



# Claim of Right Credit

# IT-257

New York State • City of New York • City of Yonkers



**Important:** You must enter your social security number(s) in the boxes to the right.

|   |  |                                   |
|---|--|-----------------------------------|
| Your first name and middle initial                        | Your last name <i>(for a joint claim, enter spouse's name on line below)</i> | ▼ Your social security number     |
| Spouse's first name and middle initial                    | Spouse's last name   | ▼ Spouse's social security number |
| Mailing address <i>(number and street or rural route)</i> |  | Apartment number                  |
| City, village or post office                              | State  | ZIP code                          |

- Attach this claim form to your Form IT-201, IT-203, or IT-205.
- Complete lines 1, 2, and 3, and all sections that apply *(see instructions on back page)*.

1 Enter the tax year in which you originally reported the income under a claim of right ..... **1.**

2 Enter the amount of income repaid ..... **2.**

3 Identify the type of income involved and the reason for the repayment:

\_\_\_\_\_

\_\_\_\_\_

### Section I - New York State tax *(see instructions on back page)*

4 Previously computed New York State tax ..... **4.**

5 Recomputed New York State tax ..... **5.**

6 Subtract line 5 from line 4. This is your New York State claim of right credit.   
*(Transfer the amount to Form IT-201-ATT, line 79, Form IT-203-B, line 64, or Form IT-205, line 33.)* ..... **6.**  .

### Section II - City of New York resident tax *(see instructions on back page)*

7 Previously computed city of New York resident tax ..... **7.**

8 Recomputed city of New York resident tax ..... **8.**

9 Subtract line 8 from line 7. This is your New York City resident claim of right credit.   
*(Transfer the amount to Form IT-201-ATT, line 80, Form IT-203-B, line 65, or Form IT-205, line 34.)* ..... **9.**  .

### Section III - City of New York nonresident earnings tax *(see instructions on back page)*

10 Previously computed city of New York nonresident earnings tax ..... **10.**

11 Recomputed city of New York nonresident earnings tax ..... **11.**

12 Subtract line 11 from line 10. This is your New York City nonresident earnings tax claim of right credit.   
*(Transfer the amount to Form IT-201-ATT, line 80, Form IT-203-B, line 65, or Form IT-205, line 34.)* ..... **12.**  .

### Section IV - City of Yonkers resident income tax surcharge *(see instructions on back page)*

13 Previously computed city of Yonkers resident income tax surcharge ..... **13.**

14 Recomputed city of Yonkers resident income tax surcharge ..... **14.**

15 Subtract line 14 from line 13. This is your city of Yonkers resident claim of right credit.   
*(Transfer the amount to Form IT-201-ATT, line 81, Form IT-203-B, line 66, or Form IT-205, line 35.)* ..... **15.**  .

### Section V - City of Yonkers nonresident earnings tax *(see instructions on back page)*

16 Previously computed city of Yonkers nonresident earnings tax ..... **16.**

17 Recomputed city of Yonkers nonresident earnings tax ..... **17.**

18 Subtract line 17 from line 16. This is your city of Yonkers nonresident earnings tax claim of right credit.   
*(Transfer the amount to Form IT-201-ATT, line 81, Form IT-203-B, line 66, or Form IT-205, line 35.)* ..... **18.**  .

# Instructions

## General information

If you have claim of right income for federal tax purposes and are claiming the federal claim of right credit on your 2002 federal return, you may also be entitled to a claim of right credit for New York State, New York City, or Yonkers. The claim of right credit is available to individuals, estates, and trusts. *Claim of right* income is income that was properly reported on a prior year's tax return, but was later determined to have been paid to you in error and therefore had to be repaid. If the claim of right credit exceeds the amount of tax imposed for the tax year, the excess will be refunded to you.

If you have federal claim of right income but elect to take the federal deduction instead of the credit, you cannot claim a credit for New York State, New York City, or Yonkers. **Do not complete this form.** However, depending upon the type of income repaid and whether you itemize your deductions for New York State purposes, you may get the deduction.

## How to claim the credit

File Form IT-257 if you are an individual, estate, or trust that qualifies for the claim of right credit. Complete all sections of this form that apply to you. Be sure to attach Form IT-257 to your return.

## Amount of the credit

The amount of credit for New York State residents and nonresidents and New York City or Yonkers residents is the difference between the amount of New York State, New York City, or Yonkers tax originally reported on your return for the prior year and what would have been reported in the prior year if the income had not been included on your state or city return.

If you were subject to New York City or Yonkers nonresident earnings tax in the prior year, you may also be entitled to a claim of right credit for New York City or Yonkers nonresident earnings tax purposes if the claim of right income affects the computation of wages or net earnings from self employment. The credit is the difference between the amount of New York City or Yonkers nonresident earnings tax originally reported in the prior year and what would have been reported in the prior year if the income had not been included on the nonresident earnings tax return.

**Example.** In 2002, you repaid under a claim of right \$5,000 of income that was included on your 1998 New York State return. The New York State tax originally reported on your 1998 return was \$809. Your 1998 New York State tax computed without including the \$5,000 on your return is \$467. Your 2002 New York State claim of right credit is \$342 (\$809 - \$467).

## Line instructions

**Please note:** To compute your credit, you will need a copy of your original return for the prior year. It may also be helpful to have the instructions and blank tax forms for the prior year.

**Line 3** — You must complete line 3 to explain the type of income involved in the claim of right credit and the reason for the repayment.

**Line 4** — Enter the New York State tax from the return for the year that the income was included in federal adjusted gross income. Enter the amount as originally filed, as adjusted by New York State, or as you later amended it.

**Line 5** — Enter the tax that would have been reported had the income in question not been included in federal adjusted gross income.

**Line 7** — Enter the city of New York resident tax from the return for the year that the income was included in federal adjusted gross income. Enter the amount as originally filed, as adjusted by New York State, or as you later amended it.

**Line 8** — Enter the city of New York resident tax that would have been reported had the income in question not been included in federal adjusted gross income.

**Line 10** — Enter the amount of city of New York nonresident earnings tax for the year that the income was reported on Form NYC-203 (individuals) or Form NYC-206 (fiduciaries). Enter the amount as originally filed, as adjusted by New York State, or as you later amended it.

**Line 11** — Enter the city of New York nonresident earnings tax that would have been reported had the income in question not been included on Form NYC-203 or Form NYC-206.

**Line 13** — Enter the city of Yonkers resident income tax surcharge from the return for the year that the income was included in federal adjusted gross income. Enter the amount as originally filed, as adjusted by New York State, or as you later amended it.

**Line 14** — Enter the city of Yonkers resident income tax surcharge that would have been reported had the income in question not been included in federal adjusted gross income.

**Line 16** — Enter the amount of city of Yonkers nonresident earnings tax for the year that the income was reported on Form Y-203 (individuals) or Form Y-206 (fiduciaries). Enter the amount as originally filed, as adjusted by New York State, or as you later amended it.

**Line 17** — Enter the city of Yonkers nonresident earnings tax that would have been reported had the income in question not been included on Form Y-203 or Form Y-206.

## Need help?



**Telephone assistance** is available from 8 a.m. to 5:55 p.m. (eastern time), Monday through Friday.

Tax information: 1 800 225-5829

Forms and publications: 1 800 462-8100

Refund status: Access our Web site or call 1 800 443-3200

Electronically filed: 1 800 353-0708

Direct deposit refunds: 1 800 321-3213

Automated service for refund status is available 24 hours a day, 7 days a week.

From areas outside the U.S. and outside Canada: (518) 485-6800

Fax-on-demand forms (available 24 hours a day, 7 days a week): 1 800 748-3676

Hearing and speech impaired (telecommunications device for the deaf (TDD) callers only): 1 800 634-2110 (8 a.m. to 5:55 p.m., eastern time).



**Internet access:** [www.tax.state.ny.us](http://www.tax.state.ny.us)

Estimated tax: Access our Web site to check your balance and reconcile your account.



**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.



**If you need to write,** address your letter to: NYS Tax Department, Taxpayer Contact Center, W A Harriman Campus, Albany NY 12227.

## 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.

