

**New York State Department of Taxation and Finance**  
**Taxpayer Services Division**  
**Technical Services Bureau**

TSB-M-99-(5)(I)  
Income  
August 12, 1999

**Important Notice**  
**Employer Reporting of New York City Wages**

Governor Pataki recently signed legislation that eliminates the New York City nonresident earnings tax for New York State residents who are not residents of New York City but who earn wages in the city. The new law is effective July 1, 1999. Accordingly, these employees will need to know the amount of wages paid through June 30 in order to properly compute their New York City nonresident earnings tax for 1999.

The Tax Department has been asked to issue guidance concerning the reporting of New York City wages on federal Form W-2, or New York State Form IT-2102, *Wage and Tax Statement*, for these employees due to the mid-year repeal of the tax. This memorandum explains the reporting requirements for taxable year 1999.

**Employees who were full-year residents of New York State and also full-year nonresidents of New York City for 1999**

Employers should report in box 20, *Local Wages, tips, etc.* on federal Form W-2 only the amount of wages paid to these employees through June 30, 1999. If an employer is using New York State Form IT-2102 in lieu of Form W-2, report only the amount of wages paid through June 30 in box 8, *Other*, and label the amount "NYC Wages."

**All Other Employees**

There are no special reporting requirements. Continue to follow your existing method of reporting for these employees.

If you need assistance or have additional questions, call the Department's Business Tax Information Center toll free from anywhere in the U.S. or Canada at 1 800 972-1233. From areas outside the U.S. or Canada, call (518) 485-6800.