

1988 AMENDMENTS TO  
INCOME TAX LAWS

Article 22

<u>Law Section</u>	<u>Chapter</u>	<u>Bill Section</u>	<u>Brief Summary</u>
601(d)(7)	44	1	<p>Provides special rules for estates and trusts. The New York unearned income of an estate or trust should be reduced by the share of New York unearned income allocated to beneficiaries of the estate or trust, determined in the same manner that shares of the New York fiduciary adjustment are determined under section 619(c) of the Tax Law.</p> <p>Effective immediately (4/13/88) and applicable to taxable years beginning after 1986.</p>
601(e)(2)	384	1	<p>Requires that nonresident or part-year resident trust's Federal adjusted gross income, for purposes of the New York source fraction, be increased by the amount of any includible gain, reduced by any deductions allocable to the gain, upon which tax is imposed for the taxable year pursuant to section 644 of the IRC.</p> <p>Effective immediately (7/29/88) and shall apply to transfers in trust made on or after January 1, 1989.</p>

<u>Law Section</u>	<u>Chapter</u>	<u>Bill Section</u>	<u>Brief Summary</u>
612(b)(26)	782	3	<p>New plus modification requiring that the amount of income earned during the taxable year but not included in FAGI due to the participation of the taxpayer in a program, maintained pursuant to sections 517(f) and 613(d) of the Retirement and Social Security Law. will be added back to FAGI.</p> <p>See the Amendments to the Retirement and Social Security Law on page 8 for a discussion of the taxpayers subject to the new modification.</p> <p>Effective January 1, 1989, however, the provisions of this Act cannot go into effect until the beginning of the calendar quarter that follows 45 days after a favorable Internal Revenue Service revenue ruling.</p>
	783	3	<p>Clarifying amendment to include the amount of member or employee contributions to a retirement system or pension fund picked up or paid by the employer pursuant to sections 517(f) and 613(d) of the Retirement and Social Security Law.</p> <p>Effective January 1, 1989, however, the provisions of this Act cannot go into effect until the beginning of the calendar quarter that follows 45 days after a favorable Internal Revenue Service revenue ruling.</p>
618(4)	782	4	<p>Technical amendment to include reference to new paragraph (26) of section 612(b) of the Tax Law, added by Bill Section 3 of this Chapter.</p> <p>Effective January 1, 1989, however, the provisions of this Act cannot go into effect until the beginning of the calendar quarter that follows 45 days after a favorable Internal Revenue Service revenue ruling.</p>

<u>Law Section</u>	<u>Chapter</u>	<u>Bill Section</u>	<u>Brief Summary</u>
618(5)	384	2	<p>Provides for the taxation of certain gains on the sale or exchange of trust property that was not previously taxed. Adds a modification in determining a resident trust's taxable income for the amount of any "includible gain", reduced by any deductions properly allocable to such gain, upon which tax is imposed for the taxable year pursuant to section 644 of the IRC.</p> <p>Effective immediately (7/29/88) and shall apply to transfers in trust made on or after January 1, 1989.</p>
633(a)(2)	384	3	<p>Amendment adds to the New York source income of a nonresident trust the amount of any includible gain derived from or connected with New York sources, reduced by any deductions properly allocable thereto, upon which tax is imposed for the taxable year pursuant to section 644 of the IRC.</p> <p>Effective immediately (7/29/88) and shall apply to transfers in trust made on or after January 1, 1989.</p>
638(b)(1)	384	4	<p>Amendment adds to the New York source income of a part-year resident trust the amount of any includible gain, reduced by any deductions properly allocable to such gain, upon which tax is imposed for the taxable year pursuant to section 644 of the IRC.</p> <p>Effective immediately (7/29/88) and shall apply to transfers in trust made on or after January 1, 1989.</p>
638(c)(5)	384	5	<p>Amendment to accrue to the resident or nonresident period such includible gain modification under section 618(5) of the Tax Law.</p>

<u>Law Section</u>	<u>Chapter</u>	<u>Bill Section</u>	<u>Brief Summary</u>
			Effective immediately (7/29/88) and shall apply to transfers in trust made on or after January 1, 1989.
659	384	6	Amendment to require a trust to report to the Commissioner of Taxation and Finance any Federal changes in the amount of any includible gain reported on its Federal income tax return for Federal income tax purposes for any taxable year.  Effective immediately (7/29/88) and shall apply to transfers in trust made on or after January 1, 1989.
671(b)	783	7	Amendments extends New York State withholding to certain retirement system contributions.  Effective January 1, 1989, however, the provisions of this Act cannot go into effect until the beginning of the calendar quarter that follows 45 days after a favorable Internal Revenue Service revenue ruling.
683(d)	384	7	Amendment to allow the tax to be assessed at any time within 6 years after a return is filed if a trust omits from its New York return an amount of includible gain which is in excess of 25 percent of the amount of includible gain stated in the return.  Effective immediately (7/29/88) and shall apply to transfers in trust made on or after January 1, 1989.

Article 8

<u>Law Section</u>	<u>Chapter</u>	<u>Bill Section</u>	<u>Brief Summary</u>
171-b	261	45	<p>Amendment to broaden the existing verification program to include requests made by the Housing Trust Fund Corp. under the Low Income Turnkey/Enhanced Housing Trust Fund program. All current verification requirements will apply to requests made by the Housing Trust Fund Corporation.</p> <p>Effective immediately (7/19/88).</p>

Article 30-A

<u>Law Section</u>	<u>Chapter</u>	<u>Bill Section</u>	<u>Brief Summary</u>
	191	1	<p>Amendment to correct the effective date of Chapter 535 of the Laws of 1987 to apply to taxable years beginning after 1986. (Chapter 535 amended the Local Enabling Act for the City of Yonkers to provide that the City of Yonkers surcharge may be imposed through 1991, and provides the authority to increase the surcharge on residents to 19 1/4%.)</p> <p>Effective immediately (6/30/88).</p>

Article 30-B

<u>Law Section</u>	<u>Chapter</u>	<u>Bill Section</u>	<u>Brief Summary</u>
	191	1	<p>Amendment to correct the effective date of Chapter 535 of the Laws of 1987 to apply to taxable years beginning after 1986. (Chapter 535 amended the Local Enabling Act for the City of Yonkers to provide that the City of Yonkers nonresident earnings tax may be imposed through 1991.</p> <p>Effective immediately (6/30/88).</p>
1340(c)(1)(c)	783	8	<p>The definition of "wages" is amended to include the amount of member or employee contributions to a retirement system or pension fund picked up or paid by the employer pursuant to sections 517(f) and 613(d) of the Retirement and Social Security Law.</p> <p>Effective January 1, 1989, however, the provisions of this Act cannot go into effect until the beginning of the calendar quarter that follows 45 days after a favorable Internal Revenue Service revenue ruling.</p>

Retirement and Social Security Law  
Article 14-Coordinated-Escalator Retirement Plan

<u>Law Section</u>	<u>Chapter</u>	<u>Bill Section</u>	<u>Brief Summary</u>
517(f)	782	1	<p>Provides that retirement system contributions required under this section, be recharacterized as employer contributions for purposes of section 414(h) (Tax Treatment of Certain Contributions) of the Internal Revenue Code, but shall continue to be characterized as employee contributions for all other purposes. Adds that this provision shall not apply to a member in a mayoral agency of the City of New York.</p> <p>Effective January 1, 1989, however, the provisions of this Act cannot go into effect until the beginning of the calendar quarter that follows 45 days after a favorable Internal Revenue Service revenue ruling.</p>
	783	1	<p>Provides that the member contributions picked up by the employer under this section shall continue to be currently taxable and subject to withholding for purposes of the State income tax. Amends the specific groups excluded from the provisions of the Chapter 782 amendment to section 517(f), to apply specifically to uniformed forces personnel of the City of New York: police, firemen or corrections officers and transit, housing authority and sanitation police who are members of the New York City employees' retirement system.</p> <p>Effective January 1, 1989, however, the provisions of this Act cannot go into effect until the beginning of the calendar quarter that follows 45 days after a favorable Internal Revenue Service revenue ruling.</p>

Retirement and Social Security Law  
Article 15-Coordinated Retirement Plan

<u>Law Section</u>	<u>Chapter</u>	<u>Bill Section</u>	<u>Brief Summary</u>
613(d)	782	2	Same as amendment to section 517(f) of Article 14 by Bill Section 1 of this Chapter.  Effective January 1, 1989, however, the provisions of this Act cannot go into effect until the calendar quarter that follows 45 days after a favorable Internal Revenue Service revenue ruling.
	783	2	Same as amendment to section 517(f) of Article 14 by Bill Section 1 of this Chapter.  Effective January 1, 1989, however, the provisions of this Act cannot go into effect until the calendar quarter that follows 45 days after a favorable Internal Revenue Service revenue ruling.

General City Law  
Article 2-E  
Section 25-M

<u>Law Section</u>	<u>Chapter</u>	<u>Bill Section</u>	<u>Brief Summary</u>
l(d)	783	6	<p>The definition of "wages" is amended to include the amount of member or employee contributions to a retirement system or pension fund picked up or paid by the employer pursuant to sections 517(f) and 613(d) of the Retirement and Social Security Law.</p> <p>Effective January 1, 1989, however, the provisions of this Act cannot go into effect until the beginning of the calendar quarter that follows 45 days after a favorable Internal Revenue Service revenue ruling.</p>

Chapter 17 of  
Title 11 of the  
Administrative Code of  
the City of New York

<u>Law Section</u>	<u>Chapter</u>	<u>Bill Section</u>	<u>Brief Summary</u>
11-1712(b)(26)	782	5	Same as amendment to Section 612(b)(26) of Article 22 by Bill Section 3 of this Chapter.  Effective January 1, 1989, however, the provisions of this Act cannot go into effect until the beginning of the calendar quarter that follows 45 days after a favorable Internal Revenue Service revenue ruling.
	783	4	Same as amendment to Section 612(b)(26) of Article 22 by Bill Section 3 of this Chapter.  Effective January 1, 1989, however, the provisions of this Act cannot go into effect until the beginning of the calendar quarter that follows 45 days after a favorable Internal Revenue Service revenue ruling.
11-1718(4)	782	6	Same as amendment to Section 618(4) of Article 22 by Bill Section 4 of this Chapter.  Effective January 1, 1989, however, the provisions of this Act cannot go into effect until the beginning of the calendar quarter that follows 45 days after a favorable Internal Revenue Service revenue ruling.
11-1718(5)	384	8	Same as amendment to Section 618(5) of Article 22 by Bill Section 2 of this Chapter.  Effective immediately (7/29/88) and shall apply to transfers in trust made on or after January 1, 1989.

<u>Law Section</u>	<u>Chapter</u>	<u>Bill Section</u>	<u>Brief Summary</u>
11-1754(g)	384	9	<p>Amendment in relation to the special accrual provisions for trusts which change residence status, to accrue to the resident or nonresident period such includible gain.</p> <p>Effective immediately (7/29/88) and shall apply to transfers in trust made on or after January 1, 1989.</p>
11-1759	384	10	<p>Same as amendment to Section 659 of Article 22 by Bill Section 6 of this Chapter.</p> <p>Effective immediately (7/29/88) and shall apply to transfers in trust made on or after January 1, 1989.</p>
11-1771(b)	783	9	<p>Same as amendments to Section 671(b) of Article 22 by Bill Section 7 of this Chapter.</p> <p>Effective January 1, 1989, however, the provisions of this Act cannot go into effect until the beginning of the calendar quarter that follows 45 days after a favorable Internal Revenue Service revenue ruling.</p>
11-1783(d)	384	11	<p>Same as amendment to Section 683(d) of Article 22 by Bill Section 7 of this Chapter.</p> <p>Effective immediately (7/29/88) and shall apply to transfers in trust made on or after January 1, 1989.</p>

Chapter 19 of  
Title 11 of the Administrative  
Code of the City of New York

<u>Law Section</u>	<u>Chapter</u>	<u>Bill Section</u>	<u>Brief Summary</u>
11-1901(e)	782	7	<p>The definition of "wages" is amended to include the amount of member contributions to a retirement system or pension fund picked up or paid by the employer pursuant to sections 517(f) and 613(d) of the Retirement and Social Security Law.</p> <p>Effective January 1, 1989, however, the provisions of this Act cannot go into effect until the beginning of the calendar quarter that follows 45 days after a favorable Internal Revenue Service revenue ruling.</p>
	783	5	<p>Amendment to also include employee contributions to a retirement system or pension fund picked up or paid by the employer pursuant to sections 517(f) and 613(d) of the Retirement and Social Security Law.</p> <p>Effective January 1, 1989, however, the provisions of this Act cannot go into effect until the beginning of the calendar quarter that follows 45 days after a favorable Internal Revenue Service revenue ruling.</p>

Article IX and X of the  
Codes and Ordinances of the City of Yonkers

<u>Law Section</u>	<u>Chapter</u>	<u>Bill Section</u>	<u>Brief Summary</u>
92-89(A)	7	1	<p>Provides for the extension of the City of Yonkers Income Tax Surcharge on every city resident individual, estate and trust to taxable years ending on or before December 31, 1991.</p> <p>Effective October 25, 1988.</p>
92-98(c)	783	10	<p>The definition of "wages" is amended to include the amount of member or employee contributions to a retirement system or pension fund picked up or paid by the employer pursuant to sections 517(f) and 613(d) of the Retirement and Social Security Law.</p> <p>Effective January 1, 1989, however, the provisions of this Act cannot go into effect until the beginning of the calendar quarter that follows 45 days after a favorable Internal Revenue Service revenue ruling.</p>
92-105	7	2	<p>Provides for the extension of the City of Yonkers Earnings Tax on Non- Residents to taxable years ending on or before December 31, 1991.</p> <p>Effective October 25, 1988.</p>