

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

1997

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 1997, 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 1997 New York State tax return.

NOTE

The payment required by Section 1127 of the New York City Charter is not to be construed as 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 either the City Resident Income Tax or the City Nonresident Earnings Tax during any part of 1997, 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, irrespective 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
Section 1127 Unit
25 Elm Place, 3rd Floor
Brooklyn, NY 11201

on or before May 15, 1998.

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 15, 1998, 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 1997 and a nonresident subject to the provisions of Section 1127 of the New York City Charter during all or part of the remainder of 1997, 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 2. (*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 15, 1998, 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 1997, 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.

SPECIFIC INSTRUCTIONS

In order to complete lines 1 through 30 on page 1, and lines 31 through 50 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

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).

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 1997 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.
- If you and your spouse file a joint New York State return for 1997 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.

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 1997, 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.

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 1997, 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 1997, enter on 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.

NOTE

If you and your spouse file separate New York State tax returns for 1997, 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.

LINES 31 through 60

If you filed a joint federal return and a separate New York State return, complete lines 31 through 44 as reported on your New York State return.

LINE 44 - 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, Part I, line 13. If line 30 of Form NYC-1127 is \$100,000 or less, enter "0" on line 44. Otherwise, refer to Form IT-201-ATT or IT-203-ATT instructions regarding New York itemized deductions.

LINE 46 - TOTAL NEW YORK CITY INCOME

Enter as total New York City income the amount reported on line 30, page 1, column B.

LINE 47a - LIMITATION PERCENTAGE

The New York City deduction is 100% of line 45, 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.

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 47a.

LINE 47b - 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 45.

Enter, in the work space provided, the appropriate itemized deduction amount from line 45. Multiply this amount by the limitation percentage from line 47a and enter the result on line 47b.

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 45 before applying the limitation percentage, and then add them back to the result. Enter the total of the two amounts on line 47b. (*Attach a schedule showing your computation.*)

If you are electing to take the standard deduction, enter on line 47b 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.**

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

LINE 49 - 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 49.

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 47a and enter the result on line 49. You may use the formula on line 49, Form NYC-1127.

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

LINE 51 - 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.

LINE 54 - LIABILITY FOR OTHER NYC TAXES

Add liability for other New York City taxes from New York State Form IT-201 ATT, page 2, line 39. If subject to Section 1127 for the entire year, subtract entry on IT-201-ATT, page 2, line 35, (if any) from line 36 and enter on line 54. (Attach Form IT-201-ATT.)

LINE 56 - CREDITS

Enter the amount reported on your State tax return as City Tax (Form IT-200, lines 24 and 25; Form IT-201, lines 49 and 50; Form IT-203, lines 49 and 50).

Partial-year employees should enter on line 56 that portion of the City tax reported on the New York State return attributable to the period covered by this return.

LINE 57 - PAYMENTS

Enter the amount withheld by the City from your wages during 1997 for the amount due under Charter Section 1127 as shown on your City Wage and Withholding Tax Statements for 1997. (Attach a copy of Form NYC-1127.2.)

LINE 59 - 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 59. Remittances must be made payable to the order of:

NYC DEPARTMENT OF FINANCE

LINE 60 - 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 59. Make remittance payable to:

NYC DEPARTMENT OF FINANCE

Mail your form to:

NYC Department of Finance
Section 1127 Unit
25 Elm Place, 3rd Floor
Brooklyn, NY 11201

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 **Taxpayer Assistance**, Monday through Friday, between the hours of 9:00 am and 4:30 pm.

Call: (718) 935-6000

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 (718) 935-6114 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 LINK, the official NYC government home page, located at:

<http://www.ci.nyc.ny.us/finance>

PRIVACY ACT NOTIFICATION

The Federal Privacy Act of 1974, as amended, requires all agencies requesting identifying numbers to inform individuals from whom they seek information why the request is being made and how the information is used. The disclosure of identifying numbers, including Social Security Numbers, is required by Sections 11-102.1 and 11-537 of the Administrative Code of the City of New York. Such numbers which are disclosed on any report or return are used for tax administration purposes, and as may be required by law, or when the taxpayer gives written authorization to this department for another department, person, agency or entity to have access (limited or otherwise) to the information contained in his/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
- \$13,000 if married and filing jointly for the entire year
- \$13,000 if qualifying widow(er) with dependent child for the entire year
- \$6,500 if married, filing separately for the entire year

LIABILITY RATE SCHEDULES

- You may use the liability rate schedules below or the 1997 City of New York Tax Tables included in the New York State instructions to Form IT-201 which provide a detailed listing.
- 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 or Surviving Spouse

(The New York State income tax forms and instructions refer to surviving spouse as qualifying widow(er) with dependent child.)

If amount on line 50 of Form NYC-1127 is:						
OVER	BUT NOT OVER	ENTER ON LINE 51				
\$ 0	\$ 14,400			3.08%	of the amount on line 50 over	\$ 0
14,400	21,600	\$ 444	+	3.66%	"	14,400
21,600	27,000	\$ 708	+	4.34%	"	21,600
27,000	45,000	942	+	4.39%	"	27,000
45,000	90,000	1,732	+	4.40%	"	45,000
90,000	-	3,712	+	4.46%	"	90,000

Schedule B - Head of Household

If amount on line 50 of Form NYC-1127 is:						
OVER	BUT NOT OVER	ENTER ON LINE 51				
\$ 0	\$ 7,350			3.08%	of the amount on line 50 over	\$ 0
7,350	9,200	\$ 226	+	3.56%	"	7,350
9,200	14,400	292	+	3.66%	"	9,200
14,400	17,250	482	+	4.34%	"	14,400
17,250	28,750	606	+	4.39%	"	17,250
28,750	30,000	1,111	+	4.34%	"	28,750
30,000	60,000	1,165	+	4.40%	"	30,000
60,000	-	2,485	+	4.46%	"	60,000

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 50 of Form NYC-1127 is:						
OVER	BUT NOT OVER	ENTER ON LINE 51				
\$ 0	\$ 8,400			3.08%	of the amount on line 50 over	\$ 0
8,400	12,000	\$ 259	+	3.66%	"	8,400
12,000	15,000	391	+	4.34%	"	12,000
15,000	25,000	521	+	4.39%	"	15,000
25,000	50,000	960	+	4.40%	"	25,000
50,000	-	2,060	+	4.46%	"	50,000