

SUBSTANCE OF THE RULE

DEPARTMENT OF TAXATION AND FINANCE

Tax Law sections 671(a)(1), 1309 and 1329(a), section 15-105 of the Code of the City of Yonkers and section 11-1771 of the Administrative Code of the City of New York mandate that employers withhold from employee wages amounts that are substantially equivalent to the amount of New York State, City of Yonkers and New York City personal income tax on residents reasonably estimated to be due for the taxable year. The provisions authorize the Commissioner of Taxation and Finance to provide for withholding of these taxes through regulations promulgated by the Commissioner.

This rule repeals and adds new Appendixes 10, 10-A and 10-C of Title 20 NYCRR, the New York State, City of Yonkers and New York City withholding tables and other methods, respectively. The amendments to Appendixes 10 and 10-A reflect the incremental decrease in New York State personal income tax effected by Part TT of Chapter 60 of the Laws of 2016, beginning in tax year 2018. Changes to the City of Yonkers withholding tables and other methods were necessary because the City of Yonkers income tax surcharge is a specified percentage of New York State tax. New Appendix 10-C reflects the revision of the New York City withholding tables and other methods in accordance with changes in the New York City personal income tax effected by Part C of Chapter 59 of the Laws of 2017, implemented over a twelve-month period for tax year 2018, rather than the shorter period required for tax year 2017, and the requirement that the withholding rates reflect the full amount of tax liability as accurately as practicable.

The rule applies to wages and other compensation subject to withholding paid on or after January 1, 2018.