



Recent Tax Law Changes Affect Certain Estimated Tax Filers

As a result of recent Tax Law changes, your 2009 personal income tax estimated tax may be underpaid. The changes increased the personal income tax rates for certain taxpayers for tax years 2009 through 2011 and reduced the New York itemized deduction for taxpayers with New York adjusted gross income over \$1,000,000 for tax years 2009 and after.

New York State tax rates revised

Based on the new rates, you may need to increase the amount of estimated tax you pay for tax year 2009 if your New York *taxable income* is:

- more than \$300,000, and you are married filing jointly or a qualifying widow(er);
- more than \$200,000, and you are single, married filing separately, or an estate or trust; or
- more than \$250,000, and you are a head of household.

Itemized deduction limitation revised

If your New York adjusted gross income is more than \$1,000,000, your New York itemized deduction is now limited to 50% of your federal itemized deduction for charitable contributions. All other federal itemized deductions will be reduced to zero. Therefore, you may need to increase the amount of estimated tax you pay for tax year 2009. (Note: Your New York standard deduction may now be greater than your New York itemized deduction. Use the instructions for tax year 2008 Form IT-201, *Resident Income Tax Return*, or Form IT-203, *Nonresident and Part-Year Resident Income Tax Return*, and this notice as a guide to determine which deduction gives you the greater benefit.)

Penalty for underpayment of estimated tax revised

To avoid the penalty for underpayment of estimated tax for tax year 2009, the total amount of estimated tax and withholding tax you pay must be:

- at least 90% (66 2/3% for farmers and fishermen) of the amount of income tax due as shown on your return for 2009; **or**
- 100% of the tax shown on your return for 2008 (110% of that amount if you are not a farmer or a fisherman and your New York adjusted gross income shown on that return is more than \$150,000 or, if married filing separately for 2009, more than \$75,000). To qualify for this provision, you must have filed a return for 2008, and it must have been for a full 12-month year.

Under the new law, in determining whether you paid 100% (or 110%, if applicable) of the tax shown on the 2008 return, **you must recompute your 2008 tax using the 2009 tax rates and itemized deduction rules.**

There will be no penalty for any shortage in your April 15, 2009, payment that is attributable to the changes discussed in this notice, provided that the shortage is included in your June 15, 2009, payment. To determine the amount of estimated tax that you must pay by June 15, 2009, September 15, 2009, and January 15, 2010, use revised [Form IT-2105-I](#), *Instructions for Form IT-2105, Estimated Income Tax Payment Voucher for Individuals*, or revised [Form IT-2106-I](#), *Instructions for Form IT-2106, Estimated Income Tax Payment Voucher for Fiduciaries*.

Additional information

Visit our Web site (at www.nystax.gov) to:

- print or download revised Form [IT-2105-I](#) or [IT-2106-I](#);
- obtain the latest personal income tax information;
- pay, view, and reconcile your estimated taxes on our Online Tax Center.

If you need additional assistance, you may call (518) 457-5181. In-state callers without free long distance, call 1 800 225-5829.

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.