Department of Taxation and Finance

Certificate of Exemption from Withholding for START-UP NY Program

New York State • New York City • Yonkers

IT-2104-SNY

If you are employed by a business approved to participate in the START-UP NY program that operates in a tax-free NY area, you may be eligible to exclude from New York adjusted gross income (NYAGI) wages earned from this employer. Therefore, you may choose to claim exemption from withholding on these wages for New York State personal income tax (and New York City and Yonkers personal income tax, if applicable).

To be eligible, you must:

- be employed by an approved business certified to participate in the START-UP NY program;
- perform work **exclusively** at the approved business's location within the tax-free NY area during the tax year;
- be employed in a net new job created by the approved business in the tax-free NY area; **and**
- work at least **6 months** (or expect to work at least 6 months) of the tax year at the approved business's location.

See *Who qualifies* for additional information on eligibility.

If you **do not meet all** of the conditions above, **stop**; you cannot claim exemption from withholding.

Employee information

First name and middle initial	Last name	Social Security number	Filing status: Mark an ***X*** in only one box
Mailing address *(number and street or PO Box)*	Apartment number	Date of birth *(mmddyyyy)*	**A** Single ☐ **B** Married filing joint return ☐
City, village, or post office	State ZIP code		**C** Head of household ☐

I certify that the information on this form is correct and that, for this tax year, I expect to qualify (as described above) for exemption from withholding on my wages from this employer, for New York State (and New York City and Yonkers, if applicable) personal income tax purposes.

Employee's signature *(give the completed form to your employer; keep a copy for your records)*	Date

Employer information: Complete this section and retain form for inspection upon request.

Employer name	Employer identification number (EIN)

Certificate number ☐☐-☐☐☐-☐☐☐☐-☐☐/☐☐-☐

Instructions

Employee

Who qualifies

If you are employed by a business approved to participate in the START-UP NY program that operates in a tax-free NY area, you may be eligible to exclude from your NYAGI the wages earned while working for this business. Therefore, you may choose not to have income tax withheld on these wages for New York State personal income tax (and New York City and Yonkers personal income tax, if applicable). For more information on the START-UP NY program, visit *www.tax.ny.gov* (search: *start)*.

Note: During the **second five years** of the approved business's 10 consecutive tax-year period, you can exclude from your NYAGI the amount of wages included in your federal adjusted gross income (FAGI), limited as follows:

- $200,000 of annual wages, if your filing status is single,
- $250,000 of annual wages, if your filing status is head of household, or
- $300,000 of annual wages, if your filing status is married filing joint return.

If you earn wages included in your FAGI in excess of the amounts above, you are liable for income taxes on those excess amounts. Your employer must withhold New York State personal income tax (and New York City and Yorkers personal income tax, if applicable) from the excess wages.

To make sure your employer withholds the proper amount of tax from the excess wages, complete Form IT-2104, *Employee's Withholding Allowance Certificate,* and give it to your employer.

To be eligible for exemption, you must:

- be employed by an approved business certified to participate in the START-UP NY program;
- perform work **exclusively** at the approved business's location within the tax-free NY area during the tax year;
- be employed in a net new job created by the approved business in the tax-free NY area (see your employer to confirm you meet this qualification); **and**
- work at least **6 months** (or expect to work at least 6 months) of the tax year at the approved business's location.

Note: If you do **not** work for this business **at least 6 months** of your tax year, you are not eligible to exclude these wages from NYAGI. If you claim the exemption from withholding before you have worked 6 months, and you do not actually work 6 months for this employer, you will be liable for income taxes on all these wages and may be subject to a penalty.

When to claim exemption from withholding: If you meet the previously listed conditions, or expect to, complete Form IT-2104-SNY and give it to your employer. Otherwise, your employer must withhold New York State personal income tax (and New York City and Yonkers personal income tax, if applicable) from your wages. **You must submit a new form each year if you wish to continue to claim the exemption.**

Note: Do **not** send this form to the New York State Tax Department.

If during the tax year your employer's participation in the START-UP NY program is:

- suspended,
- terminated, or
- the 10-year benefit period has expired, **and**

you would have otherwise qualified to exclude your wages from NYAGI, you may still claim exemption from withholding for wages paid by this employer for the rest of the year.

However, you cannot exclude your wages from NYAGI unless you work at least **6 months** of the tax year exclusively at the business's location.

Liability for estimated tax: You may still have a New York State personal income tax liability (and New York City and Yonkers personal income tax, if applicable) if you have other taxable income, and may need to make required estimated tax payments. For more information, see Form IT-2105, *Estimated Tax Payment Voucher for Individuals.*

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

Employer

Enter your business name, EIN, and certificate number as it appears on your certificate of eligibility. By entering this information, you certify that you are an approved business certified in the START-UP NY program that complies with the eligibility requirements with this assigned certificate number. For more information on the START-UP NY program, visit *www.tax.ny.gov* (search: *start)*.

Do not withhold New York State personal income tax from the wages of an employee who meets the eligibility requirements and submits this form to you. Your employee must submit this form **each year** to claim exemption.

Keep this form for your records and provide it upon request for inspection. Do **not** send it to the New York State Tax Department.

You may **not** use this form to report newly hired or rehired employees. For more information on new hire reporting, visit *www.tax.ny.gov* (search: *hire)*.

Note: If your participation in the START-UP NY program is suspended or terminated during the tax year, an employee who would otherwise be eligible for exemption from withholding for New York State personal income tax (and New York City and Yonkers personal income tax, if applicable) is still eligible for exemption from withholding for wages paid by you for the rest of the year. To qualify, your employee must work **at least 6 months** during the year exclusively at your business location.

Privacy notification

New York State Law requires all government agencies that maintain a system of records to provide notification of the legal authority for any request for personal information, the principal purpose(s) for which the information is to be collected, and where it will be maintained. To view this information, visit our website, or, if you do not have Internet access, call and request Publication 54, *Privacy Notification.* See *Need help?* for the Web address and telephone number.

Need help?

For help completing this form, **employees** may call 518-457-5181, and **employers** may call 518-485-6654.

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