

New York City Resident Tax Rates

Chapter 57 of the Laws of 2010 amended the Tax Law and the Administrative Code of the City of New York relating to the New York City resident income tax rates. Effective for tax years beginning after 2009, a new highest rate tax bracket has been created. The highest rate affects New York City residents with taxable incomes over \$500,000. Other than the addition of the new highest bracket and rate, all other brackets and tax rates remain the same.

Revised tax rate schedule

As a result of the amendments, the New York City resident tax rate schedule for tax years beginning after 2009 is as follows:

Married filing jointly and qualified widow(er)

If the city taxable income is:	The tax is:
Not over \$21,600	2.907% of the city taxable income
Over \$21,600 but not over \$45,000	\$628 plus 3.534% of excess over \$21,600
Over \$45,000 but not over \$90,000	\$1,455 plus 3.591% of excess over \$45,000
Over \$90,000 but not over \$500,000	\$3,071 plus 3.648% of excess over \$90,000
Over \$500,000	\$18,028 plus 3.876% in excess over \$500,000

Head of household

If the city taxable income is:	The tax is:
Not over \$14,400	2.907% of the city taxable income
Over \$14,400 but not over \$30,000	\$419 plus 3.534% of excess over \$14,400
Over \$30,000 but not over \$60,000	\$970 plus 3.591% of excess over \$30,000
Over \$60,000 but not over \$500,000	\$2,047 plus 3.648% of excess over \$60,000
Over \$500,000	\$18,098 plus 3.876% of excess over \$500,000

Single, married filing separately, and estates and trusts

If the city taxable income is:	The tax is:
Not over \$12,000	2.907% of the city taxable income
Over \$12,000 but not over \$25,000	\$349 plus 3.534% of excess over \$12,000
Over \$25,000 but not over \$50,000	\$808 plus 3.591% of excess over \$25,000
Over \$50,000 but not over \$500,000	\$1,706 plus 3.648% of excess over \$50,000
Over \$500,000	\$18,122 plus 3.876% of excess over \$500,000

2010 New York City withholding tables

New withholding tables will take effect September 1, 2010. These new tables will provide the amounts required to be withheld in order for an employee to catch up on his or her total withholding for tax year 2010. Therefore, taxpayers subject to the new rate should not need to adjust their city withholding for tax year 2010. In addition, the new rate will apply in those instances where withholding is required at the highest effective rate (such as supplemental wages and certain lottery winnings).

2010 estimated tax

As a result of the amendments, a taxpayer's 2010 estimated income tax may be underpaid. To avoid the penalty for underpayment of estimated tax for tax year 2010, the total amount of estimated tax and withholding tax paid must be:

- at least 90% (66 2/3% for farmers and fishermen) of the amount of income tax due as shown on the taxpayer's return for 2010; **or**
- 100% of the tax shown on the taxpayer's return for 2009 (110% of that amount if he or she is not a farmer or a fisherman and his or her New York adjusted gross income shown on that return is more than \$150,000 or, if married filing separately for 2010, more than \$75,000). To qualify for this provision, the taxpayer must have filed a return for 2009, and it must have been for a full 12-month year.

No penalty will apply to any shortage in a taxpayer's April 15, 2010, or June 15, 2010, estimated tax payment that is attributable to this amendment, provided the taxpayer includes any shortfall in his or her September 15, 2010, payment.

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.