

ST15-09 NJ Resident with NY Income

Out of Scope if:

- Not full year NJ Resident (both spouses if filing joint)
- Maintained living quarters in NY state
- NY Source Income other than W-2 or Unemployment
- NY W-2 with Box 1 not equal to NY Box 16
- Any exempt interest, dividends, capital gains with different treatment in NJ / NY (e.g. NJ municipal bonds)
- NY Lottery winnings
- Any NY additions to or subtractions from income (e.g. 414(h) retirement contributions, NY government pensions)

<u>Do Federal, then NY, then NJ - Sequence is Important !!</u>

1) Main Info

- a) State Information section – add NY in Nonresident box

2) All federal 1040 items

- a) For any W-2(s) (with NJ in box 15) – enter as usual
- b) For any W-2(s) (with NY in box 15)
 - i) Use separate line on W-2 worksheet for box 15-20 entries with NY in box 15
(1) i.e. – Do NOT enter NY amounts in NJ line – just leave blank (and un-red box 17 if red)
 - ii) See TW State Help for NY special codes
(1) box 20, Local name (e.g. NYC, YONKERS, FORM1127)
(2) box 14, Other (e.g. 414HSUB, IRC125S)
- c) **RES/NR Wkt**
 - i) Check the box at the top: “Check here if you have verified the amounts on this form”
 - ii) Income section
 - (1) NY W-2 amount in “Nonresident state NY” column should be filled in automatically
 - (2) Enter total NY unemployment amount (if any) in “Nonresident state NY” column
 - (a) Do NOT include any NJ unemployment amount
 - (3) Any other amounts that would be considered “NY Source Income” are OUT OF SCOPE
 - iii) Adjustments section
 - (1) Copy any numbers from the “Federal and resident state NJ” column to the “Nonresident state NY” column (e.g. Alimony, IRA, ...)
- d) **Run Diagnostics** to check for federal problems
 - i) Errors due to incomplete stuff on NY or NJ return ok at this point

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3) NY Return

a) **NY 203 Pg 1**

- i) "Enter the last NY county of residence, school district name and school district number"
 - (1) County of residence – Enter "NR"
 - (a) I can't find any way to get TWO to accept "NR", so just leave blank...
 - (2) School district name – Enter "NR"
 - (3) School district number – Leave blank
- ii) Line A – If "Do you want to file Form IT-203-C?" is red, click "Yes" – IT-203-C will be automatically added to the tree. Fill in IT-203-C as appropriate.
- iii) Line D1 – Answer "Did you have a financial account located in a foreign country?"
- iv) Line D3 – Answer "No" to "Did you receive a family tax relief credit?"
- v) Line H New York State nonresidents – Answer No to "Did you or your spouse maintain living quarters in New York State in 2012?"

b) **NY 203 Pg 2**

- i) NY additions – Lines 20-22: if there are any amounts in the NY column, then OUT OF SCOPE
- ii) NY subtractions – Lines 24-30: if there are any amounts in the NY column, then OUT OF SCOPE
- iii) If line 36 and line 68 (NY 203 Pg4) are both zero, then there is no need to file a NY return.
 - (1) Remove NY from the Main Info, State Information section, Nonresident box and the NY return should disappear from the tree
 - (2) Skip to doing the NJ return

c) **NY 203 Pg4**

- i) Do you want to electronically file this return? – Answer "Yes" or "No"
 - (1) It is ok to e-file all three returns – Federal, NY, and NJ
 - (2) If "Yes", then "What form are you e-filing?" – Answer "The income tax return:"
- ii) Direct Deposit of Refund or Electronic Funds Withdrawal of Balance Due – Answer per TP preference.
 - (1) Same procedure as NJ if using electronic deposit / withdrawal
- iii) "Do you want to allow another person to discuss this return with the Tax Department?" – Answer "No"
- iv) "If you are exempt from the New York TPRIN registration requirements, enter the exclusion code" – Code is "09"

d) **NY 05.9 Pg1** (Only if penalty for underpayment of NY Estimated Tax)

- i) Handle Line 16 like Fed 2210
 - (1) Line 16: Fill in prior year tax if known
 - (2) If still owe penalty after filling in prior year amount, then set prior year tax box to "1" to zero out penalty so NY can compute amount
 - (a) Let TP know that they may get letter asking for penalty amount. Also, discuss with TP how to avoid penalty in future.

e) **NY TR579** (only if e-filing NY)

- i) Check box "I have read declaration above and agree" (do read it...)
- ii) Check box "Check here if the taxpayer (...) has signed Form TY-579-IT"

f) **If any NY forms Red**, either resolve or Out of Scope

- i) e.g. If get NY 1099G, then verify and check box

g) **Run Diagnostics** to check for NY problems

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4) NJ Return – fill in as usual plus: NJ 1040, Line 41 and NJ Sch A:

- a) **These calculations will only work if:**
 - i) scope restrictions have been observed and
 - ii) Federal RES/NR Wkt and NY return procedures have been followed
- b) **NJ 1040, Line 41** (Credit for income taxes paid to other jurisdictions)
 - i) Link to NJ Sch A
- c) **NJ Sch A**
 - i) If TP has NY sourced Unemployment, then:
 - (1) Go to RES/NR Wkt and (temporarily) remove Unemployment amount from “Nonresident state: NY” column [Remember this amount for step (iii) below]
 - ii) Fill in NJ Sch A as follows:
 - (1) Line 1: Amount from NY 203 Pg 2 line 31 second (NY) column
 - (2) Line 1 Indicate name: Enter “NY”
 - (3) Line 1 Enter jurisdiction code: Enter 32
 - (4) Line 9a: Amount from NY 203 Pg 3 line 58
 - iii) If RES/NR Wkt was adjusted in step (i) above:
 - (1) Go to RES/NR Wkt and put Unemployment amount back in “Nonresident state: NY” column

5) Run Diagnostics to check for Fed / NY / NJ problems

If e-filing NY:

TP (and SP) must sign NY TR-579-IT (just like federal 8879)
Return signed NY TR-579-IT to TP (along with signed federal 8879)

Additional Information:

- NJ-1040 Instructions
- NJ GIT-3W - Credit for Taxes Paid to Other Jurisdictions (Wage Income)
- NY IT-203 Instructions