



# Instructions for Form IT-205-A Fiduciary Allocation

Refer to the front page of Form IT-205-A to determine which schedules of Form IT-205-A should be completed.

## Schedule 1

### Computation of New York tax of a nonresident estate or trust or part-year resident trust

Enter amounts in column (a), lines 1 through 13 following line instructions below.

Enter in column (b) the portion of each amount which is derived from the City of New York.

**Line 1** — Enter in column (a) the amount from Schedule 4, line 17, column (a).

**Lines 2 through 4** of Schedule 1, column (a) are similar to lines 18 through 20 on

page 1 of federal Form 1041. Enter on each applicable line of Schedule 1, column (a) the amount reported on federal Form 1041.

**Line 7** **New York modifications relating to amounts allocated to principal** — The same modifications listed in the instructions for Form IT-205, page 1, line 2 are to be added or subtracted here to the extent they that apply to amounts not includable in federal distributable net income of the estate or trust. Attach a statement giving full details of any modifications.

**Line 10** — Transfer the amount from Schedule 1, line 10, column (b) to the *Part-Year New York City Resident Tax Worksheet A* on page 2.

### New York State Tax Rate Schedule

If taxable income is:		Base tax is:	
Over	but not over		
\$ 0	\$ 5,500	4% of taxable income	
5,500	8,000	\$220 plus 5% of amount over \$5,500	
8,000	11,000	345 plus 6%	" " " 8,000
11,000	13,000	525 plus 7%	" " " 11,000
13,000		665 plus 7.875%	" " 13,000

If the estate or trust used Form IT-230, *Part II*, to figure the tax on the capital gain portion of the estate's or trust's lump-sum distribution, include the amount of tax from Form IT-230, *Part II*, line 2, in the total for line 11. Attach Form IT-230 to the fiduciary return.

**Line 12** **Income percentage** — Complete the following worksheet to compute the numerator for the income percentage:

- Enter the amount from Schedule 4, line 9, column (b). a. \_\_\_\_\_
- Enter the amount from Schedule 4, line 4, column (b). b. \_\_\_\_\_
- Subtract line b from line a. c. \_\_\_\_\_
- Enter percentage from Schedule 2, column (2), fiduciary line. d. \_\_\_\_\_
- Multiply line c by line d. e. \_\_\_\_\_
- Enter amount from Schedule 7, line 61, column (2) *Fiduciary*. f. \_\_\_\_\_
- Add line e and line f. g. \_\_\_\_\_

This is your numerator for the income percentage equation.

To figure your income percentage, divide:

Amount from worksheet, line g above  
Amount from Schedule 4, line 9, column (a)  
Carry the result to four decimal places.

If you completed Form IT-230, *Part II*, you must use the *Nonresident and Part-Year Resident Income Percentage Schedule* on Form IT-230-I (instructions for Form IT-230), back page, to figure the income percentage to enter on line 12.

### Computation of New York City and City of Yonkers tax of a part-year resident trust

**Part-year New York City resident tax** — Complete *Worksheet A* on page 2 to compute the trust's part-year New York City resident tax:

### Line 11 New York State Tax

#### Complete New York adjusted gross income (NYAGI) worksheet as follows:

- Enter federal adjusted gross income (as computed using federal Form 1041, line 15b instructions) ..... 1. \_\_\_\_\_
- Enter amount from Form IT-205-A, Schedule 1, column (a), line 4 ..... 2. \_\_\_\_\_
- Add lines 1 and 2 ..... 3. \_\_\_\_\_
- Enter amount from Form IT-205-A, Schedule 4, column (a), line 13 ..... 4. \_\_\_\_\_
- Subtract line 4 from line 3 ..... 5. \_\_\_\_\_
- Enter amount from Form IT-205-A, Schedule 1, column (a), line 7 ... 6. \_\_\_\_\_
- Enter the net amount of the fiduciary share of additions and subtractions that relate to items of income, gain, loss and deductions from Form IT-205, Schedule B, lines 23 through 29, included in the computation of federal adjusted gross income ..... 7. \_\_\_\_\_
- Add lines 6 and 7 ..... 8. \_\_\_\_\_
- New York adjusted gross income (line 5 and add or subtract line 8; enter here and in the box on Form IT-205, page 1, line 7) ..... 9. \_\_\_\_\_

#### Tax Computation

- If line 9 above is \$100,000 or less, find your New York State tax on the amount on Form IT-205-A, page 1, line 10, using the *New York State Tax Rate Schedule* on this page. Enter the tax amount on Form IT-205-A, page 1, line 11.
- If line 9 above is more than \$100,000 but not more than \$150,000, you must compute your tax using *Tax Computation Worksheet I* below.
- If line 9 above is more than \$150,000, you must compute your tax using *Tax Computation Worksheet II* below.

#### Tax Computation Worksheet I

- Enter the amount from line 9 above ..... 1. \_\_\_\_\_
- Enter your taxable income from Form IT-205-A, page 1, line 10 ..... 2. \_\_\_\_\_
- Multiply line 2 by 7.875% (.07875) ..... 3. \_\_\_\_\_
- Enter your New York State tax on the line 2 amount above from the *New York State Tax Rate Schedule* on this page ..... 4. \_\_\_\_\_
- Subtract line 4 from line 3 ..... 5. \_\_\_\_\_
- Enter the excess of line 1 over \$100,000 (cannot exceed \$50,000) ... 6. \_\_\_\_\_
- Divide line 6 by \$50,000 and carry the result to four decimal places (cannot exceed 1.0000) ..... 7. \_\_\_\_\_
- Multiply line 5 by line 7 ..... 8. \_\_\_\_\_
- Add lines 4 and 8. (enter here and on Form IT-205-A, page 1, line 11) ..... 9. \_\_\_\_\_

#### Tax Computation Worksheet II

- Enter your taxable income from Form IT-205-A, page 1, line 10 ..... 1. \_\_\_\_\_
- Multiply line 1 by 7.875% (.07875) (enter here and on Form IT-205-A, page 1, line 11) ..... 2. \_\_\_\_\_

**Worksheet A**

**Part-year New York City Resident Tax**

- a. New York City taxable income (from Schedule 1, line 10, column (b)) a. \_\_\_\_\_
- b. Figure the part-year New York City tax on the amount on line a using the *New York City Tax Rate Schedule* below. Also enter tax on Form IT-205, page 1, line 15 b. \_\_\_\_\_

**New York City Tax Rate Schedule**

If the New York City taxable income is:

Over	but not over	
\$ 0	\$ 8,000	2.51% of amount on line 5
8,000	9,000	\$ 201 plus 3.08% of amount over \$ 8,000
9,000	15,000	232 plus 3.66% " " " 9,000
15,000	25,000	451 plus 4.28% " " " 15,000
25,000	60,000	879 plus 4.40% " " " 25,000
60,000		2,419 plus 4.46% " " " 60,000

**Part-year Yonkers resident income tax surcharge**

— Complete the following *Worksheet B* below and *Worksheet C* on the last page to compute the trust's Yonkers resident income tax surcharge.

If the trust was a New York State resident trust the entire year but changed its Yonkers resident status, complete line 1, *Worksheet C*, on the last page.

If the trust was a New York State resident trust for only part of the year and also changed its Yonkers resident status, complete lines 2 through 6 of *Worksheet C*, on the last page.

**Worksheet B**

**Yonkers Income Percentage**

- a. Enter the amount from Schedule 4, line 9, column (d). a. \_\_\_\_\_
- b. Enter the amount from Schedule 4, line 9, column (a). b. \_\_\_\_\_
- c. Divide line a by line b. Carry the result to four decimal places and enter as a percentage. c. \_\_\_\_\_ %

**Worksheet C, line 8 Net state tax** — If the trust was a New York State resident trust the entire year, compute its net state tax on line 8, page 4 of these instructions.

**Worksheet C, line 9 Net state tax** — If the trust was a New York State resident trust for only part of the year, compute its net state tax on line 9, page 4 of these instructions.

**Worksheet C, line 11 Part-year city of Yonkers resident trust income tax surcharge** — If the trust was a New York State resident trust the entire year, multiply line 8 by line 10, page 4 of these instructions and enter this amount on Form IT-205, line 20.

If the trust was a New York State resident trust for only a part of the year, multiply line 9 by line 10, page 4 of these instructions and enter this amount on Form IT-205, line 20.

See Form NYC-206, *City of New York Nonresident Fiduciary Earnings Tax Return* with instructions, if the estate or trust received wages or net earnings from self-employment from New York City sources during the estate's or trust's city nonresident period. See Form Y-206, *City of Yonkers Nonresident Fiduciary Earnings Tax Return*, with instructions, if the estate or trust received wages or net earnings from self-employment from Yonkers sources during your city nonresident period.

**Schedule 2**

**Fiduciary's and beneficiary's share of income from New York State sources**

The federal distributable net income from New York State sources (Schedule 4, line 25, column (b)) is to be allocated in Schedule 2 to the estate or trust (fiduciary) and its beneficiaries in proportion to their respective shares in the federal distributable net income of the estate or trust.

**Column (1)** — Enter the respective shares of federal distributable net income of each beneficiary and of the fiduciary on the appropriate lines of column (1). Use the same letter (a or b) as used in Schedule C of Form IT-205 to identify each beneficiary. Note that solely for purposes of determining the allocation of income from New York State sources that applies among the nonresident taxpayers, entries must be made for both resident and nonresident beneficiaries. If columns (3), (4) and (5) of Schedule C of Form IT-205 are required to be completed, the entries in columns (3) and (4) of Schedule C and columns (1) and (2) of Schedule 2 will be identical.

**Column (2)** — Determine the percentage interest of each beneficiary and the fiduciary in the federal distributable net income of the estate or trust based upon amounts in column (1). Enter these percentages in column (2).

**Column (3)** — Enter on the total line of column (3) the total income from New York sources included in federal distributable net income of the estate or trust (from page 2, line 25, column (b)). The share of each nonresident beneficiary or of the fiduciary of a nonresident estate or trust or part-year resident trust in the total amount is determined by multiplying the total income from New York sources (column (3) total) by the column (2) percentage. No entry is required in this column with respect to a resident beneficiary or the fiduciary of a resident estate or trust.

**Schedule 3**

**Nonresident beneficiary's share of income, deduction and tax preference items from New York State sources**

Use the same letter (a or b) as used in Schedule C, Form IT-205, to identify each beneficiary.

**Columns (1) through (4)** — Enter in the appropriate column each nonresident beneficiary's share of income, gain or loss included in his or her share of distributable net income from New York

State sources as reported on Form IT-205-A, Schedule 2, column (3). (See column (5) instructions below for separate attachment for reporting deductions.) Amounts are to be reported by the nonresident beneficiaries on the appropriate lines 1 through 19 of their nonresident return (Form IT-203) as income from New York State sources.

**Column (5)** — Attach a separate schedule showing each nonresident beneficiary's share of other deductions from New York State sources included in the beneficiary's total share of distributable net income.

**Column (6)** — Attached a separate schedule showing each nonresident beneficiary's share of federal tax preference items derived from New York State sources and the amount of any modifications that apply. See Form IT-220 and instructions.

**Schedule 4**

**Details of federal distributable net income and amounts from New York State sources**

Enter in column (a) the amount reported on federal Form 1041 for the applicable items listed in Schedule 4. **If the fiduciary was a part-year resident trust, also include in the Federal amount column all items the trust would be required to include if the trust were filing a federal return on the accrual basis.** Enter in column (b) the portion of each such amount that is derived from New York sources.

Enter in column (c) the portion of each amount that was received during the period of New York City residency. Enter in column (d) the portion of each amount that was received during the period of Yonkers residency.

**New York City and Yonkers Resident Trust**

If any amount from the trust is subject to the New York City or Yonkers resident income tax, substitute *New York City* or *Yonkers* for *New York State* in the following instructions and include that portion in the applicable column (c) or (d).

**Lines 1 and 2 Interest and Dividends**

— Report lines 1 and 2, column (b), income from interest and dividends included in column (a) that is income from a trade or business carried on in New York State. Do not include in column (b) any income that is exempt from state taxes under the laws of the United States or of New York State, such as interest on United States government bonds; exempt income on securities of United States authorities, commissions and instrumentalities; and interest on bonds of New York State or of its political subdivisions.

**Line 3 Business income (or loss)**

— Enter in column (b) the net profit from a trade or business carried on in New York State by the estate or trust. If business is carried on both in and out of New York State and the New York income can be determined from the books and records of the business, enter in column (b) on line 3 the net profit from business carried on in New York State, and in column (b) on the proper lines the other items relating to the New York operations. If the New York

income of the business cannot be determined from the books of the business, income must be allocated to New York State in accordance with the formula in Schedule 5 or an approved alternate method. Apply the business allocation percentage (on line 33) to line 3 of column (a) and to each other allocable item of business income, gain, loss or deduction reported in column (a) on other lines of Schedule 4 to determine the New York amounts.

**Line 4 Capital gain (or loss)** — Enter in column (b) the gain shown in Schedule 7, line 61, column (3). If line 61, column (3), is a net loss, compute the amount of the loss deductible on line 4 following the instructions for Part II of federal Schedule D. (See Schedule 7 instructions on page 4.)

**Line 5 Rents, royalties partnerships, other estates and trusts, etc.** — Include in column (b) the portion derived from New York State sources of the estate's or trust's share of income, gain, loss or deduction from net rents and royalties from (1) real property situated in New York State, whether or not used in or connected with a business; (2) tangible personal property not used in a business if such property has an actual situs in New York State; and (3) tangible and intangible personal property used in or connected with a trade or business carried on in New York State by the estate or trust. Note that the Schedule 5 business allocation percentage does not apply to income from tangible personal property not used in a business or real property, since this income is 100% includable if the property is located in New York State and 100% excludable if located outside New York State.

Also include in column (b) the portion derived from New York State sources of the estate's or trust's share of income, gain, loss or deduction from (1) a partnership (which may ordinarily be obtained from Form IT-204); (2) from an S-corporation (see Form CT-3-S or CT-4-S); (3) from other estates or trusts (see Form IT-205 or IT-205-A); and (4) from REMICS. Any portion of the estate's or trust's share of such income, gain, loss or deduction not reported here must be included elsewhere in column (b) of Schedule 4 on the appropriate line describing the nature of the income (e.g., a partnership's New York capital gain would be included in column (b) on line 4 of Schedule 4).

**Line 6 Farm income (or loss)** — Enter in column (b) the net profit from farming carried on in New York State by the estate or trust.

**Line 8 Other income** — Enter in column (b) any New York source income which is not reportable elsewhere in Schedule 4. If the trust or estate is a shareholder of a federal S corporation for which the election to be a New York S corporation was in effect for the taxable year, the estate's or trust's ordinary income to be entered in column (b) may be obtained from Form CT-3-S, *New York S Corporation Franchise Tax Return*, or CT-4-S, *New York S Corporation Franchise Tax Return Short Form for Small Businesses*.

Report capital gains, dividends, etc. in column (b) on the appropriate lines.

**Lines 10 through 15** — Enter in column (b) only that portion of each deduction item reported in column (a) which relates to income derived from New York sources (as reported in column (b) on lines 1 through 8 of Schedule 4).

**Lines 18 through 22** — Enter in column (b) on lines 18 through 22 the portion of the column (a) amounts which relate to items of income, gain, loss or deduction of the estate or trust derived from or connected with New York State sources. However, do not include in column (b) any income which is exempt from state taxes under the laws of the United States or of New York State, such as interest on United States government bonds; exempt income on securities of United States authorities, commissions and instrumentalities; qualifying dividends received after April 1, 1987, from regulated investment companies (mutual funds) that invest in obligations of the United States government and meet the 50% asset requirements; and interest on bonds of New York State or of its political subdivisions.

Do not include on lines 3 or 5, column (b), any income (or loss) from an insurance business doing business as a member of the New York Insurance Exchange.

## Schedule 5

### Formula basis allocation of business income

Complete Schedule 5 if the estate or trust carries on business both in and out of New York State but does not maintain books and records from which the New York income of the business can be determined. Attach a schedule showing the exact location (street address, city and state) of each place, whether in or out of New York State, where the estate or trust carries on business. Describe each place (e.g., branch office, agency, factory, etc.) and state whether it is rented or owned by the estate or trust.

When Schedule 5 does not fairly and equitably reflect the income from New York State, an alternate allocation may be used. However, Schedule 5 must be completed, based on the statutory method, and a detailed explanation of the alternative method used to determine New York income must be attached.

**Property percentage** — Figure the average value of real and tangible personal property connected with the estate or trust by completing lines 26, 27 and 28.

**Line 26 Real property owned** — Enter in column (1) the average value of all real property owned by the business. Enter in column (2) the average value of real property owned that is located in New York State.

The average value of property owned is figured by adding its fair market value at the beginning and at the end of the taxable year and dividing by two.

**Line 27 Real property rented from others** — The value of real property rented to the business and to be included in line 27 generally is eight times the gross rent payable during the taxable year for which the return is filed.

**Line 28 Tangible personal property owned** — Enter in column (1) the average value (determined in accordance with the instruction for line 26) of all tangible personal property owned by the business.

Enter in column (2) the average value of tangible personal property owned that is located in New York State.

**Line 29 Property percentage** — Add lines 26, 27 and 28 in columns (1) and (2) and enter the total on line 29.

Divide the column (2) total by the column (1) total and carry the result to four decimal places. For example, if the total in column (1) is \$15,000 and the total in column (2) is \$10,000, divide the \$10,000 by the \$15,000 and enter the result (.6667) as a percentage (66.67%) in column (3).

**Line 30 Payroll percentage** — Enter wages, salaries and other personal service compensation paid only to employees of the business. Do not include payments to independent contractors, independent sales agents, etc. Enter the total of the compensation paid to employees during the taxable year in connection with business operations carried on both in and out of New York State on line 30 in column (1). Enter the part which represents the amount paid in connection with New York operations in column (2). Compensation is paid for services in connection with New York operations if the employee works in or travels out of an office or other place of business located in New York State.

Divide the column (2) total by the column (1) total. Carry the result to four decimal places and enter it as a percentage in column (3).

**Line 31 Gross income percentage** — Enter on line 31, column (1), total gross sales made, or charges for services performed, by employees, agents, agencies or independent contractors of the business in and out of New York State. Enter in column (2) the part which represents gross sales made, or charges for services performed, by employees, agents, agencies or independent contractors situated at, attached to or sent out from offices of the business (or its agencies) located in New York State. For example, if a salesperson working out of the New York office covers the states of New York and New Jersey, all sales made by him or her are to be allocated to New York and included in column (2).

Divide the column (2) total by the column (1) total. Carry the result to four decimal places and enter it as a percentage in column (3).

**Line 33 Business allocation percentage** — The business allocation percentage is to be applied to each item of business income, gain, loss or deduction reported in column (a) of Schedule 4, to determine the amount required to be entered in column (b) of Schedule 4. Make the appropriate entries in the space below line 33, attaching an additional schedule if needed.

The business allocation percentage is to be applied to the modification of amounts from New York State sources (IT-205, Schedule B) with respect to modifications affecting items of business income, gain, loss or deduction (except those attributable to real property) if business is carried on both in and out of New York State.

The business allocation percentage is not applied to income from tangible personal

property not used in a business or to income from the rental of (or gains or losses from the sale of) real property. The entire income or gain from the sale of the property located in New York State is taxable and the entire loss in connection with that property is deductible. Conversely, no portion of the income or gain from the sale of property of this type located out of New York State is taxable, nor is any portion of any loss sustained in connection with out-of-state property deductible.

**Schedule 6**

**Computation of New York charitable deduction**

Determine the charitable deduction by completing Schedule 6 in the same manner as Schedule A of federal Form 1041 but with respect to New York items only.

Enter on line 34 that portion of the amount reported on the corresponding line of Schedule A, federal Form 1041, which constitutes contributions to New York State, or any of its political subdivisions (cities, towns, counties, etc.), or to any corporation, trust, community chest, fund, foundation or other entity organized or operated under the laws of New York State.

Enter on line 35 that portion of the amount reported on the corresponding line of Schedule A, federal Form 1041, which reflects the New York charitable contributions included in line 34 attributable to income exempt from New York income tax or to income derived from sources out of New York State.

**Schedule 7**

**Capital gains and losses from sales or exchanges of New York capital assets**

If the estate or trust had any capital gains or losses from sales or exchanges of New

York property, complete Schedule 7 in the same manner as federal Schedule D, Form 1041, but with respect to gains and losses from New York property only. The short-term capital loss carryovers from preceding taxable years at line 49 and the long-term capital loss carryovers at line 57 are computed only with respect to gains and losses from New York property.

**Capital transactions from New York State sources** include capital gains or losses derived from real or tangible personal property having an actual situs in New York State, whether or not connected with a trade or business and capital gains or losses from stocks, bonds and other intangible personal property used in or connected with a business, trade, profession or occupation carried on in New York State. Also included is the estate's or trust's share of any capital gain or loss derived from New York sources of a partnership or another estate or trust.

If business is being carried on both in and out of New York State, gain or loss on the sale or disposition of property (other than real property) used in the trade or business or carried as business assets is subject to the business allocation percentage (line 33, Schedule 5). Gains and losses from the sale or disposition of real property are not subject to allocation.

The amounts to be reported as capital gains and losses from New York State sources in Schedule 7 must be determined in accordance with applicable federal provisions for determining capital gains and losses.

If a total net capital loss is reported on line 61 in column (3) from sales or exchanges of New York property, the amount of loss allowed as a deduction on

Schedule 4, line 4, column (b) is computed according to federal provisions for capital loss limitations. Use a copy of federal Schedule D (Form 1041), dealing with computation of fiduciary's capital loss limitation, as a worksheet in determining the New York net capital loss allowable as a deduction, using the New York amounts shown in Schedule 7.

**Schedule 8**

**Supplemental schedule of gains and losses from New York property**

If the estate or trust had any gains or losses from the sale, exchange or involuntary conversion of New York property reported on federal Form 4797, complete Schedule 8 in the same manner as federal Form 4797, but only with respect to gains and losses from New York property. If any transactions involve property (other than real property) of a business carried on both in and out of New York State, apply the business allocation percentage (Schedule 5, line 33).

Compute the gains and losses from New York property to be included in Schedule 8 by applying the appropriate federal provisions for determining gains and losses reportable on federal Form 4797.

If the estate or trust had any gains or losses from involuntary conversion of New York property from casualty or theft, attach a copy of federal Form 4684 and a schedule showing the gain or loss from New York property.

If gain has been realized from the disposition of New York property under the provisions of federal Internal Revenue Code sections 1245, 1250, 1252, 1254 or 1255, use a copy of page 2, federal Form 4797, as a worksheet in determining the gain from New York property reportable in Part I or Part II of Schedule 8.

**Worksheet C  
Part-Year City of Yonkers Resident Income Tax Surcharge**

		Full-year NYS resident	Part-year NYS resident
1 Total New York State tax (from front page of Form IT-205, line 13)	1		
2 Base tax (amount from Form IT-205-A, Schedule 1, line 11)	2		
3 New York State credit (from Form IT-205, line 9)	3		
4 Subtract line 3 from line 2 (if line 3 is larger than line 2, enter "0")	4		
5 Other New York State taxes (from Form IT-205, lines 11 and 12)	5		
6 Add lines 4 and 5	6		
7 Income percentage (from Worksheet B, line c on page 2 of these instructions)	7	%	%
8 Net state tax — full-year state resident (multiply line 1 by line 7)	8		
9 Net state tax — part-year state resident (multiply line 6 by line 7)	9		
10 City of Yonkers resident tax rate	10	.15	
11 Part-year city of Yonkers resident income tax surcharge (multiply line 8 by line 10 and also enter this amount on Form IT-205, line 20; or multiply line 9 by line 10, and also enter this amount on Form IT-205, line 20)	11		