



Supplemental Summary of Personal Income Tax Legislation Enacted in 2014

This memorandum contains a summary of enacted legislation applicable to personal income tax that is in addition to the personal income tax legislation described in TSB-M-15(1)I, *Summary of Budget Bill Personal Income Tax Changes Enacted in 2014*.

The following legislative changes are summarized in this memo:

- [Homeless Veterans Assistance Fund established](#)
- [New York City resident tax rates extended](#)
- [Period of limitations to claim a credit or refund suspended for individuals who are financially disabled](#)

Homeless Veterans Assistance Fund established

Chapter 428 of the Laws of 2014 created the Homeless Veterans Assistance Fund. Contributions to this fund will be used only for the assistance and care of homeless veterans, for housing and housing-related expenses, as determined by the New York State Division of Veterans Affairs.

New section 627-b has been added to the Tax Law to require a space on New York State personal income tax returns for the purpose of allowing taxpayers to make voluntary contributions to the fund for tax years 2015 and after.

(Tax Law section 627-b; State Finance Law section 99-v)

New York City resident tax rates extended

Chapter 338 of the Laws of 2014 extends the New York City resident tax rates imposed under section 11-1701 of the Administrative Code of the City of New York (the Code) to tax years beginning before 2018. Also, the 14% additional tax imposed under section 11-1704.1(a)(1) of the Code has been extended to tax years beginning before 2018. Prior to this extension, the rates were due to expire in 2015.

(Tax Law sections 1301, 1304, 1304-B; Administrative Code of the City of New York sections 11-1701, 11-1704.1)

Period of limitations to claim a credit or refund suspended for individuals who are financially disabled

Chapter 204 of the Laws of 2014 provides that the period of limitations to claim a credit or refund of any state or local personal income tax or surcharge administered by the Commissioner of Taxation and Finance (commissioner) may be suspended during any period of an individual's life in which the individual is unable to manage his or her financial affairs due to financial disability. This also includes the period of limitations to claim a credit or refund of income tax attributable to a federal change or correction required to be reported under section 659 of the Tax Law, and where the period of limitations to claim a refund or credit of income tax was extended because of a signed agreement to extend the period of limitation for assessment of income tax (for example, Form AU-1, *Consent Extending Period of Limitations*).

For purposes of this provision, an individual taxpayer is financially disabled if the individual is unable to manage his or her financial affairs by reason of a medically determinable physical or mental impairment of the individual that:

- has lasted or can be expected to last continuously for at least 12 months, or
- can be expected to result in death.

However, an individual taxpayer will not be treated as financially disabled during any period in which the individual's spouse or any other person is authorized to act on behalf of the individual in financial matters.

An individual will not be considered to have an impairment unless proof of the impairment is provided in a form and manner required by the commissioner.

This provision took effect on August 5, 2014, and applies to periods of financial disability beginning before, on, or after August 5, 2014. However, this provision will not apply to any claim for credit or refund that (without regard to this provision) is barred by the operation of any law or rule of law as of August 5, 2014. Therefore, this provision is not applicable to claims for which the period of limitations to file a claim for credit or refund has expired on or before August 5, 2014, or where there has been a final decision on the merits of the claim on or before August 5, 2014.

(Tax Law section 687(k); Administrative Code of the City of New York section 11-1787(k))

NOTE: A TSB-M is an informational statement of existing department policies or of changes to the law, regulations, or department policies. It is accurate on the date issued. Subsequent changes in the law or regulations, judicial decisions, Tax Appeals Tribunal decisions, or changes in department policies could affect the validity of the information presented in a TSB-M.