

February 2015

# NY NATP E-News



**NEW YORK**  
THE FIRST CHAPTER

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## President's Message

Dear Fellow Tax Professionals,

I hope this finds you all too busy to read this! The Chapter is busy arranging the Summer Series classes. We will be offering an S Corp seminar as well as a Trust seminar. We are also offering a Business Tax Seminar on Sales Tax and Corporation Issues. Our Fall Series is moving along too.

Please try to take a few minutes for yourselves during the tax season. As my VP Kathryn Keane always (and I do mean always) says "No one gets to heaven wishing they worked more hours!"

Have a great day

Nick Kounios



## New for Tax Year 2014

By Rick Rottkamp, EA and Nick Kounios, EA

### New York Form IT-255

Form IT-225 must be submitted with your tax return to report any New York additions and subtractions that do not have their own line on your return.

Refer to the charts found in the form IT-225 instructions for a listing of addition and subtraction modification(s) for your specific filing that may be entered on this form.

Various modifications are entered directly on your return. See the modification charts and the instructions for the return you are filing for additional information.

Submit Form IT-225 with Form IT-201, IT-203, IT-204, or IT-205.

### Family Tax Relief Credit

The family tax relief credit is a \$350 payment to certain middle-income New Yorkers.

For 2014, the Tax Department has already mailed checks to eligible taxpayers. Eligible taxpayers did not need to apply. If you think you are eligible, but did not receive a check, you will be able to have your case reviewed.

#### Eligibility requirements

You are entitled to this credit for 2014 if, on your 2012 personal income tax return, you:

- were a resident of New York State for the entire year,
- claimed at least one child under age 17 as a dependent,
- had New York State adjusted gross income (line 33 of your Form IT-201) between \$40,000 and \$300,000, and
- had a [New York State liability after credits](#) that was zero or greater.

#### How to claim the credit

If you filed a 2012 return and met the four eligibility requirements above, you should have received your **2014** credit in the mail sometime between late September and early October.

In 2015 and 2016, eligible taxpayers will claim the credit when they file their income tax returns. Eligibility for those years will be based on that year's return.

#### How to file your 2014 return

When you file your 2014 New York State income tax return, you must indicate on the return whether you received the \$350 check for the family tax relief credit. The amount of the credit does not need to be reported in your taxable income and will not be included in any 1099-G you receive.

Use our Family Tax Relief Credit Refund Lookup tool to verify you were mailed a check:

If you did not receive a check, please review your 2012 return to make sure you meet the eligibility requirements listed above. If you still feel you are eligible, you may apply to have your return reviewed for eligibility.

The quickest and easiest way is to apply online:

- Log in or create an Online Services account
- Select Personal income tax from the Services menu on the left
- Then select Claim your family tax relief credit

If you cannot apply online, you may complete and mail Form TP-290, [Application for the Family Tax Relief Credit](#).

Continued...

## Property Tax Freeze Credit

The property tax freeze credit is a new tax relief program that reimburses qualifying New York State homeowners for increases in local property taxes on their primary residences. The credit applies to school districts in 2014 and 2015, and to most other municipalities in 2015 and 2016.

### Eligibility requirements for 2014

To receive the credit in 2014, homeowners must meet the following eligibility requirements:

- Receive the STAR property tax exemption.
  - The property must be the homeowner's primary residence.
  - The total household income must be \$500,000 or less.
- The school district where the homeowner's property is located must comply with the New York State Property Tax Cap. Find out if your school district complied with the tax cap this year on the [tax cap compliance page](#).

### How to get the credit

The Tax Department will automatically mail checks to eligible homeowners. Eligible homeowners do not need to do anything to receive the credit. The Tax Department will review eligibility data and calculate the credit.

Once all checks are mailed, homeowners who do not receive a check and who believe they are entitled to the credit (or who believe their credit was incorrectly calculated) will be able to contact the Tax Department to have their case reviewed.

### Credit amounts

As a general rule, the freeze credit will fully reimburse eligible homeowners for increases to their property taxes. The freeze credit will be the greater of:

- the actual increase in the homeowner's tax bill, or
- the previous year's tax bill multiplied by an inflation factor (the lesser of 2% or inflation). For 2014, the inflation factor for school districts is 1.46%.

Homeowners whose tax bills go down, stay the same, or increase less than the inflation factor will receive a credit equal to the previous year's tax bill multiplied by the inflation factor.

To estimate your credit, multiply your 2013 school tax bill by 1.5% (.015).

### Exceptions

There are some exceptions. The credit will not reimburse homeowners for increases that are the result of:

- improvements to the property that increase its value,
- changes in a property's exemption status, or
- a jurisdiction-wide reassessment to the extent the increase in the property's assessed value exceeds the average change in assessed value.
- Co-ops and mobile homes

The credit for co-ops and mobile homes that are not separately assessed will be calculated as follows:

- Co-op owners: the credit will be 60% of the average credit for the jurisdiction.
- Mobile home owners: the credit will be 25% of the average credit for the jurisdiction.

### Buffalo, Rochester, Syracuse and Yonkers

Different rules apply in Buffalo, Rochester, Syracuse and Yonkers. These cities impose a single levy that includes both city and school district taxes. For purpose of the freeze credit, 67% of the tax is attributable to school tax and 33% attributable to city tax. In 2014, the credit will be equal to that part of the property tax increase attributable to school tax (67%).

### New York City

New York City is not subject to the tax cap. For this reason, city residents are not eligible for this credit. New York City homeowners and renters may, however, be eligible for the New York City Circuit Breaker Tax Credit.

Hope this helps to explain these important New York tax changes. Visit your New York Chapter web site for current news effecting the tax preparer community.

## Education Corner- Save the Dates!

The NY Chapter Education Committee is proud to announce our upcoming Summer Series!

The 2015 NY Chapter Summer Series includes three exciting seminars:

### **Day One: Nuts and Bolts of Trusts (8 Fed CE)!**

Every day, clients ask tax professionals about a trust. How is this treated? How is that treated? Above it all, the tax ramifications loom! This session takes you through the how, why and what if's behind trusts, including the Form 1041.

### **Day Two: Preparing S Corporation returns (8 Fed CE)!**

This course is for an inexperienced tax professional to get up to speed on the most common areas of S corporation taxation and for tax professionals looking to include the preparation of S corporation income tax returns in their business. If you are one of those tax professionals, take this course to receive the knowledge necessary to accurately prepare Form 1120S, including the common schedules that need to be prepared. This course will guide you through the actual preparation of Form 1120S in an illustrative example starting with a trial balance.

### **Day Three: NYS Business Tax Seminar: Sales Tax and NYS Corporation Tax Issues (8 CE for NYS CPAS)!**

This comprehensive seminar looks at the ins and outs of Sales Tax, the largest revenue base in the State's tax bag. From registration to audits to recordkeeping requirements to industry specific issues, the Sales Tax module will leave no question unanswered. NYS Corporation Tax Issues will include a one hour Panel Discussion on Corporation Problem Solving as well as a three hour module addressing the State specific issues for corporations and other businesses, such as forming/dissolving, NYS tax bases such as capital base, as well as many other State issues.

So far we have three exciting locations!

- August 10-12 in Turning Stone Resort and Casino in Verona NY (just miles from Syracuse)
- August 17-19 at the Holiday Inn Midtown in NYC
- August 17-19 at the Clarion Hotel in Batavia

Coming Soon: We will be firming up dates in Fishkill, NY!

The Education Committee is always looking for committed individuals to get involved. If you are interested, contact Education Chair Kathryn Keane at [info@macanta.com](mailto:info@macanta.com).

Kathryn M. Keane  
Education Committee Chair

### **Don't Forget!**

**NY Chapter Annual Meeting-**  
Binghamton, NY October 23, 2015

**National Conference-**  
New Orleans, LA July 20-23, 2015

**NATP Tax Forums**  
Las Vegas, NV August 26-27, 2015  
Philadelphia, PA September 3-4, 2015

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### NY Chapter Founders Award Past Winners

Ralph Sommers  
2013

Wendy C. Loomis  
2014

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We're on FaceBook!  
Search for NY NATP!

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## Fax In Survey!

The NY Chapter works diligently every year to bring you Education programs and topics that are relevant to you and your practice. In recent years there have been some changes to the guidelines on what topics can qualify for CE Credits.

### The NY Chapter wants to know:

As an attendee, which item is most important when you attend a NY Chapter course?

- Getting a full day of Federal CE (8 hours)
- NYS Topics (fully aware that we may offer less than a full 8 hours of Federal CE to accommodate these NY topics)

Please fax all responses to **718-998-3156**.



**Do you have Box Tops lying around your home/office that you want to donate but don't know where to send them?  
The NY Chapter is here to help!**

In January, The NY Chapter voted to collect Box Tops to benefit schools in our area.

Box Tops can be mailed to 2109 Homecrest Ave, Brooklyn NY 11229. We are also accepting nominations for schools in need. Email nominations to [info@macanta.com](mailto:info@macanta.com)!

For a list of products that contain Box Tops visit: <http://www.boxtops4education.com/-/media/BoxTops/FlyersAndDownloads/Participating-Products-Flyer.pdf>