



# Instructions for Form IT-229

## Property Tax Relief Credit

### General information

For tax years beginning on or after January 1, 2021, if you are eligible, you may claim the real property tax relief credit on your residence. If you do not use the full amount of the credit for the current tax year, you may request a refund or credit the overpayment to the next year's tax liability. You will not be paid interest on the portion of your refund or overpayment attributed to the real property tax relief credit.

**Note:** If you itemize deductions on your New York State income tax return, you must subtract the amount of this credit from the total real property taxes you are claiming (see Form IT-196, *New York Resident, Nonresident, and Part-Year Resident Itemized Deductions*, available on our website at [www.tax.ny.gov](http://www.tax.ny.gov)).

### Eligibility

To be eligible for this credit, you must meet all the following requirements:

- you are a *New York State taxpayer* who, for the purposes of this credit, is required to file a return under Tax Law Article 22;
- you were a New York State resident for all of the tax year;
- you owned real property that:
  - was your primary residence for six months or more of the tax year, **and**
  - received the STAR benefit as either an exemption or a credit;
- any rent you received from nonresidential use of your residence was 20% (0.2) or less of the total rental income you received;
- you paid the real property taxes on the property fully or partially; **and**
- your qualified gross income was \$250,000 or less.

### Definitions

*Qualified gross income* means your federal adjusted gross income (FAGI) computed for tax year 2023.

When you calculate your qualified gross income, the net amount of loss you report on each of the following federal Form 1040 schedules or any other separate category of loss cannot be more than \$3,000 **per schedule** or category:

- Schedule C,
- Schedule D,
- Schedule E,
- Schedule F, or
- any other separate category of loss,

and the total of all losses you report is limited to \$15,000.

#### *Residence:*

For the purposes of this credit, a *qualifying residence*:

- is a dwelling owned and used by the taxpayer as their primary residence;
- may consist of a part of a cooperative or condominium; and
- includes a trailer or mobile home used for residential purposes.

*Qualifying real property taxes* means all real property taxes, special ad valorem levies and special assessments (not including penalties and interest) you paid on the residence you owned and occupied, after subtracting the total amount of all STAR credits and homeowner tax rebate credits you received this tax year.

## Possible adjustments to qualifying real property taxes

- **If you receive the senior citizens exemption**, you may elect to include any additional amount that would have been levied and paid if you did not receive the senior citizens exemption.
- **If you are a tenant-stockholder in a co-op or condominium** and are allowed a deduction on real estate taxes under IRC § 216, the amount of the deduction is included in qualifying real property taxes. This includes a deduction that **would have been** allowed if you filed returns on a cash basis.
- **If your residence is an integral part of a larger unit**, you must reasonably apportion the qualifying real property taxes for your residence.
- **If you owned and occupied two residences in the same tax year**, you must first determine the amount of qualifying real property taxes you paid for each property during the period you occupied each, then add the two amounts for your total qualifying real property taxes.
- **If you owned and occupied one property and also rented a residence in New York State during the same tax year**, you may only include the amount of qualifying real property taxes (QRPT) you paid during the period when you owned the residence.

**Note:** When completing Schedule B, *Calculation of QRPT*, you must prorate the real property taxes paid reported in column F by the number of days you resided in the property during the year by applying the allocation percentage reported in column A.

To qualify to include qualifying real property taxes, you or your spouse must have:

- occupied the residence for 183 days or more of the tax year,
  - owned the residence, and
  - paid the taxes.
- **If you are away on vacation for a substantial time**, you may still claim the credit for the full year.
  - **If there is more than one owner of the qualifying property**, each owner who is a New York State taxpayer who, for the purposes of this credit, is required to file a return under Tax Law Article 22 may calculate the credit based on their share of real property taxes paid, not on their ownership percentage.

*Excess real property tax* is the excess of qualifying real property taxes over your qualified gross income.

## Line instructions

### Part 1: Determine taxpayer and property eligibility

**Line 2:** The amount from line 8 is your qualified gross income (QGI). If your QGI is **more** than \$250,000, then you are not eligible for the credit.

**Line 5:** You may claim this credit only if any rent you received from nonresidential use of your residence was 20% (0.2) or less of the total rental income you received.

**Note:** If you did not receive any rent for this property, then mark an **X** in the Yes box on this line.

### Part 2: Determine QGI

When you calculate your qualified gross income, the net amount of loss you report on each of the following federal Form 1040 schedules or any other separate category of loss cannot be more than \$3,000 **per schedule** or category:

- Schedule C,
- Schedule D,
- Schedule E,
- Schedule F, or
- any other separate category of loss,

and the total of all losses you report is limited to \$15,000.

## Part 2, Line 7 Worksheet Instructions

### Column A:

- Enter as a positive amount all losses reported on **each** federal Form 1040 schedule you filed. Round any cents to the nearest dollar.
- Enter **0** if the amount reported is a gain for any schedule.
- If you have more than three schedules for each category, use an additional worksheet following a similar format.
- Add the amounts in each category and enter the total on lines 1, 2, 3, 4, and 5.

### Column B:

Enter the amount from column A. If any amount in column A for lines 1, 2, 3, 4, or 5 is \$3,000 or more, enter **3000**.

### Important:

- The net amount of loss you report on each federal Form 1040 schedule **cannot** be more than \$3,000 **per schedule**.
- The total of all losses allowed **cannot** exceed \$15,000.

### Part 2, Line 7 Worksheet

| Federal Form 1040 schedules |  | A<br>Amount of losses reported on federal Form 1040 schedules | B<br>Amount of losses allowed per category (enter amount from column A, if over 3,000, enter 3000) | C<br>Excess losses (subtract column B from column A) |
|-----------------------------|--|---|--|--|
| Schedule C                  | 1a Amount of loss reported on the 1st Schedule C         |   |  |  |
|                             | 1b Amount of loss reported on the 2nd Schedule C         |   |  |  |
|                             | 1c Amount of loss reported on the 3rd Schedule C         |   |  |  |
|                             | 1d Total losses reported on additional Schedule Cs       |   |  |  |
|                             | 1 Total Schedule C losses (add lines 1a, 1b, 1c, and 1d) |   |  |  |
| Schedule D                  | 2 Total amount of loss reported on Schedule D            |   |  |  |
| Schedule E                  | 3 Total amount of loss reported on Schedule E            |   |  |  |
| Schedule F                  | 4a Amount of loss reported on the 1st Schedule F         |   |  |  |
|                             | 4b Amount of loss reported on the 2nd Schedule F         |   |  |  |

|                     |   |  |  |  |
|---------------------|---|--|--|--|
|                     | <b>4c</b> Amount of loss reported on the 3rd Schedule F   |  |  |  |
|                     | <b>4d</b> Total losses reported on additional Schedule Fs   |  |  |  |
|                     | <b>4</b> Total Schedule F losses ( <i>add lines 4a, 4b, 4c, and 4d</i> )                              |  |  |  |
| <b>Other losses</b> | <b>5a</b> Amount of other loss included in FAGI   |  |  |  |
|                     | <b>5b</b> Amount of other loss included in FAGI   |  |  |  |
|                     | <b>5c</b> Amount of other loss included in FAGI   |  |  |  |
|                     | <b>5d</b> Total additional other losses included in FAGI  |  |  |  |
|                     | <b>5</b> Total other losses included in FAGI ( <i>add lines 5a, 5b, 5c, and 5d</i> )                  |  |  |  |
| <b>Total</b>        | <b>6</b> Total excess losses ( <i>add all amounts in column C, and enter on Form IT-229, line 7</i> ) |  |  |  |

**Note:** If you have no federal losses, enter **0** (zero) on line 7.

### Part 3: Residence information and calculation of qualifying real property taxes (QRPT) paid

**Schedule A, column C:** Divide column B by the total number of days in the tax year and carry the result to four decimal places.

**Schedule B, columns B, C, and D:** Enter an amount in each column that is **only** for the residence listed.

**Schedule B, column B:** Enter all amounts of real property taxes paid timely in 2023. You may include installment payments for real property taxes made in 2023 for the prior tax year if you made those payments on time. However, you may only include installment payments for 2023 real property taxes if you made those payments in 2023.

**Schedule B, column C:** Report any penalty and interest paid included in the real property taxes listed in column B.

**Schedule B, column D:** Enter the total amount of all STAR credits and homeowner tax rebate credits you received this tax year. Do **not** include any star exemption listed on your tax bill.

**Schedule B, column G:** If you occupied the residence only part of the year, the amount of your qualifying real property taxes is based on the portion of qualifying real property taxes you paid **during the periods you occupied the residence**.

**Line 9:** Qualifying real property taxes is the sum of the portion of qualifying real property taxes you paid **during the periods you occupied the residence**.

## Part 4: Calculate the credit

**Line 11:** If the excess real property taxes calculated on this line is zero or less, **stop**; you do **not** qualify for this credit.

**Line 12:** Determine the applicable tax rate based on your qualified gross income. The amount from line 8 is your qualified gross income.

- If your qualified gross income is **\$75,000 or less**, enter **0.1400** on line 12.
- If your qualified gross income is **\$75,001 or more**, use the worksheets below.

### Worksheet 1 (qualified gross income from \$75,001–\$150,000)

|   |          |
|---|----------|
| 1. Enter your qualified gross income amount                                 | 1. _____ |
| 2. Subtract 75,000 from line 1  | 2. _____ |
| 3. Divide line 2 by 75,000<br>(carry result to four decimal places)         | 3. _____ |
| 4. Multiply line 3 by 0.05<br>(carry result to four decimal places)         | 4. _____ |
| 5. Subtract line 4 from 0.1400 and enter the result on Form IT-229, line 12 | 5. _____ |

### Worksheet 2 (qualified gross income from \$150,001–\$250,000)

|   |          |
|---|----------|
| 1. Enter your qualified gross income amount                                 | 1. _____ |
| 2. Subtract 150,000 from line 1   | 2. _____ |
| 3. Divide line 2 by 100,000<br>(carry result to four decimal places)        | 3. _____ |
| 4. Multiply line 3 by 0.06<br>(carry result to four decimal places)         | 4. _____ |
| 5. Subtract line 4 from 0.0900 and enter the result on Form IT-229, line 12 | 5. _____ |

**Line 13:** The credit amount allowed is the excess real property tax on line 11 multiplied by the applicable rate you calculated on line 12

**Line 14:** The maximum amount of the credit allowed is \$350.

**Line 15:** No credit is allowed if the amount of the credit calculated on line 13 is less than \$250. Enter the amount from line 15 and code **229** on Form IT-201-ATT, *Other Tax Credits and Taxes*, line 12.