

What's **NEW** for 2008?

General changes for 2008

● **Strengthened enforcement**

To ensure that all taxpayers pay their fair share, the Tax Department is moving aggressively to further expand and strengthen its fraud-fighting capabilities, reign in evasion, and instill greater confidence in our tax system.

● **Voluntary Disclosure and Compliance Program**

A Voluntary Disclosure and Compliance Program has been established. The program provides relief from certain penalties and criminal prosecution to eligible taxpayers who come forward and reveal previously undisclosed liabilities. Visit our Web site at www.nystax.gov for additional information.

● **Extension of tax shelter reporting requirements**

The expiration date of the reporting requirements and related administrative provisions concerning the disclosure of certain transactions and related information regarding tax shelters, including those related to New York reportable transactions, has been extended to July 1, 2011. Visit our Web site at www.nystax.gov for additional information.

Changes to existing credits

● **New York City school tax credit**

For tax years beginning on or after January 1, 2008, the credit has been eliminated for New York City residents with federal adjusted gross income (minus any IRA distributions) in excess of \$250,000.

● **Clean heating fuel credit**

The credit has been reinstated and applies to bioheat purchased on or after January 1, 2008, and before January 1, 2012. For additional information, see Form IT-241, *Claim for Clean Heating Fuel Credit*, and its instructions.

● **Taxicabs and livery service vehicles accessible to persons with disabilities credit**

The credit has been extended to include costs incurred before January 1, 2011. For additional information, see Form IT-239, *Claim for Credit for Taxicabs and Livery Service Vehicles Accessible to Persons with Disabilities*, and its instructions.

● **Empire State film production credit**

For tax years beginning on or after January 1, 2008, the credit amount has been increased from 10% to 30% of qualified production costs. Also, if the amount of the credit allowed exceeds the taxpayer's tax, the **entire** excess will be refunded (without interest) in the tax year the credit is claimed. For additional information, see Form IT-248, *Claim for Empire State Film Production Credit*, and its instructions.

● **Investment tax credit for the financial services industry**

The investment tax credit and the EZ investment tax credit for the financial services industry have been extended to include property placed in service before October 1, 2011. In addition, recent legislation has added a new test to determine if you are eligible to claim the credit. For additional information, see Form IT-252, *Investment Tax Credit for the Financial Services Industry*, and its instructions; or Form IT-605, *Claim for EZ Investment Tax Credit and EZ Employment Incentive Credit for the Financial Services Industry*, and its instructions.

● **Brownfield credits**

Numerous changes have been made to the brownfield program tax credits. For additional information, see Forms IT-611, *Claim for Brownfield Redevelopment Tax Credit*, IT-612, *Claim for Remediated Brownfield Credit for Real Property Taxes*, and IT-613, *Claim for Environmental Remediation Insurance Credit*.

New modifications

● **Addition modification for federal domestic production activities deduction**

For tax years beginning on or after January 1, 2008, the amount deducted for income attributable to domestic production activities pursuant to IRC section 199 must be added back to federal adjusted gross income in computing New York adjusted gross income. For additional information, see page 72.

● **Subtraction modification for military pay**

A new subtraction is available for military pay included in your federal adjusted gross income that you received for active service as a member in the armed services of the United States in an area designated as a combat zone.