



Revised New York City Withholding Tax Computation Rules

NYS-50-T.2
(9/10)

Effective September 1, 2010

Replaces Publication NYS-50-T (dated 1/06), pages T-39, T-40, and T-40-A.

As a result of recent legislative changes, the New York City personal income tax rates have changed for certain taxpayers. Accordingly, effective for payrolls made on or after September 1, 2010, employers must use the rules described below and the revised withholding methods included in this publication to compute the amount of New York City personal income tax to be withheld from employees.

The New York State personal income tax rates, Yonkers resident personal income surcharge tax rate, and Yonkers nonresident earnings tax rate have not changed. Employers should continue to use the methods in Publications NYS-50-T (dated 1/06) and NYS-50-T.1 (dated 1/10) to determine the amounts to be withheld for these taxes.

Regular withholding rates

Effective September 1, 2010, the following rules apply for computing the amount of New York City personal income tax to be withheld:

- If you use Method I, *Wage bracket tables* (look-up tables), to compute withholding tax for your employees, you can continue to use the New York City tables contained in Publication NYS-50-T (dated 1/06).
- If you elect (or are required) to use Method II, *Exact Calculation Method*, you must use the revised exact calculation method(s) in this publication as the New York City personal income tax exact calculation methods on pages T-39, T-40, and T-40-A in Publication NYS-50-T (dated 1/06) are no longer valid.
- If you use the dollar-to-dollar withholding tables instead of the exact calculation method, you can continue to use the dollar-to-dollar withholding tables contained in Publication NYS-50-T (dated 1/06).

Supplemental withholding rate

Effective September 1, 2010, if you pay supplemental wages (bonuses, commissions, overtime pay, sales awards, etc.), the following withholding rate applies for New York City:

New York City **4.75%** (.0475)

Please note the following information included in this publication:

- New York City exact calculation method (NYS-50-T replacement pages T-39, T-40, and T-40-A)

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- print or download withholding forms and publications
- obtain the latest information on withholding tax
- learn about paperless filing options available using our Online Services

Table II - A Weekly Payroll					
Line item number	If the amount of net wages (after subtracting deductions and exemptions) is:		Subtract Column 3 amount from net wages	Multiply the result by Column 4 amount	Add the result to Column 5 amount. Withhold the resulting sum.
	At Least	But less than			
	Column 1	Column 2	Column 3	Column 4	Column 5
1	\$0	\$154	\$0	0.0190	\$0
2	154	167	154	0.0265	2.92
3	167	288	167	0.0310	3.29
4	288	481	288	0.0370	7.04
5	481	1,154	481	0.0390	14.15
6	1,154	9,615	1,154	0.0400	40.40
7	9,615		9,615	0.0475	378.87

Table II - D Monthly Payroll					
Line item number	If the amount of net wages (after subtracting deductions and exemptions) is:		Subtract Column 3 amount from net wages	Multiply the result by Column 4 amount	Add the result to Column 5 amount. Withhold the resulting sum.
	At Least	But less than			
	Column 1	Column 2	Column 3	Column 4	Column 5
1	\$0	\$667	\$0	0.0190	\$0
2	667	725	667	0.0265	12.67
3	725	1,250	725	0.0310	14.25
4	1,250	2,083	1,250	0.0370	30.50
5	2,083	5,000	2,083	0.0390	61.33
6	5,000	41,667	5,000	0.0400	175.08
7	41,667		41,667	0.0475	1,641.75

Table II - B Biweekly Payroll					
Line item number	If the amount of net wages (after subtracting deductions and exemptions) is:		Subtract Column 3 amount from net wages	Multiply the result by Column 4 amount	Add the result to Column 5 amount. Withhold the resulting sum.
	At Least	But less than			
	Column 1	Column 2	Column 3	Column 4	Column 5
1	\$0	\$308	\$0	0.0190	\$0
2	308	334	308	0.0265	5.85
3	334	577	334	0.0310	6.58
4	577	962	577	0.0370	14.08
5	962	2,308	962	0.0390	28.31
6	2,308	19,231	2,308	0.0400	80.81
7	19,231		19,231	0.0475	757.73

Table II - E Daily Payroll					
Line item number	If the amount of net wages (after subtracting deductions and exemptions) is:		Subtract Column 3 amount from net wages	Multiply the result by Column 4 amount	Add the result to Column 5 amount. Withhold the resulting sum.
	At Least	But less than			
	Column 1	Column 2	Column 3	Column 4	Column 5
1	\$0.00	\$31.00	\$0.00	0.0190	\$0
2	31.00	33.50	31.00	0.0265	0.58
3	33.50	57.50	33.50	0.0310	0.66
4	57.50	96.00	57.50	0.0370	1.41
5	96.00	231.00	96.00	0.0390	2.83
6	231.00	1,923.00	231.00	0.0400	8.08
7	1,923.00		1,923.00	0.0475	75.77

Table II - C Semimonthly Payroll					
Line item number	If the amount of net wages (after subtracting deductions and exemptions) is:		Subtract Column 3 amount from net wages	Multiply the result by Column 4 amount	Add the result to Column 5 amount. Withhold the resulting sum.
	At Least	But less than			
	Column 1	Column 2	Column 3	Column 4	Column 5
1	\$0	\$333	\$0	0.0190	\$0
2	333	362	333	0.0265	6.33
3	362	625	362	0.0310	7.13
4	625	1,042	625	0.0370	15.25
5	1,042	2,500	1,042	0.0390	30.67
6	2,500	20,833	2,500	0.0400	87.54
7	20,833		20,833	0.0475	820.88

Annual Tax Rate Schedule					
Line item number	If annual wages (after subtracting deductions and exemptions) are:		Subtract Column 3 amount from taxable portion of annualized pay	Multiply the result by Column 4 amount	Add the result to Column 5 amount. The resulting sum is the annualized tax.
	At Least	But less than			
	Column 1	Column 2	Column 3	Column 4	Column 5
1	\$0	\$8,000	\$0	0.0190	\$0
2	8,000	8,700	8,000	0.0265	152.00
3	8,700	15,000	8,700	0.0310	171.00
4	15,000	25,000	15,000	0.0370	366.00
5	25,000	60,000	25,000	0.0390	736.00
6	60,000	500,000	60,000	0.0400	2,101.00
7	500,000		500,000	0.0475	19,701.00

Steps for computing the amount of tax to be withheld:

Step 1 If the number of exemptions claimed is ten or fewer, look up the total exemption and deduction amount in Table A on page T-38, according to the payroll period and marital status claimed. (If there are more than 10 exemptions, multiply the number by the exemption amount in Table C on page T-38 and add it to the deduction amount from Table B.) Subtract the total exemption and deduction amount from the wages to get net wages.

For weekly payroll periods, if the amount of net wages is \$1,200 or less, you may use the simplified Dollar to Dollar Withholding Table beginning on page T-41 to find the amount to withhold. Otherwise, continue with Step 2.

Step 2 Locate the table on this page for the appropriate payroll period. Find the line on which the net wages fall between the amounts in Columns 1 and 2.

Step 3 Following across on the line you found in Step 2, subtract the amount in Column 3 from the net wages.

Step 4 Following across the same line, multiply the result from Step 3 by the amount in Column 4.

Step 5 Following across on the same line, add the result from Step 4 to the amount in Column 5. The resulting sum is the amount to withhold from wages.

See page T-40-A for withholding calculation examples using Method II.

Table II - A Weekly Payroll					
Line L i n e	If the amount of net wages (after subtracting deductions and exemptions) is:		Subtract Column 3 amount from net wages	Multiply the result by Column 4 amount	Add the result to Column 5 amount. Withhold the resulting sum.
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Steps for computing the amount of tax to be withheld:

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Step 5 Following across on the same line, add the result from Step 4 to the amount in Column 5. The resulting sum is the amount to withhold from wages.

See page T-40-A for withholding calculation examples using Method II.

Method II Exact Calculation Method Examples

Single	
Example 1: Weekly payroll, \$400 gross wages, single, 3 exemptions 1. Amount from Table A on page T-38 is \$153.90 for single, weekly payroll, 3 exemptions. \$400 wages - \$153.90 = \$246.10 net wages. 2. Use Table II - A on page T-39 for single, weekly payroll. Look up \$246.10 and use line 3 on which \$246.10 is greater than Column 1 (\$167) but less than Column 2 (\$288). 3. \$246.10 - \$167 (from Column 3, line 3) = \$79.10. 4. \$79.10 x .0310 (from Column 4, line 3) = \$2.45. 5. \$2.45 + \$3.29 (from Column 5, line 3) = \$5.74. Withhold this amount.	Example 3: Monthly payroll, \$50,000 gross wages, single, 3 exemptions 1. Amount from Table A on page T-38 is \$666.60 for single, monthly payroll, 3 exemptions. \$50,000 wages - \$666.60 = \$49,333.40 net wages. 2. Use Table II - D on page T-39 for single, monthly payroll. Look up \$49,333.40 and use line 7 on which \$49,333.40 is greater than Column 1 (\$41,667). 3. \$49,333.40 - \$41,667 (from column 3, line 7) = \$7,666.40. 4. \$7,666.40 x .0475 (from Column 4, line 7) = \$364.15. 5. \$364.15 + \$1,641.75 (from Column 5, line 7) = \$2,005.90. Withhold this amount.
Example 2: Semimonthly payroll, \$5,000 gross wages, single, 1 exemption 1. Amount from Table A on page T-38 is \$250 for single, semimonthly payroll, 1 exemption. \$5,000 wages - \$250 = \$4,750 net wages. 2. Use Table II - C on page T-39 for single, semimonthly payroll. Look up \$4,750 and use line 6 on which \$4,750 is greater than Column 1 (\$2,500). 3. \$4,750 - \$2,500 (from Column 3, line 6) = \$2,250. 4. \$2,250 x .0400 (from Column 4, line 6) = \$90. 5. \$90.00 + \$87.54 (from Column 5, line 6) = \$177.54. Withhold this amount.	Example 4: Daily payroll, \$750 gross wages, single, 2 exemptions 1. Amount from Table A on page T-38 is \$26.95 for single, daily payroll, 2 exemptions. \$750 wages - \$26.95 = \$723.05 net wages. 2. Use Table II - E on page T-39 for single, daily payroll. Look up \$723.05 and use line 6 on which \$723.05 is greater than Column 1 (\$231.00). 3. \$723.05 - \$231.00 (from Column 3, line 6) = \$492.05. 4. \$492.05 x .0400 (from Column 4, line 6) = \$19.68. 5. \$19.68 + \$8.08 (from Column 5, line 6) = \$27.76. Withhold this amount.
Married	
Example 1: Weekly payroll, \$400 gross wages, married, 4 exemptions 1. Amount from Table A on page T-38 is \$182.75 for married, weekly payroll, 4 exemptions. \$400 wages - \$182.75 = \$217.25 net wages. 2. Use Table II - A on page T-40 for married, weekly payroll. Look up \$217.25 and use line 3 on which \$217.25 is greater than Column 1 (\$167) but less than Column 2 (\$288). 3. \$217.25 - \$167 (from Column 3, line 3) = \$50.25. 4. \$50.25 x .0310 (from Column 4, line 3) = \$1.56. 5. \$1.56 + \$3.29 (from Column 5, line 3) = \$4.85. Withhold this amount.	Example 3: Monthly payroll, \$50,000 gross wages, married, 3 exemptions 1. Amount from Table A on page T-38 is \$708.20 for married, monthly payroll, 3 exemptions. \$50,000 wages - \$708.20 = \$49,291.80 net wages. 2. Use Table II - D on page T-40 for married, monthly payroll. Look up \$49,291.80 and use line 7 on which \$49,291.80 is greater than Column 1 (\$41,667). 3. \$49,291.80 - \$41,667 (from Column 3, line 7) = \$7,624.80. 4. \$7,624.80 x .0475 (from Column 4, line 7) = \$362.18. 5. \$362.18 + \$1,641.75 (from Column 5, line 7) = \$2,003.93. Withhold this amount.
Example 2: Semimonthly payroll, \$5,000 gross wages, married, 3 exemptions 1. Amount from Table A on page T-38 is \$354.10 for married, semimonthly payroll, 3 exemptions. \$5,000 wages - \$354.10 = \$4,645.90 net wages. 2. Use Table II - C on page T-40 for married, semimonthly payroll. Look up \$4,645.90 and use line 6 on which \$4,645.90 is greater than Column 1 (\$2,500). 3. \$4,645.90 - \$2,500 (from Column 3, line 6) = \$2,145.90. 4. \$2,145.90 x .0400 (from Column 4, line 6) = \$85.84. 5. \$85.84 + \$87.54 (from Column 5, line 6) = \$173.38. Withhold this amount.	Example 4: Daily payroll, \$750 gross wages, married, 2 exemptions 1. Amount from Table A on page T-38 is \$28.85 for married, daily payroll, 2 exemptions. \$750 wages - \$28.85 = \$721.15 net wages. 2. Use Table II - E on page T-40 for married, daily payroll. Look up \$721.15 and use line 6 on which \$721.15 is greater than Column 1 (\$231.00). 3. \$721.15 - \$231.00 (from Column 3, line 6) = \$490.15. 4. \$490.15 x .0400 (from Column 4, line 6) = \$19.61. 5. \$19.61 + \$8.08 (from Column 5, line 6) = \$27.69. Withhold this amount.