



Increase in the Rate of the Yonkers Resident Income Tax Surcharge

This memorandum contains information for tax year 2014 about the recently enacted increase in the rate of the Yonkers resident income tax surcharge that is imposed under Article 30-A of the Tax Law.

Article 30-A of the Tax Law authorizes the imposition of a resident income tax surcharge on Yonkers resident individuals, estates, and trusts. Effective for tax year 2014, the rate of the Yonkers resident income tax surcharge has increased from 15% to 16.75% of the *net state tax*.

The *net state tax* of a city resident means the sum of all taxes imposed on the individual, estate, or trust under Article 22 of the Tax Law (personal income tax) for the tax year, less the applicable credits (excluding credit for tax withheld) allowed for the tax year.

Note: The Yonkers nonresident earnings tax rate was not changed and will continue to be imposed at a rate of .5% on wages and net earnings from self-employment.

Estimated tax

The law provides that the underpayment of estimated tax penalty will not be imposed on any portion of any underpayment for tax year 2014 that is attributable to the increase in the Yonkers rate. However, taxpayers may choose to increase their estimated tax payments to avoid having a balance due when they file their income tax return.

2014 Yonkers withholding tables

New withholding tables for the Yonkers resident income tax surcharge will take effect August 1, 2014. These new tables will ensure that the correct amount of Yonkers tax will be withheld for tax year 2014. Therefore, taxpayers should not need to adjust their Yonkers withholding for tax year 2014 because of the rate change. However, taxpayers who have requested that their employers withhold additional amounts of Yonkers tax using [Form IT-2104, Employee's Withholding Allowance Certificate](#), may choose to increase the additional amount withheld to account for the increase in the Yonkers rate.

NOTE: A TSB-M is an informational statement of existing department policies or of changes to the law, regulations, or department policies. It is accurate on the date issued. Subsequent changes in the law or regulations, judicial decisions, Tax Appeals Tribunal decisions, or changes in department policies could affect the validity of the information presented in a TSB-M.