

If the election to be a New York S corporation terminated during the tax year, you must allocate those items. Obtain your share of S corporation items from the S corporation.

If you are a shareholder of a federal S corporation that could, but did not, elect to be a New York S corporation, include subtraction E only.

2. If the amount on Form IT-201, line 19a or IT-203, line 19a (Federal amount column) is **equal to or less than** the applicable amount in Table 1 below based on your filing status, enter the total of your subtraction adjustments on line 41.
3. If the amount on Form IT-201, line 19a or IT-203, line 19a (Federal amount column) is **more than** the applicable amount in Table 1 below based on your filing status, you must complete Worksheet 2 below.

Filing status	Applicable amount
Single ① .....	\$ 313,200
Married filing joint return ②, or qualifying surviving spouse ⑤ .....	375,850
Married filing separate return ③ .....	187,900
Head of household ④ (with qualifying person) .....	344,500

1	Enter amount from line 9 of <i>Line 40, Total itemized deduction worksheet</i> , in the instructions for Form IT-196 .....	1	_____
2	Enter amount from line 3 of <i>Line 40, Total itemized deductions worksheet</i> , in the instructions for Form IT-196 .....	2	_____
3	Divide line 1 by line 2 and round to the fourth decimal place .....	3	_____
4	Amount of subtraction adjustment A (described on page 18) .....	4	_____
5	Amount of subtraction adjustments B and C described on page 18 that are included in total itemized deductions from Form IT-196, line 40, before any federal disallowance. Also include that portion of the deductions under subtraction adjustment E that is included in lines 19, 28, and 39 of Form IT-196 (e.g., contributions) .....	5	_____
6	Add line 4 and line 5 .....	6	_____
7	Multiply line 6 by line 3 .....	7	_____
8	Subtract line 7 from line 6 .....	8	_____
9	Enter the amount of subtraction adjustments D and E excluding that portion of E included in line 5 above .....	9	_____
10	Enter the amount from <b>Worksheet 1</b> , line 5 .....	10	_____
11	Add lines 8, 9, and 10.		<input style="width: 50px; height: 20px;" type="text"/>
<b>Enter the total on Form IT-196, line 41.</b>		11	<input style="width: 50px; height: 20px;" type="text"/>

**Line 42**  
Subtract line 41 from line 40 and enter the result. If you made no entry on line 41, enter the amount from line 40 on line 42.

**Line 43**  
**Form IT-203 filers:** Enter the amount from Form IT-203-B, *Nonresident and Part-Year Resident Income Allocation and College Tuition Itemized Deduction Worksheet*, Schedule C, line 2. You must first complete all of Schedule C in order to compute the college tuition itemized deduction. If you fail to complete Schedule C, your college tuition itemized deduction could be disallowed. See the instructions for Schedule C.

**Form IT-201 filers:** Leave this line blank and skip to line 44.

**Line 44 – Addition adjustments H, I, J, and K**  
To compute your New York itemized deduction, you must add certain amounts that were not allowed under the IRC but are allowed under New York Tax law.

List any of the addition adjustments below that apply to you on a separate piece of paper marked **Itemized deduction schedule-addition adjustments** with your name(s) and Social Security number(s). Identify the amount of each adjustment that applies to you by letter (H, I, J, and K). Add all of your addition adjustments and enter the total on line 44. Submit that paper with your Form IT-196.

- H Interest expense on money borrowed to purchase or carry bonds or securities whose interest is subject to New York income tax, but exempt from federal income tax, if this interest expense was not deducted on your federal return or shown as a New York subtraction.
- I Ordinary and necessary expenses paid or incurred during 2022 in connection with income, or property held for the production of income, which is subject to New York income tax but exempt from federal income tax, if these expenses were not deducted on your federal return or shown as a New York subtraction.
- J Amortization of bond premium attributable to 2022 on any bond whose interest income is subject to New York income tax, but exempt from federal income tax, if this amortization was not deducted on your federal return or shown as a New York subtraction.
- K Amount of disallowed union dues included on the *Unreimbursed employee business expenses worksheet*, line 4, that were subject to the 2% miscellaneous itemized deduction floor.

If you did not deduct any union dues as a miscellaneous itemized deduction on your New York State tax return due to the application of the 2% floor, the amount of the modification is the full amount of union dues paid during the tax year.

If you deducted a portion of union dues as a miscellaneous itemized deduction on line 21, the amount of the modification is a percentage of the union dues disallowed due to the 2% floor, computed as follows:

$$\text{union dues paid} \times 1 - \frac{\text{miscellaneous itemized deductions after 2\% limitation applied (Form IT-196, line 28)}}{\text{total miscellaneous itemized deductions subject to the 2\% limitation (Form IT-196, line 25)}}$$

**Example:** Pat pays \$1,628 of union dues eligible under IRC §162. Pat has recomputed federal AGI of \$28,000. Pat has total miscellaneous itemized deductions in the amount of \$1,850 and is allowed \$1,290 in miscellaneous itemized deductions on their New York State tax return after application of the 2% floor. Pat can claim an additional \$493 in itemized deductions computed as follows:  
 Step 1: \$1,290 ÷ \$1,850 = .6973  
 Step 2: 1 - .6973 = .3027  
 Step 3: \$1,628 × .3027 = \$493

**Partners:** Include on line 44 additions H, I, J, and K, described above that apply to your share of partnership deduction items. Obtain your share of partnership items from your Form IT-204-IP, lines 24a through 24f.

**S corporation shareholders:** If you are a shareholder of a federal S corporation that is a New York S corporation for the tax year, 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 44 additions H, I, J, and K, described above that apply to your pro rata share of S corporation items of income, loss or deduction. If the election to be a New York S corporation terminated during the tax year, you must allocate those items. Obtain your share of S corporation items from the S corporation.