



Office of the State Comptroller
PAYROLL BULLETIN

Subject NYS Withholding Requirements	Bulletin No. P-532
	Date July 21, 1987

The New York State Department of Taxation and Finance has issued a new 1987 form IT-2104, Employees Withholding Allowance Certificate for New York State, New York City and Yonkers and recommends that all employees file a new form. A Notice to Employers Regarding New Withholding Tax Regulation and a copy of the new 1987 IT-2104 are enclosed with this Bulletin.

Each agency must obtain a supply of new 1987 IT-2104's and provide one to each employee. To obtain the IT-2104's call the Toll free number

1-800-462-8100

OR WRITE TO

New York State Department of Taxation and Finance
Taxpayer Assistance Bureau
Forms Control Section
W. A. Harriman Campus
Albany, New York 12227

For each certificate received, submit an AC-1040 to adjust New York State, New York City and Yonkers exemptions, if necessary.

As with Federal Withholding, the New York State Payroll System does not accept additional fixed withholding amounts (lines 4, 5 and 6 on the IT-2104). Additional withholding is accomplished through "Minus" exemptions. Refer to your Payroll Manual for instructions on minus exemptions.

The Tax Department has also established a new reporting requirement. If an employee claims more than 14 allowances, or if an employee claims exempt from State withholding on Form IT-2104E, Certificate of Exemption from Withholding and usually earns more than \$200 per week, you are required to send a copy of the Form IT-2104 or IT-2104E to the Department of Taxation and Finance. Any such forms on file as of July 30, 1987 must be sent to the following address by July 31, 1987.

New York State Department of Taxation and Finance
Income Tax Audit Administration
Withholding Certificate Coordinator
Building 9, W. A. Harriman Campus
Albany, New York 12227

The Tax Department is requiring that all new certificates from employees claiming more than 14 allowances or exempt from withholding where earnings are more than \$200 per week submitted to you be forwarded to them on a quarterly basis. The future dates for submitting new certificates are as follows:

<u>Quarter</u>	<u>Due Date</u>
January - March	April 30
April - June	July 31
July - September	October 31
October - December	January 31

If your agency is notified by the Tax Department that an employee's IT-2104 or IT-2104E form is invalid, the number of allowances an employee can validly claim will be shown on the Notice. Submit an AC-1040 with the change of allowances.

If the employee later gives you a new IT-2104, the employee must also give a written statement explaining why the new allowances should be accepted. A written statement is needed only when the Tax Department has changed an employee's allowances and the employee requests to change the Tax Department's valid allowances for the employee. Forward the new Form IT-2104 along with the statement from the employee to the Tax Department at the above address for their review.

Under the 1987 Tax Reform and Reduction Act, there will be new New York State Withholding Tax Tables effective October 1, 1987. We will issue a Bulletin as soon as we receive them.

Questions concerning this Bulletin should be directed to the Planning Office at (518) 486-3068.

IT-2104 Employee's Withholding Allowance Certificate and Instructions
 (6/87) **New York State, City of New York and City of Yonkers**

1987

Who Should File This Form

You should file a New York withholding allowance certificate for tax year 1987 if you are a new employee.

You should also file a New York withholding allowance certificate if you want to change the number of allowances you are currently claiming. Major changes have been made in the tax law which affect your tax liability. The following factors may also affect the number of allowances you should be claiming:

- Your individual circumstances may have changed (for example, the birth of a child).
- You itemize your deductions.
- You claim allowances for New York State credits or the New York tuition deduction.

Exemption From Withholding

In certain cases, you can request that no income taxes be withheld from your pay by filing Form IT-2104E, *Certificate of Exemption From Withholding*, with your employer. You can claim this exemption from withholding if you had no New York income tax liability in 1986, you expect none in 1987, and you are over 65 years of age, under 18, or a full-time student under 25. If you are a dependent who is under 18 or a full-time student, you are liable for tax if your income is more than \$2,800.

Avoid Underwithholding

You should claim the number of withholding allowances you figure in Part 1 on page 2. If you want more tax withheld you may claim fewer allowances. You may also request that your employer withhold an additional dollar amount each pay period on lines 4, 5 and 6 of the allowance certificate.

If you claim more than 14 allowances, your employer must send a copy of your Form IT-2104 to New York State. You may then be asked to verify your allowances.

A penalty of \$500 will be imposed for any false statement you make that decreases the amount of money you have withheld from your wages. You may also be subject to criminal penalties.

Income From Sources Other Than Wages

If you have more than \$1,000 of income from sources other than wages (such as interest, dividends or alimony received), you should reduce the number of allowances claimed on line 1 of the IT-2104 certificate by 1 for each \$1,000 of nonwage income.

You may also consider filing estimated tax. For more information see Form IT-2105, *Estimated Income Tax*.

Taxpayers With Multiple Jobs

Married Couples - If you are married and you both work, or if either of you has more than one job, you should:

- Jointly complete one worksheet on page 2 with your spouse;
- Split the **total** number of allowances from line 12 of the worksheet between your individual certificates any way you like. However, your withholding will be closer to your actual liability if you claim all allowances on the IT-2104 certificate for the highest-income job, and "0" on all others;
- Check the box "Married, multiple jobs";
- File a separate certificate (IT-2104) with each employer.

Single/Head of Household - If you are single or a head of household and you have more than one job you should:

- Complete one worksheet on page 2;
- Split the **total** number of allowances from line 12 of the worksheet between your certificates any way you like. However, your withholding will be closer to your actual liability if you claim all the allowances on the IT-2104 certificate for the highest-income job, and "0" on all others;
- Check the box "Single/Head of Household" on each certificate;
- File a separate certificate (IT-2104) with each employer.

Complete Worksheet on Page 2 Before Making Any Entries Below

..... Cut here and give the certificate to your employer

IT-2104 Employee's Withholding Allowance Certificate
 (6/87) **New York State, City of New York and City of Yonkers**

1987

PRINT OR TYPE	Last name		First name and middle initial		Your social security number	
	Permanent mailing address (number and street or rural route)				Apartment number	
	City, village or post office		State		ZIP code	
					<input type="checkbox"/> Single/Head of Household <input type="checkbox"/> Married <input type="checkbox"/> Married, multiple jobs If married but legally separated, check the Single/Head of Household box.	
1 Total number of allowances you are claiming for New York State and Yonkers, if applicable (from page 2, Part 1, line 12) .. 1						
Lines 2 and 3 apply only to New York City taxpayers						
2 Allowances for New York State credits, if applicable (from page 2, Part 1, lines 4, 5 and 6)						
3 Total number of allowances for City of New York (subtract line 2 from line 1)						
Use lines 4, 5 and 6 to have additional withholding per pay period under special agreement with your employer						
4 New York State amount						
5 City of New York amount						
6 City of Yonkers amount						
I certify that I am entitled to the number of withholding allowances claimed on this certificate.						
Employee's signature:					Date:	
Employer's name and address (Employer: Complete this section only if sending to NYS Tax Department)					Employer identification number	

Notice to Employers Regarding New Withholding Tax Regulations

April, the Legislature passed and Governor Cuomo signed law the Tax Reform and Reduction Act of 1987 reducing taxes over the next four years. One immediate effect of this act is that many of your employees may not be having the correct amount of New York State income tax withheld from their pay.

To ensure greater accuracy in 1987 withholding amounts, all employees should file a new Form IT-2104, *Employees Withholding Allowance Certificate*, as soon as possible. A copy of Form IT-2104 for 1987 is enclosed, and you may photocopy it and give it to your employees. If you prefer, you can order bulk quantities of Form IT-2104 by using the order blank attached below, or by calling toll free (from New York State only) 1 800 462-8100. From areas outside New York, call (518) 438-1073.

Since the provisions of New York's tax reform will be phased in over a four-year period, your employees should also review their withholding allowances next year by filling out a 1988 Form IT-2104. This form will be included in the income tax packets we will be sending out to all taxpayers at the end of this year. Copies of both the 1987 and 1988 Forms IT-2104 will also be included in the Employer's Withholding Tax Tables and Methods (effective October 1, 1987).

An employee who makes a false statement on Form IT-2104 that decreases their withholding amount without justification may be subject to a civil penalty of \$500. Criminal penalties also apply for willful failure to supply information or for supplying false or fraudulent information. Employers are subject to civil and criminal penalties for failing to comply with the following requirements.

New Requirements for Employers: If an employee claims more than 14 allowances, you are now required to send a copy of that employee's IT-2104 to the Tax Department. Also, if an employee who claims exemption from withholding on Form IT-2104E, *Certificate of Exemption from Withholding*, usually earns more than \$200 per week, you must send in a copy of that employee's Form IT-2104E. Any such forms on file on June 30, 1987, must be sent by July 31, 1987 to:

New York State Department of Taxation and Finance
Income Tax Audit Administrator
Withholding Certificate Coordinator
Building 9, W. A. Harriman Campus
Albany, New York 12227

The Tax Department will review these certificates and notify you of any adjustments that must be made. The number of allowances verified by the Tax Department must be used as the basis for withholding and cannot be changed unless the employee submits a new Form IT-2104 with a statement explaining why the new allowances should be accepted. You must send this new IT-2104 and statement to the Tax Department, which will determine whether or not to accept the new certificate.

Future due dates for sending new certificates received from employees claiming more than 14 allowances, or claiming exemption from withholding where earnings are more than \$200 per week, are as follows:

Quarter	Due Date
January - March	April 30
April - June	July 31
July - September	October 31
October - December	January 31

If you need more 1987 IT-2104 forms, complete the order blank below. Detach and mail your order blank in an envelope addressed to:

New York State Department of Taxation and Finance
Taxpayer Assistance Bureau
Forms Control Section
W. A. Harriman Campus
Albany, NY 12227

----- Cut Here -----

Please send _____ copies of the 1987 IT-2104, *Employee's Withholding Allowance Certificate*, to:

Print or Type	Name		
	Mailing address (Number and street or rural route)		
	City, village, or post office	State	ZIP code

Part 1 - Complete this worksheet to figure your withholding allowances

1. Enter "1" for yourself if no one else can claim you as a dependent.....	1.	_____
2. Enter "1" for your spouse if no one else can claim your spouse as a dependent.....	2.	_____
3. Enter number of dependents other than your spouse that you will claim on your return.....	3.	_____
For lines 4 through 8, enter "1" for each item you expect to claim on your return		
4. New York State household credit.....	4.	_____
5. Child and dependent care credit.....	5.	_____
6. Real property tax credit.....	6.	_____
7. Head of household status and only one job.....	7.	_____
8. Married and only one job.....	8.	_____
9. New York State tuition deduction (enter 1 for each dependent in college in New York State).....	9.	_____
10. Enter an estimate of the amount of alimony you will pay in 1987 and deductible IRA contributions you will make for 1987. Total estimate \$_____. Divide this estimate by \$1,000. Drop any fraction and enter the number.....	10.	_____
11. If you expect to itemize deductions on your state tax return, complete the worksheet below and enter the number from line F. Nonitemizers enter "0".....	11.	_____
12. Add lines 1 through 11. Enter the result here and on page 1, line 1 of the IT-2104 certificate (taxpayers with more than one job or where both spouses work - see instructions).....	12.	_____

Part 2 - Additional worksheet for itemizers - Complete this part only if you expect to itemize deductions on your state return.

A. Enter your estimated federal itemized deductions for 1987.....	A.	\$_____					
B. Enter your estimated state and local income taxes included on line A.....	B.	\$_____					
C. Subtract line B from line A and enter the result.....	C.	\$_____					
D. Based on your federal filing status, enter the amount from the table below.....	D.	\$_____					
<table> <tr> <td>\$3,600 if single</td> </tr> <tr> <td>\$4,600 if head of household</td> </tr> <tr> <td>\$5,300 if married filing jointly</td> </tr> <tr> <td>\$2,650 if married filing separate returns</td> </tr> <tr> <td>\$2,800 if dependent filer</td> </tr> </table>			\$3,600 if single	\$4,600 if head of household	\$5,300 if married filing jointly	\$2,650 if married filing separate returns	\$2,800 if dependent filer
\$3,600 if single							
\$4,600 if head of household							
\$5,300 if married filing jointly							
\$2,650 if married filing separate returns							
\$2,800 if dependent filer							
E. Subtract line D from line C and enter result.....	E.	\$_____					
F. Divide line E by \$1,000. Drop any fraction and enter result here and on line 11 above.....	F.	_____					

For More Information or Forms

If you need more information on how to complete this form, call toll free, in New York State only, 1 800 CALL TAX (1 800 225-5829). From areas outside New York State, call (518) 438-8581.

For another copy of Form IT-2104, *Employee's Withholding Allowance Certificate*, or other New York State tax forms, call toll free, in New York State only, 1 800 462-8100. From areas outside New York State, call (518) 438-1073.