

Figuring Your Resident Credit Against Separate Tax on Lump-Sum Distributions Paid to a Province of Canada

- 5 Enter name of the province of Canada where tax was paid: _____
- 6 Enter (in U.S. dollars) the amount of separate tax on lump-sum distributions paid to the Canadian province, including the tax on capital gain part you elected to treat as ordinary income **6** _____

The amount to be entered is the amount of separate tax on the ordinary income part of lump-sum distributions required to be paid after subtracting any credit against the separate tax (other than prepayments made through withholding or estimated tax).

If the ordinary income part of a lump-sum distribution is **not** subject to a separate tax by a Canadian province but is included as income under an income tax imposed by the province, determine the amount to be entered above using the following formula:

Amount from federal Form 4972, line 8, subject to tax by the above Canadian province \$ _____ Total income subject to tax by the above Canadian province \$ _____	X	Total tax payable to the above Canadian province (after any credits, exclusive of prepayments) \$ _____ =	Amount constituting a separate tax on the ordinary income part of lump-sum distributions imposed by the above province of Canada
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- 7 Enter the amount from federal Form 1116, Part II, line 8, that pertains to the separate tax on lump-sum distributions paid to the above province **7** _____
- 8 Portion of the Canadian province's separate tax on lump-sum distributions **not** claimed as a credit for federal purposes (*subtract line 7 from line 6*)..... **8** _____

9 The credit against New York State separate tax on lump-sum distributions may not exceed:

(a) Amount from Form IT-230, line 3, that is subject to tax by both New York State and the above Canadian province \$ _____ X New York State amount from Form IT-230, line 24 or 31 \$ _____ = Credit allowable..... **9** _____

(b) The credit allowed may not reduce the New York State separate tax on the ordinary income part of lump-sum distributions to an amount less than would be due if the ordinary income part of a lump-sum distribution, subject to tax by both New York State (section 603) and by the Canadian province, were excluded from New York State separate tax on lump-sum distributions.

- 10 **Resident credit claimed against New York State separate tax on lump-sum distributions:** Enter the amount from line 8 or line 9, **whichever is less**..... **10**

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Resident individuals - Transfer the line 10 amount to Form IT-201-ATT, line 28

Part-year resident individuals - Transfer the line 10 amount to Form IT-203-ATT, line 29

Estates and trusts - Subtract the line 10 amount from the separate tax on lump-sum distributions computed on Form IT-230, and transfer the net amount to Form IT-205, line 12.

If any portion of the Canadian provincial income tax that entitled you to a New York State credit is claimed as a foreign tax credit on your federal return in a succeeding tax year, the amount claimed here as a credit against New York State tax due must be added back to your New York State tax liability for that succeeding tax year.

Attach this form, a copy of federal Form 1116, and, if applicable, a copy of federal Form 4972 and a copy of the income tax return filed with the province of Canada, to Form IT-201, Form IT-203, or Form IT-205. Failure to do so will delay any refund you may be getting or, if you owe taxes, could result in late filing penalties.