



New York Tax Relief Relating to Leave-Donation Programs for Victims of Hurricane Sandy

[IRS Notice 2012-69](#) provides guidance to employees who donate their vacation, sick, or personal leave in exchange for their employer's cash payments to qualified tax-exempt organizations in support of the relief efforts for Hurricane Sandy victims. The notice also provides guidance to employers making the cash payments. According to the notice, employees do not have to include the cash payments in income, employees cannot claim a charitable deduction for the payments, and the employer may take a deduction for the cash payments. The IRS guidance applies to cash payments made before January 1, 2014.

New York State will provide similar relief to employees and employers making these cash payments to qualified tax-exempt organizations in support of Hurricane Sandy relief efforts. Therefore, employees will not have to pay New York State, New York City, or Yonkers income taxes on the cash payments, and cannot claim a charitable deduction for the cash payments. In addition, the cash payments will not be deemed wages subject to New York State, New York City, or Yonkers income tax withholding, and are not included in an employer's payroll expense when computing the metropolitan commuter transportation mobility tax. Furthermore, employers will treat the payments on their New York income and corporate franchise tax returns in the same manner that they treat the payments on their federal tax returns.

NOTE: An Important Notice is generally issued to announce a singular event, such as an update to a previously issued tax form or instruction, or to announce a new due date for filing returns and making payments of tax because of a natural disaster. The Department does not revise previously issued N-Notices.