



Department of Taxation and Finance

Important:

The New York City nonresident earnings tax was eliminated for New York State nonresidents on or after July 1, 1999 as the result of a New York State Court of Appeals decision. Accordingly, this TSB-M cannot be relied upon for issues related to the nonresident earnings tax on or after July 1, 1999.

For information concerning other nonresident income taxes, see [Filing information for New York State nonresidents \(ny.gov\)](#).

[See *City of New York, et al., v. State of New York, et al.*, NY Court of Appeals, 94 NY2d 577, 709 NYS2d 122; Chapter 5 of the Laws of 1999.]

The TSB-M begins on page 2 below.

1989 Legislation
New York City Tax Rates Continue at
Higher Rates for Residents and Nonresidents

Chapter 241 of the Laws of 1989 amended the General City Law, the New York State Tax Law and the Administrative Code of the City of New York concerning the tax rates to be used in computing the New York City personal income and nonresident earnings taxes. The new law continues the imposition of the higher city personal income tax and city nonresident earnings tax rates provided for, respectively, in sections 11-1701(a) and 11-1902(a)(2) of the Administrative Code, for taxable years beginning before 1991. Under prior law, the higher tax rates would not have applied to taxable years beginning after 1989.

Section 615(c)(1) of Article 22 of the Tax Law was also amended to extend to taxable years beginning before 1991 the provision that allows taxpayers to retain as part of their New York itemized deduction the difference between the amount of nonresident earnings tax due at the higher rates and the amount that would be due using the lower rates.

The lower personal income and nonresident earnings tax rates provided for in sections 11-1701(b) and 11-1902(a)(1) of the Administrative Code will now apply to taxable years beginning after 1990, unless future legislation continues the higher rates.