



**Estates and trusts may no longer file on New York State
nonresident group returns**

For tax years beginning on and after January 1, 2009, nonresident groups cannot include any estates or trusts in their nonresident group returns. The filing of a nonresident group return is considered a group of separate returns that meets the individual filing requirements under New York's personal income tax. Previously, the Tax Department allowed certain estates and trusts to be included in the nonresident group returns. The Tax Department revised the 2008 nonresident group return instructions for Form IT-203-GR, *Group Return for Nonresident Partners*, and Form IT-203-S, *Group Return for Nonresident Shareholders of New York S Corporations*, to provide that a *qualified nonresident partner* and *qualified nonresident shareholder* must be an individual. However, in order to allow groups sufficient time to make the necessary changes in their nonresident group filings, the Tax Department will permit previously allowed estates and trusts to be included in their group's 2008 return.

The Tax Department grants initial approval to file a nonresident group return when the group files a properly completed Form TR-99, *Application for Permission to File a Group Return*. However, the Tax Department's approval to file on a group basis is contingent upon the receipt of the group return for the applicable tax year, and is subject to revocation upon audit. Accordingly, a nonresident group return that includes an estate or trust and is filed for tax years beginning on and after January 1, 2009, may cause the approval to file a group return to be revoked, and the return to be rejected.

All group returns, group estimated tax payments, and group requests for an extension of time to file must contain the special identification number assigned to the group by the Tax Department as a result of filing Form TR-99. Failure to include the special identification number may delay the processing of the nonresident group return.

NOTE: An Important Notice is generally issued to announce a singular event, such as an update to a previously issued tax form or instruction, or to announce a new due date for filing returns and making payments of tax because of a natural disaster. The Department does not revise previously issued N-Notices.