

New York State Return

Subtractions from Income

Certain Pension Income is Excluded from New York taxable income

	TAXPAYER	SPOUSE	TOTALS	
PUBLIC PENSIONS				
TAXABLE PENSION FROM NYS OR FEDERAL GOV'T FEDERALLY TAXABLE/ NYS TAX EXEMPT	\$	\$	\$	Carried to IT -201 LINE 26
- do not include railroad retirement pensions (tier 1 automatically subtracted)				
PRIVATE PENSIONS				
TAXABLE PENSION RECEIVED AFTER 59 1/2 (NOT MORE THAN \$ 20,000 <u>PER SPOUSE</u> (INCLUDES ALL IRAs)	\$	\$	\$	Carried to IT -201 LINE 29
- DO NOT include 1099RRB tier 2 (Enter as Other subtraction)	Max \$20,000	Max \$20,000		

To enter NY additions/subtractions click on Yes when TaxSlayer asks "Would you like to add any of the following items or any additional items not listed below to your New York state return?"

Exclusion is up to \$20,000 per taxpayer from all 1099-Rs; cannot add up all joint pensions and divide by two for joint return

Pension from another country, even if it is not shown on 1099-R; qualifies for \$20,000 exclusion, as though it were a 1099-R Pension

1099-R distribution code 1 (early distribution no known exceptions) or distribution code 2 (early distribution, exception applies)

- Early distributions (taxpayers under 59 ½ are not entitled)
- If this is a mistake – follow procedures in Pub 4012

1099-R Distribution Code 3 (disability)

- Code 3 pension amounts is reported as wages on line 7 of the federal return; cannot claim as both pension exclusion and IT-221 credit
- Certain NYPD and FDNY line of duty disability pensions are totally tax free and do not get reported on the federal return – so no exclusion is taken on the state return

Additions to Income

- Interest income on other states' bonds and obligations. Enter amount of federally tax exempt interest that is not NY tax exempt.
- TaxSlayer automatically adds 414(h) and IRC 125 amounts if properly entered in box 14 of W-2
- Nonqualified NY 529 plan withdrawals

1099-R Distribution Code 4 (death-survivors benefit)

- Receiving survivor benefits – the exclusion is based on the decedent's entitlement, subject to the decedent's age if he/she were alive/amount limitation
- Total exclusion of the deceased individual and all beneficiaries cannot exceed \$20,000 annually
- The decedent, independent of the survivor is entitled to a \$20,000 exclusion
- If taxpayer transfers death benefit into their own name, then they must qualify for the \$20,000 exclusion and must add this pension to their own pension for purposes of determining the amount of the limitation

Subtractions from Income

- Enter Public/Private subtractions calculated above
- NY 529 College Savings Program contribution up to \$5,000 (\$10,000 if MFJ)
- Other/Railroad Retirement Board Tier 2 Annuities or Pensions (Green Form). Subtract in other, not pensions.
- Volunteer Firefighter/Ambulance Length of Service Award Program (LOSAP) S-130 periodic payments
- Long-Term Residential Care Deduction (S-105)

Itemized Deductions Section

- subtractions to federal itemized deductions – subtract any long-term care premiums included on Federal Sched A, line 1. Enter as IT-249 credit instead.

Credits Requiring Manual Entry

- ☐ NY Long Term Care Insurance Credit (IT-249)
- ☐ Volunteer Firefighters and Ambulance Workers Credit (IT-245)
- ☐ College Tuition Credit (IT-272)
- ☐ Noncustodial Parent NYS Earned Income Credit (IT-209)
- ☐ Real Property Tax Credit (IT-214)
- ☐ Clean Heating Fuel Credit (IT-241)

Credits Calculated Automatically by TaxSlayer

- ☐ Household Credit
- ☐ Empire State Child Credit (IT-213)
- ☐ Family Tax Relief Credit (IT-214)
- ☐ NY & NYC Earned Income Tax Credit (IT-215)
- ☐ NY Child & Dependent Care Credit (IT-216)
- ☐ NYC School Tax Credit (NYC-210)