

Instructions for Form NYC-1127

FINANCE
NEW YORK



Form for Nonresident Employees of the City of New York hired on or after January 4, 1973

2004

GENERAL INFORMATION

WHO MUST FILE

If you became an employee of the City of New York on or after January 4, 1973, and if, while so employed, you were a nonresident of the City during any part of 2004, you are subject to Section 1127 of the New York City Charter and must file Form NYC-1127.

If you are subject to that law, you are required to pay to the City an amount by which a City personal income tax on residents, computed and determined as if you were a resident of the City, exceeds the amount of any City tax liability computed and reported by you on the City portion of your 2004 New York State tax return.

NOTE

The payment required by Section 1127 of the New York City Charter is not a payment of any City tax, but is a payment made to the City as a condition of employment. If you are subject to the filing requirements of the City Resident Income Tax during any part of 2004, you must file tax returns with the New York State Department of Taxation and Finance in the manner and at the time provided in the instructions for the State tax forms, regardless of any obligation you may have under Section 1127 of the Charter.

WHEN AND WHERE TO FILE

Your completed Form NYC-1127 with attachments must be filed with:

**NYC Department of Finance
P. O. Box 5090
Kingston, NY 12402-5090**

on or before May 16, 2005.

If you have been granted an extension of time to file either your federal income tax return or your New York State tax return, Form NYC-1127 must be filed within 15 days after such extended due date. In this case, you must submit to the Section 1127 Unit, no later than May 16, 2005, a copy of the letter or other document evidencing the granting of the extension.

If you file a State tax return or amended return and the information reported on your original Form NYC-1127 is changed or corrected as a result of the later filing of the State tax return or amended return, you must file an amended Form NYC-1127 with the New York City Department of Finance, Section 1127 Unit.

CHANGE OF RESIDENCE

If you were a resident of the City of New York during part of 2004 and a nonresident subject to the provisions of Section 1127 of the New York City Charter during all or part of the remainder of 2004, you must file a Form NYC-1127 for all of the year except any part when you were a nonresident not employed by the City.

IT-100 NEW YORK FAST FORM FILERS

The City of New York will figure your liability under Section 1127 and send you a refund or a bill for any additional liability you owe. Complete sections A, B, and C on page 1 of Form NYC-1127 and follow the mailing instructions on page 3. (Attach Form IT-100.)

You will be sent a statement showing how your liability was figured. If you have additional liability you must pay it before May 16, 2005, or within ten days of the date of your bill, whichever is later.

PARTIAL-YEAR EMPLOYEES

If you were a New York City employee for only part of 2004, you must report that portion of your federal items of income and deduction which is attributable to your period of employment by the City of New York.

MARRIED EMPLOYEES

A married employee whose spouse is not a New York City resident or an employee of the City should refer to specific instructions on page 2.

If you and your spouse are both employees of the City of New York subject to Section 1127 of the New York City Charter

- and you and your spouse file separate New York State returns, you and your spouse must file separate Forms NYC-1127.
- and you and your spouse file a joint New York State return and were both subject to Section 1127 for the same period of time, you and your spouse must file a joint Form NYC-1127.

Preparer Authorization: If you want to allow the Department of Finance to discuss your return with the paid preparer who signed it, you must check the "yes" box in the signature area of the return. This authorization applies only to the individual whose

signature appears in the "Preparer's Use Only" section of your return. It does not apply to the firm, if any, shown in that section. By checking the "Yes" box, you are authorizing the Department of Finance to call the preparer to answer any questions that may arise during the processing of your return. Also, you are authorizing the preparer to:

- Give the Department any information missing from your return,
- Call the Department for information about the processing of your return or the status of your refund or payment(s), and
- Respond to certain notices that you have shared with the preparer about math errors, offsets, and return preparation. The notices **will not** be sent to the preparer.

You are not authorizing the preparer to receive any refund check, bind you to anything (including any additional liability), or otherwise represent you before the Department. The authorization cannot be revoked, however, the authorization will automatically expire no later than the due date (without regard to any extensions) for filing next year's return. **Failure to check the box will be deemed a denial of authority.**

SPECIFIC INSTRUCTIONS

In order to complete lines 1 through 30 on page 1, and lines 31 through 49 on page 2 of Form NYC-1127, it will be necessary for you to refer to the instructions for filing Form IT-201 (Resident Income Tax Form - State of New York) or Form IT-203 (Nonresident and Part-Year Resident Income Tax Form - State of New York). Booklets IT-201-I or IT-203-I, issued by the New York State Department of Taxation and Finance, can be obtained from any District Tax Office of the New York State Income Tax Bureau.

LINES 1 through 30 - FEDERAL INCOME AND NEW YORK STATE ADJUSTMENTS

You must include on your Form NYC-1127 every item of income required to be reported whether or not derived from New York City sources.

Column A - FEDERAL AMOUNT

Except as provided below for lines 21 and 28, enter in column A the federal amounts of the listed items as they appear on your New York State tax return (Forms IT-200, IT-201, or IT-203).

LINE 21

Include on line 21 any amount of college choice tuition distributions reported on line 22 of IT-201.

LINE 28

Include on line 28 any amount of college choice tuition savings deduction reported on line 29 of IT-201.

Column B - SECTION 1127 EMPLOYEE

1. Married employee whose spouse is not a resident or NYC employee

Where your spouse is not a resident or an employee of the City of New York subject to Section 1127 of the New York City Charter, the following rules apply:

- If you and your spouse file separate New York State tax returns for 2004 or your spouse does not file a New York State tax return, transfer the amount reported on line 30 of column A to line 30 of column B. Do not enter on line 30, Column B, the total of the amounts reported on lines 1 through 29 of Column B.
- If you and your spouse file a joint New York State return for 2004 and you do not wish to include your spouse's income in your computation, enter in column B your separate amounts of income and adjustments and New York additions and subtractions. For nonresidents of New York State, complete column B as if you filed your New York State return as a resident for the period of City employment.

NOTE

If your spouse's income is not included in your computation, you must use the Schedule C rate table (married filing separately) on page 4.

- If you and your spouse file a joint New York State return for 2004, it may be to your advantage to report the total income, adjustments, modifications, deductions and exemptions shown on the joint State returns. Enter on column A the federal amounts as they appear on your joint State tax return and transfer the amount reported on line 30 of column A to line 30 of column B. Do not enter on line 30, Column B,

the total of the amounts reported on lines 1 through 29 of Column B.

2. Married employee whose spouse is also NYC employee subject to Section 1127

Where your spouse is also an employee of the City of New York subject to Section 1127 of the New York City Charter, the following rule applies:

- If you and your spouse file a joint New York State return for 2004, and you were both employees of the City of New York subject to Section 1127 of the NYC Charter for the same period of time in 2004, enter in column A the federal amounts as they appear on your State tax return, and transfer the amount reported on line 30 of column A to line 30 of column B. Do not enter on line 30, Column B, the total of the amounts reported on lines 1 through 29 of Column B.

NOTE

If you and your spouse file separate New York State tax returns for 2004, you should each file a separate Form NYC-1127.

3. Unmarried employee or head of household. Transfer the amount reported on line 30 of column A to line 30 of column B. Do not enter on line 30, Column B, the total of the amounts reported on lines 1 through 29 of Column B.

LINES 31 through 43

If you filed a joint federal return and a separate New York State return, complete lines 31 through 43 as reported on your New York State return.

LINE 43 - NEW YORK STATE ITEMIZED DEDUCTION ADJUSTMENT

Enter the amount of your New York State itemized deduction adjustment from Form IT-201-ATT, Part I, line 13, or Form IT-203-ATT, Schedule C, line 14. If line 30b of Form NYC-1127 is \$100,000 or less, enter "0" on line 43. Otherwise, refer to Form IT-201-ATT or IT-203-ATT instructions regarding New York itemized deductions.

LINE 45 - TOTAL NEW YORK CITY INCOME

Enter as total New York City income the amount reported on line 30, page 1, column B. See instructions for Column B, above.

LINE 46a - LIMITATION PERCENTAGE

The New York City deduction is 100% of line 44b, unless you file a joint New York State return with your spouse whose income has

not been included in NYC-1127. The limitation percentage should be computed if you file a joint New York State tax return with your spouse whose income has **not** been included in Form NYC-1127. See instructions for Column B, above.

To compute the limitation percentage, divide the total New York City income from line 30, column B by total New York City income from line 30, column A. Enter the percentage in the area provided on line 46a.

LINE 46b - ITEMIZED OR STANDARD DEDUCTION

Check either the itemized deduction or standard deduction box, whichever is applicable.

If you are claiming itemized deductions and you file a joint New York State tax return with your spouse whose income has **not** been included in Form NYC-1127, the limitation percentage should be applied to the amount on line 44b. Enter, in the work space provided, the appropriate itemized deduction amount from line 44b. Multiply this amount by the limitation percentage from line 46a and enter the result on line 46b.

If claiming itemized deductions which pertain solely to the Section 1127 employee's occupation (e.g., expenses for uniforms, etc.) you may subtract those amounts from the total itemized deduction amount on line 44b before applying the limitation percentage, and then add them back to the result. Enter the total of the two amounts on line 46b. (Attach a schedule showing your computation.)

If you are electing to take the standard deduction, enter on line 46b the appropriate amount listed on page 4. **If you are electing to take the standard deduction and you file a joint New York State tax return with your spouse whose income has not been included in Form NYC-1127, the standard deduction allowable for the entire year is \$6,500.**

Part-year employees must prorate the standard deduction according to the number of months employed by the City of New York.

LINE 48 - NEW YORK DEPENDENT EXEMPTION

To determine the dependent exemption for Section 1127 purposes, take the number of New York State dependent exemptions from your New York State return, multiply this figure by \$1,000 (the dependent exemption amount), and enter on line 48.

If you file a joint New York State tax return

with your spouse whose income has not been included in Form NYC-1127, apply the limitation percentage from line 46a and enter the result on line 48. You may use the formula on line 48, Form NYC-1127.

Part-year employees must prorate the dependent exemption amount according to the number of months employed by the City of New York.

LINE 50 - LIABILITY AMOUNT

Employees who are married and include spouse's income in Form NYC-1127, use Liability Schedule A on page 4 to compute the liability amount.

Married employees who choose not to include their spouse's income on Form NYC-1127, use Liability Schedule C to compute the liability amount.

LINES 51 THROUGH 55

On lines 51 through 55 report items for employee and spouse if filing a joint Form 1127. Married employees who choose not to include their spouse's income in Form NYC-1127, report items for employee only.

LINE 51 - LIABILITY FOR OTHER NYC TAXES

Enter on line 51 the total of your liability for other New York City taxes from New York State Form IT-201-ATT, line 41, or IT-203-B, line 27 less the part-year New York City resident tax, if any, from Form IT-203-B, line 25, or form IT-201-ATT, line 37.

LINE 53 - NONREFUNDABLE CREDITS

Use lines 53a through 53f to report credits and payments that would have reduced your New York City resident income tax liability had you been a City resident. No amount reported on lines 53a through 53f is refundable. Refunds of overpayments of tax and refundable credits available to New York State residents and part-year New York City residents must be claimed by filing forms IT-100, IT-200, IT-201 or IT-203.

LINE 53b - UBT PAID CREDIT

If you were a partner in a partnership doing business in the City, you may be entitled to a credit for a portion of the City Unincorporated Business Tax paid by that partnership. See Form IT-219 and the instructions to that form. Enter the amount of credit to which you would be entitled as a City resident from Form IT-219.

LINE 53c - OTHER CITY TAXES

Part-year City residents should enter on line 53c the amount reported on your New York State tax return, if any, as City tax (Form IT-201, line 48, or Form IT-203, line 49.) Part-

year employees should enter on line 53c that portion of the City tax reported on the New York State return attributable to the period covered by this return.

LINE 53e - NEW YORK CITY SCHOOL TAX CREDIT

A School Tax Credit is allowed for 2004 as follows:

- Married filing jointly.....\$125.00
- All others\$62.50

LINE 55 - PAYMENTS

Enter on line 55 the amount withheld by the City from your wages during 2004 for the amount due under Charter Section 1127 as shown on your City Wage and Withholding Tax Statements for 2004. (Attach a copy of Form NYC-1127.2.)

LINE 56 - BALANCE DUE

After completing this return, enter the amount of your remittance on line A, page 1. This must be the full amount as shown on line 56. Remittances must be made payable to the order of:

NYC DEPARTMENT OF FINANCE

LINE 57 - OVERPAYMENT

If your return shows an overpayment, a refund of any excess will be made.

Refunds cannot be processed unless a complete copy of your New York State return, including all schedules, and wage and tax statement (Form 1127.2) are attached to your form.

MAILING INSTRUCTIONS

In order for your form to be processed, you must attach the following to Form NYC-1127:

- ◆ Complete copy of New York State Income Tax Return, including all schedules
- ◆ Wage and withholding statement (Form 1127.2)
- ◆ Copy of federal Schedule A, if itemizing deductions
- ◆ Agency verification, if claiming line of duty injury deduction
- ◆ Full amount of balance due, if any, on line 60. Make remittance payable to:

NYC DEPARTMENT OF FINANCE

Mail your form to:

**NYC Department of Finance
P. O. Box 5090
Kingston, NY 12402-5090**

SIGNATURE

You must sign and date your return at the bottom of page 2. If you file jointly on Form NYC-1127, the form must be signed by both spouses. **Your return and/or refund cannot be processed if it is not signed.**

TAXPAYER ASSISTANCE

If you have a tax-related question or problem, contact **Customer Assistance**, Monday through Friday, between the hours of 9:00 am and 4:30 pm. Call: **(212) 504-4036**.

FORMS BY FAX

You can have New York City business and excise tax forms and other documents and applications delivered to you immediately by fax. Call **TAX FAX** at **(212) 504-4038** from the telephone connected to your fax machine or fax modem.

FORMS BY INTERNET

You can also have forms and instructions delivered to you immediately by computer. Visit our Internet web site at :

nyc.gov/finance

PRIVACY ACT NOTIFICATION

The Federal Privacy Act of 1974, as amended, requires agencies requesting Social Security Numbers to inform individuals from whom they seek this information as to whether compliance with the request is voluntary or mandatory, why the request is being made and how the information will be used. The disclosure of Social Security Numbers for taxpayers is mandatory and is required by section 11-102.1 of the Administrative Code of the City of New York. Such numbers disclosed on any report or return are requested for tax administration purposes and will be used to facilitate the processing of tax returns and to establish and maintain a uniform system for identifying taxpayers who are or may be subject to taxes administered and collected by the Department of Finance, and, as may be required by law, or when the taxpayer gives written authorization to the Department of Finance for another department, person, agency or entity to have access (limited or otherwise) to the information contained in his or her return.

STANDARD DEDUCTION

Choose the standard deduction amount appropriate to your Section 1127 filing status.
The Standard Deduction allowable is:

- \$3,000** if single for the entire year and you can be claimed as a dependent on another taxpayer's federal return
- \$7,500** if single for the entire year and you cannot be claimed as a dependent on another taxpayer's federal return
- \$10,500** if head of household for the entire year
- \$14,600** if married and filing jointly for the entire year
- \$14,600** if qualifying widow(er) with dependent child for the entire year
- \$6,500** if married, filing separately for the entire year

CALCULATION OF LIABILITY

If the amount on line 30b is more than \$500,000 multiply the amount on line 49 by 4.45% (0.0445) and enter here and on line 50: _____

If the amount on line 30b is \$150,000 or less and the amount on line 49 is less than \$65,000, use the 2004 City of New York Tables included in the New York State instructions to Form IT-201 to determine your liability.

LIABILITY RATE SCHEDULES

Use the Liability Rate Schedules if:

1. The amount on line 30b is \$150,000 or less and the amount on line 49 is \$65,000 or more; or
 2. The amount on line 30b is more than \$150,000 but not more than \$500,000 and the amount on line 49 is **not** more than:
 - \$150,000 (for filing statuses married filing jointly, surviving spouse or qualifying widow(er)),
 - \$125,000 (head of household), OR
 - \$100,000 (single or married filing separately)
- ◆ Married employees who include spouse's income in Form NYC-1127 use Schedule A.
 - ◆ Married employees who choose not to include spouse's income in Form NYC-1127 and single employees use Schedule C.

Schedule A - Married filing jointly, Surviving Spouse, or Qualifying Widow(er)

If amount on line 49 of Form NYC-1127 is:		ENTER ON LINE 50			
OVER	BUT NOT OVER				
\$ 0	\$ 21,600	2.907%	of the amount on line 49 over	\$	0
21,600	45,000	\$628	+	3.534%	of the amount on line 49 over 21,600
45,000	90,000	1,455	+	3.591%	" 45,000
90,000	150,000	3,071	+	3.648%	" 90,000
150,000	500,000	5,260	+	4.175%	" 150,000

Schedule B - Head of Household

If amount on line 49 of Form NYC-1127 is:		ENTER ON LINE 50			
OVER	BUT NOT OVER				
\$ 0	\$ 14,400	2.907%	of the amount on line 49 over	\$	0
14,400	30,000	\$419	+	3.534%	of the amount on line 49 over 14,400
30,000	60,000	970	+	3.591%	" 30,000
60,000	125,000	2,047	+	3.648%	" 60,000
125,000	500,000	4,418	+	4.175%	" 125,000

Schedule C - Single, Married filing separately and all others

(Married employees who choose not to include their spouses income on Form NYC-1127 must use this schedule to compute the liability amount.)

If amount on line 49 of Form NYC-1127 is:		ENTER ON LINE 50			
OVER	BUT NOT OVER				
\$ 0	\$ 12,000	2.907%	of the amount on line 49 over	\$	0
12,000	25,000	\$349	+	3.534%	of the amount on line 49 over 12,000
25,000	50,000	808	+	3.591%	" 25,000
50,000	100,000	1,706	+	3.648%	" 50,000
100,000	500,000	3,530	+	4.175%	" 100,000

TAX COMPUTATION WORKSHEET

Use the Tax Computation Worksheet if:

The amount on line 30b is more than \$150,000 but not more than \$500,000 and the amount on line 49 is **more** than:

- \$150,000 (for filing statuses married filing jointly, surviving spouse or qualifying widow(er)),
- \$125,000 (head of household), OR
- \$100,000 (single or married filing separately)

i.	enter amount from line 30b:.....	i.	_____
ii.	enter amount on line i less \$150,000:.....	ii.	_____
iii.	enter lesser of line ii or \$50,000:.....	iii.	_____
iv.	divide line iii by \$50,000:.....	iv.	_____
v.	multiply line iv by:		
	● \$1,003 if married filing jointly or surviving spouse or qualifying widow(er),	}	v. _____
	● \$800 if head of household, or		
	● \$645 if married filing separately or single		
vi.	Enter tax on amount on line 49 from the Liability Rate Schedule:	vi.	_____
vii.	Add lines v and vi and enter here and on line 50:.....	vii.	_____