

SUBSTANCE OF THE RULE

DEPARTMENT OF TAXATION AND FINANCE

Tax Law sections 671(a)(1) and 1329(a), and section 15-105 of the Code of the City of Yonkers mandate that employers withhold from employee wages amounts that are substantially equivalent to the amount of New York State and City of Yonkers 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 repeals and adds new Appendixes 10 and 10-A of Title 20 NYCRR, the New York State and City of Yonkers withholding tables and other methods, respectively. The amendments to Appendixes 10 and 10-A reflect the incremental decrease in New York State personal income tax effected by Part TT of Chapter 60 of the Laws of 2016, beginning in tax year 2018. The new withholding tables and other methods also reflect the temporary expansion of the top brackets and rates of New York State personal income tax effected by Part A of Chapter 59 of the Laws of 2021 and provide a third withholding method to better accommodate the new brackets and rates. Changes to the City of Yonkers withholding tables and other methods were necessary because the City of Yonkers income tax surcharge is a specified percentage of New York State tax. The rule also updates 20 NYCRR sections 171.4 and 251.1, relating to withholding for supplemental wages, to reflect the new brackets and rates and the additional withholding method.

The rule applies to wages and other compensation subject to withholding paid on or after January 1, 2022.