



NEW YORK STATE

DEPRECIATION

IT-399

New York State Department of Taxation and Finance

Attach this form to your return

New York State does not allow property placed in service during 1981, 1982, 1983, 1984 and fiscal tax years beginning in 1984 to be depreciated under the federal Accelerated Cost Recovery System (ACRS).

Revenue Code (such as luxury automobiles), the ACRS deduction shall apply for taxable years ending after June 18, 1984.

In addition, the ACRS deduction (including ACRS depreciation figured in accordance with the federal Tax Reform Act of 1986) will not be allowed for property placed in service outside New York State in taxable years beginning after December 31, 1984. However, for property subject to the provisions of Section 280F of the Internal

Revenue Code (such as luxury automobiles), the ACRS deduction shall apply for taxable years ending after June 18, 1984. For property on which federal ACRS depreciation is or was not allowed, you must figure your New York State depreciation by using one of the methods provided for in Section 167 of the Internal Revenue Code as it was in effect on 12/31/80 (e.g., straight line, declining balance, etc.) The deduction for New York depreciation may be taken until the property is fully depreciated or disposed of.

Name(s) as shown on return

Identifying number as shown on return

A) Check one box to show the income tax return you are filing:

- IT-201, Resident IT-203, Nonresident IT-204, Partnership IT-205, Estate or Trust.

B) If you are not filing for the calendar year, give the date your tax year ends: _____, 19_____.

C) Enter any expense deduction from federal Form 4562, line 5, that applies to property listed in Part I below. (If you are filing this Form IT-399 with an IT-201 or IT-203 on which you checked filing status 3, and the amount entered to the right is more than \$5,000, see instructions.) . . . \$_____.

Part I Depreciation information for property placed in service in taxable years beginning after December 31, 1980, but before January 1, 1985, and for property placed in service outside New York State in taxable years beginning after December 31, 1984, except for Section 280F property (see instructions).

Table with 7 columns: A Description of property, B Date placed in service, C Depreciable basis, D Depreciation method, E Life or rate, F New York depreciation, G Federal ACRS deduction.

1 Add Column F and G amounts

If you are filing Form:

transfer the column F total to:

transfer the column G total to:

- IT-201 line 28
IT-203 line 28
IT-204 Schedule B, Part II, line 4
IT-205 Schedule B, line 27

and attach this form to the return you are filing.

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Part II Year-of-disposition adjustment for property placed in service in taxable years beginning after December 31, 1980, but before January 1, 1985, and for property placed in service outside New York State in taxable years beginning after December 31, 1984, except for Section 280F property (see instructions).

A Description of property (attach schedule if needed)	B Date of disposition	C Method of disposition	D Amount of New York depreciation	E Amount of ACRS deduction
2 Add columns D and E			2	
3 Enter amount from line 2, column D or column E, whichever is larger				3
4 Enter amount from line 2, column D or column E, whichever is smaller				4
5 Subtract line 4 from line 3				5

If column D is larger than column E, transfer the amount on line 5 to Form IT-201, line 21; IT-203, line 21; IT-204, Schedule D, Part II, line 3, or IT-205, Schedule B, line 24, and attach this form to the return that you file.

If column E is larger than column D, transfer the amount on line 5 to Form IT-201, line 29; IT-203, line 29; IT-204, Schedule B, Part II, line 5, or IT-205, Schedule B, line 27, and attach this form to the return that you file.

Instructions

New York State does not allow property placed in service during 1981, 1982, 1983, 1984, and fiscal tax years beginning in 1984 to be depreciated under the federal Accelerated Cost Recovery System (ACRS). In addition, the ACRS deduction (including ACRS depreciation figured in accordance with the federal Tax Reform Act of 1986) will not be allowed for property placed in service outside New York State in taxable years beginning after December 31, 1984. However, for property subject to the provisions of Section 280F of the Internal Revenue Code (such as luxury automobiles), the ACRS deduction shall apply for taxable years ending after June 18, 1984. For property on which federal ACRS depreciation is or was not allowed, you must figure your New York State depreciation by using one of the methods provided for in Section 167 of the Internal Revenue Code as it was in effect on 12/31/80 (e.g., straight line, declining balance, etc.).

Use this form to figure your New York adjustments for New York depreciation and federal ACRS depreciation. In the case of a partnership using ACRS to determine depreciation, the individual partners will make the adjustments to income on their personal income tax returns. The adjustments for partners will be their distributive share of New York depreciation and federal ACRS depreciation determined by the partnership as of the end of the partnership year ending within the partner's taxable year. Form IT-399 will be completed only by the partnership, and not by each individual partner. This treatment will be the same for a beneficiary of an estate or trust which is on a fiscal year basis.

Do not use this form if you are a shareholder of an electing New York State S corporation. You must obtain your share of the modification from the S corporation.

If you change your residence during the tax year, you must complete two IT-399 forms; one for your period of residence and one for your period of nonresidence. If you change your City of New York or City of Yonkers residence but not your state residence, you must file a Form IT-399 for your period of city residence, and a Form IT-399 for the full year of state residence.

If you are a nonresident, you must complete one Form IT-399 as if you were a New York State resident. Transfer the amounts from Part I and Part II to the federal amount column on your nonresident return, Form IT-203. In the New York State amount column, enter only those amounts derived from or connected with New York State sources.

If you are married and file a joint federal return but are required to file separate New York returns, complete only one Form IT-399 showing

the amounts from your joint federal return. Attach a schedule to each return showing each spouse's separate amounts, as if separate federal returns were filed, and explain any differences.

Specific Instructions

Enter your name and your social security number or employer's identification number in the box on page 1. Complete items A and B near the top of the page. If you have a change of residence and you are completing two IT-399 forms enter in the space below item B, the period for which each Form IT-399 applies.

Enter in item C any federal Form 4562, line 5 amount that applies to property listed on page 1, Part 1, even if you cannot claim the full amount of the expense for New York.

If you are married and file a joint federal return but are required to file separate New York State returns, your expense deduction is limited to \$5,000 each, the amount you would have been limited to had you filed separate federal returns. On your New York return (IT-201 or IT-203), the amounts for lines 6, 10, 11, 12, 15, 17 and 18 may not equal the federal amounts as a result of this limitation.

Part I — Depreciation

Depreciation is an amount you can deduct each year for assets you buy to use in your business or hold to produce income. (Land is never depreciable.) Depreciation starts when you place the property in service and it ends when you take the property out of service. (See Part II for the deduction to be taken in the year you dispose of the property.)

Column C — Enter the depreciable basis of the assets you place in service in the same year. Depreciable basis is the cost or other basis reduced by any salvage value, the part of the basis you elected to amortize or expense under Section 179 of the Internal Revenue Code and any federal investment credit subtracted in figuring the federal unadjusted basis of the asset.

Column D — Enter the depreciation method you elect. You must use a method that is allowed under Section 167 of the Internal Revenue Code.

Column E — Enter the useful life of the property. You cannot use the ACRS recovery period in figuring your New York State depreciation. You must use the useful life or rate provided for in Section 167 of the Internal Revenue Code. In some cases the useful life under Section 167 may be the same as the recovery period.

Column F — Enter your New York depreciation deduction in column F, based on the method you elected.

Column G — Enter the ACRS deduction you took on your federal return.

Exception for married persons who file a joint federal return but are required to file a separate New York returns.

The difference between the Section 179 expense deduction allowed for New York State and that allowed on your federal return, if any, can be depreciated. The deduction for this difference can be claimed only in the year the asset was placed in service and is limited to the amount allowable only in that year. Lines 6, 10, 11, 12, 15, 17 and 18 of Form IT-201 or Form IT-203 must reflect the ACRS deduction you would have been allowed if separate federal returns had been filed. On a separate schedule attached to each return, show each spouse's share of the adjustments from Part I and Part II of Form IT-399. On this schedule you must increase the column F and G amounts by the New York depreciation and ACRS deduction which resulted from the difference in depreciation because of the expense deduction. Each spouse must attach a copy of Form IT-399 to his or her return.

Part II — Year-of-Disposition Adjustment

If you dispose of property that you placed in service after December 31, 1980, but before January 1, 1985, or property placed in service outside New York State after December 31, 1984 (except for Section 280F property), you must adjust your New York State income by the difference between the total New York depreciation deduction and the total Federal ACRS deduction claimed on that property.

Column C — Enter the method used to dispose of the property. Disposition includes but is not limited to sale, exchange, transfer and obsolescence.

Column D — Enter the total New York depreciation you claimed on the property you disposed of. (If the property was placed in service during 1981, do not include the amount of ACRS depreciation claimed for the property on your 1981 New York State return.)

Column E — Enter the total federal ACRS deduction you claimed on your federal return for the property you disposed of. (If the property was placed in service during 1981, do not include the amount of ACRS depreciation claimed for the property on your 1981 federal return.)