

Income/Franchise:

New York: No Resident Tax Credit for Taxes Paid on Carried Interest Income Earned from Out-of-State Asset Management Firm

Decision DTA No. 829737, N.Y. Tax App. Trib. (11/22/23). The New York State Tax Appeals Tribunal affirmed that an in-state resident filing a New York State resident individual income tax return may not claim a resident tax credit on taxes paid to another state on certain carried interest income (including capital gains, interest, and dividends) she received from an out-of-state asset management partnership for the 2014 and 2015 tax years at issue under state law because, under the facts, her partnership interest in the asset management firm was not the same intangible personal property employed in the asset management partnership's out-of-state business that generated the intangible income at issue. Furthermore, she failed to prove that the intangible assets that generated the income at issue were employed in the asset management partnership's out-of-state business. Please contact us with any questions.

URL: <https://www.dta.ny.gov/pdf/decisions/829737.dec.pdf>

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