



Audit Division-Income/Franchise Desk-AG6
W A Harriman Campus, Albany NY 12227

New York State
Statement of proposed audit change

January 26, 2021

XXXXXXXXXXXXXXXXXXXX

XXXXXXXXXXXXXXXXXXXX
FIRST LAST
555 AVENUE ST.
BROOKLYN NY 55555-5555

Current balance due: if paid by 2/16/2021	\$ 716.70
Taxpayer ID:	XXX-XX-XXXX
Tax form filed:	IT-201
Filing period ended:	12/31/2018 INCOME
Return file date:	3/15/2019
Assessment ID:	X-XXXXXXXXXX-X

You received this notice because:

Our records indicate the student received scholarships, grants, or both, greater than qualifying tuition expense.

See page 3 to learn more or to see other reasons why you received this notice.

If you agree

Pay the proposed amount due in any of these ways:

- **Online:** The easiest and fastest way to pay. Go to www.tax.ny.gov (search: *pay*) to learn more.
- **Phone:** Call 518-457-5434. Your PIN is XXXX.
- **Mail:** Use the coupon and mailing address on page 3. **Do not** use any other payment document to pay this notice.

Whatever method you use, be sure to complete and return the consent section on page 4.

If you disagree

See the instructions on page 2.

If you do not respond

- If you do not pay the amount due by 2/16/2021, we will impose **additional** interest and you may be subject to **additional** penalties.
- If you do not contact us by 2/25/2021, we will send you a *Notice of Deficiency* or *Notice of Determination* for the amount due.



X-XXXXXXXXXX-X

If you disagree

You may informally protest this notice in any of the ways described below.

If you informally protest, you are not required to pay the proposed amount due. However, paying now will stop the accrual of interest and any penalties if you are eventually found liable.

Informal protest

You can informally protest this notice by contacting the Tax Department in any of these ways:

Online: The easiest and fastest way to respond to this notice is through our website at www.tax.ny.gov/online.

You will need to have an *Online Services* account. You can create an account if you do not already have one.

Phone: Call us at 518-465-6038. Text Telephone (TTY): Dial 7-1-1 for the New York Relay Service.

Mail or fax: If you do not have Internet access, check any boxes that apply or send us a written explanation. Respond by mail: NYS ASSESSMENT RECEIVABLES, PO BOX 4128, BINGHAMTON NY 13902-4128 or fax: 518-435-8525.

I paid more qualifying tuition than I received in scholarships and grants. I have provided an itemized tuition bill from the school's bursar's office to verify the amount of tuition and scholarships, grants, or both, received during the tax year.

Third party designee: If you would like to designate someone to discuss this notice with us, provide the following:

Designee's name <i>(please print)</i>	Designee's phone number ()	PIN (five digits)*
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* Create a personal identification number (PIN). Give this PIN to your designee. We will use the PIN for authorization.

Your signature	Your name <i>(please print)</i>	Daytime phone ()
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What happens next

We will review the information you send and, if appropriate, revise the proposed amount due.

If we find you are entitled to a refund, we will mail you a check. All or part of any refund may be offset for unpaid tax assessments or other debts owed to government agencies, as required by law.

We will notify you if your protest is unsuccessful.

Your rights as a taxpayer

For a full explanation of your rights, including how to file a complaint with the Tax Department, how to request a refund, formal protest rights, and your rights in the collection and audit processes, go to www.tax.ny.gov/tra/rights.htm.

- For the audit process, see Publication 130-D, *The New York State Tax Audit — Your Rights and Responsibilities*.
- No Internet access? Call us at (518) 457-3280 and we will mail you a statement of your rights.

Even if you pay the amount due now, you still have the right to claim a refund or credit. Most claims must be filed within two years of payment.





Department of
Taxation and Finance

**New York State
Statement of proposed audit change**

Date: 1/26/2021

Taxpayer 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.

Your 2018 New York State return has been selected for review.

We have adjusted or disallowed your claim for the college tuition itemized deduction.

The following are not qualified college tuition expenses:

- Tuition for enrollment or attendance in a course study leading to the granting of a post baccalaureate or other graduate degree, or tuition paid to take a graduate level course
- Tuition paid through the receipt of scholarships, grants, or employer reimbursements
- 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 as a condition of enrollment

You reported college tuition expenses of \$10,728.00 for first LAST. We allowed college tuition expenses of \$0.00.

You have been allowed a college tuition itemized deduction of \$0.00 based on qualifying tuition expenses of \$0.00.

We disallowed the college tuition expenses claimed for first LAST because available information indicates the student received scholarships and grants greater than tuition expenses. Since the scholarships/grants reported on Form 1098-T, *Tuition Statement*, for the student exceed the amount of qualifying college tuition expenses, no qualifying tuition remains to calculate the college tuition credit or itemized deduction. Therefore, we disallowed the expenses claimed for first LAST.

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
FIRST LAST	XXX-XX-XXXX	X-XXXXXXXXX-X	\$716.70	\$
For office use only				\$
Form Track Number	•			\$
Amount received	•			\$
Payment Effect/rec'd Dates	•			\$
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 these other assessments.
- If you agree with the amount, sign the consent on the back.

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Explanation (continued)

- 1 Amount of college tuition itemized deduction disallowed \$ 10,000.00.
- 2 Your allowable itemized deductions are less than your allowable New York standard deduction. Therefore, we used the New York standard deduction in our computation.
- 3 We allowed the appropriate NYC school tax credit (rate reduction amount).

If you disagree with our determination, send us an itemized tuition bill from your school's bursar's office or a similar record. Your response must clearly show the amount of undergraduate tuition you paid and the amount of scholarships and grants you received.

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.

Need help understanding this notice? Call us at 518-485-6038.

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
New York adjusted gross income	33	\$ 80,033.00
Standard or itemized deduction	34 -	11,700.00 1, 2
Dependent exemptions	36 -	8,000.00
Taxable income	37	\$ 79,852.00
New York State tax on taxable income	39 +	4,031.00
NY State taxes after nonrefundable credits	44	\$ 4,031.00
Total New York State taxes	46	\$ 4,031.00

Continued on next page

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.
- The tax, interest, and any applicable penalties will become assessed and subject to collection actions.
- 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.
- 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

Title Daytime phone





Department of
Taxation and Finance

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Date: 1/26/2021

Taxpayer ID: XXX-XX-XXXX

Assessment ID: X-XXXXXXXX-X

Computation *(continued)*

Description	Line number	Computed by NYS
New York City taxable income	47	\$ 71,843.00
New York City resident tax	47a +	2,090.00
New York City tax after credits(s)	54	\$ 2,090.00
Total NYC and Yonkers taxes / surcharges and MCTMT	58	\$ 2,090.00
Total NYS, NYC, MCTMT & Yonkers taxes		\$ 7,854.00
Total New York State tax per return	-	3,669.00
Total NYC, MCTMT and Yonkers tax per return	-	2,650.00
NYC school tax credit (rate reduction) adjustment	-	16.00
Total tax amount due		\$ 605.00

Computation summary

Tax period ended	Tax amount assessed	(+) Interest amount assessed	(+) Penalty amount assessed	(-) Assessment payments/credits	(=) Current balance due
12/31/2018	\$ 602.00	\$ 81.70	\$ 0.00	\$ 0.00	\$ 717.70

