

NY NATP

Summer Series dates coming soon!

We will be in 3 locations this August!

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Tax Season Hours

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# E-News

New York Chapter of NATP  
Monthly Newsletter

February 2025

## *Passing of Dwayne "Rocky" Rhodes*

Rocky was a long-time member of the NY NATP Board and Education Committee as well as a Chapter Instructor. He was generous and kind. A memorial tribute will be forthcoming in next month's newsletter, but for now please remember the lesson Rocky taught his fellow Chapter board members: "no one gets to heaven and complains they did not get more returns completed. They get there and mourn missing life's events"

Obituary can be found at: <https://www.harris-fh.com/obituaries/k-dwayne-rocky-rhodes>



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## This Month's Issue

- 1127: What you need to know
- Webinar series On Demand
- Updated 1099K
- Scheduling withholding tax payments
- Did you know?

## Contributors:

Kathryn M. Keane, EA  
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## Form 1099-K – Reporting Amounts Included in Error or Personal Items Sold at a Loss

The IRS has revised Schedule 1 (Form 1040) to simplify the reporting of personal items sold at a loss or amounts included in error on Form 1099-K.

Beginning with the 2024 tax year, Schedule 1 (Form 1040) includes a new line at the top of the form specifically for entering amounts reported on Form(s) 1099-K that were either included in error or reflect the sale of personal items sold at a loss. This update eliminates the need for the previously recommended reporting method, which required taxpayers to report erroneous income on one line (8z) and the corresponding offset on another line (24z).

The form's instructions also include a reminder for taxpayers to ensure that all other amounts reported on Form 1099-K are appropriately reported elsewhere on the return, depending on the nature of the transactions. For instance, amounts related to self-employment income should be reported on Schedule C.

This revision aims to streamline the filing process for taxpayers and reduce errors associated with reconciling amounts reported on Form 1099-K.

Additionally, on November 26, 2024, the IRS announced new 1099-K reporting thresholds. The threshold will decrease to \$5,000 in 2024, \$2,500 in 2025, and \$600 in 2026, unless further changes are made.

Education Committee Staff

## Not getting our emails?

Email [NewYorkNATP@gmail.com](mailto:NewYorkNATP@gmail.com) and we will add you to our distribution list.

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Not getting Chapter News? Make sure you did not OPT OUT! Login to your [natptax.com](https://natptax.com) account, scroll down to the bottom of the home page, Under Customer Center click “Email Preferences” make sure you didn’t check off “Don’t Send me any emails” and “State Chapter email” is not checked off under “Do Not Send Me”



## NY NATP Webinar Series On Demand

All 2 hr webinars are \$40 for members/non-members, 1 hr webinars are \$30 for members/non-members

### Preparing a Basic IT 201 Tax Return *Presented by Daniel Paoletti, EA*

*Available on Demand until November 2025*

This hands on course will discuss the ins and outs of preparing a basic NY IT201 Tax Return. We will review filing requirements, filing status, most common adjustments to NYS Income and introduce some basic NYS Tax credits

### New York State Individual Tax Credits *Presented by Dan Paoletti, EA*

*Available on Demand until November 2025*

New York State and the City of New York, offer many tax credits. Some are simple and handled by professional tax software with little or no additional steps while others require filing. This module addresses the more common and most recently enacted tax credits.

After attending this session, attendees should be able to:

- Recognize commonly used New York State and New York City tax credits
- Advise clients on potential tax credits in tax planning
- Properly calculate and apply commonly used NYS/NYC tax credits
- Understand ordering and carryover rules and determine when they apply
- Recognize Awareness Topics in credits and Other NYS Taxes

### Special FREE Webinar for NATP Members Only:

#### NY NATP Late Breaking NYS Update *Presented by Kathryn M Keane, EA*

*Available on Demand until November 2025*

This seminar will update members on the most recent changes in NY tax law changes that are known. 2024 has been a unique year in many ways. See how New York is addressing some of the tax areas that have come up.

### New York State Modifications *Presented by Dan Paoletti, EA*

*Available on Demand until November 2025*

New York State tax returns are prepared after the federal return has been completed. Tax professionals begin with federal adjusted gross income (AGI) then apply the numerous New York State modifications to income. More commonly used modifications are the primary focus, while rarely used modifications are presented for awareness only. At the end of the section, attendees should be able to recognize and correctly calculate common NYS adjustments to income and be aware of the less common NYS adjustments to income

### NYS IT203 Nonresident and Part Year Resident *Presented by Rick Rottkamp, EA*

*Available on Demand until November 2025*

This webinar deals with the filing intricacies a New York State connected taxpayer may encounter as well as the following:

- Determine the effects nonresident and part year residency could have on filing status.
- Explain key definitions including domicile, residence, permanent place of abode and statutory resident.
- Cover the primary and secondary factors in determining domicile.
- Learn the types of New York income sourced to nonresidents.
- Discuss types of income requiring allocation and review the income allocation worksheet.
- Explain the three-factor apportionment method, special accruals and preparation of form IT-2663, Nonresident real property estimated income tax.
- Discuss Telecommuting including the Convenience Rule

### NY NATP NYC Part Year Resident and IT-360.1 *Presented by Kathryn Keane, EA*

*Available on Demand until November 2025*

This hands on session will explore the special rules for Taxpayers moving in to and out of New York City. We will discuss the form IT360.1 Change of City Resident Status and during the session we will work through real life examples for Taxpayers who are required to file this form

**To Register or For more information please visit:**

<https://www.natptax.com/Chapters/Pages/NewYorkChapterEducation.aspx>

Working for NYC but Living Outside the City: What Tax Experts Need to Know

by Joy Williams

Did you or your clients ever live in the Big Apple but decide that suburban life was more appealing? Perhaps they work for NYC agencies like NYPD, MTA, Sanitation, or Housing, but reside in Long Island, Westchester, New Rochelle, or even Orange County. The issue arises: they're paying New York City taxes—but should they be?

As we know, **three (3) factors to meet the filing requirements**

**Hiring Date:** This requirement applies to employees hired on or after January 4, 1973

**Residency Status:** Nonresidents for any part of the year

**Payment Amount:** The payment equals what you would owe if you were a NYC resident—it's not technically a tax, but a condition of employment

**Why Are Non-Residents Paying NYC Taxes?**

New York City employees—regardless of where they live—see NYC taxes deducted from their paychecks. But here's the good news: they may be entitled to a refund through Form 1127!

**The NYC-1127: A Hidden Tax Secret**

Form 1127 allows non-resident NYC government employees to recover a portion of the city taxes withheld from their paychecks. If your client works for a city agency but lives outside the five boroughs, they should be filing this form to potentially claim a refund. According to NYC.gov, the refund process ensures these workers are only taxed on what an NYC resident would owe after deductions and credits.

**Key Facts:**

- **Who Must File?** Any NYC government employee who is a non-resident must file Form 1127 if they received an 1127.2 statement from their employer (source: NYC Department of Finance).
- **How to File?** The return must be filed online via NYC e-Services or mailed to the NYC Department of Finance (source: [NYC.gov/311](https://www.nyc.gov/311)).
- **What's Needed?** A copy of the client's New York State tax return and wage statement (Form 1127.2) must be included.
- **Refund Timeline?** Processing can take up to 60 days, and refunds are issued via the same method as payroll deposits (source: NYC.gov).

**Don't Leave Refunds on the Table!**

Many NYC employees who live outside the city don't realize they qualify for a refund. As tax professionals, it's our job to ensure they get every dollar they're entitled to. Double-check your clients' residency status and make sure they're not overpaying city taxes!

Need more details? Visit NYC.gov or call 311 for official information. Let's keep our clients' finances in top shape—because every refund counts!

**Scheduling withholding tax payments and e-filing first-quarter 2025 returns from NYS DTF**

The Tax Department is streamlining withholding tax and wage reporting forms and Web File applications. Due to these upcoming improvements:

you cannot currently schedule payments for dates after March 20, 2025; and

you cannot currently electronically file first-quarter 2025 Form NYS-45, Quarterly Combined Withholding, Wage Reporting, and Unemployment Insurance Return.

If you need to report you permanently ceased paying wages subject to withholding prior to March 20, 2025, you must submit a paper Form NYS-45.

When our improvements are live, you will be able to resume scheduling payments and begin electronically filing first-quarter NYS-45 returns. To stay up to date, subscribe to Withholding tax.

Want more information about the upcoming changes?

For detailed information about the upcoming improvements, see Significant changes coming to withholding tax and wage reporting.

<https://content.govdelivery.com/accounts/NYTAX/bulletins/3cc6257>



## Did you know?

If you need more info, email: [newyorknatp@gmail.com](mailto:newyorknatp@gmail.com)

### [New York Bill Would Amend PTE Tax Election, Payment Timeline](#)

New York S. 625, as prefiled January 3, would extend the deadline for taxpayers electing to pay the passthrough entity tax to September 15 for tax years beginning on or after January 1, 2025.

### [New York Governor Announces Direct File Eligibility Expansion](#)

New York Gov. Kathy Hochul (D) announced that the state is expanding eligibility for its Direct File joint program with the IRS to state residents who had an income of up to \$200,000 in 2024, or \$250,000 for taxpayers filing joint returns.

### [New York Governor Proposes to Expand Child Tax](#)

New York Gov. Kathy Hochul (D) announced a proposal to expand the state's empire state child tax credit as a part of her State of the State budget plan for 2025; the annual tax credit would increase up to \$1,000 per child for children under the age of 4 and up to \$500 per child for children aged 4 through 16.

### [New York Court Finds County Improperly Increased Property Tax Assessment](#)

The New York Supreme Court, Appellate Division, Second Department held that a property tax assessment was improperly increased by 83.5 percent from \$1,247 to \$2,288.



## Newsletter Committee:

Kathryn M. Keane, EA  
Christina Parisi &

## Want to help out on the Newsletter? We need you!

The newsletter needs many types of help, from ideas on articles to writers, even a drawing. Please reach out to Kathryn Keane at [newyorknatp@gmail.com](mailto:newyorknatp@gmail.com) if you can help out.

We are looking for articles on:

- New credits
- Hiring and Retaining Staff
- Work/Life Balance
- Building a Practice
- Exit Ideas
- Literally Anything!!!!

## Purchasing a Quickfinder?

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The NY Chapter THANKS YOU FOR YOUR SUPPORT!!