



Office of the State Comptroller

PAYROLL BULLETIN

Subject	New York City Withholding for Non-Residents of the City who work Partly In and Partly Outside the City	Bulletin No. P-368
		Date September 26, 1983

The Employer's Withholding Tax Instructions (IT-2100 5/83) which is issued by the New York State Department of Taxation and Finance explains withholding required for New York State and New York City income taxes. A copy of this publication is being sent to each payroll office.

The instructions clarify the requirements for withholding of the New York City earnings tax for non-residents of the City who spend only a part of their time working in the City. Generally, employees who travel to the City on behalf of the State are subject to the NYC non-resident earnings tax if their annual wages subject to the tax exceed \$3,000. The amount of wages subject to the tax is that percentage of total wages that the total number of days worked in the City bears to the total days worked both inside and outside the City, exclusive of all days actually not worked. (Refer to Section 8 on page 7 of the Booklet.) We have been informed by the Tax Department that in determining this percentage, time spent travelling to and from the City is considered to be time spent working outside the City. For example, an employee who spends two hours travelling to the City, four hours working in the City, and two hours returning home is considered to have spent only one-half day in the City, and only 50% of compensation for that day is subject to the City withholding tax.

Employees whose total wages subject to the City tax are reasonably expected to exceed \$3,000 for the year (pro-rated for periods of less than one year) must file the City of New York "Certificate of Non-Residence" (Form IT-2104.2) reporting the expected percentage of wages which will be subject to the tax. Current employees may base this determination on the previous year's experience. New employees must make an estimate based on the experience of employees in similar positions. The withholding will be based upon the percentage reported on the Certificate.

Each agency payroll office is responsible for assuring the appropriate withholding of this tax. You should use records of assignments, travel vouchers, or any other information which you have to insure that you receive the "Certificate of Non-Residence" from all employees who must file. Report the percentage of wages subject to the New York City non-resident tax in block 511 on an AC-1040 as instructed in the Agency Payroll Manual, Chapter D page 31.

Questions concerning the determination of wages subject to the New York City tax should be directed to the Department of Taxation and Finance at (518) 457-5511. Additional copies of the Employer's Withholding Tax Instructions and supplies of the "Certificate of Non-Residence" may be obtained by writing to:

New York State Tax Department
Tax Payer Assistance Bureau
State Campus
Albany, New York 12227