



Instructions for Form IT-558

New York State Adjustments due to Decoupling from the IRC

Filing information for certain taxpayers

You should make New York State adjustments due to decoupling from the IRC using Form IT-558 **only if**:

- you are a partnership and are a partner in one or more partnerships and you received Forms IT-204-CP and IT-204-IP from those partnerships and an amount was reported to you in the *Partner's share of New York adjustments due to decoupling from the IRC* section, line 1 or 2 of those forms.
- you are a partner in one or more partnerships and received Form IT-204-IP from that partnership and an amount was reported to you in the *Partner's share of New York adjustments due to decoupling from the IRC* section, line 1 or 2 of that form.
- you are a shareholder of one or more federal S corporations for which the election to be a New York S corporation was in effect for the tax year, and the S corporations provided you any addition and subtraction adjustments because of New York State decoupling from changes to the IRC after March 1, 2020.
- you are a beneficiary of an estate or trust and the estate or trust reported adjustments to federal taxable income because of New York State decoupling from changes to the IRC after March 1, 2020.

Note: Using any adjustment codes other than the ones listed in the *Adjustment charts* on page 3 may result in a delay with the processing of your return.

General information

For tax years beginning before January 1, 2022, the 2020-2021 New York State budget (Part WWW of Chapter 58 of the Laws of 2020) decoupled personal income tax from any amendments made to the Internal Revenue Code (IRC) after March 1, 2020. This includes changes made by the federal Coronavirus Aid, Relief, and Economic Security (CARES) Act and any other federal changes to the IRC. Therefore, any amendments made to the IRC after March 1, 2020, will not apply to New York State or New York City personal income tax.

Complete Form IT-558 and submit it with your return to report any New York State addition and subtraction adjustments required to recompute federal amounts using the rules in place prior to any changes made to the IRC after March 1, 2020.

Note: These addition and subtraction adjustments are separate from the addition and subtraction modifications reported on Form IT-225, *New York State Modifications*. You may need to file both Form IT-558 and Form IT-225.

For a listing of addition and subtraction adjustment(s) for your specific filing that may be entered on this form, refer to the *Adjustment charts* on page 3.

Submit Form IT-558 with Form IT-201, *Resident Income Tax Return*; IT-203, *Nonresident and Part-Year Resident Income Tax Return*; IT-204, *Partnership Return*; or IT-205, *Fiduciary Income Tax Return*.

Special symbol

The following symbol alerts you to important information and filing shortcuts.




Caution

Line instructions

Enter the name and Social Security number (SSN) or employer identification number (EIN) as shown on Form IT-201, IT-203, IT-204 or IT-205. If you are filing a joint personal income tax return, enter both spouses' names and the SSN of the taxpayer listed first on your Form IT-201 or IT-203.

Mark an **X** in the appropriate box identifying the return with which you are submitting Form IT-558.

Use the instructions below to determine which parts of this form you should complete. **If more than one set of instructions applies, follow all the instructions that apply to you.**

 **Partnerships:** Partnerships should only make adjustments for items that are included in the partnership's ordinary business income (loss). Partnerships should **not** make adjustments for items that will flow to the partners as separately stated items. Separately stated items will be adjusted as required at the partner level.

Partners, S corporation shareholders, and beneficiaries

- Complete Schedule A, Part 2, to report your New York additions from a partnership, New York S corporation, or estate or trust.
- Complete Schedule B, Part 2, to report your New York subtractions from a partnership, New York S corporation, or estate or trust.

This information should be provided by the partnership, S corporation, and estate or trust. For more information, see *New York State addition and subtraction adjustments to recompute federal amounts* on page 2.

If you have more than seven entries in any part, submit a separate Form IT-558 listing the additional addition or subtraction adjustments in the appropriate parts.

Schedule A – New York State addition adjustments to recompute federal amounts

Enter the New York State addition adjustments that apply to you as a partner, shareholder, or beneficiary in Part 2.

Part 2 – Partners, shareholders, and beneficiaries

Line 5

Enter the New York State addition adjustments provided by the entity of which you are a partner, shareholder, or beneficiary. Be sure to enter the total amount and New York State allocated amount (if applicable) in the appropriate column.

If you receive addition adjustments from more than one flow-through entity, combine the amounts using code EA-100 for amounts from partnerships or S corporations, or code EA-101 for amounts from estates or trusts.

Line 9

Enter the line 9 amount as follows:

Form IT-201 filers: Enter the line 9 amount on the *Line 19a worksheet*, line 2 in Form IT-201-I.

Form IT-203 filers: Enter the line 9 amount on the *Line 19a Federal amount column worksheet*, line 2 in Form IT-203-I.

Enter the sum of the entries from Form IT-558, line 5, column B on *Line 19a New York State amount column worksheet*, line 2 in Form IT-203-I.

Estates and trusts: Enter the line 9 amount on Form IT-205, line 70a.

Partnerships: Enter the line 9 amount on Form IT-204, Section 12, line 1.

Schedule B – New York State subtraction adjustments to recompute federal amounts

Enter the New York State subtraction adjustments that apply to you as a partner, shareholder, or beneficiary, in Part 2.

Part 2 – Partners, shareholders, and beneficiaries

Line 14

Enter the New York State subtraction adjustments provided by the entity of which you are a partner, shareholder, or beneficiary. Be sure to enter the total amount and New York State allocated amount (if applicable) in the appropriate column.

If you receive subtraction adjustments from more than one flow-through entity, combine the amounts using code ES-100 for amounts from partnerships or S corporations, or code ES-101 for amounts from estates or trusts.

Line 18

Enter the line 18 amount as follows:

Form IT-201 filers: Enter the line 18 amount on the *Line 19a worksheet*, line 4 in Form IT-201-I.

Form IT-203 filers: Enter the line 18 amount on the *Line 19a Federal amount column worksheet*, line 4 in Form IT-203-I.

Enter the sum of the entries from Form IT-558, line 14, column B on *Line 19a New York State amount column worksheet*, line 4 in Form IT-203-I.

Estates and trusts: Enter the line 18 amount on Form IT-205, line 70b.

Partnerships: Enter the line 18 amount on Form IT-204, Section 12, line 2.

⚠ Failure to enter the specific subtraction adjustment code(s) (including subtraction adjustments provided by the entity of which you are a partner, shareholder, or beneficiary) as identified by these instructions may result in the subtraction adjustment(s) being disallowed. Do **not** make an entry on the respective worksheets or forms without submitting a properly completed Form IT-558.

New York State addition and subtraction adjustments to recompute federal amounts

In the adjustment descriptions below, *you* will refer to an individual, estate, trust or partnership, as applicable. For information on which forms the adjustments apply to, see the *Adjustment charts* on page 3.

Form IT-203 filers

Nonresident individuals

Enter in column A, *Total amount*, the New York State additions or subtractions that must be added to or subtracted from your federal AGI. Enter in column B, *NYS allocated amount*, the portion that relates to income, loss, or deduction derived from or connected with New York State sources. New York additions and subtractions that relate to intangible items of income, such as interest or ordinary dividends, are only required to the extent the property that generates the income is employed in a business, trade, profession, or occupation carried on in New York State.

Part-year residents

If you were a part-year resident, include the portion of any of the additions and subtractions that relate to your New York State resident period in the *NYS allocated amount* column. Also, for the period you were a nonresident, include in the *NYS allocated amount* column the portion of any of the additions and subtractions to the extent they are related to a business, trade, profession, or occupation carried on in New York State or are from real or tangible personal property located in New York State.

S corporation shareholders

If you are a shareholder of a federal S corporation for which the election to be a New York S corporation was in effect for the tax year, include any addition and subtraction adjustments that were provided to you by the S corporation. If the election to treat the corporation as a New York S corporation terminated during the tax year, you must make the additions and subtractions only to the extent they are attributable to the period for which the election to be a New York S corporation was in effect.

If you are a shareholder of an S corporation that was eligible to make the election to be a New York S corporation for the tax year but did not make the election, do **not** include any S corporation adjustments since they apply only to electing New York S corporations.

You must make the adjustments for the tax year of the S corporation that ends in your tax year.

New York State addition adjustments

Write in the applicable number(s) and the amount of each addition adjustment on lines 5a through 5g. You must enter all three digits of the code.

EA-100 Partner's and New York S corporation's distributive share of adjustments to ordinary business income of a partnership

If you are a partner in a partnership, and the partnership reported adjustments to ordinary business income on the partnership's Form IT-204-IP, *New York Partner's Schedule K-1*, as a result of New York State decoupling from changes to the IRC after March 1, 2020, **and** the amount of your distributive share is a net addition, **then** enter such amount.

If you are a shareholder of a New York S corporation, **and** the S corporation reported adjustments to ordinary business income from one or more partnerships as a result of New York State decoupling from changes to the IRC after March 1, 2020, **and** the amount of your distributive share is a net addition, **then** enter your pro rata share of the amount reported on the S corporation's Form CT-34-SH, *New York S Corporation Shareholders' Information Schedule*, line 3a. Also see ES-100.

EA-101 Beneficiary’s distributive share of adjustments to federal taxable income of an estate or trust

If you are a beneficiary of an estate or trust, and the estate or trust reported adjustments to federal taxable income as a result of New York State decoupling from changes to the IRC after March 1, 2020, **and** the amount of your distributive share is a net addition, **then** enter such amount.

If you are a shareholder of a New York S corporation, **then** enter your pro rata share of the amount reported on the S corporation’s Form CT-34-SH, line 3a. Also see ES-101.

New York State subtraction adjustments

Write in the applicable number(s) and the amount of each subtraction adjustment on lines 14a through 14g. You must enter all three digits of the code.

ES-100 Partner’s and New York S corporation’s distributive share of adjustments to ordinary business income of a partnership

If you are a partner in a partnership, and the partnership reported adjustments to ordinary business income on the partnership’s Form IT-204-IP as a result of New York State decoupling from changes to the IRC after March 1, 2020, **and** the amount of your distributive share is a net subtraction, **then** enter such amount.

If you are a shareholder of a New York S corporation, **and** the S corporation reported adjustments to ordinary business income from one or more partnerships as a result of New York State decoupling from changes to the IRC after March 1, 2020, **and** the amount of your distributive share is a net addition, **then** enter your pro rata share of the amount reported on the S corporation’s Form CT-34-SH, line 5a. Also see EA-100.

ES-101 Beneficiary’s distributive share of adjustments to federal taxable income of an estate or trust

If you are a beneficiary of an estate or trust, and the estate or trust reported adjustments to federal taxable income as a result of New York State decoupling from changes to the IRC after March 1, 2020, **and** the amount of your distributive share is a net subtraction, **then** enter such amount.

If you are a shareholder of a New York S corporation, **then** enter your pro rata share of the amount reported on the S corporation’s Form CT-34-SH, line 5a. Also see EA-101.

Adjustment charts

The charts below are a quick reference guide showing (with an **X** in the column) which return each adjustment applies to.

Addition adjustments					
Adjustment number	Description	Returns			
		IT-201	IT-203	IT-204	IT-205
EA-100	Partner’s and New York S corporation’s distributive share of adjustments to ordinary business income of a partnership	X	X	X	X
EA-101	Beneficiary’s distributive share of adjustments to federal taxable income of an estate or trust	X	X	X	X

Subtraction adjustments					
Adjustment number	Description	Returns			
		IT-201	IT-203	IT-204	IT-205
ES-100	Partner’s and New York S corporation’s distributive share of adjustments to ordinary business income of a partnership	X	X	X	X
ES-101	Beneficiary’s distributive share of adjustments to federal taxable income of an estate or trust	X	X	X	X