

## SUBSTANCE OF THE PROPOSED RULE

### DEPARTMENT OF TAXATION AND FINANCE

Sections 671(a)(1) and section 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 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 reflect amendments to the Code of the City of Yonkers enacted by Local Law No. 11-2014 pursuant to Tax Law section 1321 that increased the rate of the city income tax surcharge from 15 percent of net state income tax to 16  $\frac{3}{4}$  percent of that amount, effective January 1, 2014. This rule also reflects the increase in the City of Yonkers supplemental withholding tax rate to be applied to supplemental wage payments. The rule applies to wages and other compensation subject to withholding paid on or after August 1, 2014. Accordingly, withholding rates reflect the full amount of liability for 2014 applied to a 5-month period.