

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 19a or IT-203, line 19a (*Federal amount* column), is over:

- \$349,000 if married filing jointly or qualifying surviving spouse;
- \$319,950 if head of household;
- \$290,850 if single; or
- \$174,500 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, 16a, 20, 29, 30, and 37 2 _____
3	Is the amount on line 2 less than the amount on line 1? If No , stop here. Your deduction is not 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 Yes , 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 \$375,850 if married filing jointly or qualifying surviving spouse; \$344,500 if head of household; \$313,200 if single; or \$187,900 if married filing separately 6 _____
7	Is the amount on line 6 less than the amount on line 5? If No , stop here. Your deduction is not 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 Yes , 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	Total itemized deductions. 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, line 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 2022 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 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.