

**New York State Department of Taxation and Finance**  
**Taxpayer Services Division**  
**Technical Services Bureau**

TSB-A-82 (5) I  
Income Tax  
September 22, 1982

STATE OF NEW YORK  
STATE TAX COMMISSION

ADVISORY OPINION

PETITION NO. 1820511A

On May 11, 1982 a Petition for Advisory Opinion was received from John J. Driscoll, c/o Lovejoy, Wasson, Lundgren and Ashton, 250 Park Avenue, New York, New York 10177.

The issue raised is whether exempt-interest dividends attributable to obligations of Puerto Rico, Virgin Islands, and Guam are subject to the Personal Income Tax imposed under Article 22 of the Tax Law.

Section 612 of the Tax Law, contained in Article 22, provides that the New York adjusted gross income of a resident individual, the starting point in determining his New York taxable income, means his Federal adjusted gross income, with certain modifications. Exempt-interest dividends are excluded from Federal gross income, and thus from Federal adjusted gross income, by virtue of section 852(B)(5)(B) of the Internal Revenue Code. Inasmuch as Article 22 of the Tax Law contains no provision requiring an addition to Federal adjusted gross income of interest income attributable to obligations of Puerto Rico, the Virgin Islands and Guam, such income is not includible in New York taxable income. Similar considerations apply with respect to nonresident individuals.

DATED: September 21, 1982

s/LOUIS ETLINGER  
Deputy Director  
Technical Services Bureau