

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

TSB-M-90 (4) I  
Income Tax  
August 16, 1990

Standard Deduction and Household Credit for  
Taxable Years Beginning After 1989

Chapter 190 of the Laws of 1990 amended various provisions of the New York State Tax Law and the Administrative Code of the City of New York concerning the standard deduction amounts that will apply for state and city personal income tax purposes and the household credit amounts that will apply for state income tax purposes for taxable years beginning after 1989. An explanation of the new law follows.

Standard Deduction

The Tax Reform and Reduction Act of 1987 provided for an annual increase in the standard deduction during the five-year phase in of the tax cut. Chapter 190 amended section 614 of the Tax Law and section 11-1714 of the Administrative Code to eliminate the increase in the standard deduction scheduled for 1990. The standard deduction amounts allowable for 1990 will be the same as the 1989 amounts. After 1990, the remaining increase in the standard deduction provided for by the Tax Reform and Reduction Act of 1987 will be phased in over a four-year period.

The standard deduction amounts for 1990, 1991 and after, shown in TSB-M-87-(II)I are now obsolete. The new standard deduction schedule is as follows.

	<u>1990</u>	<u>1991</u>	<u>1992</u>	<u>1993</u>	<u>1994</u> <u>and after</u>
Married filing jointly and surviving spouse	\$9,500	\$10,200	\$10,800	\$12,350	\$13,000
Head of a household	\$7,000	\$ 7,700	\$ 8,150	\$10,000	\$10,500
Single	\$6,000	\$ 6,300	\$ 6,600	\$ 7,400	\$ 7,500
Married filing separately	\$4,750	\$ 5,100	\$ 5,400	\$ 6,175	\$ 6,500
Dependent filers	\$2,800	\$ 2,800	\$ 2,800	\$ 2,900	\$ 3,000

### Household Credit

The Tax Reform and Reduction Act of 1987 provided that only 50% of the New York State household credit would be allowed for taxable years beginning in 1990, and that no credit would be allowed for taxable years beginning after 1990.

The new law provides that the full amount of credit will be allowed for taxable years beginning in 1990, 1991 and 1992, and 50% of the credit will be allowed for 1993. For taxable years beginning after 1993, the credit is eliminated.

### 1990 Estimated Tax

There is no provision in the new law to waive the penalty for underpayment of estimated tax where the underpayment results solely from enactment of the new standard deduction amounts. Therefore, in order to avoid owing a penalty, taxpayers who based their 1990 estimates on the original 1990 standard deduction amount must amend their September 17, 1990 and January 15, 1991 estimated tax payments to take into account the new amounts. Any shortfall in the April 16, 1990 and June 15, 1990 payments must also be made up with the September 17 payment. However, taxpayers who based their 1990 estimate on 100% of their 1989 tax need not amend their 1990 estimate. In addition, the new standard deduction amounts may result in taxpayers being required to make estimated tax payments beginning with the September 17 installment.

For information concerning the requirements for paying estimated tax and on amending an original estimate, see Estimated Tax Voucher Forms IT-2105, IT-2105.6 and instructions.