West Babylon **684**
Westhampton Beach **693**
West Islip **688**
William Floyd **381**
Wyandanch **712**

Sullivan

Eldred **178**
Ellenville **180**
Fallsburg **190**
Liberty **342**
Livingston Manor **349**
Minisink Valley **400**
Monticello **406**
Pine Bush **495**
Port Jervis **510**
Sullivan West **143**
Roscoe **545**
Tri-Valley **640**

Tioga

Candor **085**
Dryden **152**
Ithaca **305**
Maine-Endwell **364**
Marathon **372**
Newark Valley **432**
Owego Apalachin **473**
Spencer-Van Etten **613**
Tioga **637**
Union-Endicott **651**
Vestal **658**
Waverly **676**
Whitney Point **703**

Tompkins

Candor **085**
Cortland **134**
Dryden **152**

Tompkins *(continued)*

Groton **245**
Homer **281**
Ithaca **305**
Lansing **333**
Moravia **407**
Newark Valley **432**
Newfield **436**
Odessa-Montour **460**
Southern Cayuga **609**
Spencer-Van Etten **613**
Trumansburg **643**

Ulster

Ellenville **180**
Fallsburg **190**
Highland **274**
Kingston **322**
Livingston Manor **349**
Margaretville **375**
Marlboro **377**
New Paltz **427**
Onteora **466**
Pine Bush **495**
Rondout Valley **543**
Saugerties **563**
Tri-Valley **640**
Valley **405**
Wallkill **662**

Warren

Abraham Wing **226**
Bolton **055**
Corinth **131**
Glens Falls **225**
Hadley-Luzerne **247**
Hudson Falls **290**
Johnsburg **312**
Lake George **327**
Minerva **399**
North Warren **451**
Queensbury **520**
Schroon Lake **573**
Ticonderoga **636**
Warrensburg **666**

Washington

Argyle **020**
Cambridge **078**
Fort Ann **199**
Fort Edward **200**
Granville **233**
Greenwich **241**
Hartford **262**
Hoosick Falls **285**
Hoosic Valley **284**
Hudson Falls **290**
Lake George **327**
Putnam **517**
Salem **557**
Schuylerville **574**
Stillwater **623**
Whitehall **700**

Wayne

Cato-Meridian **092**
Clyde-Savannah **118**
Gananda **213**
Lyons **360**
Marion **376**
North Rose-Wolcott **446**
Newark **431**
Palmyra-Macedon **478**
Penfield **488**
Phelps-Clifton Springs (Midlakes) **493**
Port Byron **507**

Wayne *(continued)*

Red Creek **525**
Sodus **592**
Victor **659**
Wayne **678**
Webster **679**
Williamson **705**

Westchester

Ardsley **019**
Bedford **042**
Blind Brook **535**
Briarcliff Manor **061**
Bronxville **069**
Byram Hills **023**
Chappaqua **100**
Croton-Harmon **136**
Dobbs Ferry **147**
Eastchester **169**
Edgemont **172**
Elmsford **185**
Greenburgh Central 7 **237**
Harrison **260**
Hastings-on-Hudson **263**
Hendrick Hudson **267**
Irvington **301**
Katonah-Lewisboro **316**
Lakeland **331**
Mamaroneck **367**
Mount Pleasant **417**
Mount Vernon **416**
New Rochelle **428**
North Salem **447**
Ossining **471**
Peekskill **485**
Pelham **486**
Pleasantville **504**
Pocantico Hills **505**
Port Chester **508**
Putnam Valley **518**
Rye **551**
Rye Neck **552**
Scarsdale **567**
Somers **594**
Tarrytowns **633**
Tuckahoe Union Free **644**
Valhalla **654**
White Plains **699**
Yonkers **715**
Yorktown **717**

Wyoming

Alden **007**
Alexander **008**
Attica **024**
Dalton-Nunda (Keshequa) **320**
Fillmore **192**
Holland **278**
Iroquois **300**
Letchworth **339**
Pavilion **482**
Perry **490**
Pioneer **498**
Warsaw **667**
Wyoming **714**
York **716**

Yates

Dundee **154**
Geneva **219**
Marcus Whitman **374**
Naples **420**
Penn Yan **489**
Prattsburg **515**

New York State Department of Taxation and Finance

New York State, City of New York, and City of Yonkers Certificate of Nonresidence and Allocation of Withholding Tax

IT-2104.1
(7/04)

Employee: Complete this form and return it to your employer. If you become a New York State, New York City, or Yonkers resident, or you substantially change the percentage of services performed within New York State or Yonkers, you must notify your employer within 10 days. A penalty of $500 may be imposed for furnishing false information that decreases the withholding amount.

Employee's first name and middle initial	Last name	Social security number	**Employer's** name		
Street address			Street address		
City	State	ZIP code	City	State	ZIP code

Mark an *X* in the appropriate boxes below:

(See definitions for *resident, nonresident,* and *part-year resident* on the back of this form.)

Part 1 — New York State

☐ I certify that I am not a resident of New York State and that my residence is as stated above.

☐ I estimate that _____ % of my services during the year will be performed within New York State and subject to New York State withholding tax.

Part 2 — New York City

☐ I certify that I am not a resident of New York City and that my residence is as stated above.

Part 3 — Yonkers

☐ I certify that I am not a resident of Yonkers and that my residence is as stated above.

☐ I estimate that _____ % of my services during the year will be performed within Yonkers.

I will notify my employer within 10 days of any change in the percentage of my services performed within New York State or Yonkers, or of a change in my status from nonresident to resident of New York State, New York City, or Yonkers.

Employee's signature	Date

Employer: You must withhold the applicable amount of New York State, New York City, or Yonkers tax from wages (or from the percentage of wages shown above) paid to employees who file this certificate. **Keep this certificate with your records. You must keep this certificate and have it available for inspection by the Tax Department.**

Resident and *nonresident* defined

To determine whether or not you are a resident of New York State, New York City, or Yonkers, you must consider your domicile and permanent place of abode. In general, your *domicile* is the place you intend to have as your permanent home. A *permanent place of abode* is a residence (a building or structure where a person can live) you permanently maintain, whether you own it or not, and usually includes a residence your husband or wife owns or leases.

Resident

New York State resident — You are a New York State resident if:

1. Your domicile is not New York State but you maintain a permanent place of abode in New York State and spend 184 days or more in New York State during the taxable year. However, if you are a member of the armed forces, and your domicile is not New York State, you are not a resident under this definition; **or**
2. Your domicile is New York State. However, even if your domicile is New York State, you are not a resident if you meet **all three** of the conditions in either Group A or Group B as follows:

   Group A

   1. You did not maintain any permanent place of abode in New York State during the tax year, **and**
   2. you maintained a permanent place of abode outside New York State during the entire tax year, **and**
   3. you spent **30 days or less** in New York State during the tax year.

   Group B

   1. You were in a foreign country for at least 450 days during any period of 548 consecutive days, **and**
   2. you spent **90 days or less** in New York State during this 548-day period, and your spouse (unless legally separated) or minor children spent **90 days or less** in New York State during this 548-day period in a permanent place of abode maintained by you; **and**
   3. during the nonresident portion of the tax year in which the 548-day period begins, and during the nonresident portion of the tax year in which the 548-day period ends, you were present in New York State for no more than the number of days that bears the same ratio to 90 as the number of days in such portion of the tax year bears to 548. This condition is illustrated by the following formula:

$$\frac{\text{number of days in the nonresident portion}}{548} \times 90 = \text{maximum days allowed in New York State}$$

To determine if you are a New York City or Yonkers resident, substitute *New York City* or *Yonkers,* whichever is applicable, for *New York State* in the above definition.

Nonresident and part-year resident

You are a *nonresident* if you do not meet the above definition of a resident. You are a *part-year resident* if you meet the definition of resident or nonresident for only part of the year.

Percent of services

The percent of services performed in New York State or Yonkers may be computed using days, miles, time, or similar criteria. For example, an individual working in New York State two out of five days for the entire year performs 40% of his or her services in New York State.

Privacy notification

The Commissioner of Taxation and Finance may collect and maintain personal information pursuant to the New York State Tax Law, including but not limited to, sections 171, 171-a, 287, 308, 429, 475, 505, 697, 1096, 1142, and 1415 of that Law; and may require disclosure of social security numbers pursuant to 42 USC 405(c)(2)(C)(i).

This information will be used to determine and administer tax liabilities and, when authorized by law, for certain tax offset and exchange of tax information programs as well as for any other lawful purpose.

Information concerning quarterly wages paid to employees is provided to certain state agencies for purposes of fraud prevention, support enforcement, evaluation of the effectiveness of certain employment and training programs and other purposes authorized by law.

Failure to provide the required information may subject you to civil or criminal penalties, or both, under the Tax Law.

This information is maintained by the Director of Records Management and Data Entry, NYS Tax Department, W A Harriman Campus, Albany NY 12227; telephone 1 800 225-5829. From areas outside the United States and outside Canada, call (518) 485-6800.

Need help?

Internet access: *www.nystax.gov*
Access our Answer Center for answers to frequently-asked questions; check your refund status; check your estimated tax account; download forms, publications; get tax updates and other information.

Fax-on-demand forms: Forms are available 24 hours a day, 7 days a week. 1 800 748-3676

Telephone assistance is available from 8:00 A.M. to 5:00 P.M. (eastern time), Monday through Friday.

Refund status: 1 800 443-3200
(Automated service for refund status is available 24 hours a day, 7 days a week.)

To order forms and publications: 1 800 462-8100

Personal Income Tax Information Center: 1 800 225-5829

From areas outside the U.S. and outside Canada: (518) 485-6800

Hotline for the hearing and speech impaired: If you have access to a telecommunications device for the deaf (TDD), contact us at 1 800 634-2110. If you do not own a TDD, check with independent living centers or community action programs to find out where machines are available for public use.

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, please call 1 800 225-5829.

New York State Department of Taxation and Finance

Employee's Withholding Allowance Certificate

IT-2104

New York State • New York City • Yonkers

2006

Print or type		
First name and middle initial	Last name	Your social security number
Permanent home address *(number and street or rural route)*	Apartment number	Single or Head of household ☐ Married ☐ Married, but withhold at higher single rate ☐
City, village, or post office	State / ZIP code	**Note:** If married but legally separated, mark an ***X*** in the *Single or Head of household* box.

Are you a resident of New York City? Yes ☐ No ☐

Are you a resident of Yonkers? Yes ☐ No ☐

Complete the worksheet on page 3 before making any entries.

1 Total number of allowances you are claiming for New York State and Yonkers, if applicable *(from line 19)*	**1.**	
2 Total number of allowances for New York City *(from line 28)*	**2.**	

Use lines 3, 4, and 5 below to have additional withholding per pay period under special agreement with your employer.

3 New York State amount	**3.**	
4 New York City amount	**4.**	
5 Yonkers amount	**5.**	

I certify that I am entitled to the number of withholding allowances claimed on this certificate.

Employee's signature	Date

Penalty — A penalty of $500 may be imposed for any false statement you make that decreases the amount of money you have withheld from your wages. You may also be subject to criminal penalties.

Employee: detach this page and give it to your employer.

Employer's name and address *(Employer: complete this section only if you must send a copy of this form to the NYS Tax Department.)*	Employer identification number

Employers only: Please mark an ***X*** in the appropriate box(es) to indicate why you are sending a copy of this form to New York State:

Employee is a new hire ☐ Employee claimed more than 14 exemption allowances for New York State ☐

Need help?

Internet access: *www.nystax.gov*
Access our Answer Center for answers to frequently asked questions; check your refund status; check your estimated tax account; download forms, publications; get tax updates and other information.

Fax-on-demand forms: Forms are available 24 hours a day, 7 days a week. 1 800 748-3676

Telephone assistance is available from 8:00 A.M. to 5:00 P.M. (eastern time), Monday through Friday.

Refund status: 1 800 443-3200
(Automated service for refund status is available 24 hours a day, 7 days a week.)

To order forms and publications: 1 800 462-8100

Personal Income Tax Information Center: 1 800 225-5829

From areas outside the U.S. and outside Canada: (518) 485-6800

Hearing and speech impaired: (telecommunications device for the deaf (TDD) callers only): 1 800 634-2110

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, please call 1 800 225-5829.

Privacy notification

The Commissioner of Taxation and Finance may collect and maintain personal information pursuant to the New York State Tax Law, including but not limited to, sections 171, 171-a, 287, 308, 429, 475, 505, 697, 1096, 1142, and 1415 of that Law; and may require disclosure of social security numbers pursuant to 42 USC 405(c)(2)(C)(i).

This information will be used to determine and administer tax liabilities and, when authorized by law, for certain tax offset and exchange of tax information programs as well as for any other lawful purpose.

Information concerning quarterly wages paid to employees is provided to certain state agencies for purposes of fraud prevention, support enforcement, evaluation of the effectiveness of certain employment and training programs and other purposes authorized by law.

Failure to provide the required information may subject you to civil or criminal penalties, or both, under the Tax Law.

This information is maintained by the Director of Records Management and Data Entry, NYS Tax Department, W A Harriman Campus, Albany NY 12227; telephone 1 800 225-5829. From areas outside the United States and outside Canada, call (518) 485-6800.

Instructions

Changes for 2006

The chart in Part 4, used to compute your withholding allowances or to enter an additional dollar amount on lines 3, 4, or 5 on Form IT-2104, has been revised for tax year 2006. If you filed a 2005 Form IT-2104 and used a chart on page 4 of the 2005 form, you should complete a new 2006 Form IT-2104 and give it to your employer.

Who should file this form

This certificate, Form IT-2104, is completed by an employee and given to the employer to instruct the employer how much New York State (and New York City and Yonkers) tax to withhold from the employee's pay. The more allowances claimed, the lower the amount of tax withheld.

If you do not file Form IT-2104, your employer may use the same number of allowances you claimed on federal Form W-4. Due to differences in tax law, this may result in the wrong amount of tax withheld for New York State, New York City, and Yonkers. Complete Form IT-2104 each year and file it with your employer if the number of allowances you may claim is different from federal Form W-4 or has changed. Common reasons for completing a new Form IT-2104 each year include the following:

- You started a new job.
- You are no longer a dependent.
- Your individual circumstances may have changed (for example, you were married or have an additional child).
- You itemize your deductions on your personal income tax return.
- You claim allowances for New York State credits.
- You owed tax or received a large refund when you filed your personal income tax return for the past year.
- Your wages have increased and you expect to earn $100,000 or more during the tax year.
- The total income of you and your spouse has increased to $100,000 or more for the tax year.
- You have significantly more or less income from other sources or from another job.
- You no longer qualify for exemption from withholding.
- You have been advised by the Internal Revenue Service that you are entitled to fewer allowances than claimed on your original federal Form W-4, and the disallowed allowances were claimed on your original Form IT-2104.

Employee: detach and give page 1 to your employer; keep page 3 for your records.

Exemption from withholding

You cannot use Form IT-2104 to claim exemption from withholding. To claim exemption from income tax withholding, you **must** file Form IT-2104-E, *Certificate of Exemption from Withholding*, with your employer. You must file a new certificate each year that you qualify for exemption. This exemption from withholding is allowable only if you had no New York income tax liability in the prior year, you expect none in the current year, **and** you are over 65 years of age, under 18, or a full-time student under 25. If you are a dependent who is under 18 or a full-time student, you may owe tax if your income is more than $3,000.

Withholding allowances

You may **not** claim a withholding allowance for yourself or, if married, your spouse. Claim the number of withholding allowances you compute in Part 1 and Part 3 on page 3 of this form. If you want more tax withheld, you may claim fewer allowances. **If you claim more than 14 allowances,** your employer **must send** a copy of your **Form IT-2104** to the New York State Tax Department. You may then be asked to verify your allowances. If you arrive at negative allowances (less than zero) on lines 1, 2, 19, or 28, and your employer cannot accommodate negative allowances, **enter *0*** and see *Additional dollar amount(s)* below.

Income from sources other than wages — If you have more than $1,000 of income from sources other than wages (such as interest, dividends, or alimony received), reduce the number of allowances claimed on line 1 and line 2 (if applicable) of the IT-2104 certificate by one for each $1,000 of nonwage income. If you arrive at negative allowances (less than zero), see *Withholding allowances* above. You may also consider filing estimated tax, especially if you have significant amounts of nonwage income. Estimated tax requires that payments be made by the employee directly to the Tax Department on a quarterly basis. For more information, see the instructions for Form IT-2105, *Estimated Income Tax Payment Voucher for Individuals*, or see *Need help?* on page 1.

Other credits (Worksheet line 12) **—** If you will be eligible to claim any credits other than the credits listed, such as an investment tax credit, you may claim additional allowances as follows:

- If you expect your New York adjusted gross income to be less than $50,000, divide the amount of the expected credit by 60 and enter the result (round to the nearest whole number) on line 12.
- If you expect your New York adjusted gross income to be more than $50,000, divide the amount of the expected credit by 70 and enter the result (round to the nearest whole number) on line 12.

Example: *You expect your New York adjusted gross income to exceed $50,000. In addition, you expect to receive a flow-through of an investment tax credit from the S corporation of which you are a shareholder. The investment tax credit will be $160. Divide the expected credit by 70. 160/70 = 2.2857. The additional withholding allowance(s) would be 2. Enter **2** on line 12.*

Married couples with both spouses working — If you and your spouse both work, you should each file a separate IT-2104 certificate with your respective employers. You should each mark an ***X*** in the box *Married, but withhold at higher single rate* on the certificate front, and divide the total number of allowances that you compute on line 19 and line 28 (if applicable) between you and your working spouse. Your withholding will better match your total tax if the higher wage-earning spouse claims all of the couple's allowances and the lower wage-earning spouse claims zero allowances. **Do not** claim more total allowances than you are entitled to. If you and your spouse's combined income is between $100,000 and $150,000, use the chart in Part 4 to compute the number of allowances to transfer to Part 1, line 18.

Taxpayers with more than one job — If you have more than one job, file a separate IT-2104 certificate with each of your employers. Be sure to claim only the total number of allowances that you are entitled to. Your withholding will better match your total tax if you claim all of your allowances at your higher-paying job and zero allowances at the lower-paying job. In addition, to make sure that you have enough tax withheld, if you are a single taxpayer or head of household with two or more jobs, reduce the number of allowances by six on line 1 and line 2 (if applicable) on the certificate you file with your higher-paying job employer. If you arrive at negative allowances (less than zero), see *Withholding allowances* above.

Single taxpayers or heads of household — If you are a single taxpayer or head of household and your total income is between $100,000 and $150,000, use the chart in Part 4 to compute the number of allowances to transfer to Part 1, line 18. Substitute the words *Highest paying job* for *Higher earner's wages* within the chart.

Dependents — If you are a dependent of another taxpayer and expect your income to exceed $3,000, you should reduce your withholding allowances by one for each $1,000 of income over $2,500. This will ensure that your employer withholds enough tax.

Following the above instructions will help to ensure that you will not owe additional tax when you file your return.

Heads of households with only one job — If you will use the head-of-household filing status on your state income tax return, mark the *Single or Head of household* box on the front of the certificate. If you have only one job, you may also wish to claim two additional withholding allowances on Part 1, line 13.

Married couples with only one spouse working — If your spouse does not work and has no income subject to state income tax, mark the *Married* box on the front of the certificate. You may also wish to claim two additional allowances on Part 1, line 14.

Additional dollar amount(s)

You may ask your employer to withhold an additional dollar amount each pay period by completing lines 3, 4, and 5 on Form IT-2104. In most instances, if you compute a negative number of allowances using the worksheets on page 3 and your employer cannot accommodate a negative number, for each negative allowance claimed you should have an additional $1.50 of tax withheld per week for New York State withholding on line 3, and an additional $0.80 of tax withheld per week for New York City withholding on line 4. Yonkers residents should use 10% (.10) of the New York State amount for additional withholding for Yonkers on line 5.

Note: If you are requesting your employer withhold an additional dollar amount on lines 3, 4, or 5 of this allowance certificate, the additional dollar amount, as determined by these instructions or by using the chart in Part 4, is accurate for a weekly payroll. Therefore, if you are paid other than weekly, you will need to adjust the dollar amount(s) that you compute. For example, if you are paid biweekly, you must double the dollar amount(s) computed using the worksheet(s) on page 3.

Avoid underwithholding

Form IT-2104, together with your employer's withholding tables, is designed to ensure that the correct amount of tax is withheld from your pay. If you fail to have enough tax withheld during the entire year, you may owe a large tax liability when you file your return. The Tax Department must assess interest and may impose penalties in certain situations in addition to the tax liability. Even if you do not file a return, we may determine that you owe personal income tax, and we may assess interest and penalties on the amount of tax that you should have paid during the year.

Worksheet

Employee: keep this page for your records.

Part 1 — Complete this part to compute your withholding allowances for New York State and Yonkers (line 1).

6 Enter the number of dependents that you will claim on your state return *(do not include yourself or, if married, your spouse)* ... 6. _____

For lines 7, 8, and 9, enter *1* for each credit you expect to claim on your state return.

7 College tuition credit ... 7. _____

8 New York State household credit ... 8. _____

9 Real property tax credit ... 9. _____

For lines 10 and 11, enter *3* for each credit you expect to claim on your state return.

10 Child and dependent care credit ... 10. _____

11 Earned income credit ... 11. _____

12 Other credits *(see instructions)* ... 12. _____

For lines 13 and 14, enter *2* if either situation applies.

13 Head of household status **and** only one job ... 13. _____

14 Married couples with only **one** spouse working **and** only one job ... 14. _____

15 Enter an estimate of your federal adjustments to income, such as alimony you will pay for the tax year and deductible IRA contributions you will make for the tax year. Total estimate $ _____ .
Divide this estimate by $1,000. Drop any fraction and enter the number ... 15. _____

16 If you expect to itemize deductions on your state tax return, complete Part 2 below and enter the number from line 25.
All others enter ***0*** ... 16. _____

17 Add lines 6 through 16 ... 17. _____

18 If you are single or head of household, or married with both spouses working, and your total income is between $100,000 and $150,000, enter the appropriate number from the chart in Part 4. All others enter ***0*** ... 18. _____

19 Subtract line 18 from line 17. Enter the result, including negative amounts, here and on line 1. If your employer cannot accommodate negative allowances, enter ***0*** here and on line 1 and see *Additional dollar amounts* in the instructions.
(If you have more than one job, or if you and your spouse both work, see instructions.) ... 19. _____

Part 2 — Complete this part only if you expect to itemize deductions on your state return.

20 Enter your estimated federal itemized deductions for the tax year ... 20. _____

21 Enter your estimated state, local, and foreign income taxes included on line 20 ... 21. _____

22 Subtract line 21 from line 20 ... 22. _____

23 Based on your federal filing status, enter the applicable amount from the table below ... 23. _____

Standard deduction table

Single (cannot be claimed as a dependent)	$ 7,500	Qualifying widow(er)	$14,600
Single (can be claimed as a dependent)	$ 3,000	Married filing jointly	$14,600
Head of household	$10,500	Married filing separate returns	$ 6,500

24 Subtract line 23 from line 22 *(if line 23 is larger than line 22, enter **0** here and on line 16 above)* ... 24. _____

25 Divide line 24 by $1,000. Drop any fraction and enter the result here and on line 16 above ... 25. _____

Part 3 — Complete this part to figure your withholding allowances for New York City (line 2).

26 Enter the amount from line 6 above ... 26. _____

27 Add lines 13 through 16 above and enter total here ... 27. _____

28 Add lines 26 and 27. Enter the result here and on line 2. ... 28. _____

Part 4 — This chart is for married couples with both spouses working, and single taxpayers or heads of household, with a combined income between $100,000 and $150,000. All others do not have to use this chart.

Enter the number of allowances (top number) on Part 1, line 18; or the additional withholding (bottom dollar amount) on line 3.

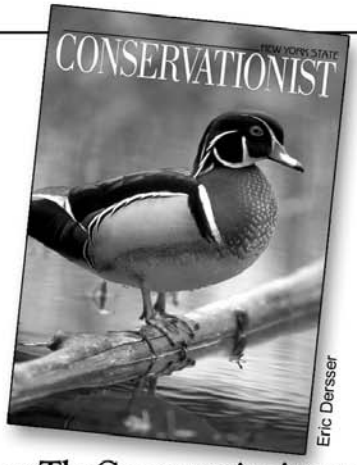
	Total income									
Higher earner's wages ↓	**$100,000 to 105,000**	**$105,000 to 110,000**	**$110,000 to 115,000**	**$115,000 to 120,000**	**$120,000 to 125,000**	**$125,000 to 130,000**	**$130,000 to 135,000**	**$135,000 to 140,000**	**$140,000 to 145,000**	**$145,000 to 150,000**
under $90,000	1 $1.50	2 $3.00	3 $4.50	5 $6.00	6 $7.50	7 $9.00	8 $10.50	9 $12.00	10 $13.50	11 $15.00
$90,000 – $100,000		1 $1.50	2 $3.00	3 $4.50	4 $6.00	5 $7.50	6 $9.00	7 $10.50	8 $12.00	9 $13.50
$100,000 – $110,000		1 $1.50	1 $1.50	2 $3.00	3 $4.50	4 $6.00	5 $7.50	6 $9.00	7 $10.50	8 $12.00
$110,000 – $120,000			1 $1.50	2 $3.00	2 $3.00	3 $4.50	4 $6.00	5 $7.50	6 $9.00	7 $10.50
$120,000 – $130,000					2 $3.00	3 $4.50	3 $4.50	4 $6.00	5 $7.50	6 $9.00
$130,000 – $140,000							3 $4.50	4 $6.00	4 $6.00	5 $7.50
$140,000 – $150,000									4 $6.00	5 $7.50

— Notes —

New York State Department of Environmental Conservation

Return a Gift to Wildlife on your New York State Tax Return and receive a FREE issue of *Conservationist* magazine!
Call 1-800-678-6399 for your free sample issue.

New York's fish, wildlife and marine resources thank you for your contribution



www.dec.state.ny.us

www.TheConservationist.org

Lake Placid Olympic Training Center Fund

New York State is home to one of just three U.S. Olympic Training Centers. The $16 million Lake Placid complex, constructed by the New York State Olympic Regional Development Authority, features 96 hotel-style rooms, a gymnasium, sports medicine, weight training, and dining facilities. Your voluntary contribution on your tax return to the Olympic Training Center funds will support the venues where Olympians are produced. The Lake Placid training center is used principally for the Olympic winter sports of bobsled, biathlon, luge, speed skating, figure skating, ice hockey, and skiing. In addition to these winter sports, athletes use the facilities for certain summer Olympic sports that include: mountain biking, volleyball, handball, canoe/kayak, rhythmic gymnastics, boxing, and certain paralympic sports.

Make Breast Cancer a Disease of the Past

Your gifts to the Breast Cancer Research and Education Fund have supported ground-breaking research projects in New York State. More dollars will support more studies that bring us closer to the cures and the prevention of breast cancer. Look for the line on your state tax form and write in a tax-deductible donation that could help put an end to this dreaded disease. New York State will match this donation to the Breast Cancer Research and Education Fund, dollar for dollar. Your contribution will be used to fund important biomedical research studies and education projects.

Gift for the Alzheimer's Disease Assistance Fund

Gifts to this fund support services provided by the Alzheimer's Disease Assistance Program administered by the New York State Department of Health. This program is designed to provide education, counseling, respite, and other support services to people with Alzheimer's disease, their families, caregivers, and health care professionals.

New York State Missing and Exploited Children

The New York State Missing and Exploited Children Clearinghouse works with police agencies and parents to locate missing children and to prevent child exploitation through education. Contributions are used to distribute educational materials, disseminate missing child alerts and conduct investigative training for police officers. Additional information about services and free safety publications can be obtained by visiting our website at **www.criminaljustice.state.ny.us** or by calling **1-800-FIND-KID**.

World Trade Center Memorial Foundation Fund

World Trade Center
Memorial Foundation
buildthememorial.org

Your contribution this year to the World Trade Center Memorial Foundation Fund will help build the Memorial and Memorial Museum which will commemorate and honor the thousands of people who died in the attacks of September 11, 2001, and February 26, 1993. The Memorial will recognize the endurance of those who survived, the courage of those who risked their lives to save others, and the compassion of all who supported us in our darkest hours. Help New York State, the nation, and the world remember by making a contribution.

Need help?

Internet access: *www.nystax.gov*
Access our Answer Center for answers to frequently asked questions; check your refund status; check your estimated tax account; download forms, publications; get tax updates and other information.

Fax-on-demand forms: Forms are available 24 hours a day, 7 days a week. 1 800 748-3676

Telephone assistance is available from 8:00 A.M. to 5:00 P.M. (eastern time), Monday through Friday.

Refund status: 1 800 443-3200
(Automated service for refund status is available 24 hours a day, 7 days a week.)

To order forms and publications: 1 800 462-8100

Personal Income Tax Information Center: 1 800 225-5829

From areas outside the U.S. and outside Canada: (518) 485-6800

Hotline for the hearing and speech impaired: If you have access to a telecommunications device for the deaf (TDD), contact us at 1 800 634-2110. If you do not own a TDD, check with independent living centers or community action programs to find out where machines are available for public use.

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, please call 1 800 225-5829.

New York State e-file www.nystax.gov

Check out *e-file*... It's easy, fast and safe!

And if you qualify, you can e-file for FREE!

See page 60 and log on to ***www.nystax.gov*** for more information.

Resolving tax problems

The best ways to avoid tax problems are to keep accurate tax records and to stay on top of current tax requirements. These instructions contain information that can help you do both; the instructions list free publications you can order and give toll-free numbers you can call for answers to your specific questions.

Most tax problems can be resolved informally. If your refund is late, call our toll-free refund information number; if you receive a tax deficiency notice that you think is in error, promptly call the number listed on the notice. These instructions also list a toll-free number for ordering any forms you might need.

If you have a problem with the Tax Department which you have not been able to resolve through normal channels, or if for any reason you have a complaint about the Tax Department, call toll free 1 800 225-5829. From areas outside the U.S. and outside Canada, call (518) 485-6800.

Our representatives will, depending upon the nature of your complaint, either give you the address and phone number of the Problem Resolution Officer in your area, or refer your complaint for further investigation and analysis.

Our Problem Resolution Officers are available to assist you when you have repeatedly attempted to clear up a difficulty and you have been unable to do so.

Problem Resolution Officers help remedy specific taxpayer circumstances that have not been resolved through routine department procedures.

If you have made two or more attempts to resolve your problem and feel that you aren't getting anywhere, you may want to turn to our Problem Resolution Program. The program is set up specifically for taxpayers who have tried to resolve their problems through the normal channels but have been unsuccessful.

Only a relative handful of tax problems fail to be resolved by these informal means. However, if you are issued a Notice of Deficiency or a refund denial and you feel that the Tax Department has made a mistake, you still have a number of options available to you:

— You can request a **conciliation conference** through the Bureau of Conciliation and Mediation Services. The conference is conducted informally by a conferee who issues an order that is binding on the Tax Department, but not on you (you can appeal by filing a petition for a formal hearing, as explained below). To set up a conference, get a *Request for Conciliation Conference* by calling toll free 1 800 462-8100 or by writing to the Bureau of Conciliation and Mediation Services, NYS Tax Department, W A Harriman Campus, Albany NY 12227.

— You can request a **small claims hearing** before an impartial presiding officer if the disputed amount is within certain dollar limitations set by the *Rules of Practice and Procedure*. The presiding officer's decision is final, but at any time before the end of the small claims hearing, you can request a transfer to a formal hearing before an administrative law judge. A copy of the *Rules of Practice and Procedure* will be sent to you when you request a petition form as explained below.

— You can file a petition for a **tax appeals hearing**. The hearing is held before an administrative law judge, and both you and the Tax Department may appeal the judge's decision to the Tax Appeals Tribunal. The Tax Department cannot seek a review of the Tribunal's decision, but you can by instituting an Article 78 proceeding in the Appellate Division of the State Supreme Court. You can get the petition forms by writing to the Division of Tax Appeals, Riverfront Professional Tower, 500 Federal Street, 4th Floor, Troy NY 12180-2894.

Regardless of which appeal option you exercise, you may appear on your own behalf or you may have an authorized representative present your case for review. An authorized representative must have Power of Attorney from you in order to appear on your behalf. Further, your representative must be in compliance with the Ethics in Government Act which restricts appearances by former Tax Department employees. A summary of these restrictions is included on the back of Form POA-1, *Power of Attorney*.