New York State
Department of
Taxation and Finance

Important Notice

N-04-2

January 2004

Correction and Additional Instructions to Form IT-2105.9-I,
Instructions for Form IT-2105.9, Underpayment of Estimated Tax by Individuals and Fiduciaries

There is a line reference error on page 7 of the 2003 Form IT-2105.9-I, *Instructions for Form IT-2105.9, Underpayment of Estimated Tax by Individuals and Fiduciaries*. The error occurs in four places on page 7, as described below.

The three paragraphs of text under the New York State tax rates refer to Worksheet 1, line 1. They should refer to Worksheet 1, line **3**. The three paragraphs should read:

If Worksheet 1, line 3 is $100,000 or less -
If your Annualized New York adjusted gross income (Worksheet 1, line **3**) is **$100,000 or less**, find your New York State tax on the amount on line 10 by using the New York State Tax rates, above. After you have computed the correct tax, enter that amount on line 11.

If Worksheet 1, line 3 is more than $100,000 but not more than $150,000 -
If the amount on Worksheet 1, line **3**, is **more than $100,000 but not more than $150,000**, you must compute your tax using **Tax computation worksheet 1** below.

If Worksheet 1, line 3 is more than $150,000 -
If the amount on Worksheet 1, line **3**, is **more than $150,000**, you must compute your tax using **Tax computation worksheet 2** below.

Additionally, line 1 of Tax computation worksheet 1 reads: Enter your New York adjusted gross income from Worksheet 1, line 1. The line 1 instructions should read: Enter your Annualized New York adjusted gross income from Worksheet 1, line **3**.

Clarifying language is also being added to the instructions for Line 11 and Line 11a on page 4 and for Line 11 on page 6.

Line 11 on page 4 should read:

Line 11 - Resident individuals figure the tax on the amount on line 10, column (a), using the tax computation (tax rate schedules and tax computation worksheets) on page 7 of these instructions, and figure the tax on line 10, columns (b), (c), and (d) using the tax computation in the instructions for Form IT-201. **(Note: When using the tax computation worksheets in the instructions for Form IT-201, any reference to New York adjusted gross income or New York taxable income should be read to mean your annualized New York adjusted gross income or your annualized New York taxable income entered on Form IT-2105.9-I, Worksheet 1, for the particular period you are figuring your tax.)** Resident estates and trusts figure the tax on the amount on line 10, column (a), using the tax computation (tax rate schedule and tax computation worksheets) on page 7 of these instructions, and figure the tax on line 10, columns (b), (c), and (d) using the tax computation **worksheets** in the instructions for Form IT-205. **(Note: When using the tax computation worksheets in the instructions for Form IT-205, any reference to New York adjusted gross income or New York taxable income should be read to mean the estate's or trust's annualized New York**

adjusted gross income or the estate's or trust's annualized New York taxable income entered on Form IT-2105.9-I, Worksheet 1, for the particular period the tax is being figured.)

Line 11a on page 4 should read:

Line 11a- Nonresident and part-year resident individuals figure the tax on the amount on line 10, column (a), using the tax computation (tax rate schedule and tax computation worksheets) on page 7 of these instructions, and figure the tax on line 10, columns (b), (c), and (d) using the tax computation in the instructions for Form IT-203. **(Note: When using the tax computation worksheets in the instructions for Form IT-203, any reference to New York adjusted gross income or New York taxable income should be read to mean your annualized New York adjusted gross income or your annualized New York taxable income entered on Form IT-2105.9-I, Worksheet 1, for the particular period you are figuring your tax.)** Nonresident estates and trusts and part-year resident trusts figure the tax on the amount on line 10, column (a), using the tax computation (tax rate schedule and tax computation worksheets) on page 7 of these instructions, and figure the tax on line 10, columns (b), (c), and (d) using the tax computation **worksheets** in the instructions for Form IT-205-A **(Note: When using the tax computation worksheets in the instructions for Form IT-205-A, any reference to New York adjusted gross income or New York taxable income should be read to mean the estate's or trust's annualized New York adjusted gross income or the estate's or trust's annualized New York taxable income entered on Form IT-2105.9-I, Worksheet 1, for the particular period the tax is being figured.)**

Line 11 on page 6 should read:

Line 11 - Figure the tax on the amount on Worksheet 2, line 10, columns (a) and (b), using the city of New York resident tax rates schedule on page 7 of these instructions, and figure the tax on Worksheet 2, line 10, columns (c) and (d), using the city of New York tax computation (tax rate schedules and tax computation worksheets) in the instructions for Form IT-201, Form IT-360.1, or Form IT-205. **(Note: When using the tax computation worksheets in the instructions for Form IT-201, Form IT-360.1, or Form IT-205, any reference to New York adjusted gross income or New York taxable income should be read to mean your annualized New York adjusted gross income or your annualized New York taxable income entered on Form IT-2105.9-I, Worksheet 1, for the particular period you are figuring your tax.)**

New York State Department of Taxation and Finance

Instructions for Form IT-2105.9

Underpayment of Estimated Income Tax by Individuals and Fiduciaries
New York State • City of New York • City of Yonkers

IT-2105.9-I

2003

General instructions

Who must pay the underpayment penalty

You may be charged a penalty if you did not pay enough estimated tax by any of the due dates or if you did not have enough New York State, city of New York or Yonkers income tax withheld. This is true even if you are due a refund when you file your tax return. The penalty is figured separately for each due date. Therefore, you may owe the penalty for an earlier payment due date, even if you paid enough tax later to make up the underpayment.

Important note

Revised New York State and city of New York tax rate schedules for tax year 2003 may have required you to increase the amount of estimated tax you paid.

If your New York adjusted gross income was less than $100,000, you were **not** subject to the rate increases. You may use any method: Part II, Short method; Part III, Regular method - Schedules A and B; or the Annualized income installment method, Worksheets 1 (and, if applicable, Worksheets 2 and 3), to compute your underpayment penalty.

If your New York adjusted gross income was $100,000 or more, you may have been subject to the rate increase. You should use the annualized income installment method to compute your underpayment penalty. Using the short method or regular method may cause you to pay a larger penalty than the annualized income installment method.

In general, you may owe the penalty for 2003 if you did not pay at least the smaller of:

1) 90% of your 2003 tax liability; or

2) 100% of your 2002 tax liability (110% of that amount if you are not a farmer or a fisherman and the New York adjusted gross income shown on that return is more than $150,000 or, if married filing separately for 2003, more than $75,000).

   Note: To meet this condition, the tax shown on your 2002 return must be recomputed using 2003 tax rates and rules.

   However, if you did not file a 2002 tax return or that return did not cover all 12 months, item 2 above does not apply.

Use Part I to see if you prepaid enough of your required annual tax payment. If you did not, use Part II or Part III to figure the penalty.

If you checked filing status ③ on your New York State return, each spouse must figure his or her penalty on a separate Form IT-2105.9.

The penalty for each installment is figured separately. Income taxes withheld from your salary, pension, etc., are considered payments of estimated tax in equal installments on the four installment dates, unless you prove otherwise.

The penalty rates will be based upon the federal short-term interest rates, and will be adjusted quarterly. The federal short-term rate for the first month of the previous calendar quarter, rounded to the nearest whole percent, will be used to set the rates for the next succeeding calendar quarter.

Special rule for individual estimated income tax — The federal short-term rate that applies during the third month following the tax year will also apply during the first 15 days of the fourth month following the tax year.

Penalty rate — The penalty rate will be the federal short-term rate plus two percentage points. The rates from April 15, 2003, through April 15, 2004, are as follows:

> April 15 to June 30, 2003 - 6%
> July 1 to September 30, 2003 - 6%
> October 1 to December 31, 2003 - 6%
> January 1 to April 15, 2004 - 6%

Period of underpayment — The penalty is applied to the number of days that the installment was not paid. Figure the period of the underpayment by counting the number of days after the due date of the installment to and including the date of payment, the last date in the penalty rate period or the next installment due date, whichever is earlier.

Farmers and fishermen — If your federal gross income from farming or fishing is at least two-thirds of your federal gross income for 2002 or 2003, you cannot use this form. Instead, attach a copy of federal Form 2210F, *Underpayment of Estimated Tax by Farmers and Fishermen,* to show how you figured the penalty or which exceptions apply.

Estates and trusts — The estimated tax penalty will apply to most trusts. It will also apply to estates (and certain grantor trusts that receive the residue of the decedent's estate under the decedent's will) with respect to any tax year ending two or more years after the date of death of the decedent.

For example, if a decedent died June 30, 2003 (fiscal year fiduciary July 1 - June 30), estimated tax payments, if any, would be required beginning July 1, 2005, and installment payment is due October 15, 2005.

Exceptions to penalty — No penalty will be due if:

1) the tax due (after deducting tax withheld) is less than $300. If you owe two taxes (for example, New York State and New York City), no penalty is due if you owe less than $600. If you owe three taxes (New York State, New York City and city of Yonkers), no penalty is due if you owe less than $900; **or**

2) you did not have any New York State tax liability for the preceding tax year, the preceding tax year was a tax year of 12 months, and throughout the preceding tax year you were a New York State resident or you were a nonresident who had New York source income or a part-year resident who had New York source income. **Note:** If you were a nonresident or part-year resident and had **no** New York source income, you do **not** qualify for exception (2) regardless of whether or not you filed a New York tax return; **or**

3) an installment of estimated tax is due on or after an individual's death; **or**

4) the underpayment was caused by a casualty, disaster or other unusual circumstances; **or**

5) you retired in 2002 or 2003 after reaching the age of 62, or you became disabled, and the underpayment was due to reasonable cause and not to willful neglect.

If you are requesting a waiver of the penalty, attach a statement to Form IT-2105.9 containing all the facts necessary to justify your request.

Fiscal-year filers — If you are filing for a fiscal year, enter the month and day your tax year began and the month, day and year that it ended in the spaces provided at the top of the front page of the form.

Name and identifying number box

Individuals — Enter in the spaces at the top of the form your name and social security number. If you filed a joint return, also enter your spouse's name.

Fiduciaries — Enter in the spaces at the top of the form the name of the estate or trust and the name of the fiduciary. Also enter the employer identification number of the estate or trust.

Specific instructions

Part I

All filers must complete lines 1 through 14.

Line 1 — Enter your total tax from your 2003 Form IT-201, line 58; Form IT-203, line 54; or Form IT-205, line 29. Reduce the amount from Form IT-201, line 58; Form IT-203, line 54; or Form IT-205, line 29 by:

- any sales or use tax entered on Form IT-201, line 56; Form IT-203, line 52; or Form IT-205, line 28; **and**

- any Gift to Wildlife, or any contribution to the Missing/Exploited Children Fund, Breast Cancer Research Fund, Olympic Fund, or Alzheimer's Fund, entered on Form IT-201, line 57; or Form IT-203, line 53.

Line 12 — If this line is less than $300, you do not owe a penalty and need not complete Form IT-2105.9. Also, you do not have to complete this form if you owe two taxes (for example, New York State and New York City) and line 12 is less than $600, or you owe three taxes (New York State, New York City and Yonkers) and line 12 is less than $900.

Line 13 — Enter your 2002 tax from your 2002 Form IT-201, line 57; Form IT-203, line 54; or Form IT-205, line 28; or enter 110% of that amount if your New York adjusted gross income for 2002 is more than $150,000 or, if married filing separately for 2003, more than $75,000. **Caution:** You must recompute your 2002 tax reported on Form IT-201, line 57; Form IT-203, line 54; or Form IT-205, line 28, using 2003 tax rates and rules. Reduce your 2002 taxes by any Gift to Wildlife or any contribution to the Missing/Exploited Children Fund, Breast Cancer Research Fund, or Olympic Fund entered on Form IT-201, line 56; or Form IT-203, line 53 by any child and dependent care credit, earned income credit, real property tax credit, city of New York school tax credit, or other refundable credits claimed on lines 58 through 63 of Form IT-201, or by any part-year city of New York school tax credit or other refundable credits on lines 55 and 56 of Form IT-203.

Filing status change — If you are filing a joint return for 2003, but you did not file a joint return for 2002, add the tax shown on your 2002 return to the tax shown on your spouse's 2002 return and enter the total on line 13. If you filed a joint return for 2002, but you are not filing a joint return for 2003, your 2002 tax is your share of the tax on the joint return. To figure your share, first figure the tax both you and your spouse would have paid had you filed separate returns for 2002. Then multiply your joint tax liability by the following fraction:

$$\frac{\text{Your separate tax liability}}{\text{Both spouses' separate tax liability}}$$

If you did not file a 2002 return or if your 2002 tax year was for a period of less than 12 months, do not complete line 13. Instead, enter the amount from line 10 on line 14.

If the amount on line 11 is equal to or more than the amount on line 14, you will not have to complete or attach Form IT-2105.9.

You will not have to pay a penalty or complete this form if you did not have any tax liability for 2002, and the preceding tax year was a tax year of 12 months and you were a New York State resident or you were a nonresident who had New York source income or a part-year resident who had New York source income.

Part II — Short method for figuring the penalty

If you paid withholding tax or four equal estimated tax installments, or both, or made no estimated tax payments for the 2003 tax year, complete lines 15 through 21 to arrive at the penalty due. Otherwise, you must use the regular method in Part III.

Note: If any payment was made earlier than the due date, you may use the short method, but using it may cause you to pay a larger penalty than the regular method. If the payment was only a few days early, the difference is likely to be small.

You **may not** use the short method if either of the following applies:

1) you made any estimated tax payments late, **or,**

2) you use the annualized income installment method.

Line 16 — Enter the total of New York State, New York City and Yonkers estimated taxes paid.

Line 20 — If the underpayment on line 18 was paid before April 15, 2004, figure the number of days the payment was made before April 15, 2004, and enter it in the computation for line 20.

> **Example:** *If the line 18 underpayment of $2,050 was paid April 8, 2004, you would compute the figure for line 20 as follows: $2,050 (amount on line 18) x 7 (number of days before April 15, 2004) x .00016 = $2.30.*

Part III — Regular method
Schedule A — Figuring your underpayment

Line 22 — Enter on line 22, columns A through D, the amount of your required installment for the due date shown in each column heading. For most taxpayers, this is the amount shown on line 14 divided by four.

However, it may be to your benefit to figure your required installments by using the annualized income installment method explained below.

Annualized income installment method

If your income varied during the year because, for example, you received unexpected or seasonal income not subject to withholding in April or later, or you were subject to the New York State and New York City tax rate increases, complete *Worksheet 1 — Annualized income installment — New York State* (and, if applicable, Worksheets 2 and 3), starting on page 5 of these instructions. If you use Worksheet 1 (and Worksheets 2 and 3, if applicable) for any payment due date, you must use it for all payment due dates. To arrive at the amount of each required installment, the worksheet automatically selects the smaller of the annualized income installment or the regular installment (increased by the amount saved by using the annualized income installment method in figuring earlier installments). Attach a copy of the worksheet(s) to Form IT-2105.9.

Line 23 — Enter the total of New York State, New York City and Yonkers estimated taxes paid and tax withheld for each period. If you worked all year, figure even payments of income tax withheld by dividing the total amount withheld by four, and include the result in each column.

Instead of making the estimated tax payment due January 15, 2004, you can file your return and pay all the tax due by January 31, 2004. If you do this, enter the amount of tax you pay with your return on line 23, column D.

Line 24 — Enter any overpayment (or underpayment) from the prior payment period.

Line 25 — In column A, enter the amount from line 23. In the other columns, if line 24 is an overpayment, add lines 23 and 24.

If line 24 is an underpayment, subtract line 24 from line 23.

Line 26 — If line 22 is greater than line 25, subtract line 25 from line 22. The result is an underpayment that should also be entered on line 27 for the same payment due date and on line 24 for the next payment due date. If line 25 is greater than line 22, subtract line 22 from line 25. The result is an overpayment that should also be entered on line 24 for the next payment due date.

If line 25 is a negative amount, your total underpayment at line 26 is the installment due at line 22 plus the line 25 amount.

Schedule B — Figuring the penalty

Figure the penalty by applying the applicable rate against each underpayment shown on line 27. The penalty is figured for the number of days that the underpayment remained unpaid or to the next payment due date, whichever is earlier.

The rates are established at various times through the year. During 2003, there was only one rate in effect over four periods.

Lines 28 through 35 are used to compute the portion of the penalty attributable to different installment periods. For example, lines 28 and 29 are used to figure the penalty for the first installment period at 6%. The factor .01002 at line 28 is used to compute the penalty for the first installment if payment is made on June 15. If payment is made before June 15, figure the factor using the number of days the underpayment

remained unpaid for the first installment. Line 29 is used to compute the actual penalty amount by multiplying the underpayment by the factor.

Read through the instructions and examples for lines 28 through 35 before completing Part III, Schedule B.

List your payments for 2003

Before beginning to figure your penalty in Part III, Schedule B, it will be helpful to organize and list the payments you made for 2003 in the manner presented in the tables below.

In each table, list only the payments made during the dates shown in that table heading. Also apply the following rules:

1) Any New York State income tax withheld should be included. You are considered to have paid one-fourth of these amounts on each payment due date, unless you can show otherwise.

   For example, if you have New York State income tax of $4,000 withheld from your wages during the year, you would list $1,000 as being paid on June 15, 2003, September 15, 2003, and January 15, 2004, in the applicable table. You would not list the withholding attributable to the first payment due date (April 15, 2003).

2) For Table 4, any income tax balance due that you pay with your tax return is considered a payment for this purpose and should be listed. Use the date you file your return as the payment date, unless you file late. In that case, use April 15, 2004.

Table 1 — Payments after April 15, 2003, through June 15, 2003

(a) Date	(b) Payments

Table 2 — Payments after June 15, 2003, through September 15, 2003

(a) Date	(b) Payments

Table 3 — Payments after September 15, 2003, through January 15, 2004

(a) Date	(b) Payments

Table 4 — Payments after January 15, 2004, through April 15, 2004

(a) Date	(b) Payments

The following instructions will lead you through the procedures for figuring the penalty in Part III, Schedule B.

Complete only those lines from line 28 through line 35 for periods in which there are underpayments.

First installment — column A, lines 28 and 29

Line 28 — Enter on line 28, column A, the factor .01002 if no payment was made before June 15, 2003. If a payment(s) was made before June 15, 2003, compute the number of days from April 15, 2003, to the date the payment was made and divide by 365. Then multiply the result by the interest rate shown to arrive at the factor to enter on line 28.

Line 29 — Compute line 29 by multiplying the underpayment on line 27 by the factor on line 28.

Example 1: *Assume you had an underpayment on line 27, column A, of $5,000 and that you had no payments listed in Table 1 above. Because the underpayment remained unpaid for the entire first installment period (61 days), you would compute the penalty on the underpayment using the factor shown and enter .01002 on line 28. You would enter $50.10 ($5,000 x .01002) on line 29.*

Note: When computing the number of days to be divided by 365 or 366, carry the result to four decimal places but when arriving at the factor, carry the result to five decimal places and do not round off in either calculation.

Example: $85 \div 365 = .2328 \times 6\% = .01396$

If there is a payment listed in Table 1, on a separate sheet of paper apply the payment to the underpayment shown on line 27. The *underpayment* for the computation on line 29 will be the amount of the payment that you applied to the line 27 underpayment. If the payment is more than the underpayment, apply only an amount equal to the underpayment and use that amount for the line 29 computation.

If there are no payments listed in Table 1, the *underpayment* is the entire underpayment balance shown on line 27, column A, because the entire underpayment would have been unpaid for the whole installment period.

Example 2: *Assume you had an underpayment on line 27, column A, of $5,000 and that your first payment in Table 1 was made on May 6, 2003, in the amount of $5,000. You would figure the penalty on the underpayment by computing the factor as follows: 21/365 (21 is the number of days from 4/15 to 5/6) times 6% equals .00345. Enter .00345 on line 28. You would enter $17.25 ($5,000 x .00345) on line 29.*

If there are additional payments listed in Table 1 and the first payment was not enough to reduce the underpayment to zero, you must make a separate computation for each payment listed until the underpayment is reduced to zero. If there is still an underpayment balance after applying all of the payments, you must figure the penalty on the balance of the underpayment in the same manner as explained in Example 3 below.

Example 3: *Assume you had an underpayment on line 27, column A, of $5,000 and that your first payment in Table 1 was made on April 25, 2003, in the amount of $3,000. Because the payment did not reduce the underpayment to zero, you would figure the penalty on the underpayment by computing the factors as follows:*

10/365 (10 is the number of days from 4/15 to 4/25) times 6% equals .00163. Enter .00163 on line 28; as there are no other payments listed in Table 1 you would have a second computation to figure the factor on the remaining underpayment of $2,000 as follows: enter .01002 (factor for period 4/15 to 6/15) on line 28. You would enter $4.89 ($3,000 x .00163) and $20.04 ($2,000 x .01002) on line 29.

Columns B through D

In columns B through D, figure the penalty on any underpayment shown on line 27. Figure the penalty for each period in the same manner as in column A.

Second installment — column B, lines 30 and 31

Line 30 — Enter on line 30, column B, the factor .01512 if no payment was made before September 15, 2003. If a payment(s) was made after June 15, 2003, but before September 15, 2003, compute the number of days from June 15, 2003, to the date the payment was made and divide by 365. Then multiply the result by the interest rate to arrive at the factor to enter on line 30.

Line 31 — Compute line 31 by multiplying the underpayment on line 27 by the factor on line 30.

Third installment — column C, lines 32 and 33

Line 32 — Enter on line 32, column C, the factor .02003 if no payment was made before January 15, 2004. If a payment(s) was made after September 15, 2003, but before December 31, 2003, compute the number of days from September 15, 2003, to the date the payment was made and divide by 365. If a payment was made after December 31, 2003, but before January 15, 2004, compute the number

of days from January 1, 2004 to the date the payment was made and divide by 366. Then multiply the result by the interest rate to arrive at the factor to enter on line 32.

Line 33 — Compute line 33 by multiplying the underpayment on line 27 by the factor on line 32.

Fourth installment — column D, lines 34 and 35

Line 34 — Enter on line 34, column D, the factor .01491 if no payment was made before April 15, 2004. If a payment(s) was made after January 15, 2004, but before April 15, 2004, compute the number of days from January 15, 2004, to the date the payment was made and divide by 366. Then multiply the result by the interest rate to arrive at the factor to enter on line 34.

Line 35 — Compute line 35 by multiplying the underpayment on line 27 by the factor on line 34.

Worksheet 1   Annualized income installment — New York State

Line 1 — Attach a schedule showing how you figured your New York adjusted gross income for each period.

Estates and trusts line 1 worksheet

Complete the following worksheet to figure amount for line 1.

1   Enter amount from Form IT-205, line 62 or Form IT-205-A, line 6, column a .... **1.** _____

2   Enter amount from Form IT-205, line 60 or Form IT-205-A, line 4 .... **2.** _____

3   Add lines 1 and 2 .... **3.** _____

4   Enter amount from Form IT-205, line 2 or Form IT-205-A, line 7, column a .... **4.** _____

5   Enter amount from Form IT-205, line 4 or Form IT-205-A, line 9, column a .... **5.** _____

6   Add lines 4 and 5 .... **6.** _____

7   Line 3 and add or subtract line 6; and enter here and on page 5, Worksheet 1, line 1 (and, if applicable on page 6, Worksheet 2, line 1) .... **7.** _____

Line 2 — Estates and trusts — do not use amounts shown in columns (a) through (d). Instead, use 6, 3, 1.71429, and 1.09091, respectively, as the annualization amounts.

Line 4 — Enter your itemized deductions for the period shown. The percentage of itemized deductions disallowed for each filing status and income range applies to the amount of itemized deductions for each period.

Line 7 — Individuals - If you claim the standard deduction on line 7, the amount that you can enter is shown below:

Single	$7,500
Single and a dependent of another taxpayer	3,000
Married filing joint return	14,600
Married filing separate return	6,500
Head of household (with qualifying person)	10,500
Qualifying widow(er) with dependent child	14,600

Do **not** prorate your standard deduction. Enter the full amount in each column.

Line 11 — Resident individuals figure the tax on the amount on line 10, column (a), using the tax computation (tax rate schedules and tax computation worksheets) on page 7 of these instructions, and figure the tax on line 10, columns (b), (c), and (d) using the tax computation in the instructions for Form IT-201. Resident estates and trusts figure the tax on the amount on line 10, column (a), using the tax computation (tax rate schedule and tax computation worksheets) on page 7 of these instructions, and figure the tax on line 10, columns (b), (c), and (d) using the tax computation worksheet in the instructions for Form IT-205.

Line 11a — Nonresident and part-year resident individuals figure the tax on the amount on line 10, column (a), using the tax computation (tax rate schedule and tax computation worksheets) on page 7 of these instructions, and figure the tax on line 10, columns (b), (c), and (d) using the tax computation in the instructions for Form IT-203. Nonresident estates and trusts and part-year resident trusts figure the tax on the amount on line 10, column (a), using the tax computation (tax rate schedule and tax computation worksheets) on page 7 of these instructions, and figure the tax on line 10, columns (b), (c), and (d) using the tax computation worksheet in the instructions for Form IT-205-A.

Line 11d — Nonresident and part-year resident individuals - Compute your income percentage for each period (if applicable) by dividing the New York adjusted gross income amount from Form IT-203, line 30, *New York State amount* column, by the New York adjusted gross income from Form IT-203, line 30, *Federal amount* column, using only the income earned for that period.

Nonresident estates and trusts and part-year resident trusts - Complete the *Income percentage worksheet A* below.

Income percentage worksheet A

1   Enter the amount from Form IT-205-A, line 22, column b, for the period shown .... **1.** _____

2   Enter the portion of any administration costs, income distribution deduction, exemption and other deductions used in determining federal adjusted gross income that relate to items of income, gain, loss and deduction derived from or connected with New York sources, for the period shown .... **2.** _____

3   Subtract line 2 from line 1 .... **3.** _____

4   Enter the amount from Form IT-205-A, line 7, column a that relates to New York source income for the period shown .... **4.** _____

5   Enter the amount from Form IT-205-A, line 9, column a that relates to New York source income for the period shown .... **5.** _____

6   Line 4 and add or subtract line 5 .... **6.** _____

7   Balance: line 3 and add or subtract line 6 .... **7.** _____

8   Divide line 7 above by the amount from Form IT-205-A-I, page 1, NYAGI Worksheet, line 5, for the period shown. Enter here and on *Worksheet 1*, line 11d on page 5 .... **8.** _____

Line 12 — Credits that are based wholly or partly on income are figured on the annualized income for each period.

Example 4: *You are single and qualified to claim the household credit. Your New York adjusted gross income (line 1) for the period January 1, 2003, through March 31, 2003, is $5,000. You would use the annualized amount on Worksheet 1, line 3 ($20,000) when figuring your household credit.*

Other credits that should be figured on an annualized basis are the resident credit, child and dependent care credit, earned income credit, farmers' school tax credit, city of New York school tax credit, and real property tax credit. Credits that are not based on income are figured by applying the 2003 credit rate to the amount of the expenditure paid or incurred during the period. An example of this is the investment credit.

Line 14 — Enter in each column the total amount of other New York State taxes reported on Form IT-201, line 43; Form IT-203, line 47; **or** Form IT-205, lines 12 and 13. Except for the minimum tax, you do not have to annualize these taxes. Use Form IT-220, *Minimum Income Tax*, as a guide in figuring this tax. Figure your total New York tax preference items based upon the income and deductions during the period shown in the column headings of this worksheet. Multiply the total New York tax preference items by the annualization amounts on line 2 of this worksheet and then deduct the specific deduction allowed on Form IT-220.

Worksheet 1 — Annualized income installment — New York State (Complete one column through line 24 before completing the next column.)

Estates and trusts — Use the following ending dates in each column: 2/28/03, 4/30/03, 7/31/03 and 11/30/03		**(a)** 1/1/03 - 3/31/03	**(b)** 1/1/03 - 5/31/03	**(c)** 1/1/03 - 8/31/03	**(d)** 1/1/03 - 12/31/03
1 New York adjusted gross income for period shown *(see instructions, page 4)*	1.				
2 Annualization amounts *(estates and trusts — see instructions)*	2.	4	2.4	1.5	1
3 Annualized New York adjusted gross income *(multiply line 1 by line 2)*	3.				
4 Itemized deductions for period shown *(if you do not itemize deductions, skip lines 4, 5, and 6)*. Estates and trusts — enter "0," skip to line 8 and enter the amount from line 3 on line 8	4.				
5 Annualization amounts	5.	4	2.4	1.5	1
6 Multiply line 4 by line 5	6.				
7 Standard deduction *(see instructions, page 4)*	7.				
8 Subtract line 6 or line 7 from line 3	8.				
9 Multiply $1,000 by the number of dependent exemptions claimed. Estates and trusts — enter the federal exemption amount *(enter full amount in each column)*	9.				
10 Annualized taxable income *(subtract line 9 from line 8)*	10.				
11 Resident individuals and resident estates and trust - figure the tax on the amount on line 10 *(see instructions, page 4)*	11.				
11a Nonresidents and part-year resident individuals, nonresident estates and trusts and part-year resident trusts figure the tax on the amount on line 10 *(see instructions, page 4)*	11a.				
11b Nonresidents and part-year resident individuals enter the applicable portion of any credits claimed on lines 37, 39, and 41 of Form IT-203	11b.				
11c Subtract line 11b from line 11a	11c.				
11d Nonresident and part-year resident individuals - Income percentage for period shown: New York adjusted gross income from Form IT-203, *New York State amount column,* line 30, for the period shown New York adjusted gross income from Form IT-203, *Federal amount* column, line 30, for the period shown. Nonresident estates and trusts and part-year resident trusts - see instructions, page 4, *Income percentage worksheet A*	11d.				
11e Multiply line 11c by line 11d...	11e.				
12 Enter the applicable portion of any credits claimed on Form IT-201, lines 39 and 41; Form IT-203, line 45; or Form IT-205, line 10 *(see instructions, page 4)*	12.				
13 Subtract line 12 from line 11 or line 11e	13.				
14 For each period, enter the total amount of other New York State taxes reported on Form IT-201, line 43; Form IT-203, line 47; or Form IT-205, lines 12 and 13	14.				
15 Add lines 13 and 14	15.				
16 Enter the applicable portion of any credits claimed on Form IT-201, lines 59 through 64; Form IT-203, line 55 and 56; or Form IT-205, line 33	16.				
17 Total annualized tax *(subtract line 16 from line 15)*	17.				
18 Percentage..	18.	22.5%	45%	67.5%	90%
19 Multiply line 17 by line 18	19.				
20 Enter the amount from line 23 of Worksheet 2, and/or the amount from line 7 of Worksheet 3	20.				
21 Add lines 19 and 20	21.				
22 Add the combined amounts of line 26 from all preceding columns	22.				
23 Subtract line 22 from line 21. If less than zero, enter "0"	23.				
24 For each payment period, take amount from Form IT-2105.9, line 14; divide by four; and add amount from this worksheet, line 25, preceding column	24.				
25 If line 24 is more than line 23, subtract line 23 from line 24. Otherwise enter "0"	25.				
26 **Required installments.** Enter the smaller of line 23 or line 24 here and on Form IT-2105.9, line 22	26.				

Worksheet 2   Annualized income installment — city of New York

Use Worksheet 2 below to figure the amount to be entered on line 20 of Worksheet 1. You can transfer the figures from lines 1 through 10 of Worksheet 1 to Worksheet 2 if you are required to complete both worksheets. The estate or trust New York adjusted gross income should be figured using the *Estates and trusts line 1 worksheet* on page 4 of these instructions.

Line 11 — Figure the tax on the amount on Worksheet 2, line 10, columns (a) and (b), using the city of New York resident tax rates

schedule on page 7 of these instructions, and figure the tax on Worksheet 2, line 10, columns (c) and (d), using the city of New York tax computation (tax rate schedules and tax computation worksheets) in the instructions for Form IT-201, Form IT-360.1, or Form IT-205.

Worksheet 3   Annualized income installment — city of Yonkers

Use Worksheet 3 below to figure the amount to be entered on line 20 of Worksheet 1. If you are figuring annualized installments of the Yonkers nonresident earnings tax, skip lines 1 through 3 of Worksheet 3 and start with line 4.

Worksheet 2 — Annualized income installment — city of New York

Estates and trusts — Use the following ending dates in each column: 2/28/03, 4/30/03, 7/31/03 and 11/30/03		**(a)** 1/1/03 - 3/31/03	**(b)** 1/1/03 - 5/31/03	**(c)** 1/1/03 - 8/31/03	**(d)** 1/1/03 - 12/31/03
1 City of New York adjusted gross income for period	1.				
2 Annualization amounts *(estates and trusts — see instructions)*	2.	4	2.4	1.5	1
3 Annualized city of New York adjusted gross income *(multiply line 1 by line 2)*	3.				
4 Itemized deductions for period shown *(if you do not itemize deductions, skip lines 4, 5 and 6)*. Estates and trusts — enter "0," skip to line 8 and enter the amount from line 3 on line 8	4.				
5 Annualization amounts	5.	4	2.4	1.5	1
6 Multiply line 4 by line 5	6.				
7 Standard deduction...	7.				
8 Subtract line 6 or line 7 from line 3	8.				
9 Multiply $1,000 by the number of dependent exemptions claimed. Estates and trusts — enter the federal exemption amount	9.				
10 Annualized taxable income *(subtract line 9 from line 8)*	10.				
11 Figure the tax on the amount on line 10 *(see instructions above)*	11.				
12 Enter for each period the total amount of the city of New York tax on the capital gain portion of any lump-sum distribution from Form IT-201-ATT, line 40; Form IT-360.1, line 52; or Form IT-205, line 16	12.				
13 Add lines 11 and line 12	13.				
14 Enter the applicable portion of any credit claimed on Form IT-201, line 46; Form IT-201-ATT, line 66; Form IT-360.1, line 49; or Form IT-205, line 18..........	14.				
15 Subtract line 14 from line 13	15.				
16 For each period enter the city of New York tax on the ordinary income portion of any lump-sum distribution from Form IT-201-ATT, line 39; Form IT-360.1, line 51; or Form IT-205, line 20	16.				
17 Add lines 15 and 16	17.				
18 Enter the applicable portion of the city of New York UBT credit from Form IT-201-ATT, line 65; Form IT-360.1, line 54; or Form IT-205, line 22	18.				
19 Subtract line 18 from line 17	19.				
20 For each period, enter the amount of city of New York minimum income tax reported on Form IT-201-ATT, line 38; Form IT-203-B, line 26; **or** Form IT-205, line 24	20.				
21 Total annualized tax *(add lines 19 and 20)*	21.				
22 Percentage...	22.	22.5%	45%	67.5%	90%
23 Multiply line 21 by line 22. Enter the result here and include on Worksheet 1, line 20, in the proper column	23.				

Worksheet 3 — Annualized income installment — city of Yonkers

Estates and trusts — Use the following ending dates in each column: 2/28/03, 4/30/03, 7/31/03 and 11/30/03		**(a)** 1/1/03 - 3/31/03	**(b)** 1/1/03 - 5/31/03	**(c)** 1/1/03 - 8/31/03	**(d)** 1/1/03 - 12/31/03
1 Enter the amount from Worksheet 1, line 19	1.				
2 Percentage...	2.	5%	5%	5%	5%
3 Multiply line 1 by line 2	3.				
4 For each period, enter the city of Yonkers nonresident earnings tax from Form IT-201, line 53; Form IT-203, line 50; **or** Form IT-205, line 27	4.				
5 Percentage...	5.	22.5%	45%	67.5%	90%
6 Multiply line 4 by line 5	6.				
7 Enter any amount from line 3 or line 6. Enter here and include on Worksheet 1, line 20, in the proper column	7.				

New York State tax rates (Use only to figure your 2003 tax for Worksheet 1, column (a)).

Married filing jointly and qualifying widow(er)			Single, married filing separately, and estates and trusts			Head of household		
If Worksheet 1, line 10 is:			**If Worksheet 1, line 10 is:**			**If Worksheet 1, line 10 is:**		
over	but not over	The tax is:	over	but not over	The tax is:	over	but not over	The tax is:
$ 0	$16,000	4% of line 10	$ 0	$ 8,000	4% of line 10	$ 0	$11,000	4% of line 10
16,000	22,000	$ 640 plus 4.5% of the excess over $16,000	8,000	11,000	$ 320 plus 4.5% of the excess over $ 8,000	11,000	15,000	$ 440 plus 4.5% of the excess over $ 11,000
22,000	26,000	910 plus 5.25% " " " " 22,000	11,000	13,000	455 plus 5.25% " " " " 11,000	15,000	17,000	620 plus 5.25% " " " " 15,000
26,000	40,000	1,120 plus 5.9% " " " " 26,000	13,000	20,000	560 plus 5.9% " " " " 13,000	17,000	30,000	725 plus 5.9% " " " " 17,000
40,000		1,946 plus 6.85% " " " " 40,000	20,000		973 plus 6.85% " " " " 20,000	30,000		1,492 plus 6.85% " " " " 30,000

If Worksheet 1, line 1 is $100,000 or less –

If your New York adjusted gross income (Worksheet 1, line 1) is **$100,000 or less,** find your New York State tax on the amount on line 10 by using the *New York State Tax rates,* above. After you have computed the correct tax, enter that amount on line 11.

If Worksheet 1, line 1 is more than $100,000 but not more than $150,000 –

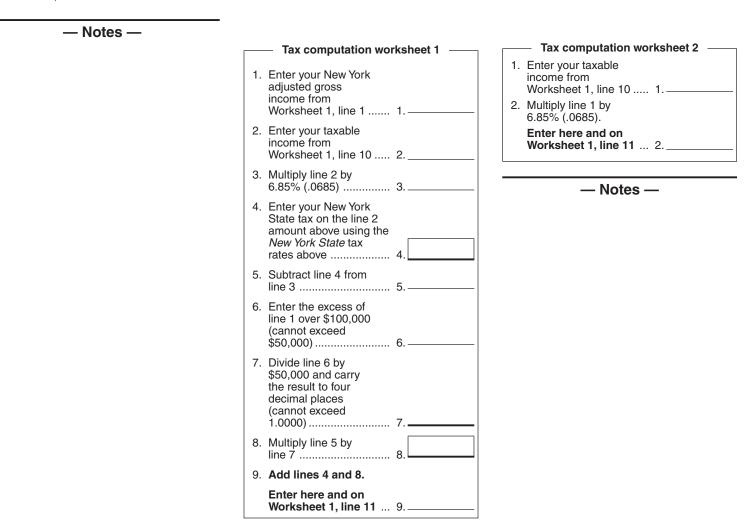If the amount on Worksheet 1, line 1, is **more than $100,000 but not more than $150,000,** you must compute your tax using **Tax computation worksheet 1** below.

If Worksheet 1, line 1 is more than $150,000 –

If the amount on Worksheet 1, line 1, is **more than $150,000,** you must compute your tax using **Tax computation worksheet 2** below.

— Notes —

Tax computation worksheet 1

1. Enter your New York adjusted gross income from Worksheet 1, line 1 .... 1. _____

2. Enter your taxable income from Worksheet 1, line 10 ..... 2. _____

3. Multiply line 2 by 6.85% (.0685) .... 3. _____

4. Enter your New York State tax on the line 2 amount above using the *New York State* tax rates above .... 4. _____

5. Subtract line 4 from line 3 .... 5. _____

6. Enter the excess of line 1 over $100,000 (cannot exceed $50,000) .... 6. _____

7. Divide line 6 by $50,000 and carry the result to four decimal places (cannot exceed 1.0000) .... 7. _____

8. Multiply line 5 by line 7 .... 8. _____

9. **Add lines 4 and 8.**

   Enter here and on Worksheet 1, line 11 ... 9. _____

Tax computation worksheet 2

1. Enter your taxable income from Worksheet 1, line 10 ..... 1. _____

2. Multiply line 1 by 6.85% (.0685).

   Enter here and on Worksheet 1, line 11 ... 2. _____

— Notes —

City of New York tax rates (Use only to figure your 2003 tax for Worksheet 2, columns (a) and (b)).

Married filing jointly and qualifying widow(er)			Single, married filing separately, and estates and trusts			Head of household		
If Worksheet 2, line 10 is:			**If Worksheet 2, line 10 is:**			**If Worksheet 2, line 10 is:**		
over	but not over	The tax is:	over	but not over	The tax is:	over	but not over	The tax is:
$ 0	$21,600	2.907% of line 10	$ 0	$12,000	2.907% of line 10	$ 0	$14,400	2.907% of line 10
21,600	45,000	$ 628 plus 3.534% of the excess over $21,600	12,000	25,000	$ 349 plus 3.534% of the excess over $12,000	14,400	30,000	$ 419 plus 3.534% of the excess over $ 14,400
45,000	90,000	1,455 plus 3.591% " " " " 45,000	25,000	50,000	808 plus 3.591% " " " " 25,000	30,000	60,000	970 plus 3.591% " " " " 30,000
90,000		3,071 plus 3.648% " " " " 90,000	50,000		1,706 plus 3.648% " " " " 50,000	60,000		2,047 plus 3.648% " " " " 60,000

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