



Office of the State Comptroller PAYROLL BULLETIN

Subject Withholding of Yonkers Income Tax Surcharge on Residents and Earnings Tax on Non-Residents	Bulletin No. P-415
	Date January 2, 1985

The Tax Law and the City of Yonkers have established withholding, effective in 1985, for the Yonkers income tax surcharge on residents and earnings tax on non-residents.

It is each agency's responsibility to identify employees subject to this tax and to submit AC-1040's to initiate it. To assist you, the Office of the State Comptroller has prepared a listing (included with this Bulletin) of all employees who have home addresses in Yonkers. We are unable to identify those employees who are non-residents but work in Yonkers.

To obtain the required forms for Yonkers Non-Resident Employees (Form IT-2104.5) and Withholding Tax Tables and Methods (Booklet IT-2100.1 (10/84)) contact the Department of Tax & Finance at (518) 457-5510.

AC-1040's reporting Yonkers tax for all current employees are to be submitted in Payroll Period 20-Lag or 21 Current, checks dated January 23, 1985, for Administration and Period 21-Lag or 22 Current, checks dated January 30, 1985, for Institution agencies.

The following codes have been established for reporting Yonkers Resident or Non-Resident taxes on the AC-1040. Enter the codes and information in Section 7 "OTHER" of the AC-1040.

Yonkers Resident Withholding

The Yonkers Resident tax is calculated as a surcharge based on the net State withholding tax. Therefore, the number of exemptions (plus or minus) reported must be the same as the number of State exemptions reported and a separate withholding certificate is not required.

- (a) To report zero (0) or plus exemptions, enter code 581 in a "Code" Block and the number of exemptions in the "Amount" Block. Do not enter a plus sign.
- (b) To report minus exemptions, enter code 582 in a "Code" Block and the number of exemptions in the "Amount" Block. Do not enter a minus sign.
- (c) To report tax exempt status, enter code 581 in a "Code" Block and "99" in the "Amount" Block.

- (d) If an employee transfers within the agency with the result that her/his residence and official station are no longer in Yonkers, enter code 583 in a "Code" Block and a 'C' in the "Amount" Block to cancel Yonkers resident withholding tax.

NOTE: If an employee's residence changes with the result that she/he changes from Yonkers resident to non-resident, entering the employee's new status automatically cancels the old; do not enter code 583.

Yonkers Non-Resident Withholding

Employees who are not residents of Yonkers, but work full time in Yonkers or travel to Yonkers on behalf of the State are subject to 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 Yonkers bears to the total days worked both inside and outside Yonkers, exclusive of all days actually not worked. In determining this percentage, time spent traveling to and from Yonkers is considered to be time spent working outside Yonkers.

Employees whose total wages subject to Yonkers Tax are expected to exceed \$3,000 for the year (pro-rated for periods of less than one year) must file the City of Yonkers "Certificate of Non-Residence" (Form IT 2104-5) reporting the expected percentage of wages which will be subject to the tax. (A Copy of Form IT 2104-5 should be retained in the employee's Payroll or Personnel Office.)

- (a) To report the Non-Resident tax enter code 584 in a "Code" Block and the percentage in an "Amount" Block. If the employee works full time (100 percent) in Yonkers, but is not a resident, enter 99. Do not enter a percent sign (%) for code 584.

NOTE: If both resident and non-resident status are indicated on Form AC-1040, the Office of the State Comptroller assumes that the employee is a resident of Yonkers; non-resident data will not be processed.

- (b) If an employee transfers within the agency with the result that he or she is no longer working in Yonkers enter code 585 in a "Code" Block and a 'C' in the "Amount" Block to cancel Yonkers non-resident withholding tax.

NOTE: If an employee's residence changes with the result that he or she changes from non-resident to resident, entering the employee's new status automatically cancels the old; do not enter code 585.

Fixed Taxes

To initiate a fixed tax deduction for one payroll period, enter the appropriate code below in a "Code" Block and the amount to be deducted in the corresponding "Amount" Block.

Yonkers Resident	586
Yonkers Non-Resident	587

If both normal and fixed tax deductions are reported on one Form AC-1040, the Office of the State Comptroller assumes that the fixed tax is to be deducted rather than the normal. Refer to AC-1040 manual (Revised April 1984) for further instructions on when Fixed Taxes are applicable. (Chapter D, Section 4, Page 40).

AC-210 Salary Register

The Yonkers tax code, Number of Exemptions and Tax Amount will be printed on the Salary Register on the fourth line in the City tax fields, if there are no NYC taxes being reported. If NYC taxes are also being deducted, the Yonkers tax will be printed on line five directly under NYC taxes. In the City Tax Amount, a Y (Yonkers) or N (NYC) will precede the tax amount to indicate which tax is being deducted. (Refer to Chapter F, Section 1, Page 3 for tax codes.)

The total page on the Salary Register will print code 922 for Yonkers Tax Withheld. This code includes the total amount withheld for both City of Yonkers Resident and Non-Resident taxes.

Payroll Year-To-Date Summary Register

The Year-To-Date tax field has been added to the Summary for Yonkers tax.

Employee's Check Stub

If the employee is having City of Yonkers Resident or Non-Resident taxes withheld it will be reported in the Miscellaneous Deductions Column of the check stub with code 922 and the Amount.

The check stub will be revised in the future to include a year-to-date Yonkers tax block and the number of exemptions.

AC-230 Report of Check Returned for Refund

If it is necessary to return a check for refund or exchange which has City of Yonkers Resident or Non-Resident taxes withheld, enter 922 in a "Code" Block and the amount to be refunded in the amount block in the "Other Deductions" section of the Form AC-230.

Questions concerning this Bulletin should be directed to the Planning Office at (518) 474-1246.

