



Office of the State Comptroller

PAYROLL BULLETIN

Subject Reporting Requirements for State Withholding Forms IT-2104 and IT-2104-E	Bulletin No. P-948
	Date May 5, 1997

The New York State Tax Department has asked us to remind agencies of the reporting requirements for employees claiming more than 14 allowances for State withholding or exemption from State withholding. These requirements have not changed: this bulletin is a restatement of the procedures.

Form IT-2104, Employee's Withholding Allowance Certificate

Employees are required to file Form IT-2104 with their employer if their number of New York withholding allowances is different than the number of federal withholding allowances claimed on Federal Form W-4, Federal Employee's Withholding Allowance Certificate.

If an employee claims more than 14 allowances on Form IT-2104 you are required to send a copy of Form IT-2104 to the New York State Tax Department.

Form IT-2104-E, Certificate of Exemption from Withholding

An employee must file Form IT-2104-E if that employee qualifies for and wishes to claim exemption from New York withholding. If an employee claims exemption from withholding on Form IT-2104 do not accept this form. Explain to the employee that Form IT-2104-E must be completed and filed to claim exemption from withholding.

You have two important requirements that must be met if one of your employees is claiming exemption from withholding on Form IT-2104-E. These requirements are:

1. You must send a copy of an employee's Form IT-2104-E to the New York State Tax Department if the employee usually earns more than \$200.00 per week.
2. You must revoke the exemption an employee claims on Form IT-2104-E within 10 days if on any day during the year, the date of birth stated on the employee's Form IT-2104-E indicates the employee no longer meets the age requirements for exemption from withholding. The revocation must be in the form of a written notice to the employee (This section has been also interpreted to mean that you cannot accept an IT-2104-E if the age requirement is not met).

A report identifying employees who are claiming exemption from NYS taxes will be produced in January each year. Agencies should use this listing to notify employees that their NYS tax exemption will expire on February 15. The Department of Tax and Finance has approved this date and since it agrees with Federal expiration date it will simplify the process. Please disregard the date pre-printed on the IT-2104-E. The employee should be made aware that they have the option of filing a new IT 2104-E to continue their exempt status if they qualify, or an IT 2104 to report their current withholding allowance status. Employees should also be made aware that their Payroll Office will be required to report single status and one exemption if a new withholding form is not provided. Agencies must report the appropriate changes through the deduction processing system. No changes will be made automatically by OSC.

Due Date for Filing Form IT-2104 or Form IT-2104-E

All new forms must be forwarded to the New York State Tax Department on a quarterly basis. The dates for submitting new certificates are as follows:

QUARTER	DUE DATE
January-March	April 30
April-June	July 31
July-September	October 31
October-December	January 31

Certificates Should be Sent to the Following Address:

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

Notification of Adjustment to Employees Withholding Allowances

If your agency is notified by the Tax Department that an employee's Form IT-2104 or Form IT-2104-E is invalid, the number of allowances an employee can validly claim will be shown on the Tax Department Withholding Allowance Adjustment Notice (Notice). Submit a deduction transaction to report the change of allowances.

Procedures to Follow if Employee Files a New Withholding Allowance Certificate after the Tax Department has Adjusted an Employee's Withholding Allowance

If an employee files a new Form IT-2104, after an earlier certificate of the employee has been found defective by the New York State Tax Department, you should only allow the new number of withholding allowances if that number is less than the number of the adjusted withholding allowances shown on the notice that the Tax Department sent to you.

If an employee gives you a new Form IT-2104 showing a number of withholding allowances greater than the number of allowances shown on the Tax Department Withholding Allowance Notice or if the employee gives you a new Form IT-2104-E, Certificate of Exemption from Withholding, do not honor it. Explain to the employee that they must also complete a statement justifying the change. Either you or the employee must then send this statement, the Form IT-2104 or Form IT-2104-E, and a copy of the original withholding allowance adjustment notice to the New York State Department of Taxation and Finance at the address provided on the notice. Continue to withhold based on the Notice until you receive further instructions from the New York State Tax Department.

A copy of the IT-2104 and IT-2104-E will be provided with the copy of this bulletin that is mailed with the Payroll Register. You may make photocopies for your use.

Any questions concerning this bulletin can be directed to the Systems Development Office at (518) 473-0950.



Employee's Withholding Allowance Certificate

New York State • City of New York • City of Yonkers

Print on	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, but withhold at higher single rate <input type="checkbox"/> Qualifying widow(er) Note: If married but legally separated, check the <i>Single/Head of Household</i> box.						
Complete the worksheet on the back before making any entries.						
1 Total number of allowances you are claiming for New York State and the city of Yonkers, if applicable (from line 18)						1
Lines 2 and 3 apply only to city of New York taxpayers.						
2 Allowances for New York State credits, if applicable (from lines 8 through 11 on the back)						2
3 Total number of allowances for city of New York (subtract line 2 from line 1)						3
Use lines 4, 5 and 6 below to have additional withholding per pay period under special agreement with your employer.						
4 New York State amount						4
5 City of New York amount						5
6 City of Yonkers amount						6
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 New York State Tax Department.)					Employer identification number	

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

Instructions

Change for 1997

Employers may use Form IT-2104 to report newly hired employees.

Who Should File This Form

This certificate, Form IT-2104, is completed by an employee and given to the employer to instruct the employer how much New York State (and New York City and Yonkers) tax to withhold from the employee's pay. The more allowances claimed, the lower the amount of tax withheld.

If you do not file Form IT-2104, your employer may use the same number of allowances you claimed on federal Form W-4. Due to differences in tax law, this may result in an inappropriate amount of tax withheld for New York State, New York City and Yonkers. Complete a Form IT-2104 each year, and file it with your employer if the number of allowances you may claim is different than on federal Form W-4 or has changed. Common reasons why you should complete a new Form IT-2104 include the following:

- you started a new job;
- you are no longer a dependent;
- your individual circumstances may have changed (for example, you were married or have an additional child);
- you itemize your deductions on your personal income tax return;
- you claim allowances for New York State credits;
- you owed tax or received a large refund when you filed your personal income tax return for the past year;
- you have significantly more or less income from other sources or from another job;
- you no longer qualify for exemption from withholding; or
- you have been advised by the Internal Revenue Service that you are entitled to fewer allowances than claimed on your original federal Form W-4, and the disallowed allowances were claimed on your original IT-2104.

Exemption From Withholding

You cannot use this Form IT-2104 to claim exemption from withholding.

To claim exemption from income tax withholding, you must file Form IT-2104-E, *Certificate of*

Exemption from Withholding, with your employer.

You must file a new certificate each year. This exemption from withholding is allowable only if you had no New York income tax liability in the prior year, you expect none in the current year, 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 \$3,000.

Avoid Underwithholding

You may not claim a withholding allowance for yourself or, if married, your spouse. Claim the number of withholding allowances you figure in Part I on the back of this form. If you want more tax withheld, you may claim fewer allowances. If you arrive at negative allowances (less than zero) on lines 1, 3 or 18, and your employer cannot accommodate negative allowances, enter "0" and ask your employer to withhold an additional dollar amount each pay period by completing lines 4, 5 and 6 on the allowance certificate. You may also consider filing estimated tax. Estimated tax requires that payments be made by the employee directly to the Tax Department on a quarterly basis. For more information see the instructions for Form IT-2105, *Estimated Income Tax Payment Voucher*. If you need assistance, see *Need Help?* on the back of this form. If you claim more than 14 allowances, your employer must send a copy of your Form IT-2104 to the New York State Tax Department. You may then be asked to verify your allowances.

Penalty - 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), reduce the number of allowances claimed on line 1 of the IT-2104 certificate by one for each \$1,000 of nonwage income. If you arrive at negative allowances (less than zero), see *Avoid Underwithholding* above.

Lines 8 and 11

When a taxpayer is eligible for both the household credit and the earned income credit, the earned income credit must be reduced by the household

credit. If you expect to claim the earned income credit on line 11, enter "0" on line 8.

Heads of Households With Only One Job

If you will use the head-of-household filing status on your state income tax return, check the *Single/Head of Household* box on the front of the certificate. If you have only one job, you may also wish to claim two additional withholding allowances on Part I, line 12.

Married Couples With Only One Spouse Working

If your spouse does not work and has no income subject to state income tax, check the *Married* box on the front of the certificate. You may also wish to claim two additional allowances on Part I, line 13.

Married Couples With Both Spouses Working

If you and your spouse both work, you should each file a separate IT-2104 certificate with your respective employers. You should each check the box *Married but withhold at higher single rate* on the certificate front, and divide the total number of allowances that you compute on line 18 between you and your working spouse. Your withholding will better match your final tax if the higher-wage earning spouse claims all of the couple's allowances and the lower-wage earning spouse claims zero allowances. Do not claim more allowances than you are entitled to. If the total income of you and your spouse is between \$100,000 and \$150,000, use the chart in Part III to compute the number of allowances to transfer to Part I, line 17.

Taxpayers With More Than One Job

If you have more than one job, file a separate IT-2104 certificate with each of your employers. Be sure to claim only the total number of allowances that you are entitled to. Your withholding will better match your final tax if you claim all of your allowances at your higher-paying job and zero allowances at the lower-paying job. In addition, to make sure that you have enough tax withheld, if you are a single taxpayer or head of household with two or more jobs, reduce the number of allowances by one on line 1 on the certificate you file with your higher-paying job employer. If you arrive at negative allowances (less than zero), see *Avoid Underwithholding* above.

Part I - Complete this worksheet to figure your withholding allowances.

7 Enter the number of dependents that you will claim on your state return (do not include yourself or, if married, your spouse) 7 _____

For lines 8 through 11, enter "1" for each credit you expect to claim on your state return.

8 New York State household credit (see instructions) 8 _____

9 Child and dependent care credit 9 _____

10 Real property tax credit 10 _____

11 Earned income credit (see instructions) 11 _____

For lines 12 and 13, enter "2" if either situation applies.

12 Head of household status and only one job 12 _____

13 Married couples with only one spouse working and only one job 13 _____

14 Enter an estimate of your federal adjustments to income, such as alimony you will pay for the tax year and deductible IRA contributions you will make for the tax year. Total estimate \$ _____. Divide this estimate by \$1,000. Drop any fraction and enter the number 14 _____

15 If you expect to itemize deductions on your state tax return, complete the worksheet below and enter the number from line 24. All others enter "0" 15 _____

16 Add lines 7 through 15. 16 _____

17 Married couples with both spouses working, whose total wages are between \$100,000 and \$150,000, enter the appropriate number from Part III below. All others enter "0" 17 _____

18 Subtract line 17 from line 16. Enter the result, including negative amounts, here and on line 1. If your employer cannot accommodate negative allowances, enter "0" here and on line 1 and see *Avoid Underwithholding* in the instructions. (If you have more than one job, or if you and your spouse both work, see instructions.) 18 _____

Part II - Complete this worksheet only if you expect to itemize deductions on your state return.

19 Enter your estimated federal itemized deductions for the tax year 19 _____

20 Enter your estimated state, local and foreign income taxes included on line 19 20 _____

21 Subtract line 20 from line 19 21 _____

22 Based on your federal filing status, enter the applicable amount from the table below 22 _____

Standard Deduction Table

Single (cannot be claimed as a dependent) .. \$ 7,500	Qualifying widow(er)..... \$13,000
Single (can be claimed as a dependent)..... \$ 3,000	Married filing jointly \$13,000
Head of household \$10,500	Married filing separate returns \$ 6,500

23 Subtract line 22 from line 21 (if line 22 is larger than line 21, enter "0" here and on line 15 above) 23 _____

24 Divide line 23 by \$1,000. Drop any fraction and enter the result here and on line 15 above 24 _____

Part III - Chart for married couples with both spouses working whose combined income from all sources is between \$100,000 and \$150,000. Use this chart to compute either the number of allowances to transfer to Part I, line 17, or the dollar amount to transfer to line 4 of Form IT-2104 to request additional withholding. All others do not have to use this chart.

Total income of both spouses	\$100,000	\$105,000	\$110,000	\$115,000	\$120,000	\$125,000	\$130,000	\$135,000	\$140,000	\$145,000	\$150,000
	to 105,000	to 110,000	to 115,000	to 120,000	to 125,000	to 130,000	to 135,000	to 140,000	to 145,000	to 150,000	
Allowances for higher wage earner with wages under \$90,000,* or additional withholding per week **	1 \$1.50	2 \$3.00	3 \$4.50	4 \$6.00	5 \$7.50	6 \$9.00	7 \$10.50	8 \$12.00	9 \$13.50	10 \$15.00	
Allowances for higher wage earner with wages between \$90,000 and \$110,000,* or additional withholding per week **			1 \$1.50	2 \$3.00	3 \$4.50	4 \$6.00	5 \$7.50	6 \$9.00	7 \$10.50	8 \$12.00	
Allowances for higher wage earner with wages between \$110,000 and \$120,000,* or additional withholding per week **							1 \$1.50	2 \$3.00	3 \$4.50	4 \$6.00	
Allowances for higher wage earner with wages between \$120,000 and \$130,000,* or additional withholding per week **									1 \$1.50	2 \$3.00	
Higher wage earner with wages over \$130,000	no additional withholding is required										

* * * Transfer the number of allowances to Part I, line 17, above.
* * * Transfer the dollar amount to line 4 of Form IT-2104. If paid other than weekly, adjust this amount accordingly.

Need Help?

For forms or publications, call toll free (from New York State only) 1 800 462-8100. From areas outside New York State, call (518) 438-1073.

For information, call toll free (from New York State only) 1 800 CALL TAX (1 800 225-5829). From areas outside New York State, call (518) 438-8581.

Telephone assistance is available from 8:30 a.m. to 4:25 p.m., Monday through Friday.

Hotline for the Hearing and Speech Impaired - If you have a hearing or speech impairment and have access to a telecommunications device for the deaf (TDD), you can get answers to your New York State tax questions by calling 1 800 634-2110 toll free from anywhere in the U.S. (including Alaska and Hawaii) and Canada. Hours of operation are from 8:30 a.m. to 4:15 p.m., Monday through Friday. If you do not own a TDD, check with independent living centers or community action programs to find out where machines are available for public use.

Persons with Disabilities - In compliance with the Americans with Disabilities Act, we will ensure that our lobbies, offices, meeting rooms and other facilities are accessible to persons with disabilities. If you have questions about special accommodations for persons with disabilities, please call the information and assistance numbers listed above.

If you need to write, address your letter to: NYS Tax Department, Taxpayer Assistance Bureau, W A Harriman Campus, Albany NY 12227.

Privacy Notification

The right of the Commissioner of Taxation and Finance and the Department of Taxation and Finance to collect and maintain personal information, including mandatory disclosure of social security numbers in the manner required by tax regulations, instructions and forms, is found in Articles 22, 26, 26-A, 26-B, 30, 30-A and 30-B of the Tax Law, Article 2-E of the General City Law and 42 USC 405(c)(2)(C)(i).

The Tax Department will use this information primarily to determine and administer tax liabilities due the state and city of New York and the city of Yonkers. We will also use this information for certain tax offset and exchange of tax information programs authorized by law, and for any other purpose authorized by law.

Information concerning quarterly wages paid to employees and identified by unique random identifying code numbers to preserve the privacy of the employees' names and social security numbers will be provided to certain state agencies for research purposes to evaluate effectiveness of certain employment and training programs.

Failure to provide the required information may result in civil or criminal penalties, or both, under the Tax Law.

This information will be maintained by the Director of the Data Management Services Bureau, NYS Tax Department, Building 8 Room 905, W A Harriman Campus, Albany NY 12227; telephone (from New York State only) 1 800 CALL TAX (1 800 225-5829); from areas outside New York State, call (518) 438-8581.



Certificate of Exemption from Withholding

New York State • City of New York • City of Yonkers

IT-2104-E

This certificate will expire on April 30, 1998.

P r i v a c y	Last name		First name and middle initial		Social security number		Filing status - check only one box		
	Mailing address (number and street or rural route)				Apartment number		Date of birth		
P r i v a c y	City, village or post office		State		ZIP code		Are you a full-time student?		
							<input type="checkbox"/> Yes <input type="checkbox"/> No		
								(A) <input type="checkbox"/> Single (B) <input type="checkbox"/> Married (C) <input type="checkbox"/> Qualifying widow(er) with dependent child, or head of household with qualifying person	
1		Are you under age 18, a full-time student under age 25, or over age 65?						<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
2		Did you have a New York income tax liability for 1996?						<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
3		Do you expect to have a New York income tax liability for 1997?						<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Note: If you checked a shaded box on line 1, 2 or 3, stop ; you cannot claim exemption from withholding.									
I certify that the information on this form is correct and that for 1997, I expect to qualify for exemption from withholding of New York State income tax under section 671(a)(3) of the Tax Law. I will notify my employer within 10 days of any change requiring revocation of the exemption from withholding as explained in the instructions.							Employee's signature		
							Date		
Employer's name and address (Employer: complete this section only if sending to New York State Tax Department.)							Employer identification number		

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

Instructions

Employee

Who qualifies - You may claim exemption from withholding if: (1) you are under age 18, a full-time student under age 25, or over age 65 and (2) you had no New York income tax liability for 1996 and expect none for 1997. (For this purpose, you have a tax liability if your return shows tax before the allowance of any credit for income tax withheld.)

If you meet these conditions, file this certificate, Form IT-2104-E, with your employer. Otherwise, your employer must withhold New York State income tax (and city of New York and city of Yonkers personal income tax, if applicable) from your wages. Do not send this certificate to the Department of Taxation and Finance.

Generally, as a resident, you are required to file a New York State income tax return if you are required to file a federal income tax return or if your federal adjusted gross income plus your New York additions is more than \$4,000 (or more than your standard deduction, if that deduction is under \$4,000).

If you are single and can be claimed as a dependent on another person's federal return, you must file a New York State return if your federal adjusted gross income plus your New York additions is more than \$3,000.

If you are a nonresident and have income from New York sources, you must file a New York return if the sum of your federal adjusted gross income and New York additions to income is more than your New York standard deduction.

A penalty of \$500 may be imposed for furnishing false information which decreases your withholding amount.

When to claim exemption from withholding - File this certificate with your employer as soon as you determine that you meet the conditions listed above. You must file a new certificate each year if you wish to claim the exemption.

Liability for estimated tax - If as a result of this exemption certificate your employer does not withhold income tax from your wages and you later fail to qualify for exemption from tax, you may be required to pay estimated tax and be subject to penalty if it is not paid. For further information, see Form IT-2105, *Estimated Income Tax Payment Voucher*.

Multiple employers - If you have more than one employer, you may claim exemption from withholding with each employer as long as your total expected income will not cause you to incur a New York income tax liability for 1997 and you had no liability for 1996.

Revocation by employee - You must revoke this exemption certificate (1) within 10 days from the day you expect to incur a New York income tax liability for 1997 or (2) on or before December 1, 1997, if you expect to incur a tax liability for 1998.

If you want to discontinue or you are required to revoke this exemption, you must file a new Form IT-2104, *Employee's Withholding Allowance Certificate*, with your employer.

For more information on how to complete this form, call toll free 1 800 225-5829. From areas outside the U.S. and Canada, call (518) 485-6800.

Filing status - Check the box on Form IT-2104-E that shows your present filing status for federal purposes.

Privacy Notification

The right of the Commissioner of Taxation and Finance and the Department of Taxation and Finance to collect and maintain personal information, including mandatory disclosure of social security numbers in the manner required by tax regulations, instructions and forms, is found in Articles 22, 26, 26-A, 26-B, 30, 30-A and 30-B of the Tax Law, Article 2-E of the General City Law and 42 USC 405(c)(2)(C)(i).

The Tax Department will use this information primarily to determine and administer tax liabilities due the state and city of New York and the city of Yonkers. We will also use this information for certain tax offset and exchange of tax information programs authorized by law, and for any other purpose authorized by law.

Information concerning quarterly wages paid to employees and identified by unique random identifying code numbers to preserve the privacy of the employees' names and social security numbers will be provided to certain state agencies for research purposes to evaluate the effectiveness of certain employment and training programs.

Failure to provide the required information may result in civil or criminal penalties, or both, under the Tax Law.

This information will be maintained by the Director of the Data Management Services Bureau, NYS Tax Department, Building 8 Room 905, W A Harriman Campus, Albany NY 12227; telephone 1 800 225-5829; from areas outside the U.S. and Canada, call (518) 485-6800.

Employer

Keep this certificate with your records. If an employee who claims exemption from withholding on Form IT-2104-E usually earns more than \$200 per week, you must send a copy of that employee's Form IT-2104-E to: NYS Tax Department, Income Tax Audit Administrator, Withholding Certificate Coordinator, Building 9 W A Harriman Campus, Albany NY 12227.

The Tax Department will not accept this form if it is incomplete. We will review these certificates and notify you of any adjustments that must be made.

Due dates for sending certificates received from employees who claim exemption and earn more than \$200 per week are:

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

Revocation by employer - You must revoke this exemption within 10 days if, on any day during the calendar year, the date of birth stated on the certificate filed by the employee indicates the employee no longer meets the age requirements for exemption. The revocation must be in the form of a written notice to the employee.