



# Instructions for Form IT-196

## New York Resident, Nonresident, and Part-Year Resident Itemized Deductions

### New for 2018

Beginning with tax year 2018, you can choose to itemize your deductions for New York State income tax purposes whether or not you itemized your deductions on your federal income tax return. For more information, see our *2018 New York itemized deduction webpage*.

### General information

Complete Form IT-196 to compute your New York State itemized deduction. In most cases, your New York State and New York City income tax will be less if you take the larger of your New York itemized deductions or New York standard deduction.

If you itemize, you can deduct a part of your medical and dental expenses, unreimbursed employee business expenses, and amounts you paid for certain taxes, interest, contributions, and miscellaneous expenses. You can also deduct certain casualty and theft losses.

However, you cannot claim an itemized deduction for items deducted on federal:

- Schedule C, *Profit or Loss From Business (Sole Proprietorship)*;
- Schedule C-EZ, *Net Profit From Business (Sole Proprietorship)*;
- Schedule E, *Supplemental Income and Loss*; or
- Schedule F, *Profit or Loss From Farming*.

If you filed a 2018 federal Schedule A, *Itemized Deductions*, with your federal income tax return, you may be able to use certain amounts from your Schedule A when completing Form IT-196. If you did not itemize deductions on your federal income tax return, you may need to compute certain deductions **as if** you did, using a 2018 federal Schedule A and its instructions.

Where New York itemized deduction computations are different from the current tax year federal itemized deduction computations or limitations, additional information is available on our *2018 New York itemized deduction webpage*.

**Married filing separate returns** – If you and your spouse paid expenses jointly and are filing separate New York State income tax returns for 2018, see Table 1, *New York State itemized deductions on separate New York State income tax returns*, below, to compute the portion of joint expenses that you can claim as an itemized deduction.


 If you and your spouse file separate New York State income tax returns and one itemizes their deductions, the other spouse cannot use the standard deduction and **must** also itemize their deductions.

Table 1 – New York State itemized deductions on separate New York State income tax returns

If you paid:	And you:	Then you can deduct on your separate New York State return:
medical expenses	paid with funds deposited in a joint checking account in which you and your spouse have an equal interest	half of the total medical expenses, subject to certain limits, unless you can show that you alone paid the expenses.
state income tax	file any other separate state income tax return	the state income tax you alone paid during the year.
	file a joint state income tax return (other than New York State) and you and your spouse are jointly and individually liable for the full amount of the state income tax	the state income tax you alone paid during the year.
	file a joint state income tax return (other than New York State) and you are liable for only your own share of state income tax	the smaller of: <ul style="list-style-type: none"> <li>• the state income tax you alone paid during the year, or</li> <li>• the total state income tax you and your spouse paid during the year multiplied by a fraction. The numerator of the fraction is your gross federal income and the denominator is your combined federal gross income.</li> </ul>
property tax	paid the tax on property held as tenants by the entirety	the property tax you alone paid.
mortgage interest	paid the interest on a qualified home held as tenants by the entirety	the mortgage interest you alone paid.
casualty loss	have a casualty loss on a home you own as tenants by the entirety	half of the loss, subject to the deduction limits. Neither spouse may report the entire casualty loss.

## Specific instructions

See the instructions for your tax return for the Privacy notification or if you need help contacting the Tax Department.

## Medical and dental expenses


### Line 1

- If you **claimed** an itemized deduction for medical and dental expenses on your federal income tax return, enter the amount from federal Schedule A, line 1.
- If you **did not claim** an itemized deduction for medical and dental expenses on your federal income tax return, compute the amount to enter on line 1 of Form IT-196 **as if** you had, using the 2018 instructions for federal Schedule A.

### Line 2

**Form IT-203 filers:** Enter the amount from Form IT-203, line 19, *Federal amount* column.

## Taxes you paid


 For federal income tax purposes, the total itemized deduction for state and local taxes you paid in 2018 is limited to an aggregate amount not to exceed \$10,000 (\$5,000 if married filing separate). In addition, you can no longer claim a federal deduction for foreign taxes you paid on real estate. Your New York itemized deduction for state and local taxes you paid is not subject to this federal limit and you can deduct foreign taxes paid on real estate.

**Lines 5 through 7** – If you **claimed** an itemized deduction for state and local taxes you paid on your federal income tax return, enter the applicable amounts from federal Schedule A, lines 5a, 5b, and 5c.

**Line 8** – Enter on line 8 foreign real estate taxes you paid on real estate you own that was not used for business, but only if the taxes are assessed uniformly at a like rate on all real property throughout the community and the proceeds are used for general community or governmental purposes. If you claimed an itemized deduction for other taxes you paid on your federal income tax return, include the amount from federal Schedule A, line 6.

If you **did not claim** an itemized deduction for taxes you paid on your federal income tax return, compute the amounts to enter on lines 5 through 8 of Form IT-196 **as if** you had, using the 2017 instructions for federal Schedule A. For more information, see our *2018 New York itemized deduction* webpage.

## Interest you paid

 For federal income tax purposes, the itemized deduction rules for the interest you paid in tax year 2018 have changed from what was allowed as a deduction for tax year 2017. Your New York itemized deduction for the total interest you paid on line 15 is computed using the federal rules that applied to tax year 2017.

**Note:** The deduction for mortgage insurance premiums allowed under the Internal Revenue Code (IRC) for tax year 2017 has expired for tax years after 2017 and therefore **not** allowed as a New York itemized deduction.

### Lines 10 and 11 – Home mortgage interest

A home mortgage is any loan that is secured by your main home or second home. It includes first and second mortgages, home equity loans, and refinanced mortgages.

A home can be a house, condominium, cooperative, mobile home, boat, or similar property. It must provide basic living accommodations including sleeping space, toilet, and cooking facilities.

**Limit on home mortgage interest** – If you took out any mortgages after October 13, 1987, your deduction may be limited. Any additional amounts borrowed after October 13, 1987, on a line-of-credit mortgage you had on that date are treated as a mortgage taken out after October 13, 1987. If you refinanced a

mortgage you had on October 13, 1987, treat the new mortgage as taken out on or before October 13, 1987. However, if you refinanced for more than the balance of the old mortgage, treat the excess as a mortgage taken out after October 13, 1987.

See our *2018 New York itemized deduction* webpage for information on computing your New York itemized deduction if either 1) or 2) below applies. If you had more than one home at the same time, the dollar amounts in 1) and 2) apply to the total mortgages on both homes.

- 1) You, or your spouse if filing jointly, took out any mortgages after October 13, 1987, and used the proceeds for purposes other than to buy, build, or improve your home, and all of these mortgages totaled over \$100,000 at any time during 2018. The limit is \$50,000 if married filing separately. An example of this type of mortgage is a home equity loan used to pay off credit card bills, buy a car, or pay tuition.
- 2) You, or your spouse if filing jointly, took out any mortgages after October 13, 1987, and used the proceeds to buy, build, or improve your home, and these mortgages plus any mortgages you took out on or before October 13, 1987, totaled over \$1 million at any time during 2018. The limit is \$500,000 if married filing separately.

 If the total amount of all mortgages is more than the fair market value (FMV) of the home, additional limits apply.

For more information, see our *2018 New York itemized deduction* webpage.

**Line 10** – Enter on line 10 mortgage interest and points reported to you on federal Form 1098, *Mortgage Interest Statement*.

- **Home mortgage interest limited** – If your home mortgage interest deduction is limited, only enter on line 10 the deductible mortgage interest and points that were reported to you on federal Form 1098. See *Limit on home mortgage interest*, earlier, for more information about when your deduction is limited.
- **Refund of overpaid interest** – If your federal Form 1098 shows any refund of overpaid interest, do not reduce your deduction by the refund. Instead, see the instructions for federal Form 1040, *U.S. Individual Income Tax Return*, Schedule 1, line 21.
- **Interest reported on someone else's federal Form 1098** – If you and at least one other person (other than your spouse if filing jointly) were liable for and paid interest on the mortgage, and the interest was reported on the other person's federal Form 1098, report your share of the interest on line 11 (see *Line 11* instructions).
- **Federal Form 1098 does not show all interest paid** – If you paid more interest to the recipient than is shown on Form 1098, show the larger deductible amount on line 10 and keep an explanation of the difference with your tax records.

**Line 11** – If you paid home mortgage interest to a recipient who did not provide you a federal Form 1098, report your deductible mortgage interest on line 11.

- **Seller financed mortgage** – If you paid home mortgage interest to the person from whom you bought the home and that person did not provide you a federal Form 1098, write that person's name, identifying number, and address on the lines next to line 11. If the recipient of your home mortgage payment(s) is an individual, the identifying number is his or her Social Security Number (SSN). Otherwise, it is the employer identification number (EIN). You must also let the recipient know your SSN.
- **Interest reported on someone else's federal Form 1098** – If you and at least one other person (other than your spouse if filing jointly) were liable for and paid interest on the mortgage, and the home mortgage interest paid was reported on the other person's federal Form 1098, identify the name and address of the person or persons who received a federal Form 1098 reporting the interest you paid.

**Line 12 – Points not reported on federal Form 1098**

Points are shown on your settlement statement. Points you paid only to borrow money are generally deductible over the life of the loan. Points paid for other purposes, such as for a lender's services, are not deductible. For more information, see our *2018 New York itemized deduction* webpage.


- **Refinancing**– Generally, you must deduct points you paid to refinance a mortgage over the life of the loan. This is true even if the new mortgage is secured by your main home.

If you used part of the proceeds to improve your main home, you may be able to deduct the part of the points related to the improvement in the year paid.

**Line 14 – Investment interest**

- If you **claimed** an itemized deduction for investment interest on your federal income tax return, enter the amount from federal Schedule A, line 9.
- If you **did not claim** an itemized deduction for investment interest on your federal income tax return, compute the amount to enter on line 14 of Form IT-196 **as if** you had, using the 2018 instructions for federal Schedule A, line 9.

**Gifts to charity**

 For federal income tax purposes, the itemized deduction rules for charitable contributions made in 2018 have changed for tax year 2018. Your New York itemized deduction for gifts to charity is computed using the federal rules that applied to tax year 2017.

You can deduct contributions or gifts you gave to organizations that are religious, charitable, educational, scientific, or literary in purpose. You can also deduct what you gave to organizations that work to prevent cruelty to children or animals. For more information, see our *2018 New York itemized deduction* webpage.

To verify an organization's charitable status, you can:

- check with the organization. The organization should be able to provide you with verification of its charitable status.
- use the IRS online search tool at *IRS.gov/TEOS* to see if an organization is eligible to receive tax-deductible contributions.

**Gifts of \$250 or more** – You can deduct a gift of \$250 or more **only** if you have a statement from the charitable organization showing the information below:

- The amount of any money contributed and a description (but not value) of any property donated.
- Whether the organization did or did not give you any goods or services in return for your contribution. If you did receive any goods or services, a description and estimate of the value must be included. If you received only intangible religious benefits (such as admission to a religious ceremony), the organization must state this, but it does not have to describe or value the benefit.

In computing whether a gift is \$250 or more, do not combine separate donations. For example, if you gave your church \$25 each week for a total of \$1,300, treat each \$25 payment as a separate gift. If you made donations through payroll deductions, treat each deduction from each paycheck as a separate gift. See our *2018 New York itemized deduction* webpage if you made a separate gift of \$250 or more through payroll deduction.

**Lines 16 and 17 – Limit on the amount you can deduct**

If your total charitable contributions for the year are more than 20% of your federal adjusted gross income (FAGI), the amount allowed as an itemized deduction on lines 16 and 17 may be limited as follows:

- The total amount you can deduct for gifts to charity may be limited to 50% of your FAGI.
- Your deduction may be further limited to 30% or 20% of your FAGI, depending on the type of property you give and the type of organization you give it to.

- A higher limit applies to certain qualified conservation contributions.

For more information on these limits, see our *2018 New York itemized deduction* webpage. If your contributions are subject to more than one limitation, you must use the *Deduction limits worksheet* on page 4 to compute the amount of your New York itemized deduction allowed for gifts to charity (lines 16 and 17).

(continued)

**Deduction limits worksheet**

**(Complete this worksheet and keep for your records.)**

Complete this worksheet if you made charitable contributions in tax year 2018 and one or more of the limits described in 2017 IRS Publication 526, *Charitable Contributions*, apply to you. If you have a carryover from an earlier year, do not use this worksheet, instead see our *2018 New York Itemized deduction* webpage.

- The terms used in this worksheet are explained in 2018 IRS Publication 526.
- If the result on any line is less than zero, enter 0.
- For contributions of property, enter the property's FMV unless you elected (or were required) to reduce the FMV, see our *2018 New York itemized deduction* webpage. In that case, enter the reduced amount.

**Step 1 – Enter any qualified conservation contributions (QCCs).**

- 1 If you are a qualified farmer or rancher for federal tax purposes, enter any QCCs eligible for the 100% limit .....
- 2 Enter any QCCs not entered on line 1. Do not include this amount on line 4, 5, 6, 7, or 9 .....

**Step 2 – List your other charitable contributions made during the year.**

- 3 Enter contributions for certain federally declared disaster areas that you elect to treat as qualified contributions. **Do not** include this amount on line 4 below .....
- 4 Enter your contributions to 50% limit organizations. (Include contributions of capital gain property if you reduced the property's FMV. Do not include contributions of capital gain property deducted at FMV.) **Do not** include any contributions you entered on line 1, 2, or 3 .....
- 5 Enter your contributions to 50% limit organizations of capital gain property deducted at FMV .....
- 6 Enter your contributions (other than of capital gain property) to qualified organizations that are not 50% limit organizations .....
- 7 Enter your contributions "for the use of" any qualified organization. (**Do not** enter any amount that must be entered on line 9.) .....
- 8 Add lines 6 and 7 .....
- 9 Enter your contributions of capital gain property to or for the use of any qualified organization. **Do not** enter any amount entered on line 4 or 5.) .....

**Step 3 – Compute your deduction for the year and your carryover to the next year.**

- 10 Enter the amount from Form IT-201, line 19 or IT-203, line 19 (*Federal amount* column) .....
- 11 Multiply line 10 by 0.5. This is your 50% limit .....

**Contributions to 50% limit organizations**

- 12 Enter the smaller of line 4 or line 11 .....
- 13 Subtract line 12 from line 4 .....
- 14 Subtract line 12 from line 11 .....

**Contributions not to 50% limit organizations**

- 15 Add lines 4 and 5 .....
- 16 Multiply line 10 by 0.3. This is your 30% limit .....
- 17 Subtract line 15 from line 11 .....
- 18 Enter the smallest of lines 8, 16, or 17 .....
- 19 Subtract line 18 from line 8 .....
- 20 Subtract line 18 from line 16 .....

**Contributions of capital gain property to 50% limit organizations**

- 21 Enter the smallest of lines 5, 14, or 16 .....
- 22 Subtract line 21 from line 5 .....
- 23 Subtract line 18 from line 17 .....
- 24 Subtract line 21 from line 16 .....

**Other contributions**

- 25 Multiply line 10 by 0.2. This is your 20% limit .....
- 26 Enter the smallest of lines 9, 20, 23, 24, or 25 .....
- 27 Subtract line 26 from line 9 .....
- 28 Add lines 12, 18, 21, and 26 .....
- 29 Subtract line 28 from line 11 .....
- 30 Enter the smaller of lines 2 or 29 .....
- 31 Subtract line 30 from line 2 .....
- 32 Add lines 28 and 30 .....
- 33 Subtract line 32 from line 10 .....
- 34 Enter the smaller of line 1 or line 33 .....
- 35 Add lines 32 and 34. Enter the total here and on Form IT-196, line 16 or 17, whichever is appropriate .....

- 36 Subtract line 34 from line 1 .....
- 37 Add lines 13, 19, 22, 27, 31, and 36. Carry this amount to Form IT-196 next year .....

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**Line 16 – Gifts by cash or check**

Enter on line 16 the total value of gifts you made in cash or by check (including out-of-pocket expenses).

**Recordkeeping** – For any contribution made in cash, regardless of the amount, you must maintain as a record of the contribution a bank record (such as a canceled check or credit card statement) or a written record from the charity. The written record must include the name of the charity, date, and amount of the contribution. If you made contributions through payroll deduction, see our *2018 New York itemized deduction* webpage for information on the records you must keep. Do not attach the record to your tax return. Instead, keep it with your other tax records.

**Qualified contributions** – In general, you can elect to treat gifts by cash or check as qualified contributions if:


- the gift was made for relief efforts in the disaster area of a federally declared disaster eligible for this tax relief, and
- you obtained, from the qualified charitable organization, a written statement that the contribution was used (or is to be used) for relief efforts in those areas.

For details, including the types of charitable organizations that qualify and the descriptions of the disaster areas eligible for this tax relief, visit [www.irs.gov](http://www.irs.gov).

Qualified contributions are **not** subject to the federal adjusted gross income limitation or the overall federal limitation on itemized deductions; however, certain limits may apply if your qualified contributions are more than the amount of your AGI, minus all other allowable contributions. For more information, see our *2018 New York itemized deduction* webpage. Include any contributions that you elect to treat as qualified contributions in the total amount reported on line 16.

**Line 17 – Other than by cash or check**

Enter on line 17 the total value of your contributions of property other than by cash or check. If you gave used items, such as clothing or furniture, deduct their FMV at the time you gave them. FMV is what a willing buyer would pay a willing seller when neither has to buy or sell and both are aware of the conditions of the sale. For more details on determining the value of donated property, see our *2018 New York itemized deduction* webpage.

 You may not use the same qualified donation to a food pantry to claim both a charitable contribution itemized deduction and a farm donation to food pantries credit (see Form IT-649, *Farm Donations to Food Pantries Credit*) for New York income tax purposes.

**Deduction more than \$500** – If the amount of your deduction is more than \$500, you must complete federal Form 8283, *Noncash Charitable Contributions*, whether or not you itemized your deductions for federal purposes. Do not attach federal Form 8283 to your New York State income tax return. Instead, keep it with your tax records. For this purpose, the “amount of your deduction” means your deduction before applying any income limits that could result in a carryover of contributions.

**Contribution of motor vehicle, boat, or airplane** – If you deduct more than \$500 for a contribution of a motor vehicle, boat, or airplane, you must also keep in your tax records a statement from the charitable organization regarding the donation. The organization may use federal Form 1098-C, *Contributions of Motor Vehicles, Boats, and Airplanes*, to provide the required information. If your total deduction is over \$5,000 (\$500 for certain contributions of clothing and household items) you may also have to get appraisals of the values of the donated property. See federal Form 8283 and its instructions for details.

**Contributions of clothing and household items** – A deduction for these contributions will be allowed only if the items are in good used condition or better. However, this rule doesn’t apply to a contribution of any single item for which a deduction of more than \$500 is claimed and for which you received a qualified appraisal. Do not

attach the appraisal or federal Form 8283 to your tax return. Instead, keep the appraisal and federal Form 8283 with your tax records.

**Recordkeeping** – If you gave property, you should keep a receipt or written statement from the organization you gave the property to, or a reliable written record, that shows the organization’s name and address, the date and location of the gift, and a description of the property. For each gift of property, you should also keep reliable written records that include:


- How you computed the property’s value at the time you gave it. If the value was determined by an appraisal, keep a signed copy of the appraisal.
- The cost or other basis of the property if you must reduce it by any ordinary income or capital gain that would have resulted if the property had been sold at its FMV.
- How you computed your deduction if you chose to reduce your deduction for gifts of capital gain property.
- Any conditions attached to the gift.

**Line 18 – Carryover from prior year**

You may have a federal carryover of contributions that you could not deduct in an earlier year because they exceeded the federal limits on the amount you could deduct. In most cases, you have five years to use contributions that were limited in an earlier year.

The same limits apply this year to your carryover amounts as applied to those amounts in the earlier year. After applying those limits, enter the amount of your carryover that you are allowed to deduct this year. For more information, see our *2018 New York itemized deduction* webpage.

**Casualty and theft losses**

 For federal income tax purposes, you are no longer allowed an itemized deduction for a casualty or theft loss unless it is the result of a federally declared disaster. In addition, do not enter amounts of any federal qualified disaster losses on line 20. Instead, see the instructions for line 37 on page 19.

*Qualified disaster* losses are personal casualty losses sustained as a result of federally declared disasters: Hurricane Harvey or Tropical Storm Harvey, Hurricane Irma, or Hurricane Maria.

**Line 20 – Casualty or theft loss(es)**

Your New York itemized deduction for casualty and theft losses is computed using the federal rules that applied to tax year 2017.


Complete Section A of the *Casualty and theft worksheet* on page 6 to compute the amount of your casualty and theft loss. Only enter the amount from line 18 of the worksheet on line 20 of Form IT-196.

You may be able to deduct part or all of each loss caused by theft, vandalism, fire, storm, or similar causes; car, boat, and other accidents; and corrosive drywall. You may also be able to deduct money you had in a financial institution but lost because of the insolvency or bankruptcy of the institution.

You can deduct personal casualty or theft losses only to the extent that:

- 1) the amount of each separate casualty or theft loss is more than \$100, and
- 2) the total amount of all losses during the year (reduced by the \$100 limit in 1) above) is more than 10% of the amount on Form IT-201, line 19 or IT-203, line 19 (*Federal amount* column).

**Corrosive drywall losses** – If you paid for repairs to your personal residence or household appliances because of corrosive drywall, you may be able to deduct those amounts paid. See our *2018 New York itemized deduction* webpage. Substitute *Casualty and Theft Worksheet* for *Special instructions for completing Form 4684* in the instructions on page 3 of 2017 IRS Publication 547 to compute the amount of your New York deduction.

 Use Form IT-196, line 24, to deduct the **costs** of proving that you had a property loss. Examples of these costs are appraisal fees and photographs used to establish the amount of your loss.

**Casualty and theft worksheet**

Complete this worksheet to compute the amount of your casualty and theft losses to enter on Form IT-196:

- line 20, Casualty and theft losses, other than a federal qualified disaster loss,
- line 24, Other expenses,
- line 30, Casualty and theft losses of income-producing property, and
- line 37, Federal qualified disaster loss.

**Section A – Personal use property** (Complete this section to report casualties and thefts of property **not** used in a trade or business or for income-producing purposes.)



1 Description of properties (show type, location, and date acquired for each property). Complete a separate line for each property lost or damaged from the same casualty or theft. You must complete a separate worksheet (through line 12) for each casualty or theft event involving personal use property.

Property A \_\_\_\_\_

Property B \_\_\_\_\_

Property C \_\_\_\_\_

Property D \_\_\_\_\_

		Properties			
		A	B	C	D
2	Cost or other basis of each property .....	2			
3	Insurance or other reimbursement (whether or not you filed a claim) (see instructions) .....	3			
<b>Note:</b> If line 2 is <b>more</b> than line 3, skip line 4.					
4	Gain from casualty or theft. If line 3 is <b>more</b> than line 2, enter the difference here and skip lines 5 through 9 for that column. If line 3 is <b>less</b> than line 2, enter <b>0</b> and continue with line 5. See instructions if line 3 includes insurance or other reimbursement you did not claim, or you received a payment for your loss in a later tax year .....	4			
5	FMV <b>before</b> casualty or theft (see instructions) .....	5			
6	FMV <b>after</b> casualty or theft (see instructions) .....	6			
7	Subtract line 6 from line 5 .....	7			
8	Enter the <b>smaller</b> of line 2 or line 7 .....	8			
9	Subtract line 3 from line 8. If zero or less, enter <b>0</b> .....	9			
10	Casualty or theft loss. Add the amounts on line 9 in columns A through D .....	10			
11	Limitation per casualty. (If you have a qualified disaster loss, see instructions) .....	11			<b>100</b>
12	Subtract line 11 from line 10. If zero or less, enter <b>0</b> .....	12			
 Complete only one worksheet for lines 13 through 18.					
13	Add the amounts on line 12 of all casualty and theft worksheets.....	13			
14	Add the amounts on line 4 of all casualty and theft worksheets .....	14			
 See the instructions before completing line 15.					
15	• If line 14 is <b>more</b> than line 13, enter the difference here. You have a net gain, see the instructions; <b>do not</b> complete lines 16 through 18..... • If line 14 is <b>equal</b> to line 13, enter <b>0</b> here. <b>Do not</b> complete the rest of this section. • If line 14 is <b>less</b> than line 13, see instructions.	15			
16	Add lines 14 and 15. Subtract the result from line 13 and enter the result here .....	16			
17	Enter 10% of your FAGI from Form IT-201, line 19 or IT-203, line 19 (Federal amount column) .....	17			
18	Subtract line 17 from line 16. If the amount is zero or less, enter <b>0</b> and enter the result on Form IT-196, line 20 ...	18			

Casualty and theft worksheet (continued)

**Section B – Business and income-producing property**

**19** Description of properties (show type, location, and date acquired for each property). Complete a separate line for each property lost or damaged from the same casualty or theft. **If claiming a loss due to a Ponzi-type investment scheme and Section C is not completed, see instructions.**

Property A \_\_\_\_\_  
 Property B \_\_\_\_\_  
 Property C \_\_\_\_\_  
 Property D \_\_\_\_\_

		Properties			
		A	B	C	D
<b>20</b>	Cost or adjusted basis of each property.....	<b>20</b>			
<b>21</b>	Insurance or other reimbursement (whether or not you filed a claim) (see instructions for line 3) ..	<b>21</b>			
<b>Note:</b> If line 20 is <b>more</b> than line 21, skip line 22.					
<b>22</b>	Gain from casualty or theft. If line 21 is <b>more</b> than line 20, enter the difference here and skip lines 23 through 27 for that column. See the instructions for line 4 if line 21 includes insurance or other reimbursement you did not claim, or you received payment for your loss in a later tax year .....	<b>22</b>			
<b>23</b>	FMV <b>before</b> casualty or theft .....	<b>23</b>			
<b>24</b>	FMV <b>after</b> casualty or theft .....	<b>24</b>			
<b>25</b>	Subtract line 24 from line 23 .....	<b>25</b>			
<b>26</b>	Enter the <b>smaller</b> of line 20 or line 25 .....	<b>26</b>			
<b>Note:</b> If the property was totally destroyed by casualty or loss from theft, enter on line 26 the amount from line 20.					
<b>27</b>	Subtract line 21 from line 26. If zero or less, enter <b>0</b> .....	<b>27</b>			
<b>28</b>	Total casualty or theft loss. Add the amounts on line 27 and include any Section C, line 40 amount .....	<b>28</b>			
<ul style="list-style-type: none"> <li>• Enter the amount from income-producing property on Form IT-196, line 30</li> <li>• Enter the amount from property used as an employee on Form IT-196, line 24</li> </ul>					

**Section C – Theft loss deduction for Ponzi-type investment scheme using the procedures in IRS Revenue Procedure 2009-20**  
 (see instructions).

**Part 1 – Computation of deduction**

<b>29</b>	Initial investment (see instructions) .....	<b>29</b>		
<b>30</b>	Subsequent investments (see instructions) .....	<b>30</b>		
<b>31</b>	Income reported on your tax returns for tax years prior to the discovery year (see instr.).....	<b>31</b>		
<b>32</b>	Add lines 29, 30, and 31 .....	<b>32</b>		
<b>33</b>	Withdrawals for all years (see instructions) .....	<b>33</b>		
<b>34</b>	Subtract line 33 from line 32. This is your total qualified investment (see instructions) .....	<b>34</b>		
<b>35</b>	Enter 95% (0.95) if you have no potential third-party recovery. Enter 75% (0.75) if you have potential third-party recovery (see instructions) .....	<b>35</b>		
<b>36</b>	Multiply line 35 by line 34 .....	<b>36</b>		
<b>37</b>	Actual recovery (see instructions) .....	<b>37</b>		
<b>38</b>	Enter the potential insurance/Securities Investor Protection Corporation (SIPC) recovery.....	<b>38</b>		
<b>39</b>	Add lines 37 and 38. This is your total recovery .....	<b>39</b>		
<b>40</b>	Subtract line 39 from line 36. This is your deductible theft loss. Include this amount on line 28 of Section B and complete Part 2, Required Statements and Declarations, page 8.	<b>40</b>		

**Casualty and theft worksheet** *(continued)*

**Section C – Theft loss deduction for Ponzi-type investment scheme using the procedures in IRS Revenue Procedure 2009-20** *(cont'd)*

**Part 2 – Required statements and declarations** *(see instructions)*

- I am claiming a theft loss deduction pursuant to IRS Revenue Procedure 2009-20 from a specified fraudulent arrangement conducted by the following individual or entity.

Name of individual or entity \_\_\_\_\_

Taxpayer identification number (if known) \_\_\_\_\_

Address \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

- I have written documentation to support the amounts reported in Section C, Part 1.
- I am a qualified investor as defined in IRS Revenue Procedure 2009-20, Section 4.03.
- If I have determined the amount of my theft loss deduction using 0.95 on line 46 above, I declare that I have not pursued and do not intend to pursue any potential third-party recovery, as that term is defined in IRS Revenue Procedure 2009-20, Section 4.10.
- I agree to comply with the conditions and agreements set forth in IRS Revenue Procedure 2009-20 and Section C.
- If I have already filed a return or amended return that does not satisfy the conditions in IRS Revenue Procedure 2009-20, Section 6.02. I agree to all adjustments or actions that are necessary to comply with those conditions. The tax year(s) for which I filed the return(s) or amended return(s) and the date(s) on which they were filed are as follows:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**Casualty and theft worksheet instructions**

**Which sections to complete**

Complete Section A to compute casualty or theft gains and losses for property that is not used in a trade or business or for income-producing purposes. Also complete Section A to compute casualty or theft losses and gains related to the portion of your home used for business if you used the federal simplified method to determine your deductible expenses for business use of your home.

Complete Section B to compute casualty or theft losses and gains for property that is used in a trade or business or for income-producing purposes.

If property is used partly in a trade or business and partly for personal purposes, such as a personal home with a rental unit, compute the personal part in Section A and the business part in Section B.

Complete Section C to compute a theft loss deduction from a Ponzi-type investment scheme if you qualify to use IRS Revenue Procedure 2009-20, as modified by IRS Revenue Procedure 2011-58, and choose to follow the procedures in the guidance.

**Section A – Personal use property**

Complete a separate column for lines 2 through 9 to show each item lost or damaged from a single casualty or theft described on line 1. If more than four items were lost or damaged, submit additional sheets following the format of lines 1 through 9.

Complete a separate worksheet through line 12 for each casualty or theft involving property not used in a trade or business or for income-producing purposes.

Do not include any loss previously deducted on an estate tax return.

If you are liable for casualty or theft losses to property you lease from someone else, see our *2018 New York itemized deduction* webpage.

**Line 1** – Describe the type of property (for example, furniture, jewelry, car, and so on).

**Line 2** – Cost or other basis usually means original cost plus improvements. Subtract any postponed gain from the sale of a previous main home. Special rules apply to property received as a gift or inheritance. See *Basis Other Than Cost* in IRS Publication 551, *Basis of Assets*, for details. If you inherited the property from someone who died in 2010 and the executor of the decedent's estate made the election to file federal Form 8939, *Allocation of Increase in Basis for Property Received From a Decedent*, refer to the information provided by the executor or see IRS Publication 4895, *Tax Treatment of Property Acquired From a Decedent Dying in 2010*, available at [IRS.gov/pub/irs-prior/p4895--2011.pdf](http://IRS.gov/pub/irs-prior/p4895--2011.pdf).

**Line 3** – Enter the amount of insurance or other reimbursement you received or expect to receive for each property. Include your insurance coverage whether or not you are filing a claim for reimbursement.

**Example:** *Your car worth \$2,000 is totally destroyed in a collision. You are insured with a \$500 deductible, but decide not to report it to your insurance company because you are afraid the insurance company will cancel your policy. In this example, enter \$1,500.*

If you expect to be reimbursed but have not yet received payment, you must still enter the expected reimbursement from the loss. If, in a later tax year, you determine with reasonable certainty that you will not be reimbursed for all or part of the loss, you can deduct for that year the amount of the loss that is not reimbursed.

**Types of reimbursements** – Insurance is the most common way to be reimbursed for a casualty or theft loss, but if:

- the person who leases your property must make repairs or must repay you for any part of a loss, the repayment and the cost of the repairs are considered reimbursements.
- a court awards you damages for a casualty or theft loss, the amount you can collect, minus lawyers' fees and other necessary expenses, is a reimbursement.



- you accept repairs, restoration, or cleanup services provided by relief agencies, it is considered a reimbursement.
- a bonding company pays you for a theft loss, the payment also is considered a reimbursement.

**Lump-sum reimbursement** – If you have a casualty or theft loss of several assets at the same time and you receive a lump-sum reimbursement, you must divide the amount you receive among the assets according to the FMV of each asset at the time of the loss.

**Grants, gifts, and other payments** – Grants and other payments you receive to help you after a casualty are considered reimbursements only if they must be used specifically to repair or replace your property. Such payments will reduce your casualty loss deduction. If there are no conditions on how you must use the money you receive, it is not a reimbursement.

**Use and occupancy insurance** – If insurance reimburses you for your loss of business income, it does not reduce your casualty or theft loss. The reimbursement is income, and is taxed in the same manner as your business income.

**Main home destroyed** – If you have a gain because your main home was destroyed, you generally can exclude the gain from your income as if you had sold or exchanged your home. You may be able to exclude up to \$250,000 of the gain (up to \$500,000 if married filing jointly). To exclude a gain, you generally must have owned and lived in the property as your main home for at least two years during the five-year period ending on the date it was destroyed. For information on this exclusion, see our *2018 New York itemized deduction* webpage.

If you exclude the gain and the entire gain is excludable, do not compute the casualty on the *Casualty and theft worksheet*. If the gain is more than you can exclude, reduce the insurance or other reimbursement by the amount of the exclusion and enter the result on line 3. Keep in your tax records a statement showing the full amount of insurance or other reimbursement and the amount of the exclusion. You may be able to postpone reporting the excess gain if you buy replacement property. See our *2018 New York itemized deduction* webpage.

**Line 4** – If you are entitled to an insurance payment or other reimbursement for any part of a casualty or theft loss but you choose not to file a claim for the loss, you cannot realize a gain from that payment or reimbursement.

Therefore, compute the gain on line 4 by subtracting your cost or other basis in the property (line 2) only from the amount of reimbursement you actually received. Enter the result on line 4; do not enter less than zero.

If you filed a claim for reimbursement but did not receive it until after the year of the casualty or theft, include the gain in your income in the year you received the reimbursement.

**Lines 5 and 6** – FMV is the price at which the property would be sold between a willing buyer and a willing seller, each having knowledge of the relevant facts. The difference between the FMV immediately before the casualty or theft and the FMV immediately after represents the decrease in FMV because of the casualty or theft.

The FMV of property after a theft is zero if the property is not recovered.

FMV is generally determined by a competent appraisal. The appraiser's knowledge of sales of comparable property about the same time as the casualty or theft, knowledge of your property before and after the occurrence, and the methods of determining FMV are important elements in proving your loss.

The appraised value of property immediately after the casualty must be adjusted (increased) for the effects of any general market decline that may occur at the same time as the casualty or theft.

**Example:** *The value of all nearby property may become depressed because it is in an area where such occurrences are commonplace.*

*This general decline in market value is not part of the property's decrease in FMV as a result of the casualty or theft.*

Replacement cost or the cost of repairs is not necessarily FMV. However, you may be able to use the cost of repairs to the damaged property as evidence of loss in value if the:

- repairs are actually made,
- repairs are necessary to restore the property to the condition it was in immediately before the casualty,
- amount spent for repairs isn't excessive,
- repairs only correct the damage caused by the casualty, and
- the value of the property after the repairs is not, as a result of the repairs, more than the value of the property immediately before the casualty.

To compute a casualty loss to real estate not used in a trade, business, or for income-producing purposes, measure the decrease in value of the property as a whole. All improvements, such as buildings, trees, and shrubs, are considered together as one item. Compute the loss separately for other items. For example, compute the loss separately for each piece of furniture.

**Safe harbor methods and reporting requirements** – The IRS provides guidance on safe harbor methods for determining casualty and theft losses. If you use one of the safe harbor methods provided in an IRS Revenue Procedure, keep in your records a detailed statement specifying which IRS Revenue Procedure you used to determine the amount of your casualty loss. When completing this worksheet, do not enter an amount on line 5 or line 6 for each property. Instead, enter the decrease in the FMV determined in the relevant safe harbor method on line 7.

**Line 11** – If the amount on line 10 is from a 2017 qualified disaster loss from Hurricane or Tropical Storm Harvey, Hurricane Irma, or Hurricane Maria, follow the instructions below.

If you have a loss from Hurricane or Tropical Storm Harvey, Hurricane Irma, or Hurricane Maria on line 10, add the amounts on line 4 of **all** your casualty and theft worksheets.

- If the amount on line 10 is larger than the sum of all line 4 amounts, substitute \$500 for the line 11 amount on the worksheet for the federally declared disaster loss from Hurricane or Tropical Storm Harvey, Hurricane Irma, or Hurricane Maria.
- If the amount on line 10 is smaller than the total of all line 4 amounts, enter \$100 and complete the remainder of the worksheet as if you have no 2017 disaster losses from Hurricane or Tropical Storm Harvey, Hurricane Irma, or Hurricane Maria subject to the \$500 reduction.

**Line 15**

- If line 14 is more than line 13, you have a net gain. You must report any gain as income (to the extent not already included as income on your federal Schedule D, *Gains and Losses*), on your New York State income tax return. See Form IT-225, *New York State Modifications*, and its instructions.
- If line 14 is less than line 13, and you have:
  - no disaster losses from Hurricane or Tropical Storm Harvey, Hurricane Irma, or Hurricane Maria that are subject to the \$500 reduction on line 11 on any casualty and theft worksheet, enter **0** here and go to line 16.
  - disaster losses from Hurricane or Tropical Storm Harvey, Hurricane Irma, or Hurricane Maria that are subject to the \$500 reduction, subtract line 14 from line 12 of the casualty and theft worksheet(s) reporting those disaster losses. The difference is your net disaster loss. Enter this amount on line 15 and on Form IT-196, line 37.

If **all** of your personal casualty and theft losses are disaster losses subject to the \$500 reduction, **stop here**. **Do not** complete the rest of the worksheet.

**Line 17** – Estates and trust compute FAGI the same way as individuals, except that the costs of administration are allowed in computing FAGI.

**Section B – Business and income-producing property**


Complete a separate column, lines 20 through 27, to show each item lost or damaged from a single casualty or theft described on line 19. If more than four items were lost or damaged, complete additional worksheets following the format of lines 19 through 27.

Complete a separate *Casualty and theft worksheet* for each casualty or theft involving property used in a trade or business or for income-producing purposes. Complete one worksheet Section B, to combine all Sections B. For details on the treatment of casualties or thefts to business or income-producing property, including rules on the loss of inventory through casualty or theft, see our *2018 New York itemized deduction* webpage.

**Home used for business or rented**

If you had a casualty or theft loss involving a home you used for business or rented out, your deductible loss may be limited. First, complete Section B, lines 19 through 26.

- If the loss involved a home used for a business and you are filing federal Schedule C, *Profit or Loss from Business*, with your federal income tax return, you must compute your 2018 New York itemized deduction for casualty or theft loss using a 2017 federal Form 8829, *Expenses for Business Use of Your Home* and instructions (this form is available on our *2018 New York itemized deduction* webpage). Enter on line 27 the deductible loss from the 2017 federal Form 8829, line 34.

 Do not file the 2017 federal Form 8829 with your federal income tax return, keep it with your 2018 New York State income tax records.

- For a home you rented out or used for a business for which you are not filing federal Schedule C, with your federal income tax return, see IRC § 280A(c)(5) to compute your deductible loss. Keep for your records a statement showing your computation of the deductible loss; enter that amount on line 27.

**Note:** If you used the federal simplified method to determine your deductible expenses for business use of your home for 2018, compute the casualty or theft loss for the home office in Section A instead of in Section B.

**Property used in a passive activity**

A gain or loss from a casualty or theft of property used in a passive activity is not taken into account in determining the loss from a passive activity, unless losses similar in cause and severity recur regularly in the activity. For more information, see our *2018 New York itemized deduction* webpage.

**Losses from Ponzi-type investment schemes**

The IRS has issued guidance to assist taxpayers who are victims of losses from Ponzi-type investment schemes.

If you qualify to use IRS Revenue Procedure 2009-20, as modified by IRS Revenue Procedure 2011-58, and choose to follow the procedures in the guidance, first fill out Section C to determine the amount to enter on Section B, line 28. Skip lines 19 through 27.

Section C replaces Appendix A in IRS Revenue Procedure 2009-20. You do not need to complete Appendix A.

For more information, see the instructions for Section C and the above revenue ruling and revenue procedures.

If you choose not to use the procedures in IRS Revenue Procedure 2009-20, you may claim your theft loss by filling out Section B, lines 19 through 39, as appropriate.

**IRC § 179 property of a partnership or S corporation**

Partners and S corporation shareholders who receive a federal Schedule K-1 reporting a casualty or theft involving property for

which the IRC § 179 expense deduction was previously claimed and passed through to the partners or shareholders must use the worksheet below to compute the adjusted basis of the property (line 20 amount).

**Line 19** – If you are claiming a loss from a fraudulent investment arrangement and you are **not** filling out Section C, you must enter the name, taxpayer identification number (if known), and address (if known) of the individual or entity that conducted the fraudulent arrangement. Complete the rest of Section B.

**Line 20** – Cost or adjusted basis usually means original cost plus improvements, minus depreciation allowed or allowable (including any IRC § 179 expense deduction), amortization, depletion, etc. Special rules apply to property received as a gift or inheritance. See our *2018 New York itemized deduction* webpage. If you inherited the property from someone who died in 2010 and the executor of the decedent’s estate made the election to file federal Form 8939, refer to the information provided by the executor or see IRS Publication 4895, available at [IRS.gov/pub/irs-prior/p4895--2011.pdf](http://IRS.gov/pub/irs-prior/p4895--2011.pdf).

<b>Partners and S corporation shareholders to compute adjusted basis of IRC § 179 property worksheet</b>			
(Keep for your records)			
<b>1</b>	Gross sales price .....	<b>1</b>	_____
<b>2</b>	Cost or other basis .....	<b>2</b>	_____
<b>3a</b>	Depreciation (excluding IRC § 179 expense deduction) .....	<b>3a</b>	_____
<b>3b</b>	IRC § 179 expense deduction .....	<b>3b</b>	_____
<b>3c</b>	Unused carryover of IRC § 179 expense deduction .....	<b>3c</b>	_____
<b>3d</b>	Subtract line 3c from line 3b .....	<b>3d</b>	_____
<b>3e</b>	Add lines 3a and 3d .....	<b>3e</b>	_____
<b>4</b>	<b>Adjusted basis.</b> Subtract line 3e from line 2 and include on line 20 .....	<b>4</b>	_____

**Lines 23 and 24** – See the instructions for lines 5 and 6 for details on determining FMV.

**Loss on each item computed separately** – Unlike a casualty loss to personal use real estate in which all improvements are considered one item, a casualty loss to business or income-producing property must be computed separately for each item. For example, if casualty damage occurs to both a building and to trees on the same piece of real estate, measure the loss separately for the building and for the trees.

**Section C – Theft loss deduction for Ponzi-type investment scheme using the procedures in IRS Revenue Procedure 2009-20**

Fill out Section C if you claim a theft loss deduction for a Ponzi-type investment scheme and you meet **both** of the following conditions:

- You qualify to use IRS Revenue Procedure 2009-20, as modified by IRS Revenue Procedure 2011-58.
- You choose to follow the procedures in the IRS guidance.

If you meet both conditions, fill out Section C in lieu of Appendix A in IRS Revenue Procedure 2009-20.

For more information about claiming a theft loss deduction from a Ponzi-type investment scheme, see the following guidance:

- IRS Revenue Ruling 2009-9, 2009-14 Internal Revenue Bulletin (I.R.B.) 735 (available at [IRS.gov/irb/2009-14\\_IRB/ar07.html](http://IRS.gov/irb/2009-14_IRB/ar07.html)).
- IRS Revenue Procedure 2009-20, 2009-14 I.R.B. 749 (available at [IRS.gov/irb/2009-14\\_IRB/ar11.html](http://IRS.gov/irb/2009-14_IRB/ar11.html)).
- IRS Revenue Procedure 2011-58, 2011-50 I.R.B. 849 (available at [IRS.gov/irb/2011-50\\_IRB/ar11.html](http://IRS.gov/irb/2011-50_IRB/ar11.html)).

**Line 29** – Enter the initial amount of cash or basis of property that you invested in the investment arrangement. Do not include any of the following on this line, line 30, or line 31.

- Amounts borrowed from the responsible group and invested in the specified fraudulent arrangement, to the extent the borrowed amounts were not repaid at the time the theft was discovered.
- Amounts such as fees that were paid to the responsible group and deducted for federal income tax purposes.
- Amounts reported to you (the qualified investor) as taxable income that were not included in gross income on the investor's federal income tax returns.
- Cash or property that you (the qualified investor) invested in a fund or other entity (separate from you (the qualified investor) for federal income tax purposes) that invested in a specified fraudulent arrangement.

For definitions of responsible group, specified fraudulent arrangement, and qualified investor, see IRS Revenue Procedure 2009-20 Section 4.

**Line 30** – Enter the amounts of cash or the basis of property that you invested after you made the initial investment (including amounts reinvested).

**Line 31** – Enter the total amounts of net income (for example, interest and dividends minus expenses) from the specified fraudulent arrangement that, consistent with information received from that arrangement, you included in income for federal tax purposes for all tax years before the discovery year, including tax years for which a refund is barred by the statute of limitations.

The *discovery year* is the tax year when one of the following occurs.

- The indictment, information, or complaint described in IRS Revenue Procedure 2009-20 (as modified by IRS Revenue Procedure 2011-58), section 4.02(1) or (2) is filed.
- The complaint or similar document described in IRS Revenue Procedure 2009-20 (as modified by IRS Revenue Procedure 2011-58), section 4.02(3) is filed, or the death of the lead figure occurs, whichever is later.

**Line 33** – Enter the total amount of cash or property that you withdrew from the investment arrangement in all years (whether designated as income or principal).

**Line 34** – This is the amount of your investment that is eligible for a deduction before any actual or potential recoveries are taken into account.

### Line 35

*Potential third-party recovery* is the amount of all actual or potential claims for recovery, as of the last day of the discovery year, that are **not** from potential insurance or Securities Investor Protection Corporation (SIPC) recovery, or a potential direct recovery.

*Potential insurance/SIPC recovery* is the total of all actual or potential claims for reimbursement that, as of the last day of the discovery year, are attributable to:

- Insurance policies in your name that protect you from this type of loss;
- Contractual arrangements, other than insurance, that guaranteed or otherwise protected against this type of loss; or
- Amounts payable from SIPC, as advances for customer claims under the Securities Investor Protection Act of 1970, or by a similar entity under a similar provision.

*Potential direct recovery* is the amount of all actual or potential claims for recovery, as of the last day of the discovery year, against the responsible individual or group.

**Line 37** – Enter the amounts you actually received as a reimbursement or recovery from any source. Do not include amounts that are potential direct recoveries or potential third-party recoveries.

**Line 40** – Enter the amount from line 40 on line 28 of Section B. Do not complete lines 19 through 27 for this same loss.

### Part 2

Read the statements and declarations carefully. Complete the required information in the spaces provided. Do not submit this worksheet with your New York State income tax return; keep it for your tax records. When you sign your tax return you are agreeing to these statements and declarations. The information you enter in this part may be used to verify the fraudulent investment arrangement.

(Form IT-196 line instructions continued on page 12)

## Job expenses and certain miscellaneous deductions

### Line 21 – Unreimbursed employee expenses

Enter the amount from line 10 of the *Unreimbursed employee business expenses worksheet*.

#### Unreimbursed employee business expenses worksheet

##### Part 1 – Employee business expenses and reimbursements

Step 1 – Enter your expenses	A Other than meals and entertainment		B Meals and entertainment
	1 Vehicle expense from line 22 or line 29. ( <i>Rural mail carriers: see instructions.</i> ) .....	1	
2 Parking fees, tolls, and transportation, including train, bus, etc., that <b>did not</b> involve overnight travel or commuting to and from work .....	2		
3 Travel expenses while away from home overnight, including lodging, airplane, car rental, etc. Do not include meals and entertainment .....	3		
4 Business expenses not included on lines 1, 2, and 3. <b>Do not</b> include meals and entertainment or education expenses .....	4		
5 Meals and entertainment expenses ( <i>see instructions</i> ) .....	5		
6 Total expenses. In column A, add lines 1 through 4. In column B, enter the amount from line 5 .....	6		
<b>Note:</b> If you were not reimbursed for any expenses in Step 1, skip line 7, and enter the amount from line 6 on line 8.			
<b>Step 2 – Enter reimbursements from your employer for expenses listed in Step 1</b>			
7 Enter reimbursements received from your employer that were not reported to you in box 1 of federal Form W-2. Include any reimbursements reported under code L in box 12 of your federal Form W-2 ( <i>see instructions</i> ) .....	7		
<b>Step 3 – Compute expenses to deduct on Form IT-196 (Form IT-201 or Form IT-203)</b>			
8 Subtract line 7 from line 6. If zero or less, enter 0. However, if line 7 is greater than line 6 in column A, report the excess as income on Form IT-201 or Form IT-203, line 1 .....	8		
<b>Note:</b> If <b>both columns</b> of line 8 are zero, <b>stop here</b> ; you cannot deduct employee business expenses.			
9 In column A, enter the amount from line 8. In column B, multiply line 8 by 50% (0.50). (Employees subject to U.S. Department of Transportation (USDOT) hours of service limits: Multiply meal expenses incurred while away from home on business by 80% (0.80) instead of 50%.) ( <i>see instructions</i> ) .....	9		
10 Add the amount on line 9 of both columns and enter the total here. <b>Also, enter the total on Form IT-196, line 21.</b> (Armed Forces reservists, qualified performing artists, qualified fee basis state or local government officials, and individuals with disabilities: see instructions for special rules on where to enter the total.) .....	10		

**Unreimbursed employee business expenses worksheet** (continued)

**Part 2 – Vehicle expenses**

**Step 4 – General information** (You must complete this section if you are claiming vehicle expenses.)

	A Vehicle 1		B Vehicle 2	
<b>11</b> Enter the date (mmddyyyy) the vehicle was placed in service (see instr.)	<b>11</b>			
<b>12</b> Total miles the vehicle was driven during the tax year (see instructions)	<b>12</b>			
<b>13</b> Business miles included on line 12 (see instructions)	<b>13</b>			
<b>14</b> Divide line 13 by line 12 and round to four decimal places (see instr.)	<b>14</b>			
<b>15</b> Average daily round-trip commuting distance (see instructions)	<b>15</b>			
<b>16</b> Commuting miles included on line 12 (see instructions)	<b>16</b>			
<b>17</b> Other miles (add lines 13 and 16 and subtract the total from line 12)	<b>17</b>			
<b>18</b> Was your vehicle available for personal use during off duty hours?			Yes <input type="checkbox"/>	No <input type="checkbox"/>
<b>19</b> Do you (or your spouse) have another vehicle available for personal use?			Yes <input type="checkbox"/>	No <input type="checkbox"/>
<b>20</b> Do you have evidence to support your deduction? If <b>No</b> , stop here			Yes <input type="checkbox"/>	No <input type="checkbox"/>
<b>21</b> If <b>Yes</b> , is the evidence written?			Yes <input type="checkbox"/>	No <input type="checkbox"/>

**Step 5 – Standard mileage rate** (See the instructions for Part 2 to find out whether to complete this section or Step 6.)

<b>22</b> Multiply line 13 by 54.5¢ (0.545). Enter the result here and on line 1	<b>22</b>	
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**Step 6 – Actual expenses**

	A Vehicle 1		B Vehicle 2	
<b>23</b> Gasoline, oil, repairs, vehicle insurance, etc.	<b>23</b>		<b>23</b>	
<b>24a</b> Vehicle rentals	<b>24a</b>		<b>24a</b>	
<b>24b</b> Inclusion amount (see instructions)	<b>24b</b>		<b>24b</b>	
<b>24c</b> Subtract line 24b from line 24a	<b>24c</b>		<b>24c</b>	
<b>25</b> Value of employer-provided vehicle (applies only if 100% of annual lease value was included on Form W-2, see instructions)	<b>25</b>		<b>25</b>	
<b>26</b> Add lines 23, 24c, and 25	<b>26</b>		<b>26</b>	
<b>27</b> Multiply line 26 by line 14	<b>27</b>		<b>27</b>	
<b>28</b> Depreciation (see instructions)	<b>28</b>		<b>28</b>	
<b>29</b> Add lines 27 and 28. Enter total here and on line 1	<b>29</b>		<b>29</b>	


**Step 7 – Depreciation of vehicles** (Use this section only if you owned the vehicle and are completing Step 6 for the vehicle.)

	A Vehicle 1		B Vehicle 2	
<b>30</b> Enter cost or other basis (see instructions)	<b>30</b>		<b>30</b>	
<b>31</b> Enter IRC § 179 deduction and special allowances (see IRS Publication 946)	<b>31</b>		<b>31</b>	
<b>32</b> Multiply line 30 by line 14 (if you claimed the IRC § 179 deduction or special allowance, see instructions)	<b>32</b>		<b>32</b>	
<b>33</b> Enter depreciation method and percentage (see IRS Publication 946)	<b>33</b>		<b>33</b>	
<b>34</b> Multiply line 32 by the percentage on line 33 (see instructions)	<b>34</b>		<b>34</b>	
<b>35</b> Add lines 31 and 34	<b>35</b>		<b>35</b>	
<b>36</b> Enter the applicable limit explained in the instructions for federal Form 2106	<b>36</b>		<b>36</b>	
<b>37</b> Multiply line 36 by line 14	<b>37</b>		<b>37</b>	
<b>38</b> Enter the <b>smaller</b> of line 35 or line 37. If you skipped lines 36 and 37, enter the amount from line 35. Also enter this amount on line 28 above.	<b>38</b>		<b>38</b>	

## Unreimbursed employee business expenses worksheet instructions

### Part 1 – Employee business expenses and reimbursements

Complete Part 1 if you were reimbursed for employee business expenses. If you were not reimbursed for your expenses, complete steps 1 and 3 only.

 Do not include on this worksheet any:

- job related education expenses. If you have job related education expenses, see the instructions for Form IT-196, line 22 on page 16; or
- educator expenses you deducted as an adjustment to income on your federal income tax return (Form 1040, Schedule 1, line 23).

#### Step 1 – Enter your expenses

**Line 1** – Enter vehicle expenses from Part 2, *Vehicle Expenses*, line 22 or line 29. Rural mail carriers, see below.


*Rural mail carriers* are employees of the United States Postal Service (USPS) who perform services involving the collection and delivery of mail on a rural route.

If you were a rural mail carrier, you can treat the amount of qualified reimbursement you received as the amount of your allowable expense. Because the qualified reimbursement is treated as paid under an accountable plan, your employer should not include the amount of reimbursement in your income.

*Qualified reimbursements* are the amounts paid by the USPS as an equipment maintenance allowance under a collective bargaining agreement between the USPS and the National Rural Letter Carriers' Association, but only if such amounts do not exceed the amount that would have been paid under the 1991 collective bargaining agreement (adjusted for changes in the Consumer Price Index since 1991). If you were a rural mail carrier and your vehicle expenses were:

Less than or equal to your qualified reimbursements, do not complete this worksheet unless you have deductible expenses other than vehicle expenses. If you have deductible expenses other than vehicle expenses, skip line 1 and do not include any qualified reimbursements in column A on line 7.

More than your qualified reimbursements, first complete Part 2 of this worksheet. Enter your total vehicle expenses from line 29 on line 1 and the amount of your qualified reimbursements in column A, line 7.

 If you are a rural mail carrier and received a qualified reimbursement, you cannot use the standard mileage rate.

**Line 2** – The expenses of commuting to and from work are not deductible. See the line 15 instructions for the definition of commuting.

**Line 3** – Enter lodging and transportation expenses connected with overnight travel away from your tax home. Do **not** include expenses for meals and entertainment. See our *2018 New York itemized deduction* webpage, for more information, including limits.

For purposes of this line instruction, *tax home*, means your regular or main place of business or post of duty regardless of where you maintain your family home. If you do not have a regular or main place of business because of the nature of your work, then your tax home may be the place where you regularly live. If you do not have a regular or a main place of business or post of duty and there is no place where you regularly live, you are considered an itinerant (a transient) and your tax home is wherever you work. As an itinerant, you are never away from home and cannot claim a travel expense deduction. For more details on the definition of a tax home, see our *2018 New York itemized deduction* webpage.

Generally, you cannot deduct any expenses for travel away from your tax home for any period of temporary employment of more than

one year. However, this one year rule does not apply for a temporary period in which you were a federal employee certified by the Attorney General (or his or her designee) as traveling in temporary duty status for the U.S. government to investigate or prosecute a federal crime (or to provide support services for the investigation or prosecution of a federal crime).

*Incidental expenses* means fees and tips given to porters, baggage carriers, hotel staff, and staff on ships.

Incidental expenses do not include expenses for laundry, cleaning and pressing of clothing, lodging taxes, costs of telegrams or telephone calls, transportation between places of lodging or business and places where meals are taken, or the mailing cost of filing travel vouchers and paying employer-sponsored charge card billings.


You can use an optional method (instead of actual cost) for deducting incidental expenses only. The amount of the deduction is \$5 a day. You can use this method only if you did not pay or incur any meal expenses. You cannot use this method on any day you use the standard meal allowance (defined later in the instructions for line 5).

**Line 4** – Enter other job-related expenses not listed on any other line of this form. For example:

- expenses for business gifts, home office, trade publications, etc.
- home office expenses, or
- depreciation or an IRC § 179 deduction

See our *2018 New York itemized deduction* webpage for more information and special instructions on these expenses and how to report them.

**Note:** If you are deducting depreciation or claiming an IRC § 179 deduction, see federal Form 4562, *Depreciation and Amortization*, to compute the depreciation and IRC § 179 deduction to enter on, line 4.

 Do not include on line 4 any education expenses (for example, tuition, fees and books). These expenses are entered on Form IT-196, line 22.

If line 4 is your only entry, do not complete this worksheet unless you are claiming:

- performing arts related business expenses as a qualified performing artist;
- expenses for performing your job as a fee basis state, or local, government official; or
- impairment related work expenses as an individual with a disability.

See the line 10 instructions. If you are not required to complete this worksheet, enter your expenses directly on Form IT-196, line 21.

**Line 5** – Enter your allowable meals and entertainment expense. Include meals away from your tax home overnight and other business meals and entertainment.

*Standard meal allowance* is the federal meals and incidental expenses (M&IE) rate. Instead of actual cost, you may be able to claim the standard meal allowance for your daily M&IE while away from your tax home overnight. Under this method, instead of keeping records of your actual meal expenses, you deduct a specified amount, depending on where you travel. However, you must still keep records to prove the time, place, and business purpose of your travel.

For most small localities in the United States, M&IE rate is \$51 a day. Most major cities and many other localities in the United States qualify for higher rates. You can find the rates that applied during 2018 on the Internet at [www.gsa.gov/perdiem](http://www.gsa.gov/perdiem). At the *Per Diem Rates* page, select 2018 for the rates in effect for the period January 1, 2018 – September 30, 2018. Select *Fiscal Year 2019* for the period October 1, 2018 – December 31, 2018. However, you can apply the rates in effect before October 1, 2018, for expenses of all

travel within the United States for 2018 instead of the updated rates. For the period October 1, 2018 – December 31, 2018, you must consistently use either the rates for the first nine months of 2018 or the updated rates. For locations outside the continental United States, the applicable rates are published each month. You can find these rates on the Internet at [www.state.gov/travel](http://www.state.gov/travel) and search for *Foreign Per Diem Rates*.

## Step 2 – Enter reimbursements received from your employer for expenses listed in Step 1

**Line 7** – Enter reimbursements received from your employer (or third party) for expenses shown in *Step 1* that were not reported to you in box 1 of your federal Form W-2. This includes reimbursements reported under code *L* in box 12 of federal Form W-2. (Amounts reported under code *L* are reimbursements you received for business expenses that weren't included as wages on federal Form W-2 because the expenses met specific IRS substantiation requirements.)

Generally, when your employer pays for your expenses, the payments should not be included in box 1 of your federal Form W-2 if, within a reasonable period of time, you:

- accounted to your employer for the expenses; and
- were required to return, and did return, any payment not spent (or considered not spent) for business expenses.

If these payments were incorrectly included in box 1, ask your employer for a corrected federal Form W-2.

*Accounting to your employer* means that you gave your employer documentary evidence and an account book, diary, log, statement of expenses, trip sheets, or similar statement to verify the amount, time, place, and business purpose of each expense. You are also treated as having accounted for your expenses if either of the following applies:

- Your employer gave you a fixed travel allowance that is similar in form to the per diem allowance specified by the federal government and you verified the time, place, and business purpose of the travel for that day; or
- Your employer reimbursed you for vehicle expenses at the standard mileage rate or according to a flat rate or stated schedule, and you verified the date of each trip, mileage, and business purpose of the vehicle use.

For more information, see our *2018 New York itemized deduction* webpage.

*Allocating your reimbursement* means if your employer paid you a single amount that covers meals and entertainment as well as other business expenses, you must allocate the reimbursement so that you know how much to enter in column A and column B of line 7. Complete the following worksheet to compute this allocation.

### Reimbursement allocation worksheet

(Keep for your records)

1	Enter the total amount of reimbursements your employer gave you that weren't reported to you in federal Form W-2, box 1 .....	1	_____
2	Enter the total amount of your expenses for the periods covered by this reimbursement .....	2	_____
3	Enter the part of the amount on line 2 that was your total expense for meals and entertainment .....	3	_____
4	Divide line 3 by line 2. Enter the result as a decimal (rounded to three places) .....	4	_____
5	Multiply line 1 by line 4. Enter the result here and in column B, line 7 .....	5	_____
6	Subtract line 5 from line 1. Enter the result here and in column A, line 7 .....	6	_____

## Step 3 – Compute expenses to deduct on Form IT-196

**Line 9** – Generally, you can deduct only 50% of your business meal and entertainment expenses, including meals incurred while away from home on business. However, if you were an employee subject to the United States Department of Transportation (USDOT) hours of service limits, that percentage is increased to 80% for business meals consumed during, or incident to, any period of duty for which those limits are in effect.

Employees subject to the USDOT hours of service limits include certain air transportation employees, such as pilots, crew, dispatchers, mechanics, and control tower operators; interstate truck operators and interstate bus drivers; certain railroad employees, such as engineers, conductors, train crews, dispatchers, and control operations personnel; and certain merchant mariners.

**Line 10** – If you are one of the individuals discussed below, special rules apply to deducting your employee business expenses. Only the part of the line 10 total that was **not already deducted** (according to the special rules below) when computing your federal adjusted gross income, should be entered on Form IT-196, line 21.

**Ministers:** Before entering your total expenses on line 10, you must reduce them by the amount allocable to your tax-free allowance(s). For more information, see our *2018 New York itemized deduction* webpage.

**Armed Forces reservist** is a member of a reserve component in the Army, Navy, Marine Corps, Air Force, or Coast Guard Reserve; the Army National Guard of the United States; the Air National Guard of the United States; or the Reserve Corps of the Public Health Service.

If you are a member of a reserve component of the Armed Forces of the United States and you travel more than 100 miles away from home in connection with your performance of services as a member of the reserves, you may have deducted these travel expenses as a federal adjustment to gross income on your federal income tax return. The deduction is limited to the regular federal per diem rate (for lodging, meals, and incidental expenses) and the standard mileage rate (for car expenses) plus any parking fees, ferry fees, and tolls. Any expenses in excess of the amount you deducted as a federal adjustment to income on your federal Form 1040, Schedule 1, line 24, can be claimed as a New York itemized deduction on Form IT-196, line 21.

For more information, see our *2018 New York itemized deduction* webpage.

**Qualified fee basis state or local government official** is an individual employed by a state or political subdivision of a state and are compensated, in whole or in part, on a fee basis.

If you qualify you can deduct the fees as a federal adjustment to gross income on your federal income tax return. Any expenses in excess of the amount you deducted as a federal adjustment to income on your federal Form 1040, line 24, can be claimed as a New York itemized deduction on Form IT-196, line 21.

**Qualified performing artist** is an individual who:

- 1) performed services in the performing arts as an employee for at least two employers during the tax year;
- 2) received from at least two of those employers wages \$200 or more per employer;
- 3) had allowable business expenses attributable to the performing arts of more than 10% of gross income from the performing arts; and
- 4) had adjusted gross income of \$16,000 or less before deducting expenses as a performing artist.

In addition, if you are married, you must file a joint return unless you lived apart from your spouse for all of 2018. If you file a joint return, you must compute requirements 1), 2), and 3) separately for both you and your spouse. However, requirement 4) applies to the combined adjusted gross income of both you and your spouse.

If you meet all the requirements for a qualified performing artist, you may have deducted the part of line 10 amount attributable to performing-arts-related expenses as a federal adjustment to gross income on your federal income tax return. Any performing-arts-related business expenses in excess of the amount you deducted as a federal adjustment to income on your federal Form 1040, line 24, can be claimed as a New York itemized deduction on Form IT-196, line 21.

**Impairment related work expenses (as an individual with a disability)** are the allowable expenses of an individual with physical or mental disabilities for attendant care at his or her place of employment. They also include other expenses in connection with the place of employment that enable the employee to work. For more information, see our *2018 New York itemized deduction* webpage.

If you qualify, enter the part of the line 10 amount attributable to impairment-related work expenses on Form IT-196, line 37. These expenses are not subject to the 2% limit that applies to most other employee business expenses.

## Part 2 – Vehicle expenses

There are two methods for computing vehicle expenses: the standard mileage rate and the actual expense method. You can use the standard mileage rate for 2018 only if:

- you owned the vehicle and used the standard mileage rate for the first year you placed the vehicle in service, or
- you leased the vehicle and are using the standard mileage rate for the entire lease period (except the period, if any, before 1998).

You cannot use actual expenses for a leased vehicle if you previously used the standard mileage rate for that vehicle.

If you have the option of using either the standard mileage rate or actual expense method, you should compute your expenses both ways to find the method most beneficial to you. When completing this worksheet, fill in only the sections that apply to the method you choose.

If you were a rural mail carrier and received an equipment maintenance allowance, see the line 1 instructions.

For more information on the standard mileage rate and actual expenses, see our *2018 New York itemized deduction* webpage.

## Step 4 – General information

If you used two vehicles for business during the year, use a separate column in Steps 4, 6, and 7 for each vehicle. If you used more than two vehicles, complete a second worksheet.

**Line 11** – Date placed in service is generally the date you first start using your vehicle. However, if you first start using your vehicle for personal use and later convert it to business use, the vehicle is treated as placed in service on the date you start using it for business.

### Line 12 – Change from personal to business use

If you converted your vehicle during the year from personal to business use or from business to personal use and you do not have mileage records for the time before the change to business use, enter the total number of miles driven after the change to business use.

**Line 13** – Do not include commuting miles on this line; commuting miles are not considered business miles. See line 15 instructions for the definition of commuting.

### Line 14 – Change from personal to business use

If you entered on line 12 the total number of miles driven after the change to business use, multiply the percentage you computed by the number of months you drove the vehicle for business and divide the result by 12.

**Line 15** – Enter your average daily round-trip commuting distance. If you went to more than one work location, compute the average.

*Commuting* is generally, travel between your home and a work location. However, travel that meets any of the following conditions is not commuting:

- You have at least one regular work location away from your home and the travel is to a temporary work location in the same trade or business, regardless of the distance. Generally, a temporary work location is one where your employment is expected to last one year or less. For more information, see our *2018 New York Itemized Deduction* webpage.
- The travel is to a temporary work location outside the metropolitan area where you live and normally work.
- Your home is your principal place of business under IRC § 280A(c)(1)(A) (for purposes of deducting expenses for business use of your home) and the travel is to another work location in the same trade or business, regardless of whether that location is regular or temporary and regardless of distance.

**Line 16** – If you do not know the total actual miles you used your vehicle for commuting during the year, compute the amount to enter on line 16 by multiplying the number of days during the year that you used each vehicle for commuting by the average daily round-trip commuting distance in miles. However, if you converted your vehicle during the year from personal to business use or from business to personal use, enter your commuting miles only for the period you drove your vehicle for business.

## Step 5 – Standard mileage rate

**Line 22** – You may be able to use the standard mileage rate instead of actual expenses to compute the deductible costs of operating a passenger vehicle, including a van, sport utility vehicle (SUV), pickup, or panel truck.

If you want to use the standard mileage rate for a vehicle you own, you must do so in the first year you place your vehicle in service. In later years, you can deduct actual expenses instead, but you must use straight line depreciation.

If you lease your vehicle, you can use the standard mileage rate, but only if you use the rate for the entire lease period.

If you use more than two vehicles, complete a second *Employee business expenses worksheet*, Part 2, providing the information requested in lines 11 through 22. Be sure to include the amount from line 22 of both worksheets in the total on line 1.

**Note:** You can deduct state and local personal property taxes, if any, on Form IT-196, line 7.



If you are claiming the standard mileage rate for mileage driven in more than one business activity, you must compute the deduction for each business on a separate worksheet. Be sure to include the amount from line 22 of both worksheets in the total on line 1.

## Step 6 – Actual expenses

**Line 23** – Enter your total annual expenses for gasoline, oil, repairs, insurance, tires, license plates, and similar items. Do not include state and local personal property taxes or interest expense you paid. (Deduct state and local personal property taxes, if any, on Form IT-196, line 7.) Employees cannot deduct car loan interest.

**Line 24a** – If during 2018 you rented or leased instead of using your own vehicle, enter the cost of renting. Also, include on this line any temporary rentals, such as when your car was being repaired, except for amounts included on line 3.

**Line 24b** – If you leased a vehicle for a term of 30 days or more, you may have to reduce your deduction for vehicle lease payments by an amount called the inclusion amount.

### Passenger automobiles (except trucks and vans)

You may have an inclusion amount for a passenger automobile if:

The lease term began in:	And the vehicle's fair market value on the first day of the lease exceeded:
2013, 2014, 2015, 2016, 2017, or 2018 .....	\$19,000

**Note:** If the lease term began before 2013, see our *2018 New York itemized deduction* webpage to find out if you have an inclusion amount.

### Trucks and vans

You may have an inclusion amount for a truck or van if:

The lease term began in:	And the vehicle's fair market value on the first day of the lease exceeded:
2014, 2015, 2016, 2017, or 2018 .....	\$19,500
2013 .....	\$19,000

**Note:** If the lease term began before 2013, see our *2018 New York itemized deduction* webpage to find out if you have an inclusion amount.

**Line 25** – If during 2018 your employer provided a vehicle for your business use and included 100% of its annual lease value in box 1 of your federal Form W-2, enter this amount on line 25. If less than 100% of the annual lease value was included in box 1 of your federal Form W-2, skip line 25.

**Line 28** – If you completed Step 7, enter the amount from line 38. If you used federal Form 4562 to compute your depreciation deduction, enter the total of the following amount from:

- depreciation allocable to your vehicle(s) (from federal Form 4562, line 28).
- any IRC § 179 deduction allocable to your vehicle(s) (from federal Form 4562, line 29).

## Step 7 – Depreciation of vehicles

*Depreciation* is the amount you can deduct to recover the cost or other basis of your vehicle over a certain number of years.

Generally, the federal Modified Accelerated Cost Recovery System (MACRS) is the only depreciation method that can be used by car owners to depreciate any car placed in service after 1986. However, if you used the standard mileage rate in the year you placed the car in service and changed to the actual expense method in a later year and before the car is fully depreciated, you must use straight-line depreciation over the estimated remaining useful life of the car. There are limits on how much depreciation you can deduct (from IRS Topic No. 510, *Business Use of Car*).

For additional information on federal depreciation methods and limits, see our *2018 New York itemized deduction* webpage.

**Line 30** – Enter the vehicle's actual cost or other basis. Do not reduce your basis by any prior year's depreciation. However, you must reduce your basis by the following **federal** items: any deductible casualty loss, deduction for clean-fuel vehicle, gas guzzler tax, alternative motor vehicle credit, or qualified plug-in electric vehicle credit you claimed.

If you traded in your vehicle, your basis is the adjusted basis of the old vehicle (reduced by depreciation computed as if 100% of the vehicle's use had been for business purposes) plus any additional amount you pay for the new vehicle.

If you converted the vehicle from personal use to business use, your basis for depreciation is the smaller of the vehicle's adjusted basis or its FMV on the date of the conversion.

**Line 31** – Enter the amount of any IRC § 179 deduction and, if applicable, any special depreciation allowed for this tax year, using current IRC rules, methods, and limitations, visit [www.irs.gov](http://www.irs.gov).

**Line 32** – To compute the basis for depreciation, multiply line 30 by line 14. From that result, subtract the total amount of any IRC § 179 deduction and special depreciation allowance claimed this year (see line 31) or any IRC § 179 deduction and special depreciation allowance claimed in any previous year for this vehicle.

**Line 33** – If you used the standard mileage rate in the first year the vehicle was placed in service and now elect to use the actual expense method, you must use the federal straight-line method of depreciation for the vehicle's estimated useful life. Otherwise, use MACRS (declining balance method). For more information, see the current tax year IRS Publication 946, *How to Depreciate Property*.

**Line 36** – Using the date you placed your vehicle in service, use the instructions and applicable chart (*Limits for Passenger Automobiles (Except Trucks and Vans)* or *Limits for Trucks and Vans*) in the instructions for 2018 federal Form 2106, *Employee Business Expenses*, to find the amount to enter on line 36.

(Form IT-196 line instructions continued below)

## Line 22 – Job related education expenses

Enter the amount of job-related education expenses, such as tuition, fees, and books.

You can deduct expenses you have for education, even if the education may lead to a degree, if the education meets at least one of the following two tests:

- It maintains or improves skills required in your present work.
- It is required by your employer or the law to keep your salary, status, or job, and the requirement serves a business purpose of your employer.

You cannot deduct expenses you have for education, even though one or both of the preceding tests are met, if the education is:

- needed to meet the minimum educational requirements to qualify you in your trade or business, or
- part of a program of study that will lead to qualifying you in a new trade or business.

If your education qualifies, you can deduct expenses for tuition, books, supplies, laboratory fees, similar items, and certain transportation costs.

If the education qualifies you for a new trade or business, you cannot deduct the educational expenses even if you do not intend to enter that trade or business.

**Travel as education** – You cannot deduct the cost of travel that in itself constitutes a form of education.


**Example:** *A French teacher who travels to France to maintain general familiarity with the French language and culture cannot deduct the cost of the trip as an educational expense.*

For more information, see our *2018 New York itemized deduction* webpage.

**Education expenses during unemployment** – If you stop working for a year or less in order to get education in order to maintain or improve skills needed in your present work, and then return to the same general type of work, your absence is considered temporary. Education that you get during a temporary absence is qualifying work-related education if it maintains or improves skills needed in your present work.

### Line 23 – Tax preparation fees


You can usually deduct tax preparation fees on the return for the year in which you pay them. Therefore, on your 2018 return, you can deduct fees paid in 2018 for preparing your 2017 return. These fees include the cost of tax preparation software programs and tax publications. They also include any fee you paid for electronic filing of your return.

 Do not include on line 23 any tax preparation expenses that you already deducted on your federal income tax return using:

- Schedule C, *Profit or Loss from Business*,
- Schedule C-EZ, *Net Profit from Business (Sole Proprietorship)*,
- Schedule E, *Supplemental Income and Loss*, or
- Schedule F, *Profit or Loss from Farming*.

### Line 24 – Other expenses

Enter the total amount you paid to produce or collect taxable income and manage or protect property held for earning income.

 Do **not** include any personal, living, or family expenses on line 24.

Examples of expenses to include on line 24 are:

- Certain legal and accounting fees.
- Clerical help and office rent.
- Custodial (for example, trust account) fees.
- Your share of the investment expenses of a regulated investment company.
- Certain losses on nonfederally insured deposits in an insolvent or bankrupt financial institution. For more information, see our *2018 New York itemized deduction* webpage.
- Casualty and theft losses of property used in performing services as an employee (see *Casualty and theft worksheet*, page 6).
- Deduction for repayment of amounts under a claim of right if \$3,000 or less.
- Convenience fee charged by the card processor for paying your income tax (including estimated tax payments) by credit or debit card. The deduction is claimed for the year in which the fee was charged to your card.

You must keep a list of the type and amount of each expense claimed on line 24 for your tax records.

### Line 26


**Form IT-203 filers:** Enter the amount from Form IT-203, line 19, *Federal amount* column.


## Other miscellaneous deductions

The miscellaneous itemized deductions listed below (lines 29 through 38) are not subject to a 2% limit.

### Line 29 – Gambling losses

Enter your gambling losses.

 For federal income tax purposes, the itemized deduction rules for computing gambling losses have changed for tax year 2018. Your New York itemized deduction allowed for gambling losses on line 29 is computed using the federal rules that applied to tax year 2017.

 If you filed federal Form 1040NR, *U.S. Nonresident Alien Income Tax Return*, you cannot claim a New York itemized deduction for gambling losses.

For purposes of computing your New York itemized deduction you:

- cannot deduct gambling losses that are more than your winnings for the tax year,
- cannot reduce your gambling winnings by your gambling losses and report the difference, and
- must report the full amount of your winnings as income on Form IT-201 or IT-203, line 16, and claim your losses (only up to the amount of winnings) as an itemized deduction.


**Diary of winnings and losses** – You must keep an accurate diary or similar record of your losses and winnings. Your diary should contain at least the following information:

- The date and type of your specific wager or wagering activity.
- The name and address or location of the gambling establishment.
- The names of other persons present with you at the gambling establishment.
- The amount(s) you won or lost.

**Proof of winnings and losses** – In addition to your diary, you should also have other documentation. You can generally prove your winnings and losses through federal Form W-2G, *Certain Gambling Winnings*; federal Form 5754, *Statement by Person(s) Receiving Gambling Winnings*; wagering tickets; canceled checks; substitute checks; credit records; bank withdrawals; and statements of actual winnings or payment slips provided to you by the gambling establishment.

For specific wagering transactions, you can use the following items to support your winnings and losses:

- **Keno** – Copies of the keno tickets you purchased that were validated by the gambling establishment, copies of your casino credit records, and copies of your casino check cashing records.
- **Slot machines** – A record of the machine number and all winnings by date and time the machine was played.
- **Table games (twenty-one (blackjack), craps, poker, baccarat, roulette, wheel of fortune, etc.)** – The number of the table at which you were playing. Casino credit card data indicating whether the credit was issued in the pit or at the cashier's cage.
- **Bingo** – A record of the number of games played, cost of tickets purchased, and amounts collected on winning tickets. Supplemental records include any receipts from the casino, parlor, etc.
- **Racing (horse, harness, dog, etc.)** – A record of the races, amounts of wagers, amounts collected on winning tickets, and amounts lost on losing tickets. Supplemental records include unredeemed tickets and payment records from the racetrack.
- **Lotteries** – A record of ticket purchases, dates, winnings, and losses. Supplemental records include unredeemed tickets, payment slips, and winnings statements.

 These recordkeeping suggestions are intended as general guidelines to help you establish your winnings and losses. They are not all-inclusive. Your tax liability depends on your particular facts and circumstances.

### Line 30 – Casualty and theft losses of income-producing property

You must first complete Section B of the *Casualty and theft worksheet*, on page 7.

You can deduct a casualty or theft loss as a miscellaneous itemized deduction not subject to the 2% limit, if the damaged or stolen property was income-producing property (property held for investment, such as stocks, notes, bonds, gold, silver, vacant lots, and works of art). For more information on casualty and theft losses, see our *2018 New York itemized deduction* webpage.


**Line 31 – Federal estate tax on income in respect of a decedent**

You can deduct the federal estate tax attributable to income in respect of a decedent that you as a beneficiary include in your gross income. Income in respect of the decedent is gross income that the decedent would have received had death not occurred and that was not properly includible in the decedent's final income tax return. For information about computing the amount of this deduction, see our *2018 New York itemized deduction* webpage.

**Line 32 – Deduction for amortizable bond premiums**

In general, if the amount you pay for a bond is greater than its stated principal amount, the excess is bond premium. You can elect to amortize the premium on taxable bonds. The amortization of the premium is generally an offset to interest income on the bond rather than a separate deduction item.

- **Pre-1998 election to amortize bond premium** – Generally, if you first elected to amortize bond premium before 1998, the above treatment of the premium doesn't apply to bonds you acquired before 1988.
- **Bonds acquired after October 22, 1986, and before 1988** – The amortization of the premium on these bonds is investment interest expense subject to the investment interest limit, unless you chose to treat it as an offset to interest income on the bond.
- **Bonds acquired before October 23, 1986** – The amortization of the premium on these bonds is a miscellaneous itemized deduction not subject to the 2% limit.
- **Deduction for excess premium** – On certain bonds (such as bonds that pay a variable rate of interest or that provide for an interest-free period), the amount of bond premium allocable to a period may exceed the amount of stated interest allocable to the period. If this occurs, treat the excess as a miscellaneous itemized deduction that is **not** subject to the 2% limit. However, the amount deductible is limited to the amount by which your total interest inclusions on the bond in prior periods exceed the total amount you treated as a bond premium deduction on the bond in prior periods. If any of the excess bond premium cannot be deducted because of the limit, this amount is carried forward to the next period and is treated as bond premium allocable to that period.

 **Pre-1998 choice to amortize bond premium** – If you made the choice to amortize the premium on taxable bonds before 1998, you can deduct the bond premium amortization that is more than your interest income only for bonds acquired during 1998 and later years.

For more information on bond premium, see our *2018 New York itemized deduction* webpage.

**Line 34 – Deduction for repayment of amounts under a claim of right if over \$3,000**

If you had to repay more than \$3,000 that you included in your income in an earlier year because at the time you thought you had an unrestricted right to it, you may be able to deduct the amount you repaid. For more information, see our *2018 New York itemized deduction* webpage.

**Line 35 – Certain unrecovered investments in a pension or annuity**

A retiree who contributed to the cost of an annuity can exclude from income a part of each payment received as a tax-free return of the retiree's investment. If the retiree dies before the entire investment is recovered tax free, any unrecovered investment can be deducted on the retiree's final income tax return. For more information about the tax treatment of pensions and annuities, see our *2018 New York itemized deduction* webpage.

**Line 36 – Impairment-related work expenses of a disabled person**


If you have a physical or mental disability that limits you being employed, or substantially limits one or more of your major life activities, such as performing manual tasks, walking,

speaking, breathing, learning, and working, you can deduct your impairment-related work expenses.

Impairment-related work expenses are ordinary and necessary business expenses for attendant care services at your place of work and other expenses in connection with your place of work that are necessary for you to be able to work.

**Example:** *You are blind. You must use a reader to do your work. You use the reader both during your regular working hours at your place of work and outside your regular working hours away from your place of work. The reader's services are only for your work. You can deduct your expenses for the reader as impairment-related work expenses.*

**Line 37 – Federal disaster loss**

 Your New York itemized deduction for a federal qualified disaster loss is computed using the federal rules that applied to tax year 2017 (only from Hurricane or Tropical Storm Harvey, Hurricane Irma, or Hurricane Maria).

Complete Section A of the *Casualty and theft worksheet* on page 6 to compute the amount of your federal qualified disaster loss to enter on line 37, if any.

**Line 38 – Loss from other activities from federal Schedule K-1 (Form 1065-B), Partner's Share of Income (Loss) From an Electing Large Partnership, box 2**

Enter the amount(s) of loss shown on your federal Schedule K-1 (Form 1065-B), box 2.

(continued)

## Total itemized deductions

### Line 40

Complete the *Line 40, Total itemized deductions worksheet* below, to compute the amount to enter on line 40 if the amount on Form IT-201, line 19 or IT-203, line 19 (*Federal amount* column), is over:

- \$320,000 if married filing jointly or qualifying widow(er);
- \$293,350 if head of household;
- \$266,700 if single; or
- \$160,000 if married filing separately.

#### Line 40, Total itemized deductions worksheet

(Keep for your records)

1	Enter the total amounts from Form IT-196, lines 4, 9, 15, 19, 20, 28, and 39 .....	1	
2	Enter the total amounts from Form IT-196, lines 4, 14, 20, 29, 30, and 37 plus any qualified contributions included on line 16 .....	2	
3	Is the amount on line 2 less than the amount on line 1?  If <b>No</b> , <b>stop</b> here. Your deduction is <b>not</b> limited. Enter the amount from line 1 of this worksheet on Form IT-196, line 40. Do not complete the rest of this worksheet.  If <b>Yes</b> , subtract line 2 from line 1 .....	3	
4	Multiply line 3 by 80% (.80) ....	4	
5	Enter the amount from Form IT-201, line 19 or IT-203, line 19 ( <i>Federal amount</i> column) .....	5	
6	Enter \$320,000 if married filing jointly or qualifying widow(er); \$293,350 if head of household; \$266,700 if single; or \$160,000 if married filing separately .....	6	
7	Is the amount on line 6 less than the amount on line 5?  If <b>No</b> , <b>stop</b> here. Your deduction is <b>not</b> limited. Enter the amount from line 1 of this worksheet on Form IT-196, line 40. Do not complete the rest of this worksheet.  If <b>Yes</b> , subtract line 6 from line 5 .....	7	
8	Multiply line 7 by 3% (.03) .....	8	
9	Enter the smaller of line 4 or line 8 .....	9	
10	<b>Total itemized deductions.</b> Subtract line 9 from line 1. Enter the result here and on Form IT-196, line 40 .....	10	

## Adjustments

**Note:** For purposes of this section (instructions for lines 41 through 49), any reference to the IRC means the IRC as it existed prior to the 2018 federal law changes (Public Law 115-97, Tax Cuts and Jobs Act).

Differences between the IRC and New York State Tax Law make it necessary to require certain adjustments to *Total itemized deductions* (line 40) when computing the New York itemized deduction amount allowed (line 49).

The subtraction adjustments on line 41 reflect the fact that New York **does not allow** certain itemized deductions, such as the deduction for state and local income taxes (or general sales tax, if applicable). Because of limits on specific itemized deductions, and the overall

limit on total itemized deductions (based on income), it may be necessary for you to complete one or more worksheets to determine the amount of the New York subtraction adjustment.

The addition adjustments on line 44 reflect the fact that New York **allows** certain deductions that are not allowed under the IRC, such as expenses related to income that is exempt from federal income tax but subject to New York income tax.

Also, further adjustments may be required if you are subject to the New York itemized deduction adjustment for higher income taxpayers (line 46), or if you elect to claim the New York itemized deduction for college tuition expenses (line 43 or line 48).

### Line 41

To compute your New York itemized deduction, you must subtract certain amounts that were allowed as a deduction under the IRC but not under New York Tax Law. Follow these steps:

1. Add the amounts of the adjustments described in items A through F below that you included in lines 1 through 40. If this total includes any of the adjustments described in items B through F, you must also list them on a separate piece of paper marked **Itemized deduction schedule – subtraction adjustments**. Identify the amount of each adjustment by letter (B through F) and submit that paper with your Form IT-196.
  - A State and local, *income* taxes (or general sales tax, if applicable) from Form IT-196, lines 5 and any foreign **income** taxes included on line 8.
  - B Ordinary and necessary expenses paid or incurred in connection with income, or property held for the production of income, which is exempt from New York income tax but only to the extent included on Form IT-196, lines 1 through 40.
  - C Amortization of bond premium attributable to 2018 on any bond whose interest income is exempt from New York income tax, but only to the extent included in Form IT-196, lines 1 through 40.
  - D Interest expense on money borrowed to purchase or carry bonds or securities whose interest is exempt from New York income tax, but only to the extent included in Form IT-196, lines 1 through 40.
  - E If you are a shareholder of a federal S corporation that could elect but did not elect to be a New York S corporation, any S corporation deductions included in Form IT-196, lines 1 through 40. If an S corporation short year is involved, you must allocate those deductions.
  - F Premiums paid for long-term care insurance to the extent deducted in determining federal taxable income (from line 5 of Worksheet 1 below).

#### Worksheet 1 Long-term care adjustment

1	Amount of long-term care premiums included on federal Schedule A, line 1 .....	1	
2	Amount from federal Schedule A, line 1 .....	2	
3	Divide line 1 by line 2 and round to the fourth decimal place .....	3	
4	Amount from federal Schedule A, line 4 .....	4	
5	Multiply line 4 by line 3 .....	5	

**Partners:** Include on line 41 the subtractions described above that apply to your share of partnership deduction items. Obtain your share of partnership items from your Form IT-204-IP, *New York Partner's Schedule K-1*, lines 26a through 26f.

**S corporation shareholders:** If you are a shareholder of a federal S corporation that is a New York S corporation, or if you were not eligible to make the election to treat your corporation as a New York S corporation because the corporation is not subject to Article 9-A, general business corporation franchise tax, include on line 41 subtractions B, C, D, and F, described above that apply to your

pro rata share of S corporation items of income, loss or deduction. If the election to be a New York S corporation terminated during the tax year, you must allocate those items. Obtain your share of S corporation items from the S corporation.

If you are a shareholder of a federal S corporation that could, but did not, elect to be a New York S corporation, include subtraction E only.

- If the amount on Form IT-201, line 19 or IT-203, line 19 (*Federal amount* column) is **equal to or less than** the applicable amount in Table 1 below based on your filing status, enter the total of your subtraction adjustments on line 41.
- If the amount on Form IT-201, line 19 or IT-203, line 19 (*Federal amount* column) is **more than** the applicable amount in Table 1 below based on your filing status, you must complete Worksheet 2 below.

**Table 1**

Filing status	Applicable amount
Single ① .....	\$ 266,700
Married filing joint return ②, or qualifying widow(er) ⑤ .....	320,000
Married filing separate return ③ .....	160,000
Head of household ④ (with qualifying person) .....	293,350

**Worksheet 2**

1	Enter amount from line 9 of <i>Line 40, Total itemized deduction worksheet</i> , in the instructions for Form IT-196 .....	1	_____
2	Enter amount from line 3 of <i>Line 40, Total itemized deductions worksheet</i> , in the instructions for Form IT-196 .....	2	_____
3	Divide line 1 by line 2 and round to the fourth decimal place .....	3	_____
4	Amount of subtraction adjustment A (described on page 20) .....	4	_____
5	Amount of subtraction adjustments B and C described on page 20 that are included in total itemized deductions from Form IT-196, line 40, before any federal disallowance. Also include that portion of the deductions under subtraction adjustment E that is included in lines 19, 28, and 39 of Form IT-196 (e.g., contributions) .....	5	_____
6	Add line 4 and line 5 .....	6	_____
7	Multiply line 6 by line 3 .....	7	_____
8	Subtract line 7 from line 6 .....	8	_____
9	Enter the amount of subtraction adjustments D and E described on page 20, excluding that portion of E included in line 5 above ...	9	_____
10	Enter the amount from <b>Worksheet 1</b> , line 5 .....	10	_____
11	Add lines 8, 9, and 10.		<input type="text"/>
	<b>Enter the total on Form IT-196, line 41.</b>	11	<input type="text"/>

**Line 42**

Subtract line 41 from line 40 and enter the result. If you made no entry on line 41, enter the amount from line 40 on line 42.

**Line 43**

**Form IT-203 filers:** Enter the amount from Form IT-203-B, *Nonresident and Part-Year Resident Income Allocation and College Tuition Itemized Deduction Worksheet*, Schedule C, line 2. You must first complete all of Schedule C in order to compute the college tuition itemized deduction. If you fail to complete Schedule C, your

college tuition itemized deduction could be disallowed. See the instructions for Schedule C.

**Form IT-201 filers:** Leave this line blank and skip to line 44.

**Line 44 – Addition adjustments H, I, J, and K**

To compute your New York itemized deduction, you must add certain amounts that were not allowed under the IRC but are allowed under New York Tax law.

List any of the addition adjustments below that apply to you on a separate piece of paper marked **Itemized deduction schedule-addition adjustments** with your name(s) and social security number(s). Identify the amount of each adjustment that applies to you by letter (H, I, J, and K). Add all of your addition adjustments and enter the total on line 44. Submit that paper with your Form IT-196.

- H Interest expense on money borrowed to purchase or carry bonds or securities whose interest is subject to New York income tax, but exempt from federal income tax, if this interest expense was not deducted on your federal return or shown as a New York subtraction.
- I Ordinary and necessary expenses paid or incurred during 2018 in connection with income, or property held for the production of income, which is subject to New York income tax but exempt from federal income tax, if these expenses were not deducted on your federal return or shown as a New York subtraction.
- J Amortization of bond premium attributable to 2018 on any bond whose interest income is subject to New York income tax, but exempt from federal income tax, if this amortization was not deducted on your federal return or shown as a New York subtraction.
- K Amount of disallowed union dues included on the *Unreimbursed employee business expenses worksheet*, line 4, that were subject to the 2% miscellaneous itemized deduction floor.

If you did not deduct any union dues as a miscellaneous itemized deduction on your New York State tax return due to the application of the 2% floor, the amount of the modification is the full amount of union dues paid during the tax year.

If you deducted a portion of union dues as a miscellaneous itemized deduction on line 21, the amount of the modification is a percentage of the union dues disallowed due to the 2% floor, computed as follows:

$$\text{union dues paid} \times 1 - \frac{\text{miscellaneous itemized deductions after 2\% limitation applied (Form IT-196, line 28)}}{\text{total miscellaneous itemized deductions subject to the 2\% limitation (Form IT-196, line 25)}}$$

**Example:** Pat pays \$1,628 of union dues eligible under IRC §162. Pat has FAGI of \$28,000. Pat has total miscellaneous itemized deductions in the amount of \$1,850 and is allowed \$1,290 in miscellaneous itemized deductions on their New York State tax return after application of the 2% floor. Pat can claim an additional \$493 in itemized deductions computed as follows:

Step 1:  $\$1,290 \div \$1,850 = .6973$   
 Step 2:  $1 - .6973 = .3027$   
 Step 3:  $\$1,628 \times .3027 = \$493$

**Partners:** Include on line 44 additions H, I, J, and K, described above that apply to your share of partnership deduction items. Obtain your share of partnership items from your Form IT-204-IP, lines 24a through 24f.

**S corporation shareholders:** If you are a shareholder of a federal S corporation that is a New York S corporation for the tax year, or if you were not eligible to make the election to treat your corporation as a New York S corporation because the corporation is not subject to Article 9-A, general business corporation franchise tax, include on line 44 additions H, I, J, and K, described above that apply to your pro rata share of S corporation items of income, loss or deduction.

If the election to be a New York S corporation terminated during the tax year, you must allocate those items. Obtain your share of S corporation items from the S corporation.


**Line 46 – Itemized deduction adjustment**

Enter the amount of your itemized deduction adjustment. If your New York Adjusted Gross Income (NYAGI) (Form IT-201, line 33 or Form IT-203, line 32) is:

- \$100,000 or less, leave line 46 blank and go to line 47;
- more than \$100,000 but not more than \$475,000, fill in Worksheet 3 below;
- more than \$475,000 but not more than \$525,000, fill in Worksheet 4 below;
- more than \$525,000 but not more than \$1,000,000, enter 50% (.50) of line 45 on line 46;
- more than \$1,000,000, but not more than \$10,000,000, fill in Worksheet 5 below; or
- more than \$10,000,000, fill in Worksheet 6 below.

**Line 47 –** Subtract line 46 from line 45. If you made no entry on line 46, enter the amount from line 45 on line 47.

**Line 48 – College tuition itemized deduction**

 Form IT-201 filers only. Form IT-203 filers leave this line blank and skip to line 49.

Did you, your spouse, or your dependent(s) pay any college tuition expenses during 2018? If **No**, enter **0** and go to line 49.

**Worksheet 3**

- |   |   |   |       |
|---|---|---|-------|
| 1 | NYAGI (from Form IT-201, line 33 or Form IT-203, line 32) .....   | 1 | _____ |
| 2 | Filing status ① or ③ enter \$100,000 or filing status ④ enter \$150,000, or filing status ② or ⑤ enter \$200,000 .....                | 2 | _____ |
| 3 | Subtract line 2 from line 1. (If line 2 is more than line 1, leave line 46 blank. <b>Do not continue with this worksheet.</b> ) ..... | 3 | _____ |
| 4 | Enter the lesser of line 3 or \$50,000 .....  | 4 | _____ |
| 5 | Divide line 4 by \$50,000 and round to the fourth decimal place .....   | 5 | _____ |
| 6 | Enter 25% (.25) of line 45 .....  | 6 | _____ |
| 7 | Multiply line 5 by line 6 .....   | 7 | _____ |
- Enter this amount on line 46.**

**Worksheet 4**

- |   |   |   |       |
|---|---|---|-------|
| 1 | Enter the excess of NYAGI over \$475,000 (cannot exceed \$50,000) ..... | 1 | _____ |
| 2 | Divide line 1 by \$50,000 and round to the fourth decimal place .....   | 2 | _____ |
| 3 | Enter 25% (.25) of line 45 .....  | 3 | _____ |
| 4 | Multiply line 2 by line 3 .....   | 4 | _____ |
| 5 | Add lines 3 and 4 .....   | 5 | _____ |
- Enter this amount on line 46.**

**Worksheet 5**

- |   |   |   |       |
|---|---|---|-------|
| 1 | Enter the amount from line 45 .....                                   | 1 | _____ |
| 2 | Enter 50% (.50) of your gifts to charity (Form IT-196, line 19) ..... | 2 | _____ |
| 3 | Subtract line 2 from line 1 .....                                     | 3 | _____ |
- Enter this amount on line 46.**

**Worksheet 6**

- |   |   |   |       |
|---|---|---|-------|
| 1 | Enter the amount from line 45 .....                                   | 1 | _____ |
| 2 | Enter 25% (.25) of your gifts to charity (Form IT-196, line 19) ..... | 2 | _____ |
| 3 | Subtract line 2 from line 1 .....                                     | 3 | _____ |
- Enter this amount on line 46.**

If **Yes**, you may be eligible to claim **either** the college tuition **itemized deduction** or the college tuition **credit**. However, **you cannot claim both**.

Complete Form IT-272, *Claim for College Tuition Credit or Itemized Deduction*, to compute your college tuition itemized deduction. Submit Form IT-272 with your return.

**Line 49 –** Compare the amount on line 49 to your New York standard deduction amount from the standard deduction table on page 21. For greater tax savings, enter the larger of the amounts on Form IT-201, line 34, or Form IT-203, line 33, and mark an **X** in the appropriate box, **Standard** or **Itemized**. If you choose the itemized deduction, you must submit Form IT-196 with your return.

If you are married and filing separate returns ③, see the caution for Form IT-201, line 34, on page 20 or Form IT-203, line 33, on page 28.