



## **Increase in the Rate of the Yonkers Resident Income Tax Surcharge**

This memorandum contains information for tax year 2011 about the recently enacted increase in the rate of Yonkers resident income tax surcharge.

### **Rate increase**

Effective for tax year 2011, the rate of the Yonkers resident income tax surcharge has been increased from 10% to 15% of the net state tax.

**Note:** The Yonkers nonresident earnings tax rate was not changed and will continue to be imposed at the 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 the portion of any underpayment for tax year 2011 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.

### **2011 Yonkers withholding tax tables**

New withholding tables for the Yonkers resident income tax surcharge will take effect May 1, 2011. These new tables will ensure that the correct amount of Yonkers tax will be withheld for tax year 2011. Therefore, taxpayers should not need to adjust their Yonkers withholding for tax year 2011 because of the rate change. However, taxpayers that have requested their employers to 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.