

SUBSTANCE OF THE RULE

DEPARTMENT OF TAXATION AND FINANCE

Section 1309 of the Tax Law 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 City of New York 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 amends Appendix 10-C of Title 20 NYCRR, replacing pages T-39, T-40, and T-40-A, Method II: Exact Calculation Method (Single, Married, and Examples, respectively) of Appendix 10-C, New York City Personal Income Tax on Residents Withholding Tables and Other Methods of such Title, to provide new City of New York withholding tables and other methods. The amendments to Appendix 10-C reflect the revision of the City of New York tax tables in accordance with the increased rate of New York City personal income tax applicable to income over \$500,000 enacted by Part EE of Chapter 57 of the Laws of 2010, implemented over a twelve month period rather than the shorter implementation period required for tax year 2010. This rule also reflects the increase in the City of New York supplemental withholding tax rate to reflect the twelve-month implementation period to be applied to supplemental wage payments, rather than the shorter period applicable for tax year 2010.

The rule applies to wages and other compensation subject to withholding paid on or after January 1, 2011.