



# Instructions for Form IT-112-R

## New York State Resident Credit

# IT-112-R-1

For tax years beginning prior to January 1, 2021, a shareholder of a subchapter S corporation or a partner in a partnership is not allowed a resident credit for any tax imposed upon or payable by the S corporation or partnership to another jurisdiction, even if the tax is substantially similar to New York State's Pass-Through Entity Tax (PTET). However, a shareholder or partner is allowed a resident credit if taxes are calculated on the income of the S corporation or partnership but are imposed upon and payable by the shareholder or partner.

## General instructions

You may claim the resident credit against your New York State tax using Form IT-112-R if you had income sourced to and taxed by another state, a local government within another state, or the District of Columbia, **and** you were:

- a full-year or part-year resident of New York State,
- a New York State resident estate or trust, or
- a part-year resident trust.

This credit is allowable only for the portion of the tax that applies to income sourced to and taxed by the other taxing authority **while you were a New York State resident**.

If you paid tax to more than one other taxing authority during your New York State resident period, use a separate Form IT-112-R for each credit.

However, if you paid tax to both a state and one or more local governments within that state on the same or different amounts of income, use only one Form IT-112-R to claim the resident credit for the taxes paid to the state and local governments within that state.

Do **not** use Form IT-112-R to claim the resident credit for taxes paid to a Canadian province. Instead, you must claim the resident credit (and addback) for taxes paid to a Canadian province on Form IT-112-C, *New York State Resident Credit for Taxes Paid to a Province of Canada*. For information, see Form IT-112-C-I, *Instructions for Form IT-112-C*, available on our website at [www.tax.ny.gov](http://www.tax.ny.gov).

You may not claim a credit for tax paid to the other taxing authority on any amount of income, gain, loss, or deduction arising from interest or dividends from intangible assets unless it is received from an asset connected with a trade or business conducted in the other taxing authority.

If the amount of personal income taxes paid to another taxing jurisdiction for which you originally claimed a New York State resident tax credit is later determined to be different from the amount originally reported, you must file an amended personal income tax return to report the change to your previously claimed resident tax credit.

If you marked filing status *Married filing separate return* on Form IT-201, *Resident Income Tax Return*, or Form IT-203, *Nonresident and Part-Year Resident Income Tax Return*, and if only one spouse paid tax to another taxing authority, the credit must be calculated and claimed on that spouse's separate return. The spouse who did **not** have tax payable to the other taxing authority **cannot** claim any part of the credit.

If you are a fiduciary of a resident estate or trust, determine the total New York State adjusted gross income in Part 1 the same way as a resident individual. To determine New York State adjusted gross income, subtract any charitable contributions and

distributions you made to beneficiaries. Include these amounts on line 19.

A resident partner, member, or shareholder will be allowed a resident credit against their tax due for any pass-through entity tax (PTET) paid to another jurisdiction by an electing partnership or electing S corporation that is substantially similar to the PTET imposed under Article 24-A. For more information, see *Pass-through entity tax (PTET)* or visit [www.tax.ny.gov](http://www.tax.ny.gov) (search: *PTET*).

The resident credit is equal to the taxpayer's direct share of the PTET paid by the electing partnership or electing S corporation to another state of the United States, a political subdivision of that state, or the District of Columbia, subject to certain limitations.

In the case of taxes paid by an S corporation, the S corporation **must** be treated as a New York S corporation. An ineligible corporation will be deemed to have met this requirement to the extent it is treated as a New York S corporation for purposes of calculating the New York State adjusted gross income of the resident shareholder.

Resident partners, members, or shareholders must make an addition modification to their federal adjusted gross income or federal taxable income on their New York State personal income tax returns equal to the amount of pass-through entity tax paid to another state, local government, or the District of Columbia on their behalf that is the basis for calculating the resident tax credit. For more information, see Form IT-225-I, *Instructions for Form IT-225*, available on our website at [www.tax.ny.gov](http://www.tax.ny.gov).

## Taxpayers with dual residency status

You cannot claim this credit if:

- you are a resident of New York State for personal income tax purposes, **and**
- a resident of another state for income tax purposes under its law, **and**
- the other state allows a credit against its tax for the total resident tax paid to New York State.

## Line instructions

### Part 1: Income and adjustments

#### Lines 1 through 18

**Residents and part-year residents:** Do **not** enter in column A or B any income that is taxable to the other taxing authority but **not** taxable to New York State.

**Income sourced to and taxed by both a state and one or more local governments within that state:** If you paid tax to both a state and one or more local governments within that state on different amounts of income, include in column B the larger amount of income subject to tax by either the state or one or more local governments within that state.

**Do not** enter in column A or B the ordinary income portion of lump-sum distributions received from sources outside New York State that is subject to the New York State separate tax on lump-sum distributions and is also subject to any income tax or separate tax by the other taxing authority. Calculate any resident credit against the separate tax on a lump-sum distribution paid to another taxing authority on Form IT-112.1, *New York*

*State Resident Credit Against Separate Tax on Lump-Sum Distributions.*

**Do not** enter in column B any amount of income, gain, loss, or deduction from interest or dividends from intangible assets unless it is received from an asset connected with a trade or business conducted in the other taxing authority.

### Residents

**Column A:** On lines 1 through 18, enter the amount of each item of income or deduction reported on Form IT-201 or the amount of income reported on Form IT-205, *Fiduciary Income Tax Return*, as if the estate or trust were a resident individual. If you marked filing status *Married filing joint*, include in column A the amounts for both spouses, even if the income of only one spouse was sourced to and taxed by the other taxing authority.

**Column B:** Calculate the amount of credit on an adjusted gross income basis. The amount of an item sourced to and taxed by the other jurisdiction that you must enter in column B is the gross amount minus applicable expenses and losses which would be deductible in calculating federal adjusted gross income. When you determine the expenses and losses deductible from gross income, follow the federal rules covering deductions allowable in calculating federal adjusted gross income.

In column B, enter any federal adjustments to income allowed by the other taxing jurisdiction.

**Taxpayers with dual residency status:** If you are a resident of New York State for personal income tax purposes and also deemed a resident of another state for income tax purposes under its law, do not include the following in column B:

- any amount of income, gain, loss, or deduction arising from interest or dividends from intangible assets unless it is received from an asset connected with a trade or business conducted in the other taxing authority
- any income attributable to a business, trade, profession, or occupation unless the business, trade, profession, or occupation was carried on in the other jurisdiction

**Example:** *You were taxable as a New York State resident during the current tax year. You were also taxable as a resident of Pennsylvania. You had wages of \$65,000 for the year, of which \$20,000 were earned for services performed in Pennsylvania and \$45,000 for services performed in New York State. You will enter the \$20,000 wages in column B.*

**Part-year residents:** If you were a part-year New York State resident, or a part-year resident trust, and you had income sourced to and taxed by another taxing authority during that part of the year that you were a resident, enter in column A the amount of each item of income or deduction entered on Form IT-203, lines 1 through 19, *Federal amount* column, or the amount of income reported on Form IT-205-A, *Fiduciary Allocation*.

Enter in column B of Form IT-112-R **only** the amount of each item of income or deduction from column A that relates to your New York State resident period that was sourced to and taxed by the other taxing authority.

**Line 19 New York adjustments:** Enter your net New York State adjustment (the difference between your New York State additions and your New York State subtractions):

- Your New York State additions are on Form IT-201, lines 20 through 23, or Form IT-203, lines 20 through 22 (*Federal amount* column).
- Your New York State subtractions are on Form IT-201, line 32, or Form IT-203, line 30 (*Federal amount* column).

- On Form IT-205, your New York State adjustment is the fiduciary share, from Schedule C, column 5, *Fiduciary* line, that relates to the items of income, gain, loss, and deductions included in the calculation of federal adjusted gross income.

**Line 20 New York adjusted gross income:** In column A, the net New York State adjustment on line 19 must be added to or subtracted from federal adjusted gross income on line 18. In column B, enter the amount from line 18, column B.

**Line 21 Capital gain portion of lump-sum distributions:** In column A, enter the capital gain portion of lump-sum distributions reported at Part II of federal Form 4972. In column B, enter the capital gain portion of lump-sum distributions reported at Part II of federal Form 4972 that was sourced to and taxed by the other taxing jurisdiction.

### Part 2: Calculating your resident credit for taxes paid to another state, local government, or the District of Columbia

**Line 23:** Enter the two-letter abbreviation of the other state where the income tax was paid. Enter **DC** for the District of Columbia. If you paid tax to a local government, enter on line 23 the locality name and the two-letter abbreviation for the state where the locality is located. If you paid tax to both a state and one or more local governments within that state, you must use one Form IT-112-R to claim the resident credit for both taxes.

### Line 24

The amount of income tax imposed is the amount of income tax you calculated on your return for the other taxing authority **minus** any credits allowed against this tax. **Do not** include use tax or the tax on income that is taxed by the other taxing authority but is not taxed by New York State. **Do not** enter tax withheld, estimated tax payments, or payments of balances due on this line. If you paid tax to both a state and one or more local governments within that state, enter the total amount of income taxes paid to both the state and to one or more local governments within the state.

**Residents:** Enter the amount of income tax imposed by the other taxing authority.

**Part-year residents:** Enter only the portion of the income tax imposed attributable to income sourced to and taxed by the other taxing authority during your New York State resident period.

**Taxpayers with dual residency status:** Calculate the amount to enter on line 24 as follows:

1. Divide the amount from column B, line 22 by the total income on the other state's return.
2. Multiply the result by the total income tax imposed on the other state's return.

*Total income* means the adjusted gross income (not taxable income) reported on the other state's return before any allowances for a standard or itemized deduction or exemptions.

**Note:** If the amount from column B, line 22, is more than the *Total income* on the other state's return, the resident credit allowed for New York State is limited to the income tax imposed on the other state's return. Enter that amount on line 24.

**Group members:** If you were a member of more than one group that paid taxes to the other jurisdiction on a group return, submit a list with each additional group's employee identification number (include your name and taxpayer identification number).

**Line 24a:** Enter the amount of income tax you paid to the other jurisdiction. Include any amounts paid on your behalf on a group (composite) return. This amount can be a negative number. If negative, enter the number using a minus sign (-).

**Line 24b:** Enter the amount of income tax substantially similar to New York State's pass-through entity tax that was imposed and paid on your behalf by an entity. Only include taxes paid on your behalf that were imposed on income that was accurately sourced to the state where the taxes were paid. For more information on other state taxes that qualify, see *States with a tax substantially similar to PTET*, or visit [www.tax.ny.gov](http://www.tax.ny.gov) (search: *similar*). Do not include taxes that are not substantially similar to PTET that were paid by an entity to another jurisdiction on your behalf, such as through a group (composite) return.

**Example:** A New York State resident taxpayer has income from a partnership located in another jurisdiction which has a tax that qualifies as substantially similar to the New York State PTET. The partnership pays a PTET of \$10,000 to the other jurisdiction on the taxpayer's behalf. The taxpayer files a non-resident tax return for the other jurisdiction and their tax liability is \$5,000. They receive a \$5,000 refund from the other jurisdiction, because the amount of the PTET credit of \$10,000 exceeds the tax liability of \$5,000. The taxpayer enters -5,000 on line 24a and 10,000 on line 24b, which results in a line 24 amount of 5,000.

#### Line 25

**Form IT-203 filers:** Enter New York State tax from Form IT-203, line 40 plus the Worksheet C, line 5 amount from the instructions for Form IT-230, *Separate Tax on Lump-Sum Distributions*.

**Form IT-201 and Form IT-205 filers:** Complete the following worksheet.

#### Worksheet for calculating your New York State tax payable

- |          |  |
|----------|--|
| <b>a</b> | Enter New York State tax from Form IT-201, line 39, plus the tax from Form IT-230, Part 2, line 2, <i>New York State</i> column. Resident estate or trust: Enter New York State tax from Form IT-205, line 8. Part-year resident trust: Enter New York State tax from Form IT-205, line 9 ..... <b>a</b> _____ |
| <b>b</b> | Enter your New York State household credit, if any, from Form IT-201, line 40 ..... <b>b</b> _____   |
| <b>c</b> | New York State tax payable ( <i>subtract line b from line a</i> ). Enter this amount on line 25... <b>c</b> _____  |

**Line 26:** Round to the fourth decimal place. For example, if the amount on line 22 in column B was \$12,000 and the amount on line 22 in column A was \$36,000, the result would be 0.3333. Enter this decimal on line 26; do **not** convert to a percentage.

If the amount on line 22 in column B is more than the amount on line 22 in column A, the result will be **more** than 1.0000. For example, if the amounts used were \$25,000 divided by \$15,000, the result would be 1.6667.

**Line 28:** The resident credit may not decrease the amount of New York State tax you owe to an amount less than would have been due if the income sourced to and taxed by other jurisdictions was excluded from your New York State income.

If you paid tax to both a state and one or more local governments within that state on different amounts of income, the resident credit may not decrease the amount of New York State tax you owe to an amount less than would have been due if the larger amount of income sourced to and taxed by the other taxing authority was excluded from your New York State income.

**Line 29:** If you are filing more than one Form IT-112-R, complete lines 1 through 28, and Part 4 for each. If you are also filing one or more Forms IT-112-C, complete lines 1 through 44, and Part 4 for each. Then combine the line 28 and line 44 amounts from all forms as follows:

1. **On one Form IT-112-R**, enter on line 29 one combined total amount from all additional Forms IT-112-R, line 28, and from any Forms IT-112-C, line 44.
2. Then complete lines 30 through 34 of the Form IT-112-R that shows the combined total on line 29.
3. Place behind the first Form IT-112-R any additional Forms IT-112-R and IT-112-C that you are filing.

### Part 3: Application of credit

#### Line 31

**Form IT-201 filers:** Enter the tax from Form IT-201, line 39, plus any amount from Form IT-201-ATT, *Other Tax Credits and Taxes*, line 21.

**Form IT-203 filers:** Enter the tax from Form IT-203, line 46, plus any amount from Form IT-203-ATT, *Other Tax Credits and Taxes*, line 20.

**Form IT-205 filers:** Enter the tax from Form IT-205, line 8 (for residents), or line 9 (for nonresidents), plus any credits shown on line 1 of the *Addbacks worksheet*, in the instructions for Form IT-205, line 12.

**Line 32:** If you are applying any credits against the tax before this credit, enter those amounts here.

Apply credits in the following order:

1. household credit
2. any credits that cannot be carried over or refunded
3. any credits that can be carried over for a limited duration
4. any credits that can be carried over for an unlimited duration
5. refundable credits

For more information, see *Ordering of personal income tax credits*, or visit [www.tax.ny.gov](http://www.tax.ny.gov) (search: *ordering*).

**Line 34:** Enter the line 34 amount on Form IT-201, line 41, or Form IT-203-ATT, line 1, or include it on Form IT-205, line 10.

### Part 4: Information from your return filed with the other state, local government, or the District of Columbia

You **must** complete this section.

**Line 35:** Enter on line 35 the total amount of prepayments made to the other state, local government, or the District of Columbia. Include all prepayments such as:

- amounts withheld from **all** sources, and
- estimated tax payments, including overpayments applied from a prior year's tax return, and payments made with extensions.

Do not include taxes withheld or estimated taxes paid for any taxing authority other than the one for which you are claiming the credit on this Form IT-112-R. However, if you paid taxes to both a state and one or more local governments within that state, enter the total amount of income taxes paid to both the state and to one or more local governments within the state.

**Line 36:** Enter the amount of overpayment, if any, shown on the return you filed with the other state, local government, or the District of Columbia. This is the amount that exceeds the total tax calculated on your return for the other taxing authority (see the instructions for line 24 above), before allocating for amounts

to be refunded or credited to the following year's estimated tax, and before any deducting for donations or estimated tax penalties.

**Line 37:** Enter on line 37 the balance due, if any, shown on the return you filed with the other state, local government, or the District of Columbia. The balance due is the amount you paid with your return after credit for taxes withheld, estimated tax payments and any other prepayments. Do **not** include penalties, interest, use tax, or donations.

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