

New York State Department of Taxation and Finance
Taxpayer Services Division
Technical Services Bureau

TSB-M-83-(9.1)-I
Income Tax
June 16, 1983

Withholding on Interest, Dividends and Patronage Dividends
Supplement to TSB-M-83-(9)-I

Numerous inquiries have been received concerning how to determine residency for purposes of withholding New York State income tax on payments of Interest, Dividends and Patronage Dividends.

In determining whether the payee is a resident the payor should rely on the address on record, unless a sworn affidavit is obtained by the payor from the payee which indicates a nonresident status as defined in section 605 of the New York State Tax Law.

Inquiries have also been received regarding the information that should be contained on a New York State Certificate of Exemption from Withholding on Interest and Dividends where a self prepared form is to be used in place of the Official Form IT-2104.4. The following information must be included on the form:

- 1) The form should be clearly identified as a New York State Certificate of exemption from Withholding an Interest and Dividends.
- 2) The form should contain the following
 - a) The payee's name and address
 - b) The payee's identification number
 - c) A certification from the payee that the special New York State exemption is claimed by reason of his meeting the low income provisions of section 601(a)(2) of the New York Tax Law or the exemption from tax on the income from a PASS (Parent and Students Saving) fund.
- 3) The payee's signature and date signed.

Payors may provide for additional information on the form as needed by them, such as including an affidavit that the payee is a nonresident.

Additional Information on Withholding on Interest, Dividends and Patronage Dividends can be obtained from the New York State Regulations Part 170 thru 177 or from TSB-M-83-(9)-I.