BACCUS
CONSULTING

SECTION 83(b) AND NEW YORK RESIDENCY

Documentation Checklist

Use this checklist to organize records that may be needed to support a Section 83(b) election, an equity-compensation tax position or a change from New York resident to nonresident status. Not every item applies to every taxpayer.

Taxpayer and Transaction Information

Taxpayer name	
Tax year(s)	
Issuer / employer	
Equity instrument	
Transfer / grant date	
Exercise / vest date	
Date domicile changed from NY	
Liquidity-event / sale date	

1. Property Transfer and Section 83(b) Election

Complete this section when relying on a Section 83(b) election or claiming that restricted shares were transferred.

- ☐ **Equity plan and award agreement**
  Retain the complete plan, award agreement, amendments, board approvals and side letters.
- ☐ **Evidence that shares were actually transferred**
  Cap table, stock ledger, certificate or electronic issuance record showing the transfer date and number of shares.
- ☐ **Exercise documents and proof of payment, if applicable**
  Executed exercise notice, bank record, payroll deduction or other evidence that the exercise occurred.
- ☐ **Signed Section 83(b) election**
  Keep the complete election showing the property, transfer date, restrictions, FMV, amount paid and taxable amount.
- ☐ **Proof of timely IRS submission**
  Retain the Form 15620 online confirmation or other accepted evidence showing submission within 30 days of the property transfer.
- ☐ **Copy provided to the employer**
  Retain evidence that a copy was furnished to the service recipient.
- ☐ **Vesting and forfeiture terms**
  Document the substantial risk of forfeiture, vesting schedule, repurchase rights and service conditions.

2. Transfer-Date Valuation

A zero taxable amount does not necessarily mean the shares had zero fair market value.

- ☐ **Contemporaneous valuation report**
  Retain the applicable 409A valuation or other support for transfer-date FMV.
- ☐ **Evidence of the amount paid**
  Bank record, payroll record, promissory note or other proof of consideration.
- ☐ **Calculation of the transfer-date spread**
  FMV minus the amount paid; distinguish a zero spread from an assertion of zero FMV.
- ☐ **Financing and transaction evidence**
  Retain information about financing rounds, tender offers, acquisition discussions or other events affecting value.
- ☐ **Security rights and preferences**
  Confirm that the valuation covers the correct share class, preferences, restrictions and valuation date.

3. Federal Equity-Compensation Records

- ☐ **Employer payroll and W-2 reporting**
  Retain wage, withholding and payroll records associated with the award.
- ☐ **Form 3921 for an ISO, if applicable**
  Reconcile grant, exercise, share quantity, exercise price and exercise-date FMV.
- ☐ **ISO holding-period and AMT records**
  Keep exercise calculations, AMT basis and any AMT-credit schedules.
- ☐ **Form 1099-B and brokerage statements**
  Retain sale proceeds, transaction dates, reported basis and any basis adjustments.
- ☐ **Compensation and investment-gain calculation**
  Separate the compensation element from appreciation occurring after exercise, vesting or other recognition.

4. New York Workday Allocation

Complete when services were performed both inside and outside New York during the applicable allocation period.

- ☐ **Grant-to-vest or grant-to-exercise workday log**
  Maintain a daily calendar showing the physical work location for every workday in the applicable period.
- ☐ **Travel and location corroboration**
  Retain flight records, E-ZPass, building access, phone location, card activity and similar evidence.
- ☐ **Employer work-location records**
  Reconcile payroll, timekeeping, office attendance and remote-work records.
- ☐ **IT-203-B and allocation schedules**
  Retain the workday fraction and supporting calculation used on the New York return.
- ☐ **Remote-work and convenience-rule support**
  Document whether out-of-state days satisfy New York rules, including any bona fide employer office analysis.

5. Change of Domicile and Residency

- ☐ **New out-of-state primary residence**
  Purchase or lease agreement, utility activation and occupancy evidence.
- ☐ **Disposition or change in use of the New York residence**
  Sale, listing, lease, lease termination or other records showing the change.
- ☐ **Moving and household records**
  Moving contract, bill of lading, insurance, storage and delivery records.
- ☐ **Government and financial records updated**
  Driver license, vehicle registration, voter registration, address records and financial accounts.
- ☐ **New York day-count calendar**
  Maintain a complete calendar with supporting travel and activity records.
- ☐ **Family, business and community connections**
  Document facts showing where the taxpayer established the new permanent home.
- ☐ **Consistent federal and state filings**
  Retain federal address records, part-year returns, other-state returns and payroll updates.

6. Liquidity Event and New York Special Accrual

- ☐ **Transaction chronology**
  Prepare a timeline from initial discussions through signing, closing and payment.
- ☐ **Term sheets and indications of interest**
  Retain drafts, nonbinding proposals and correspondence relevant to transaction status before the move.
- ☐ **Definitive transaction agreement**
  Keep the executed merger, stock-purchase, tender or other sale agreement.
- ☐ **Board and shareholder approvals**
  Retain approval dates and related resolutions.
- ☐ **Closing conditions and contingencies**
  Document regulatory, financing, employment, shareholder and other material conditions.
- ☐ **New York Tax Law § 639 analysis, if applicable**
  Retain the analysis of whether income became fixed or accrued before the change of residence.
- ☐ **Form IT-260 and security records, if applicable**
  Keep any filing, bond or security documents used in connection with special accrual treatment.

7. Final Documentation Package

- ☐ **Federal and New York tax returns**
  Retain complete filed copies with all schedules and explanatory attachments.
- ☐ **Equity and residency calculations**
  Keep basis, compensation, AMT, workday allocation, day count and gain calculations.
- ☐ **Tax-adviser memorandum or written conclusion**
  Retain the facts, authorities, assumptions and treatment applied to the return.
- ☐ **IRS and New York correspondence**
  Preserve notices, responses, examination requests and proof of delivery.

Questions or missing documents

Important: This checklist provides general information and is not legal or tax advice. Documentation requirements and tax treatment depend on the award terms, transaction history, valuation, work locations and residency facts. Review material transactions with a qualified adviser.