



Office of the State Comptroller
PAYROLL BULLETIN

Subject ADJUSTMENTS FOR YONKERS WITHHOLDING TAX	Bulletin No. P-429
	Date April 25, 1985

The Department of Taxation and Finance has notified us that adjustments for the Yonkers income tax surcharge and non-resident earnings tax must be made for all wages paid from January 1, 1985 until the first deduction was taken.

The Office of the State Comptroller notified State agencies (Bulletin P-415, issued January 2, 1985) to submit AC-1040's reporting these taxes in Payroll Period 20-LAG or 21-Current, checks dated January 23, 1985 for Administrative agencies and Payroll Period 21-LAG or 22-Current, checks dated January 31, 1985, for Institutions. Adjustments must now be made for all payroll periods beginning with checks dated January 2, 1985, and including all periods until the tax was actually reported to the Office of the State Comptroller, if later than the periods specified above.

Enclosed with this bulletin is a listing of your employees who currently have Yonkers tax withheld. You must review your payrolls and determine the periods for which tax should have been withheld and was not for each person, and submit an AC-1040 reporting the adjustment using the fixed tax codes.

In most cases the adjustment can be calculated by simply multiplying the current deduction by the number of periods missed. If the biweekly gross salaries are significantly different and you need to calculate the tax for a prior period, refer to New York State Tax Booklet IT-2100.1 (10/84). Since fixed taxes are taken instead of regular withholding, add the computed adjustment to the current deduction to determine the total fixed taxes to be reported. Report on the AC-1040 with code 586 for Residents or 587 for Non-Residents.

If an adjustment is large, it may be taken over two or more payroll periods. An AC-1040 must be submitted for each payroll period reporting the actual amount to be deducted in that period.

Submit the AC-1040's in Payroll Period 3-LAG or 4-Current, checks dated May 29, for Administrative agencies and Payroll Period 4-LAG or 5-Current, checks dated June 5, for Institutions.

Since fixed taxes are one-period deductions, the regular withholding using the exemptions or percentage previously reported will be reinstated automatically the following period.

Please notify your employees that the adjustments will be made.
Enclosure