



Department of Taxation and Finance

# Instructions for Form IT-272

## Claim for College Tuition Credit or Itemized Deduction

### Full-year New York State residents only

**IT-272-I**

**Note:** If you are claimed as a dependent on another person's New York State tax return or if you file New York State Form IT-203, *Nonresident and Part-Year Resident Income Tax Return*, do not complete Form IT-272. You **do not qualify** for the college tuition credit.

## General information

The college tuition credit or itemized deduction is allowed for qualified college tuition expenses paid for an *eligible student*. You can claim the credit or itemized deduction on your New York State Form IT-201, *Resident Income Tax Return*, even if you claim a federal credit or deduction for qualified college tuition expenses. There is no limit on the number of eligible students for whom you may claim a credit or deduction. **You may claim either the credit or the deduction, but not both.**

To determine the amount of qualified tuition expenses for the New York credit or deduction, you must review the itemized tuition bills you received from your school. You cannot use federal Form 1098-T, *Tuition Statement*, to determine your New York State qualified expenses.

## College tuition credit

The college tuition credit is limited to \$400 per eligible student and available to full-year New York State residents only. If the credit is more than your tax for the tax year, we will refund the excess credit without interest.

## College tuition itemized deduction

If you itemize your deductions on your New York return, the college tuition itemized deduction may offer you a greater tax benefit. The maximum deduction is \$10,000 for each eligible student.

Use the worksheets in these instructions to calculate your college tuition itemized deduction and to determine which option (credit or deduction) is better for you.

## Nonresidents or part-year residents

If you are a New York State nonresident or part-year resident and you itemized your deductions on your New York State tax return, you may be eligible to claim the college tuition itemized deduction on the New York State Form IT-203-B. See the instructions for Form IT-203-B, *Nonresident and Part-Year Resident Income Allocation and College Tuition Itemized Deduction Worksheet*. Do not complete Form IT-272.

## Eligibility

To qualify for the college tuition credit or itemized deduction, you, your spouse, or your dependents must be an **undergraduate** student enrolled at or attending an institution of higher education and have paid qualified college tuition expenses during the tax year. **Only expenses for undergraduate enrollment or attendance qualify.**

An *institution of higher education* includes any institution of higher education or business, trade, technical, or other occupational school located in or outside of New York State. The institution must:

- be recognized and approved by either the regents of the University of New York or a nationally recognized accrediting agency or association accepted by the regents, and

- provide a course of study leading to the granting of a post-secondary degree, certificate, or diploma.

For the purposes of these instructions, the term *college or university* includes all the above institutions.

If a student is claimed as a dependent on another person's New York State tax return, only the person who claims the student as a dependent may claim the credit or itemized deduction.

If a student is **not** claimed as a dependent on another person's New York State tax return, the student may claim the credit or deduction.

**Spouses filing separately:** If you and your spouse are filing separate returns, you must each file a separate Form IT-272 to claim your credit or deduction. One spouse may claim the credit, and the other spouse may claim the itemized deduction. However, you must each claim your separately calculated credit (or deduction) based only on the amount of qualified college tuition expenses you paid (or that were treated as if paid by you) for yourself, your spouse, or a person whom you claim as a dependent on your separate return. You cannot claim expenses for a dependent claimed by your spouse.

## How to claim the credit or deduction

If you paid qualified college tuition expenses during the tax year, and you **are not** claimed as a dependent on another person's New York State tax return, complete all sections of Form IT-272 that apply to you.

For the **credit**, transfer the amount from line 5 or line 7 to the appropriate line on Form IT-201, *Resident Income Tax Return*.

For the **itemized deduction**, see Part 4 of Form IT-272.

Submit your completed Form IT-272 with your return.

## Specific instructions

### Part 1

If you are claiming more than three eligible students, complete Part 1 as instructed, and submit with your return a statement in the same format with the required identifying information for the additional eligible students. Be sure to include your name and Social Security number.

**Box A:** *Eligible student* includes the taxpayer, the taxpayer's spouse, and the taxpayer's dependents for whom an exemption for New York State income tax purposes is allowed. List each eligible student **only once** in Part 1.

**Line D:** If the eligible student is someone other than you or your spouse, you must claim that student as a dependent on your New York State return. If the eligible student is you or your spouse, mark an **X** in the *No* box.

**Boxes E and F:** Enter the employer identification number (EIN) and name of the college or university to which you paid qualified college tuition expenses. Obtain the EIN from Form 1098-T, *Tuition Statement*, or contact the college or university.

If the eligible student attended more than one college or university during the tax year, enter the EIN and the name of the **last** undergraduate college or university attended.

**Line G:** If **No**, stop; these tuition expenses do not qualify for the credit. **Only expenses for undergraduate enrollment or attendance qualify.**

**Line H:** *Qualified college tuition expenses* include tuition required for the enrollment or attendance of the eligible student at an institution of higher education. The expenses may be paid by cash, check, credit card, or with borrowed funds. The eligible student does not need to be enrolled in a degree program or to attend full time for the expenses to qualify. However, only expenses for **undergraduate** enrollment or attendance qualify. Expenses for enrollment or attendance in a course of study leading to the granting of a postbaccalaureate (for instance, a master's degree) or other graduate degree do **not** qualify.

Enter the total qualified college tuition expenses you paid to all institutions during the tax year for the same eligible student.

Payments on behalf of an eligible student from a qualified state tuition program (such as **New York's** 529 College Savings Program) are considered qualified college tuition expenses for purposes of Form IT-272. If you claim the student as a dependent, these payments are treated as paid by you.

Generally, qualified college tuition expenses paid on behalf of an eligible student by someone other than the student (such as a relative) are treated as paid by the student. However, if another person claims the eligible student as a dependent, only that person may claim the credit or deduction for college tuition expenses that were paid (or treated as paid) by the student. This is the case even if the expenses were paid from the student's earnings, gifts, inheritances, or savings.

If you paid qualified tuition expenses during the tax year for an academic period that begins in a future year, those expenses are considered eligible expenses for the current-year college tuition credit or deduction.

*Qualified college tuition expenses* do **not** include:

- amounts paid for room and board, insurance, medical expenses (including student health fees), transportation, or other similar personal, living, or family expenses;
- fees for course-related books, supplies, equipment, and nonacademic activities, even if the fees are required to be paid as a condition of enrollment or attendance;
- expenses reimbursed to you from your employer; or
- tuition paid through the receipt of scholarships or *financial aid*. For this purpose, *financial aid* does **not** include student loans, other loans, and grants that must be repaid either before or after the student ceases attending school.

### Scholarships, financial aid, or refunds

You must subtract any scholarships you receive, such as the Excelsior Scholarship, from your qualified college tuition expenses, even if it is not listed on the itemized bill from your school.

You must also subtract the total of any financial aid received or any refunds of qualified expenses. If you have not received a refund, scholarship, or other form of financial aid before you file your tax return, reduce your qualified expenses by the amount that will be received if you can determine this amount.

If you receive any refund, scholarship, or financial aid after you have filed your return, you must file Form IT-201-X, *Amended Resident Income Tax Return*, and Form IT-272 (marked **Amended**). Calculate the amount by which your credit or deduction would have been reduced if the refund, scholarship, or financial aid had been received in the year for which you claimed the credit or deduction.

**Line I:** Enter for each student listed in box A the lesser of \$10,000 or the amount of qualified college tuition expenses shown on line H.

### Part 4: College tuition itemized deduction election

If you itemized deductions on your New York return, you may receive a greater tax benefit from the college tuition itemized deduction.

If the amount on Form IT-201, line 33, is **more than \$1,000,000**, do **not** complete Part 4. You should claim the college tuition credit since your college tuition itemized deduction is reduced to zero.

If the amount on Form IT-201, line 33, is **\$1,000,000 or less**, complete *Worksheet 1* below to calculate your college tuition itemized deduction.

#### How to determine the greater tax benefit

To determine if the college tuition itemized deduction or the college tuition credit offers the greater tax benefit, use the following steps:

1. Calculate any of the following that apply to you:
  - Form IT-213, *Claim for Empire State Child Credit*
  - Form IT-214, *Claim for Real Property Tax Credit*
  - Form IT-215, *Claim for Earned Income Credit*, or Form IT-209, *Claim for Noncustodial Parent New York State Earned Income Credit*
  - Form IT-216, *Claim for Child and Dependent Care Credit*
  - Form IT-201, lines 69 and 69a, *New York City school tax credit*

2. Calculate Worksheet 2.

**Note:** Do **not** complete Worksheet 2 if you must file any of the following forms:

- Form IT-201-ATT, *Other Tax Credits and Taxes*
- Form IT-360.1, *Change of City Resident Status*
- Form IT-112-R, *New York State Resident Credit*
- Form IT-112-C, *New York State Resident Credit for Taxes Paid to a Province of Canada*

**Instead**, you should:

1. Calculate your tax liability claiming the college tuition **credit** on a separate sheet of paper.
2. Calculate your tax liability claiming the college tuition **itemized deduction**.
3. Claim the option that results in the greater tax benefit.

Remember, you may claim either the credit **or** the deduction, **but not both**.

**Important:** Whether you claim the credit or the deduction, you **must** submit Form IT-272 with your Form IT-201.

## Worksheet 1

**1** Enter the amount from Form IT-272, line 3.

If your filing status is:

- ① or ③ and the amount on Form IT-201, line 33, is \$100,000 or less; or
- ④ and the amount on Form IT-201, line 33, is \$150,000 or less; or
- ② or ⑤ and the amount on Form IT-201, line 33, is \$200,000 or less;

skip lines 2 through 4 and enter the amount from line 1 on line 5. All others continue with line 2 ..... **1** \_\_\_\_\_

**2** Enter the amount, if any, from Form IT-196, line 47.

(If the amount on line 2 is zero, skip lines 3 and 4. See Note below to calculate the amount to enter on line 5.) .. **2** \_\_\_\_\_

**3** Enter the amount from Form IT-196, line 45 ..... **3** \_\_\_\_\_

**4** Divide line 2 by line 3, and round to the fourth decimal place ..... **4** \_\_\_\_\_

**5** Multiply line 1 by the amount on line 4. This is your **college tuition itemized deduction** ..... **5** \_\_\_\_\_

**6** Enter the amount from Form IT-196, line 47 ..... **6** \_\_\_\_\_

**7** Add lines 5 and 6 ..... **7** \_\_\_\_\_

**8** Enter your New York standard deduction (see the instructions for Form IT-201) ..... **8** \_\_\_\_\_

If line 7 is less than line 8, **stop**. You should claim the standard deduction and the college tuition credit on your Form IT-201 since it offers the greater tax benefit. If line 7 is more than line 8, continue with Worksheet 2.

**Note:** If the amount on Form IT-201, line 33, is:

- \$525,000 or less, use the instructions for Form IT-196, *New York Resident, Nonresident, and Part-Year Resident Itemized Deductions*, line 46. On Worksheet 3, line 6, or Worksheet 4, line 3 (whichever worksheet applies) enter 25% of the amount from Form IT-272, line 3 (instead of 25% of the line 45 amount). Subtract the amount calculated on Worksheet 3, line 7, or Worksheet 4, line 5, from the amount on Form IT-272, line 3. Enter the result on line 5 above.
- more than \$525,000 but not more than \$1,000,000, enter 50% of Form IT-272, line 3, on line 5 above.
- more than \$1,000,000, **stop**. Your college tuition itemized deduction is reduced to zero.

## Worksheet 2 instructions

### Lines 15 and 30

**If you did not claim an itemized deduction** on Form IT-196 for your contribution to the New York Charitable Gifts Trust Fund (in either the Health Charitable Account or the Elementary and Secondary Education Charitable Account, or both), calculate your New York City resident tax as follows:

**Line 15:** Use the amount on Worksheet 2, line 5, to calculate your New York City resident tax:

1. Use the instructions for Form IT-201 to calculate your tax.
2. To determine which tax calculation method to use and to calculate your tax, use the line 5 amount on Worksheet 2 instead of the amount on Form IT-201, line 38.
3. Enter the amount on Worksheet 2, line 15.

**Line 30:** Use the amount on Worksheet 2, line 24, to calculate your New York City resident tax:

1. Use the instructions for Form IT-201 to calculate your tax.
2. To determine which tax calculation method to use and to calculate your tax, use the line 24 amount on Worksheet 2 instead of the amount on Form IT-201, line 38.
3. Enter this amount on Worksheet 2, line 30.

**If you did claim an itemized deduction** for your contribution to the New York Charitable Gifts Trust Fund (in either the Health Charitable Account or the Elementary and Secondary Education Charitable Account, or both), complete the line 15 and line 30 worksheets below to calculate your New York City resident tax.

## Worksheet 2

1 Enter the your New York adjusted gross income from Form IT-201, line 33 .....	1 _____
2 Enter the amount from Worksheet 1, line 7 .....	2 _____
3 New York State dependent exemption amount from Form IT-201, line 36 .....	3 _____
4 Add lines 2 and 3 .....	4 _____
5 Subtract line 4 from line 1.....	5 _____
6 New York State tax on line 5 amount. (See the instructions for Form IT-201 to calculate your tax. Use the line 5 amount instead of the amount on Form IT-201, line 38, to determine which tax calculation method to use and to calculate your tax.) .....	6 _____
7 Enter your New York State household credit from Form IT-201, line 40 (see the instructions for Form IT-201) ..	7 _____
8 Subtract line 7 from line 6.....	8 _____
9 Enter the amount from Form IT-216, line 14 .....	9 _____
10 Enter the amount from Form IT-215, line 16 or 17, or Form IT-209, line 42 or 43 .....	10 _____
11 Enter the amount from Form IT-214, line 33 .....	11 _____
11a Enter the total amount from Form IT-201, lines 69 and 69a.....	11a _____
12 Enter the amount from Form IT-213, line 10 or 11 .....	12 _____
13 Add lines 9 through 12 .....	13 _____
14 Subtract line 13 from line 8.....	14 _____
15 New York City resident tax (see instructions) .....	15 _____
16 Enter your New York City household credit from Form IT-201, line 48 (see the instructions for Form IT-201)	16 _____
17 Subtract line 16 from line 15.....	17 _____
18 Yonkers residents, multiply line 14 by 16.75% (0.1675); Yonkers nonresidents, enter the amount from Form Y-203, line 6 .....	18 _____
19 Add lines 8, 17, and 18.....	19 _____
20 Enter the amount from line 1 above .....	20 _____
21 Enter the amount from Worksheet 1, line 6 or Worksheet 1, line 8, whichever is greater.....	21 _____
22 Enter the amount from line 3 above .....	22 _____
23 Add lines 21 and 22.....	23 _____
24 Subtract line 23 from line 20.....	24 _____
25 New York State tax on line 24 amount. (See the instructions for Form IT-201 to calculate your tax. Use the line 24 amount instead of the amount on Form IT-201, line 38, to determine which tax calculation method to use and to calculate your tax.) .....	25 _____
26 Enter the amount from line 7 above .....	26 _____
27 Subtract line 26 from line 25.....	27 _____
28 Enter the amount from line 13 above .....	28 _____
29 Subtract line 28 from line 27.....	29 _____
30 New York City resident tax (see instructions) .....	30 _____
31 Enter the amount from line 16 above .....	31 _____
32 Subtract line 31 from line 30.....	32 _____
33 Yonkers residents, multiply line 29 by 16.75% (0.1675); Yonkers nonresidents, enter the amount from Form Y-203, line 6 .....	33 _____
34 Add lines 27, 32, and 33 .....	34 _____
35 Enter the amount from Form IT-272, line 5 or 7, whichever applies.....	35 _____
36 Subtract line 35 from line 34.....	36 _____

If line 19 is **less** than line 36, the college tuition **itemized deduction** offers you the greater tax benefit.

Enter the amount from Worksheet 1, line 5, on Form IT-196, line 48. Do **not** claim the college tuition **credit** on line 68 of Form IT-201. You must submit your completed **Form IT-272** with Form IT-201. If you do **not** include Form IT-272 with Form IT-201, your college tuition itemized deduction **cannot be allowed**.

If line 19 is **more** than line 36, the college tuition **credit** offers you the greater tax benefit. **Do not enter** an amount on Form IT-196, line 48. Enter the college tuition **credit** from Form IT-272, line 5 or 7, whichever applies, on Form IT-201, line 68. However, you should complete Form IT-196 to determine if your New York itemized deduction, not including the college tuition itemized deduction, is greater than your allowable standard deduction.

Keep this completed Worksheet 2 with your records; **do not mail** Worksheet 2 with your return.

**Line 15 worksheet**

- |   |         |
|---|---------|
| 1 Enter your New York City adjusted gross income from Form IT-201-I, <i>Line 47 worksheet</i> , line 3 .....  | 1 _____ |
| 2 Enter the amount from Worksheet 1, line 7 .....   | 2 _____ |
| 3 New York State dependent exemption amount from Form IT-201, line 36 .....   | 3 _____ |
| 4 Add lines 2 and 3 .....   | 4 _____ |
| 5 Subtract line 4 from line 1 .....   | 5 _____ |
| 6 New York City resident tax on line 5 amount above. ( <i>See the instructions for Form IT-201 to calculate your tax. Use the line 5 amount instead of the amount on Form IT-201, line 47, to determine which tax calculation method to use and to calculate your tax.</i> ) Enter the amount here and on Worksheet 2, line 15 .... | 6 _____ |

**Line 30 worksheet**

- |   |         |
|---|---------|
| 1 Enter your New York City adjusted gross income from Form IT-201-I, <i>Line 47 worksheet</i> , line 3 .....  | 1 _____ |
| 2 Enter the amount from Worksheet 1, line 6 or Worksheet 1, line 8, whichever is greater .....  | 2 _____ |
| 3 New York State dependent exemption amount from Form IT-201, line 36 .....   | 3 _____ |
| 4 Add lines 2 and 3 .....   | 4 _____ |
| 5 Subtract line 4 from line 1 .....   | 5 _____ |
| 6 New York City resident tax on line 5 amount above. ( <i>See the instructions for Form IT-201 to calculate your tax. Use the line 5 amount instead of the amount on Form IT-201, line 47, to determine which tax calculation method to use and to calculate your tax.</i> ) Enter the amount here and on Worksheet 2, line 30 .... | 6 _____ |
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