

New York Issues More Guidance on Tax Impact of the Marriage Equality Act

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The New York State Department of Taxation and Finance recently issued new guidance on how the state's Marriage Equality Act, which is effective beginning July 24, 2011, impacts employee personal income taxes and employer reporting and withholding requirements. With respect to employees, the new guidance provides that same-sex married couples must file New York personal income tax returns as married, even though their marital status is not recognized for federal tax purposes. Same-sex married couples should complete the New York personal income tax return by using their federal tax return, recomputed using a married filing status. With respect to withholding, employers are advised not to withhold New York tax on the value of benefits that are provided to same-sex married couples (e.g., health benefits), even though such benefits when provided to a same-sex spouse are generally subject to federal withholding. As for reporting annual income on Form NYS-45, employers are instructed to report federal wages, less the value of the benefits described in the preceding sentence. The New York State guidance can be found [here](#).