NEW YORK STATE 2016

Department of Taxation and Finance

Claim of Right Credit

New York State • New York City • Yonkers • MCTMT

IT-257

Submit this claim form with Form IT-201, IT-203, or IT-205.

Name(s) as shown on return	Identifying number as shown on return

Complete lines 1, 2, and 3, and all sections that apply *(see instructions on the back of this form).*

1	**Enter the tax year for which you originally reported the income under a claim of right**	1	
2	Enter the amount of income repaid	2	.00

3 Identify the type of income involved and the reason for the repayment:

Section 1 – New York State tax

4	Previously computed New York State tax	4	.00
5	Recomputed New York State tax	5	.00
6	**New York State claim of right credit** *(subtract line 5 from line 4)*	6	.00

Individuals – Enter the line 6 amount on Form IT-201-ATT, line 15, or Form IT-203-ATT, line 14.
Fiduciaries – Include the line 6 amount on Form IT-205, line 33.

Section 2 – New York City resident tax

7	Previously computed New York City resident tax	7	.00
8	Recomputed New York City resident tax	8	.00
9	**New York City resident claim of right credit** *(subtract line 8 from line 7)*	9	.00

Individuals – Enter the line 9 amount on Form IT-201-ATT, line 16, or Form IT-203-ATT, line 15.
Fiduciaries – Include the line 9 amount on Form IT-205, line 33.

Section 3 – New York City nonresident earnings tax

10	Previously computed New York City nonresident earnings tax	10	.00
11	Recomputed New York City nonresident earnings tax	11	.00
12	**New York City nonresident earnings tax claim of right credit** *(subtract line 11 from line 10)*	12	.00

Individuals – Enter the line 12 amount on Form IT-201-ATT, line 16, or Form IT-203-ATT, line 15.
Fiduciaries – Include the line 12 amount on Form IT-205, line 33.

Section 4 – Yonkers resident income tax surcharge

13	Previously computed Yonkers resident income tax surcharge	13	.00
14	Recomputed Yonkers resident income tax surcharge	14	.00
15	**Yonkers resident claim of right credit** *(subtract line 14 from line 13)*	15	.00

Individuals – Enter the line 15 amount on Form IT-201-ATT, line 17, or Form IT-203-ATT, line 16.
Fiduciaries – Include the line 15 amount on Form IT-205, line 33.

Section 5 – Yonkers nonresident earnings tax

16	Previously computed Yonkers nonresident earnings tax	16	.00
17	Recomputed Yonkers nonresident earnings tax	17	.00
18	**Yonkers nonresident earnings tax claim of right credit** *(subtract line 17 from line 16)*	18	.00

Individuals – Enter the line 18 amount on Form IT-201-ATT, line 17, or Form IT-203-ATT, line 16.
Fiduciaries – Include the line 18 amount on Form IT-205, line 33.

Section 6 – Metropolitan commuter transportation mobility tax (MCTMT)

19	Previously computed MCTMT	19	.00
20	Recomputed MCTMT	20	.00
21	**MCTMT claim of right credit** *(subtract line 20 from line 19)*	21	.00

Individuals – Enter the line 21 amount on Form IT-201-ATT, line 17a, or Form IT-203-ATT, line 16a.

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Instructions

General information

If you have claim of right income for federal tax purposes and are claiming the federal claim of right credit on your federal return, you may also be entitled to a claim of right credit for New York State, New York City, Yonkers, or MCTMT. The claim of right credit is available to individuals, estates, and trusts. *Claim of right* income is income that was properly reported on a prior year's tax return, but was later determined to have been paid to you in error and therefore had to be repaid. If the claim of right credit exceeds the amount of tax imposed for the tax year, the excess will be refunded to you.

If you have federal claim of right income but elect to take the federal deduction instead of the credit, you cannot claim a credit for New York State, New York City, Yonkers, or MCTMT. **Do not complete this form.** However, depending upon the type of income repaid and whether you itemize your deductions for New York State purposes, you may get the deduction.

How to claim the credit

File Form IT-257 if you are an individual, estate, or trust that qualifies for the claim of right credit. Complete all sections of this form that apply to you. Be sure to submit Form IT-257 with your return.

Amount of the credit

The amount of credit for New York State residents and nonresidents and New York City or Yonkers residents is the difference between the amount of New York State, New York City, or Yonkers tax originally reported on your return for the prior year and what would have been reported for the prior year if the income had not been included on your state or city return.

If you were subject to New York City or Yonkers nonresident earnings tax in the prior year, you may also be entitled to a claim of right credit for New York City or Yonkers nonresident earnings tax purposes if the claim of right income affects the computation of wages or net earnings from self-employment. The credit is the difference between the amount of New York City or Yonkers nonresident earnings tax originally reported in the prior year and what would have been reported in the prior year if the income had not been included on the nonresident earnings tax return.

The amount of MCTMT credit is the difference between the amount of MCTMT originally reported on your return for the prior year and what would have been reported for the prior year if the income had not been included on your return.

Example: *In the current tax year, you repaid under a claim of right $5,000 of income that was included on a prior year New York State return. The New York State tax originally reported on that prior year's return was $809. Your prior year New York State tax computed without including the $5,000 on that return is $467. Your current year New York State claim of right credit is $342 ($809 - $467).*

Line instructions

See the instructions for your tax return for the *Privacy notification* or if you need help contacting the Tax Department.

Note: To compute your credit, you will need a copy of your original return for the prior year. It may also be helpful to have the instructions and blank tax forms for the prior year.

Line 3 – You must complete line 3 to explain the type of income involved in the claim of right credit and the reason for the repayment.

Line 4 – Enter the New York State tax from the return for the year that the income was included in federal adjusted gross income. Enter the amount as originally filed, as adjusted by New York State, or as you later amended it.

Line 5 – Enter the tax that would have been reported had the income in question not been included in federal adjusted gross income.

Line 7 – Enter the New York City resident tax from the return for the year that the income was included in federal adjusted gross income. Enter the amount as originally filed, as adjusted by New York State, or as you later amended it.

Line 8 – Enter the New York City resident tax that would have been reported had the income in question not been included in federal adjusted gross income.

Line 10 – Enter the amount of New York City nonresident earnings tax for the year that the income was reported on Form NYC-203, *City of New York Nonresident Earnings Tax Return,* or Form NYC-206, *City of New York Nonresident Fiduciary Earnings Tax Return*. Enter the amount as originally filed, as adjusted by New York State, or as you later amended it.

Line 11 – Enter the New York City nonresident earnings tax that would have been reported had the income in question not been included on Form NYC-203 or Form NYC-206.

Line 13 – Enter the Yonkers resident income tax surcharge from the return for the year that the income was included in federal adjusted gross income. Enter the amount as originally filed, as adjusted by New York State, or as you later amended it.

Line 14 – Enter the Yonkers resident income tax surcharge that would have been reported had the income in question not been included in federal adjusted gross income.

Line 16 – Enter the amount of Yonkers nonresident earnings tax for the year that the income was reported on Form Y-203, *Yonkers Nonresident Earnings Tax Return,* or Form Y-206, *Yonkers Nonresident Fiduciary Earnings Tax Return*. Enter the amount as originally filed, as adjusted by New York State, or as you later amended it.

Line 17 – Enter the Yonkers nonresident earnings tax that would have been reported had the income in question not been included on Form Y-203 or Form Y-206.

Line 19 – Enter the MCTMT from the return for the year that the income was included in your net earnings from self-employment allocated to the Metropolitan Commuter Transportation District (MCTD). Enter the amount as originally filed, as adjusted by New York State, or as you later amended it.

Line 20 – Enter the tax that would have been reported had the income in question not been included in your net earnings from self-employment allocated to the MCTD.