

# NEW YORK INITIAL RELEASE

*Release date: January 2019*

New York State Individual, Corporation, S Corporation, Partnership, and Fiduciary packages and New York City Individual, Partnership, Fiduciary, Corporation, and S Corporation are included with this shipment.

New York State Individual Package is approved for e-file. All other NY State and New York City packages are pending. When approved e-file will be activated with a future program update.

## **New Forms:**

- IT-196, New York Resident, Nonresident, and Part-Year Resident Itemized Deductions and all associated worksheets
- IT-236, Credit for Taxicabs and Livery Service Vehicles Accessible to Persons with Disabilities
- IT-644, Workers with Disabilities Tax Credit
- IT-646, Employee Training Incentive Program Tax Credit
- IT-648, Life Sciences Research and Development Tax Credit
- IT-649, Farm Donations to Food Pantries Credit
- IT-650, Empire State Apprenticeship Tax Credit

## **Modified Forms:**

- IT-203B, Income Allocation and College Tuition Itemized Deduction
- IT-272, Claim for College Tuition Credit
- IT-213, Claim for Empire State Child Tax Credit
- IT-216, Child and Dependent Care Credit
- NY Forms IT-201-D and IT-203-D have been replaced with Form IT-196

## **Tax Law Changes:**

- In December of 2017, the federal Tax Cuts and Jobs Act (TCJA) was enacted which made numerous changes to the Internal Revenue Code. New York State has decoupled from a number of these changes. For more information concerning New York's response to the TCJA, visit [www.tax.ny.gov](http://www.tax.ny.gov).
  - One such response is the newly create Charitable Gifts Trust Fund. Beginning with 2018, donating taxpayers may claim a New York itemized deduction equal to the full donation amount of any contribution for the tax year in which the donation was made. Beginning in 2019, taxpayers will also be eligible for a New York State personal income tax credit equal to 85% of the donation made in the previous year.
  - In general, New York has decoupled from the federal itemized deduction changes related to the TCJA. Taxpayers will calculate their New York itemized deduction using federal rules as the existed prior to the TCJA on Form IT-196.

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*Spanish Support:* Si le gustaría hablar con alguien en Español, llame al (828) 349-5500 y trataremos de comunicarle con uno de nuestros agentes de apoyo que hablan Español.

*Note:* If you received a damaged or bad CD, contact Drake Software Support at (828) 524-8020; by fax at (828) 349-5718; or by email at [Support@DrakeSoftware.com](mailto:Support@DrakeSoftware.com). Include your name, company name, and EFIN with your request.

- New York filers may now itemize their deductions for New York State income tax purposes whether or not the itemized deduction was taken on the federal return.
- The New York State child and dependent care credit has been enhanced and the expense limit has increased for taxpayers claiming more than two qualifying persons.
- Beginning in 2018, the federal Child Tax Credit and Additional Child Tax credit will no longer be the basis for calculating the New York Empire State child credit. Form IT-213 has redesigned to calculate based on the CTC and ACTC would have calculated for tax year 2017.
- Taxpayers may continue to directly deposit all or a portion of their personal income tax refund to a NYS 529 college savings account using Form IT-195, Allocation of Refund.
- NYC has phased in a single receipts factor apportionment methodology for UBT and Corporate Income Taxes. A one-time election to use a three-factor allocation will be available for corporations subject to the Business Corporation Tax if they allocate business income and capital in and out of NYC.
- NY does not conform to the repatriation provisions under IRC 965 as amended by the TCJA. The deduction under 965(c) is not permitted. For more information, see NY Tax Law 209(1)(a), 208(6-a) and NYC Finance Memorandum 18-4.

#### Program Notes:

- For purposes of filing Form IT-196, New York Itemized Deduction Schedule, federal screen A is still used for NY purposes. The majority of the federal data entry that is no longer eligible for the 2018 federal Schedule A will still be preserved on that screen for state purposes. All associated IT-196 worksheets used to calculate the NY itemized deduction while applying 2017 tax law have been added to the New York program. In most cases, no additional data entry will be required for NY purposes.
- NY state corporation and S corporation estimated payments 2, 3, and 4 may now be e-filed.

#### Program Reminders:

- The default payment date when e-filing NY/NYC returns will no longer be the due date of the return. A new DTF specification requires that the default payment date be the date the return is filed. The *requested* payment date may still be overridden to any date up to the due date of the return.
- Federal screen STEX may be used to generate and file NY extensions in the Individual package. This screen allows generation and filing of multiple state extensions all from one screen.

#### e-File Requirements:

- Beginning with the 2017 filing season (tax year 2016), New York requires a driver's license or state-issued ID (if the taxpayer or spouse has one) to be included with each filed NY tax return. This requirement applies both to taxpayers with an ID from New York and taxpayers with IDs from other states. Enter the ID number or license number on the **IDS** screen.

For NY-issued IDs only, also enter the first three characters of the "Document number" on the **NY E-File/Direct Debit Authorization** screen. (To access this screen, type PIN2 in the selector field of the **Data Entry Menu** and press ENTER, or, from the **PIN** screen, press PAGE DOWN.) Fields are provided for taxpayer's and spouse's document number. There is a check box on the **IDS** screen for taxpayers who do not have any form of state-issued identification

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