

## SUBSTANCE OF THE PROPOSED RULE

### DEPARTMENT OF TAXATION AND FINANCE

Section 671(a)(1) and section 1329 of the Tax Law mandate 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 amends Appendixes 10 and 10-A of Title 20 NYCRR, replacing pages T-13, T-14, and T-14-A, Method II: Exact Calculation Method (Single, Married, and Examples, respectively) of Appendix 10, New York State Income Tax Withholding Tables and Other Methods, and pages T-57, T-58, and T-58-A, Method II: Exact Calculation Method (Single, Married, and Examples, respectively) of Appendix 10-A, City of Yonkers Income Tax Surcharge on Residents and Earnings Tax on Nonresidents Withholding Tables and Other Methods of such Title to provide new New York State and City of Yonkers withholding tables and other methods. The amendments to the Appendixes reflect the limitation of itemized deductions and the revision of the New York State and City of Yonkers tax tables and tax table benefit recapture enacted by Chapter 57 of the Laws of 2009, implemented over a twelve month period rather than the shorter implementation period required for tax year 2009. This rule also adjusts the New York State and City of Yonkers supplemental withholding tax rates to reflect the twelve-month implementation period to be applied to supplemental wage payments, rather than the shorter period for tax year 2009.

The rule applies to wages and other compensation subject to withholding paid on or after January 1, 2010.