

## SUBSTANCE OF THE PROPOSED RULE

### DEPARTMENT OF TAXATION AND FINANCE

Sections 671(a)(1) and 1329(a) of the Tax Law, and section 15-105 of the Code of the City of Yonkers require that employers withhold from employee wages amounts that are substantially equivalent to the amount of New York State personal income tax and City of Yonkers income tax surcharge 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 repeals Appendix 10-A of Title 20 NYCRR and adds a new Appendix 10-A to provide new City of Yonkers withholding tables and other methods. The new tables and other methods implement changes necessitated by City of Yonkers Local Law No. 11-2014 pursuant to Tax Law section 1321 that increased the City of Yonkers income tax surcharge rate from 15 to 16.75 percent of net state income tax, effective January 1, 2014. Specifically, the amendments to City of Yonkers withholding tax tables reflect the implementation of the 16.75 percent surcharge rate over a twelve-month period, rather than the shorter implementation period required for tax year 2014. Chapter 70 of the Laws of 2013 extended the authority contained in Section 1321 to taxable years beginning before 2016. City of Yonkers Local Law No. 6-2013 extended the City of Yonkers resident income tax surcharge and its non-resident earnings tax to taxable years ending on or before December 31, 2015.

The rule also amends the City of Yonkers provisions regarding withholding on supplemental wages to reflect the new rates of withholding.

This rule applies to wages and other compensation subject to withholding paid on or after January 1, 2015.