

SUBSTANCE OF THE RULE

DEPARTMENT OF TAXATION AND FINANCE

Section 1309 of the Tax Law and section 11-1771 of the Administrative Code of the City of New York mandate that employers withhold from employee wages amounts that are substantially equivalent to the amount of City of New York personal income tax on residents reasonably estimated to be due for the taxable year. The provisions authorize the Commissioner of Taxation and Finance to provide for withholding of these taxes through regulations promulgated by the Commissioner.

This rule is identical to that adopted as an emergency measure on December 8, 2015, January 15, 2016 and March 15, 2016 repealing and replacing Appendix 10-C of Title 20 NYCRR, New York City Personal Income Tax on Residents Withholding Tables and Other Methods of such Title, to provide new City of New York withholding tables and other methods. The amendments to Appendix 10-C reflect the revision of the City of New York tax tables in accordance with the increased rate of New York City personal income tax applicable to income over \$500,000 enacted by Part B of Chapter 59 of the Laws of 2015, implemented over a twelve month period for the 2016 tax year, rather than the shorter implementation period required for tax year 2015, and the requirement that the withholding rates reflect the full amount of tax liability as accurately as practicable. The rule keeps the amendments adopted as an emergency measure on March 15, 2016 effective until the Notice of Adoption of the amendments as a permanent rule is published in the State Register.

The rule applies to wages and other compensation subject to withholding paid on or after January 1, 2016.