

NY Letter DTF-960-E Sample Tax Notice

This sample is provided by TaxAudit, the nation's leading tax audit defense firm.



Department of
Taxation and Finance

New York State Statement of proposed audit change

Date: 10/26/2020

Taxpayer ID: XXX-XX-XXXX

Spouse ID: XXX-XX-XXXX

Assessment ID: X-XXXXXXXXX-X

Explanation

Numbers to the left of the explanation paragraphs correspond to specific lines in the *Computation* section.

We reviewed your 2018 New York State income tax return.

New York State allows a pension and annuity income exclusion of up to \$20,000 for pension and annuity payments reported as income on your return. This exclusion is only allowable for payments received after you reach the age of 59 1/2. If you filed a joint return, and both you and your spouse are over 59 1/2, each of you can subtract up to \$20,000 of your own pension and annuity income. However, you cannot claim any unused portion of your spouse's exclusion. This exclusion is allowed on line 29 of the Form IT-201, *Resident Income Tax Return*.

New York State also allows for an exclusion of pension income from a New York State, NY local, or U.S. government pension reported in the income section of your return. This exclusion is allowed on line 26 of the Form IT-201, *Resident Income Tax Return*.

- Our records indicate that you, your spouse, or both you and your spouse, claimed more exclusion than is allowed by New York State tax law. Therefore, we adjusted or disallowed the exclusions claimed for one or more of the following reason(s):

To qualify for the pension and annuity income exclusion you must have reached 59 1/2 years of age during the tax year. Our records indicate that you, your spouse, or both you and your spouse have not reached this age and do not qualify for the exclusion.

Continued on next page

If paying by mail*, send to: NYS ASSESSMENT RECEIVABLES
PO BOX 4127
BINGHAMTON NY 13902-4127

Pay by February 16, 2021

Taxpayer name	Taxpayer ID	Assessment ID	Current balance due	Amount paid
LAST, FIRST	XXX-XX-XXXX	X-XXXXXXXXX-X	\$ 716.70	\$
<div style="border: 1px solid black; padding: 5px;"> <p><i>For office use only</i></p> <p>Form Track Number <input type="checkbox"/></p> <p>Amount received <input type="checkbox"/></p> <p>Payment Effect/Rec'd Dates <input type="checkbox"/></p> </div>				\$
				\$
				\$
		Total amount paid →		

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*If you are not using U.S. Mail, see Publication 55, Designated Private Delivery Services.

- Make check or money order payable in U.S. funds to **Commissioner of Taxation and Finance**.
- Include the Assessment ID on your payment.
- You can use this coupon to pay any other assessments.
- Be sure to write in the Assessment ID of those other assessments.
- If you agree with the amount, sign the consent on the back.

XXXXXXXXXXXX

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Explanation *(continued)*

On your return you claimed an exclusion for pension from New York State, NY local, or the U.S. Government. Our records indicate your pension is not from a New York State, NY local, or US Government pension and does not qualify for this exclusion.

Please note that distributions received from Supplemental Retirement Annuities, Group Supplemental Retirement Annuities, Tax Deferred Annuities or Deferred Compensation Plans do not qualify for full exclusion as a NYS, NY local, or U.S. Government Pension. These types of plans are self-contributed through salary reduction.

Interest is due on the underpayment of tax from the due date of the return to the date the tax is paid in full. Interest is required under section 684(a) of the Tax Law.

If you think your pension income is not subject to New York tax, please send information to support your claim. This information should show the source and amount of the pension income. An example of acceptable documentation is a copy of your 1099-R, *Distributions From Pensions, Annuities, Retirement Or Profit Sharing Plans, IRAs, Insurance Contracts, etc.*

If you received the pension and annuity income of a decedent, you may claim this subtraction if the decedent would have been entitled to it, had the decedent continued to live. If the decedent would have been 59 1/2 during the year, you may only exclude the amount received after the decedent would have been 59 1/2, but not more than \$20,000.

If the decedent has more than one beneficiary, the beneficiaries must allocate the \$20,000 pension and annuity income modification among each other in the same ratio as the inherited pension is shared. The total pension and annuity income modification of all beneficiaries cannot collectively exceed \$20,000. The proportioned exclusion amount remains constant for every year a beneficiary receives the inherited pension. This holds true even in years the other beneficiary, or beneficiaries, does not receive distributions.

If you have any questions about the computation of the bill, please call (518) 457-4264. Have a copy of your New York State return available for easy reference and refer to the Assessment ID so that we may better assist you.

If you wish to arrange payment of the bill, please call our Civil Enforcement Office at (518) 457-5434.

To learn more, visit our Web site at www.tax.ny.gov.

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Consent to amount due

I agree with the proposed audit changes and agree to pay the amount due. I also agree to the following:

- I waive my right to receive, and formally protest in the Bureau of Conciliation and Mediation Services or the Division of Tax Appeals, a *Notice of Deficiency* or *Notice of Determination* related to the amount due.
- I understand that I have the right to file a timely claim for a refund or credit of the amount paid. Most claims must be filed within two years of the payment.
- The tax, interest, and any applicable penalties will become assessed and subject to collection actions.
- I understand that within the time provided by law, if the Tax Department identifies other issues, it may determine that I owe additional tax for this same filing period.

Signature of taxpayer or responsible person

Date

Signature of spouse

Date

Title

Daytime phone



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Date: 10/26/2020
Taxpayer ID: XXX-XX-XXXX
Spouse ID: XXX-XX-XXXX
Assessment ID: X-XXXXXXXXX-X

Explanation *(continued)*

If you agree with the adjustments we made to your return, you do not need to file an amended return for this tax year. We already made the adjustments for you. Please check your following year returns for similar issues. If the same or similar changes apply to those years, you should file an amended return for each year in which the errors appear. File amended returns now to prevent receiving bills in the future for those changes which will include more interest and possibly penalties for negligence. Visit our website to obtain tax forms for all years.

Need help understanding this notice? Call us at 518-457-4264.

Computation

Any numbers to the right of *Computed by NYS* amounts below correspond to paragraphs in the *Explanation* section.

To avoid the possibility of additional interest and penalties, be sure to pay the *Current balance due* shown in the *Computation summary*. This amount also appears on page 1 of this notice.

Description	Line number		Computed by NYS
Federal adjusted gross income on return	19	+	\$ 255,930.00
Total New York additions		+	45.00
Total New York subtractions		-	287,987.00
Adjustment to pension exclusion		+	167,999.00 ¹
New York adjusted gross income corrected	33		\$ 199,009.00
Standard or itemized deduction	34	-	19,809.00
Dependent exemptions	36	-	0.00
Taxable income	37		\$ 199,809.00
New York State tax on taxable income	39	+	\$ 7,709.00
NY State taxes after nonrefundable credits	44		\$ 7,654.00
Total New York State taxes	46		\$ 8,665.00
Total New York State tax per return		-	000
Total tax amount due			\$ 716.70

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Computation summary

Tax period ended	Tax amount assessed	(+) Interest amount assessed	(+) Penalty amount assessed	(-) Assessment payments/credits	(-) Current balance due
12/31/2018	\$ 8,113.33	\$ 3,892.33	\$ 0.00	\$ 0.00	\$ 716.70

