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**THE CITY OF NEW YORK  
DEPARTMENT OF FINANCE  
OFFICE OF TAX POLICY**

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**STATISTICAL PROFILES OF  
NEW YORK CITY  
BUSINESS INCOME TAXES**

**BANKING CORPORATION TAX  
GENERAL CORPORATION TAX  
UNINCORPORATED BUSINESS TAX**

**TAX YEAR 2009**

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**MICHAEL R. BLOOMBERG, MAYOR**

**DAVID M. FRANKEL, COMMISSIONER**

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**REPORT PREPARED BY THE  
OFFICE OF TAX POLICY  
NOVEMBER 2012**



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## **Highlights**

This report presents statistical information for tax year 2009 for the three New York City business income taxes: the Banking Corporation Tax (BCT), the General Corporation Tax (GCT), and the Unincorporated Business Tax (UBT).

The BCT, GCT, and UBT generated \$4.671 billion in tax year 2009 liability, a decrease of 7 percent from tax year 2008. The number of taxpayers decreased by 2 percent from 2008, to 303,463. The data show that in 2009:

- The financial sector accounted for 45 percent of all tax liability, followed by the services sector, which generated 28 percent.
- More than half of NYC business income taxpayers reported liability of \$300 or less. Eighty-five percent of total liability was attributable to 2.3 percent of taxpayers.

### **Banking Corporation Tax**

In 2009, the Banking Corporation Tax generated \$966 million from 479 taxpayers, an increase in tax liability of 32 percent from tax year 2008. The data show that in 2009:

- Foreign banks and clearing house banks generated 54 percent and 27 percent, respectively, of total BCT liability.
- The top 10 percent of taxpayers in terms of liability generated \$859 million, or 89 percent of total liability.
- Ninety percent of BCT liability was incurred under the entire net income or alternative net income bases, and 47 percent of taxpayers paid on one of these bases.

### **General Corporation Tax**

The General Corporation Tax generated \$2.136 billion in tax year 2009 liability, a decrease of 12 percent from tax year 2008. The number of taxpayers increased 2 percent from 2008, to 281,179. The data show that in 2009:

- Firms in the services sector incurred 24 percent of total liability, followed by finance and insurance firms, which generated 23 percent. Firms in the trade, information, and real estate sectors generated 16 percent, 12 percent, and 10 percent of total liability, respectively.
- The top 10 percent of taxpayers in terms of liability generated \$1.965 billion, or 92 percent of total liability. The top 1 percent of taxpayers accounted for \$1.523 billion, or 71 percent of total liability.

- Fifty-four percent of GCT taxpayers paid the minimum tax, while the remaining taxpayers incurred liability under one of the following tax bases: entire net income, income plus compensation, and capital. Eighty-seven percent of total GCT liability was incurred under the entire net income base.
- Approximately 138,000 GCT taxpayers were recognized as S corporations for New York State tax purposes. S corporations accounted for \$780 million, or 37 percent, of GCT liability in 2009.

### **Unincorporated Business Tax**

The Unincorporated Business Tax produced \$1.568 billion in 2009 tax liability, a 16 percent decrease from the previous year. Partnerships generated \$1.426 billion, a decrease of 15 percent from 2008. Proprietorships generated \$142 million in liability, a decrease of 21 percent from 2008. There were 8,953 partnership taxpayers and 12,852 proprietorship taxpayers, a decrease of 23 percent for partnerships and 44 percent for proprietorships compared to 2008.<sup>1</sup>

Other characteristics of the UBT population are as follows:

- Among UBT partnerships, legal, finance & insurance, and professional services firms generated \$1.206 billion in tax liability, or 85 percent of total partnership liability. Among proprietorships, services-sector firms accounted for 66 percent of total liability, while legal-sector firms generated 12 percent.
- The top 10 percent of partnership taxpayers, or 895 firms, accounted for 84 percent of total partnership liability, and the top 1 percent accounted for 45 percent. The proprietorship liability distribution was far less skewed, with the top 10 percent generating 50 percent of proprietorship liability, while the top 1 percent generated 22 percent of liability.
- Under the UBT, limited liability companies (LLCs) are generally treated as partnerships for tax purposes. In 2009, firms identified as LLCs or as limited liability partnerships (LLPs) accounted for 98 percent of UBT partnership liability and 93 percent of partnership taxpayers.

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<sup>1</sup> Beginning in tax year 2009, the full UBT business tax credit was expanded from \$1,800 to \$3,400, resulting in a reduction in UBT filers with tax liability.

# **BUSINESS INCOME TAXES**



Table 1  
**2009 BUSINESS INCOME TAXES  
TAXPAYERS BY INDUSTRY**

**Total Taxpayers: 303,463**

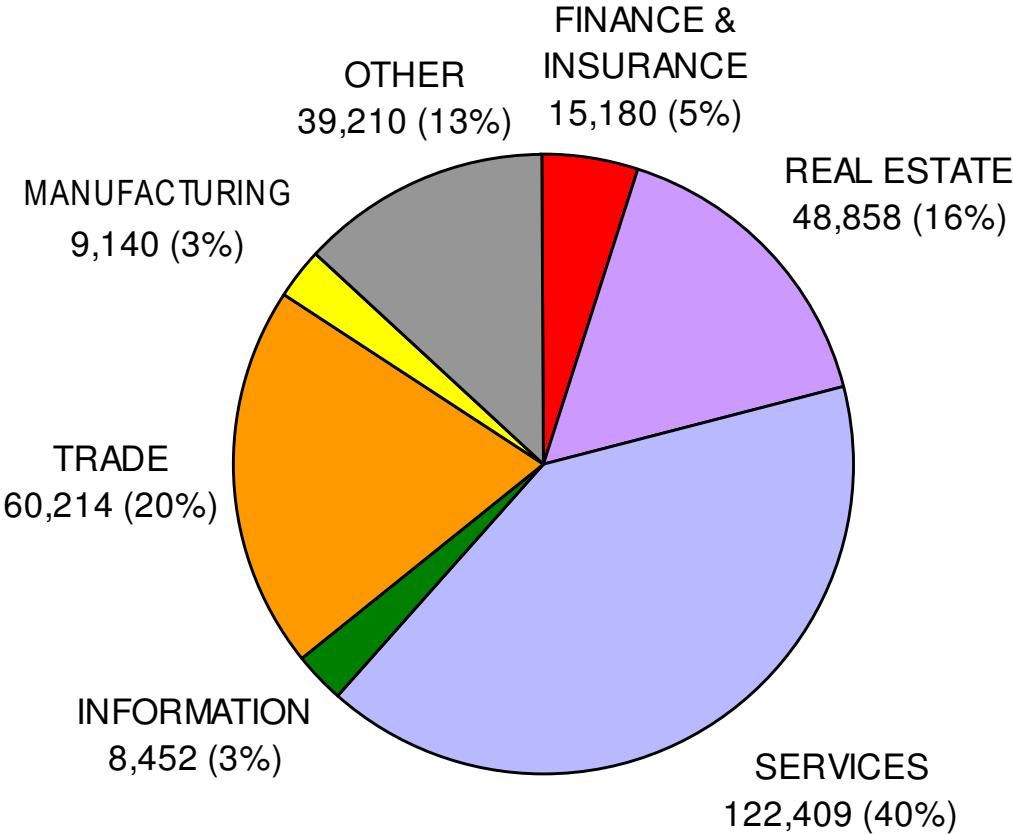
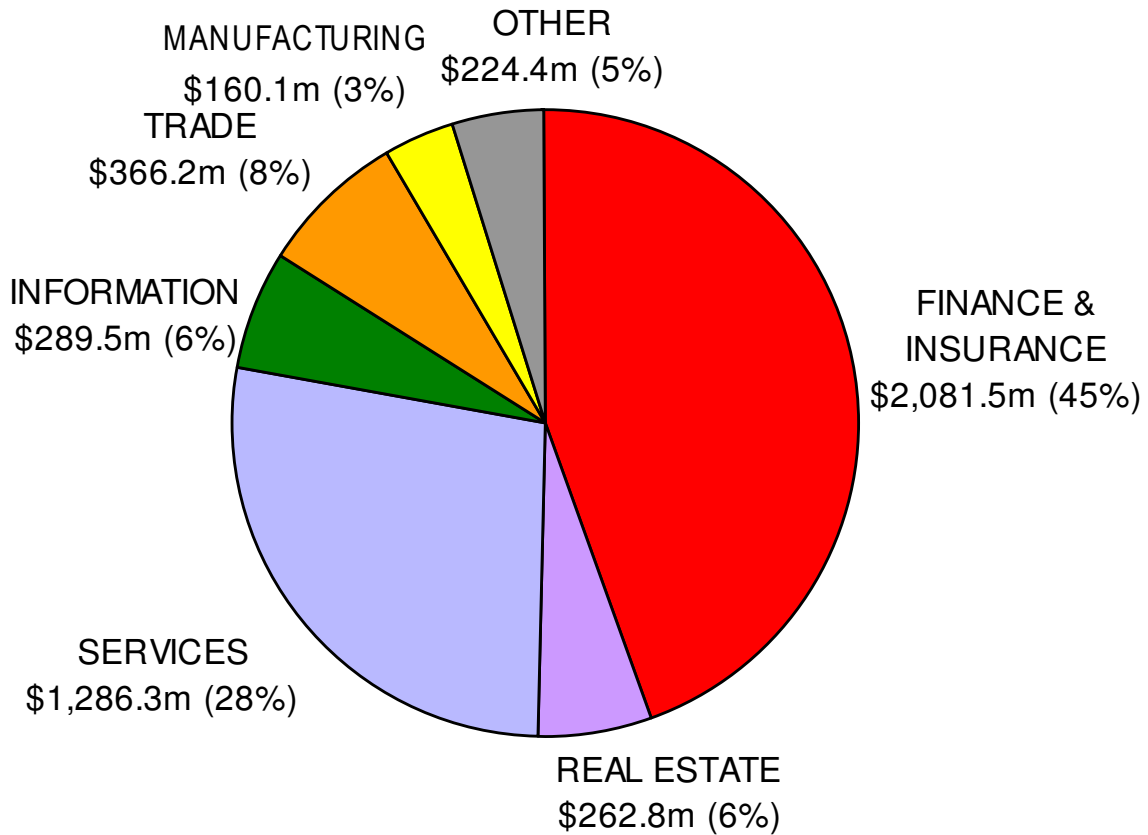


Table 2  
**2009 BUSINESS INCOME TAXES  
LIABILITY BY INDUSTRY**

**Total Liability: \$4,670.6m**



**BUSINESS INCOME TAXES  
TAX YEAR 2009**

**Table 3  
DISTRIBUTION BY INDUSTRY  
(\$ THOUSANDS)**

<b>INDUSTRY</b>	<b>Number</b>	<b>% of Total</b>	<b>Liability</b>	<b>% of Total</b>
<b>FINANCE &amp; INSURANCE</b>	15,180	5.0 %	\$2,081,455	44.6 %
<b>REAL ESTATE</b>	48,858	16.1	262,778	5.6
<b>SERVICES</b>	122,409	40.3	1,286,250	27.5
<b>INFORMATION</b>	8,452	2.8	289,468	6.2
<b>TRADE</b>	60,214	19.8	366,194	7.8
<b>MANUFACTURING</b>	9,140	3.0	160,105	3.4
<b>OTHER</b>	39,210	12.9	224,365	4.8
<b>TOTAL</b>	<b>303,463</b>	<b>100.0 %</b>	<b>\$4,670,617</b>	<b>100.0 %</b>

**BUSINESS INCOME TAXES  
TAX YEAR 2009**

**Table 4  
DISTRIBUTION BY LIABILITY RANGE  
(\$ THOUSANDS)**

<b>LIABILITY PER RETURN (Actual \$)</b>	<b>Number</b>	<b>% of Total</b>	<b>Total Liability</b>	<b>% of Total</b>
<b>\$300 OR LESS</b>	160,555	52.9 %	\$11,426	0.2 %
<b>\$300 - \$1,000</b>	38,435	12.7	22,113	0.5
<b>\$1,000 - \$5,000</b>	58,417	19.3	138,015	3.0
<b>\$5,000 - \$10,000</b>	19,177	6.3	136,151	2.9
<b>\$10,000 - \$50,000</b>	19,896	6.6	413,875	8.9
<b>\$50,000 - \$500,000</b>	5,913	1.9	829,004	17.7
<b>\$500,000 - \$1,000,000</b>	471	0.2	327,968	7.0
<b>MORE THAN \$1,000,000</b>	599	0.2	2,792,067	59.8
<b>TOTAL</b>	<b>303,463</b>	<b>100.0 %</b>	<b>\$4,670,617</b>	<b>100.0 %</b>

# **BANKING CORPORATION TAX**

Table 5  
**2009 BANK TAX  
TAXPAYERS BY BANK TYPE**

**Total Taxpayers: 479**

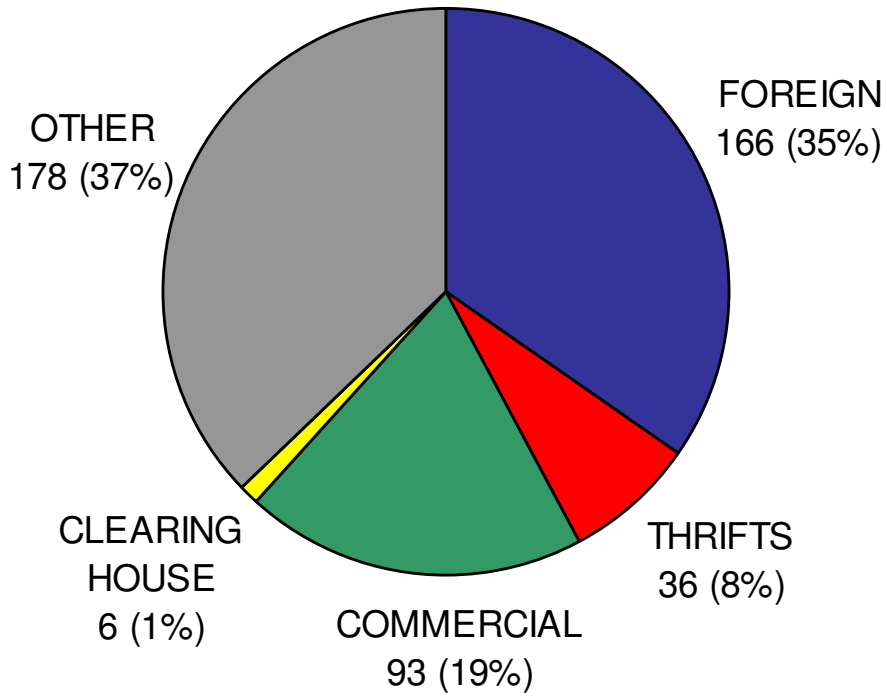
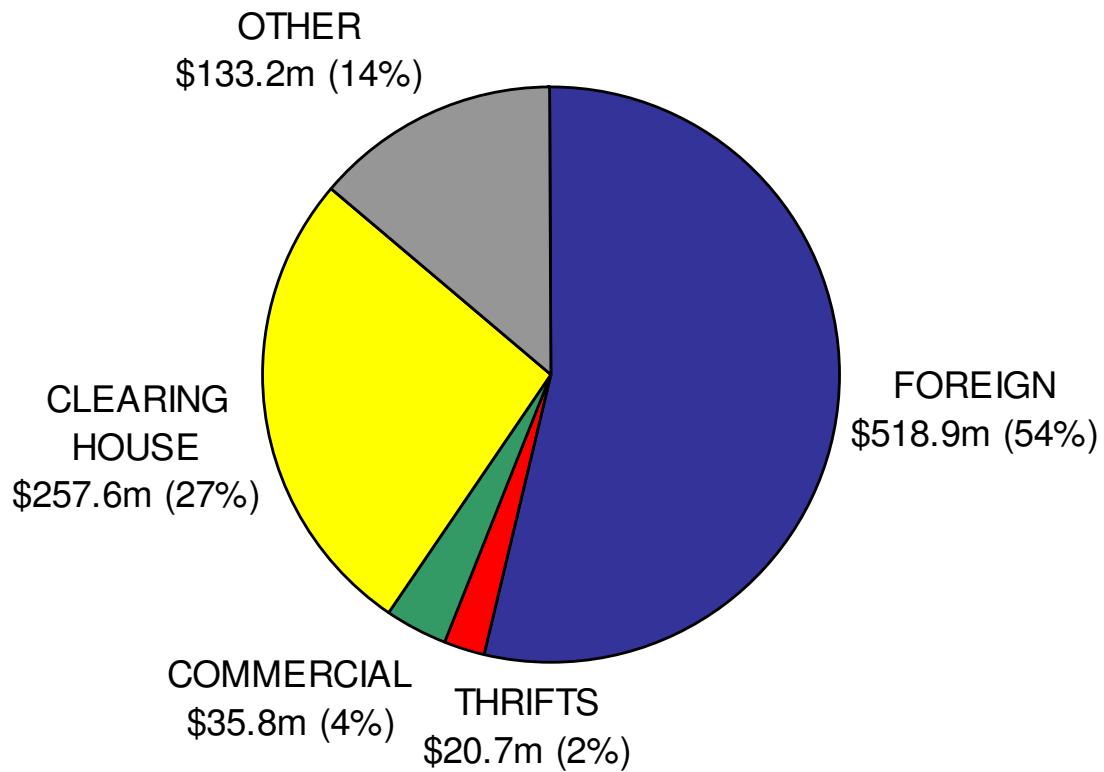


Table 6  
**2009 BANK TAX  
LIABILITY BY BANK TYPE**

**Total Liability: \$966.2m**



**BANK TAX  
TAX YEAR 2009**

**Table 7  
DISTRIBUTION BY BANK TYPE  
(\$ THOUSANDS)**

<b>BANK TYPE</b>	<b>Number</b>	<b>% of Total</b>	<b>Liability</b>	<b>% of Total</b>
COMMERCIAL	93	19.4 %	\$35,771	3.7 %
CLEARING HOUSE	6	1.3	257,603	26.7
FOREIGN	166	34.7	518,855	53.7
THRIFTS	36	7.5	20,719	2.1
OTHER	178	37.2	133,248	13.8
<b>TOTAL</b>	<b>479</b>	<b>100.0 %</b>	<b>\$966,196</b>	<b>100.0 %</b>



**BANK TAX  
TAX YEAR 2009**

**Table 8  
DISTRIBUTION BY LIABILITY RANGE  
(\$ THOUSANDS)**

<b>LIABILITY PER RETURN (Actual \$)</b>	<b>Number</b>	<b>% of Total</b>	<b>Total Liability</b>	<b>% of Total</b>
<b>\$125 OR LESS</b>	68	14.2 %	\$8	0.0 %
<b>\$125 - \$1,000</b>	30	6.3	15	0.0
<b>\$1,000 - \$5,000</b>	49	10.2	129	0.0
<b>\$5,000 - \$10,000</b>	19	4.0	135	0.0
<b>\$10,000 - \$50,000</b>	65	13.6	1,613	0.2
<b>\$50,000 - \$500,000</b>	134	28.0	26,644	2.8
<b>\$500,000 - \$1,000,000</b>	33	6.9	23,635	2.4
<b>MORE THAN \$1,000,000</b>	81	16.9	914,018	94.6
<b>TOTAL</b>	<b>479</b>	<b>100.0 %</b>	<b>\$966,196</b>	<b>100.0 %</b>

**Table 9  
TOP TEN PERCENT OF TAXPAYERS  
BY BANK TYPE  
(\$ THOUSANDS)**

<b>BANK TYPE</b>	<b>Number</b>	<b>Liability</b>
<b>COMMERCIAL / CLEARING HOUSE</b>	9	\$269,542
<b>FOREIGN</b>	28	475,722
<b>OTHER</b>	10	113,588
<b>TOTAL</b>	<b>47</b>	<b>\$858,852</b>

**BANK TAX  
TAX YEAR 2009**

**Table 10  
DISTRIBUTION BY TAX BASE  
(\$ THOUSANDS)**

TAX BASE	Number	% of Total	Liability	% of Total
NET INCOME OR ALTERNATIVE NET INCOME	226	47.2 %	\$868,215	89.9 %
ASSET	114	23.8	74,741	7.7
CAPITAL STOCK	61	12.7	23,182	2.4
MINIMUM TAX	67	14.0	9	0.0
NOT AVAILABLE	11	2.3	49	0.0
<b>TOTAL</b>	<b>479</b>	<b>100.0 %</b>	<b>\$966,196</b>	<b>100.0 %</b>

**Table 11  
DISTRIBUTION BY TAX BASE AND BANK TYPE  
(\$ THOUSANDS)**

TAX BASE	COMMERCIAL / CLEARINGHOUSE		FOREIGN		OTHER	
	Number	Liability	Number	Liability	Number	Liability
NET INCOME OR ALTERNATIVE NET INCOME	48	\$236,029	78	\$495,657	100	\$136,529
ASSET OR CAPITAL STOCK	44	57,333	61	23,182	70	17,408
MINIMUM TAX OR NOT AVAILABLE	7	11	27	17	44	30
<b>TOTAL</b>	<b>99</b>	<b>\$293,374</b>	<b>166</b>	<b>\$518,855</b>	<b>214</b>	<b>\$153,967</b>

**BANK TAX  
TAX YEAR 2009**

**Table 12  
DISTRIBUTION BY FORM TYPE  
(\$ THOUSANDS)**

<b>FORM TYPE</b>	<b>Number</b>	<b>% of Total</b>	<b>Liability</b>	<b>% of Total</b>
<b>NYC-1</b>	345	72.0 %	\$586,182	60.7 %
<b>NYC-1A (COMBINED FORM)</b>	121	25.3	379,965	39.3
<b>NOT AVAILABLE / EXTENSION</b>	13	2.7	49	0.0
<b>TOTAL</b>	<b>479</b>	<b>100.0 %</b>	<b>\$966,196</b>	<b>100.0 %</b>

**BANK TAX  
TAX YEAR 2009**

**Table 13  
DISTRIBUTION BY ALLOCATION STATUS AND BANK TYPE  
(\$ THOUSANDS)**

ALLOCATION STATUS AND BANK TYPE	Number	% of Total	Liability	% of Total
<b>MULTI-JURISDICTIONAL</b>	<b>299</b>	<b>62.4 %</b>	<b>\$837,442</b>	<b>86.7 %</b>
Commercial / Clearing House	76	15.9	290,864	30.1
Foreign	108	22.5	408,542	42.3
Other	115	24.0	138,036	14.3
<b>100% N.Y.C.</b>	<b>166</b>	<b>34.7</b>	<b>128,705</b>	<b>13.3</b>
Commercial / Clearing House	20	4.2	2,499	0.3
Foreign	56	11.7	110,300	11.4
Other	90	18.8	15,907	1.6
<b>NOT AVAILABLE</b>	<b>14</b>	<b>2.9</b>	<b>49</b>	<b>0.0</b>
Commercial / Clearing House	*	*	*	*
Foreign	*	*	*	*
Other	*	*	*	*
<b>TOTAL</b>	<b>479</b>	<b>100.0 %</b>	<b>\$966,196</b>	<b>100.0 %</b>

See Appendix A for definition of allocation status.

\* Numbers cannot be provided due to confidentiality restrictions.

# **GENERAL CORPORATION TAX**

Table 14  
**2009 GENERAL CORPORATION TAX  
TAXPAYERS BY INDUSTRY**

**Total Taxpayers: 281,179**

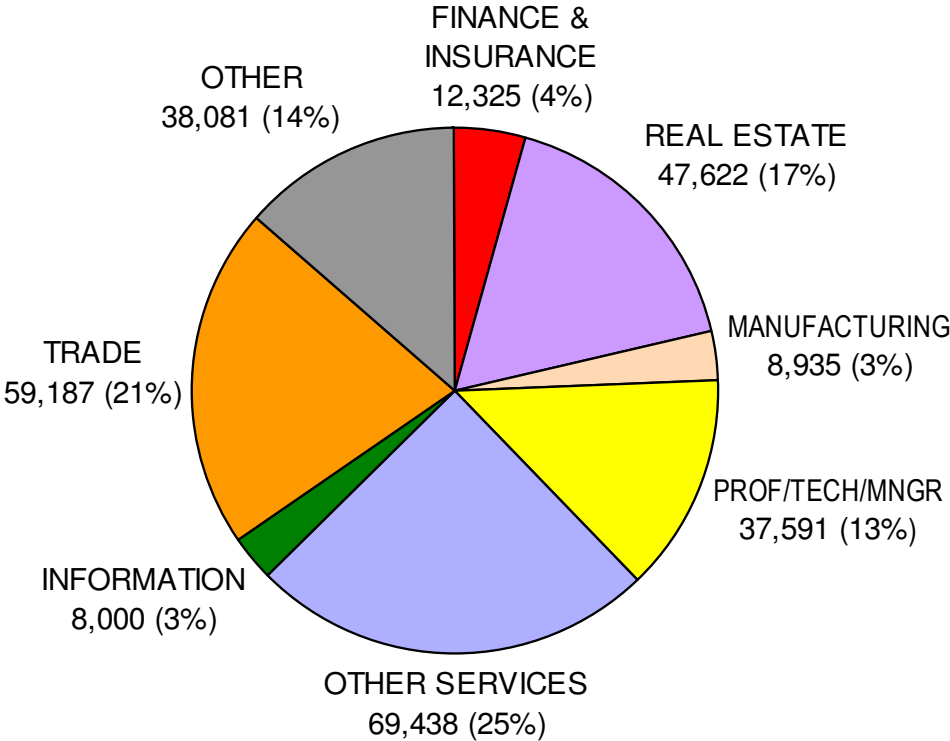
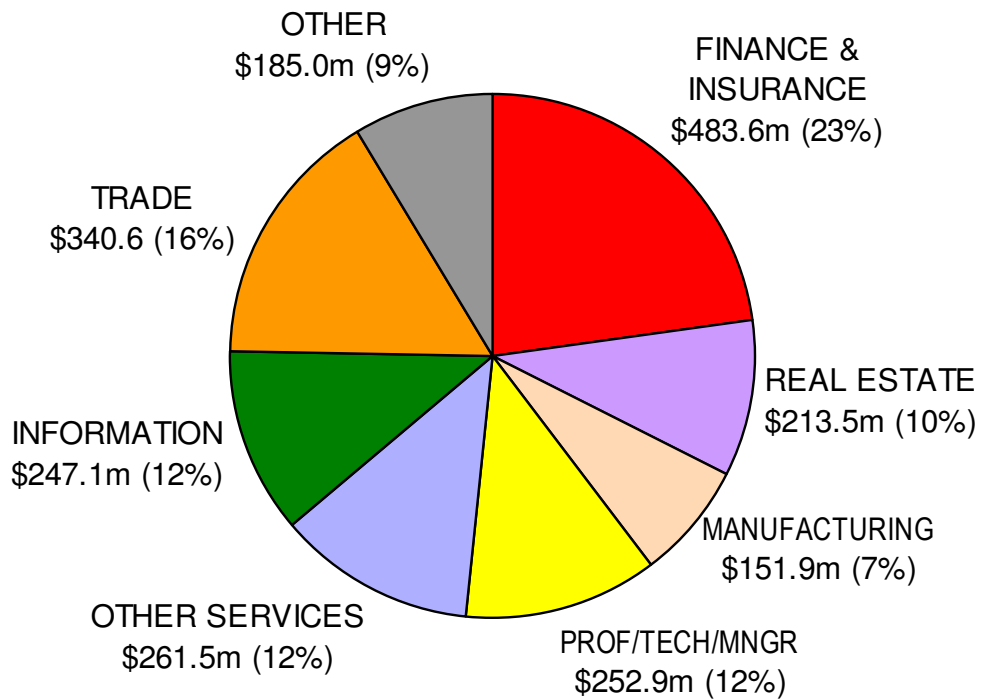


Table 15  
**2009 GENERAL CORPORATION TAX  
LIABILITY BY INDUSTRY**

**Total Liability: \$2,136.1m**



**GENERAL CORPORATION TAX  
TAX YEAR 2009**

**Table 16  
DISTRIBUTION BY INDUSTRY  
(\$ THOUSANDS)**

INDUSTRY	Number	% of Total	Liability	% of Total
<b>FINANCE &amp; INSURANCE</b>	<b>12,325</b>	<b>4.4 %</b>	<b>483,623</b>	<b>22.6 %</b>
Credit Agencies	1,071	0.4	11,246	0.5
Funds & Trusts	2,953	1.1	14,462	0.7
Insurance	2,376	0.8	28,448	1.3
Securities & Commodities	5,925	2.1	429,467	20.1
<b>REAL ESTATE</b>	<b>47,622</b>	<b>16.9</b>	<b>213,488</b>	<b>10.0</b>
<b>MANUFACTURING</b>	<b>8,935</b>	<b>3.2</b>	<b>151,855</b>	<b>7.1</b>
Textiles, Apparel & Leather	2,230	0.8	28,521	1.3
Food & Beverage	949	0.3	27,118	1.3
Printing	1,014	0.4	4,709	0.2
Wood/Paper	370	0.1	1,396	0.1
Other Manufacturing	4,372	1.6	90,111	4.2
<b>PROF / TECH / MANAGERIAL</b>	<b>37,591</b>	<b>13.4</b>	<b>252,870</b>	<b>11.8</b>
Holding Companies	1,933	0.7	42,808	2.0
Managerial	41	0.0	1,197	0.1
Legal	3,803	1.4	24,005	1.1
Other Prof / Tech / Managerial	31,814	11.3	184,859	8.7
<b>OTHER SERVICES</b>	<b>69,438</b>	<b>24.7</b>	<b>261,544</b>	<b>12.2</b>
Accommodations and Food	13,441	4.8	39,848	1.9
Administration/Support	6,952	2.5	47,018	2.2
Arts & Entertainment	9,449	3.4	33,321	1.6
Education	1,767	0.6	10,256	0.5
Health Care	13,561	4.8	88,558	4.1
Personal Services	15,594	5.5	21,398	1.0
Religious	733	0.3	504	0.0
Rental & Leasing	1,552	0.6	10,135	0.5
Repair/Maintenance	4,927	1.8	5,645	0.3
Social Services	956	0.3	1,115	0.1
Waste Management	343	0.1	3,488	0.2
Miscellaneous Other Services	163	0.1	259	0.0
<b>INFORMATION</b>	<b>8,000</b>	<b>2.8</b>	<b>247,053</b>	<b>11.6</b>
Broadcasting/Telecomm	1,318	0.5	38,696	1.8
Information Services/Data	2,035	0.7	79,154	3.7
Movies/Video/Sound	2,868	1.0	68,902	3.2
Publishing	1,779	0.6	60,301	2.8
<b>TRADE</b>	<b>59,187</b>	<b>21.0</b>	<b>340,613</b>	<b>15.9</b>
Durable Wholesale	13,653	4.9	60,088	2.8
Non-Durable Wholesale	11,515	4.1	86,006	4.0
Retail	34,019	12.1	194,519	9.1
<b>OTHER</b>	<b>38,081</b>	<b>13.5</b>	<b>185,033</b>	<b>8.7</b>
Construction	21,061	7.5	135,468	6.3
Transportation	11,456	4.1	36,677	1.7
Utilities	109	0.0	10,119	0.5
Not Available	5,080	1.8	2,069	0.1
Miscellaneous Other	375	0.1	699	0.0
<b>TOTAL</b>	<b>281,179</b>	<b>100.0 %</b>	<b>\$2,136,078</b>	<b>100.0 %</b>



**GENERAL CORPORATION TAX  
TAX YEAR 2009**

**Table 17  
DISTRIBUTION BY LIABILITY RANGE  
(\$ THOUSANDS)**

<b>LIABILITY PER RETURN (Actual \$)</b>	<b>Number</b>	<b>% of Total</b>	<b>Total Liability</b>	<b>% of Total</b>
<b>\$300 OR LESS</b>	159,659	56.8 %	\$11,285	0.5 %
<b>\$300 - \$1,000</b>	36,988	13.2	21,197	1.0
<b>\$1,000 - \$5,000</b>	54,244	19.3	126,774	5.9
<b>\$5,000 - \$10,000</b>	12,899	4.6	90,912	4.3
<b>\$10,000 - \$50,000</b>	13,172	4.7	274,823	12.9
<b>\$50,000 - \$500,000</b>	3,716	1.3	499,121	23.4
<b>\$500,000 - \$1,000,000</b>	263	0.1	183,352	8.6
<b>MORE THAN \$1,000,000</b>	238	0.1	928,614	43.5
<b>TOTAL</b>	<b>281,179</b>	<b>100.0 %</b>	<b>\$2,136,078</b>	<b>100.0 %</b>

**Table 18  
TOP TEN PERCENT AND TOP ONE PERCENT OF TAXPAYERS  
BY INDUSTRY  
(\$ THOUSANDS)**

<b>INDUSTRY</b>	<b>TOP TEN PERCENT</b>		<b>TOP ONE PERCENT</b>	
	<b>Number</b>	<b>Liability</b>	<b>Number</b>	<b>Liability</b>
<b>FINANCE &amp; INSURANCE</b>	1,727	\$477,810	424	\$450,982
<b>REAL ESTATE</b>	5,685	183,520	332	95,963
<b>MANUFACTURING</b>	1,267	145,837	226	124,867
<b>PROF/TECH/MANAGERIAL</b>	4,498	228,425	423	159,606
<b>OTHER SERVICES</b>	6,354	221,147	397	123,088
<b>INFORMATION</b>	924	242,513	166	227,463
<b>TRADE</b>	4,802	303,164	476	225,438
<b>OTHER</b>	2,860	162,983	367	115,991
<b>TOTAL</b>	<b>28,117</b>	<b>\$1,965,399</b>	<b>2,811</b>	<b>\$1,523,398</b>

**GENERAL CORPORATION TAX  
TAX YEAR 2009**

**Table 19  
DISTRIBUTION BY TAX BASE  
(\$ THOUSANDS)**

<b>TAX BASE</b>	<b>Number</b>	<b>% of Total</b>	<b>Liability</b>	<b>% of Total</b>
<b>ENTIRE NET INCOME</b>	90,134	32.1 %	\$1,847,852	86.5 %
<b>INCOME PLUS COMPENSATION</b>	15,731	5.6	92,367	4.3
<b>CAPITAL</b>	21,239	7.6	135,790	6.4
<b>MINIMUM TAX</b>	152,456	54.2	44,306	2.1
<b>NOT AVAILABLE</b>	1,619	0.6	15,763	0.7
<b>TOTAL</b>	<b>281,179</b>	<b>100.0 %</b>	<b>\$2,136,078</b>	<b>100.0 %</b>

**Table 20  
DISTRIBUTION BY TAX BASE AND INDUSTRY  
(\$ THOUSANDS)**

<b>INDUSTRY</b>	<b>ENTIRE NET INCOME</b>		<b>INCOME + COMP</b>		<b>CAPITAL</b>		<b>MINIMUM TAX</b>	
	<b>Number</b>	<b>Liability</b>	<b>Number</b>	<b>Liability</b>	<b>Number</b>	<b>Liability</b>	<b>Number</b>	<b>Liability</b>
<b>FINANCE &amp; INSURANCE</b>	3,084	\$423,470	558	\$15,970	1,267	\$37,356	7,352	\$2,215
<b>REAL ESTATE</b>	15,422	177,059	547	3,008	9,042	28,548	22,339	3,396
<b>MANUFACTURING</b>	2,727	139,833	560	2,243	753	6,993	4,833	2,370
<b>PROF/TECH/MANAGERIAL</b>	13,679	205,338	3,821	18,999	1,686	20,560	18,215	5,468
<b>OTHER SERVICES</b>	23,089	210,964	5,712	31,886	3,219	7,583	37,051	8,007
<b>INFORMATION</b>	2,314	226,344	534	4,294	548	14,419	4,558	1,416
<b>TRADE</b>	16,867	304,131	2,416	9,314	3,443	9,879	36,125	15,298
<b>OTHER</b>	12,952	160,715	1,583	6,653	1,281	10,453	21,983	6,135
<b>TOTAL</b>	<b>90,134</b>	<b>\$1,847,852</b>	<b>15,731</b>	<b>\$92,367</b>	<b>21,239</b>	<b>\$135,790</b>	<b>152,456</b>	<b>\$44,306</b>

**GENERAL CORPORATION TAX  
TAX YEAR 2009**

**Table 21  
DISTRIBUTION BY FORM TYPE  
(\$ THOUSANDS)**

<b>FORM TYPE</b>	<b>Number</b>	<b>% of Total</b>	<b>Liability</b>	<b>% of Total</b>
<b>SHORT FORM (NYC-4S EZ)</b>	39,490	14.0 %	\$12,984	0.6 %
<b>SHORT FORM (NYC-4S)</b>	97,641	34.7	240,683	11.3
<b>LONG FORM (NYC-3L)</b>	131,917	46.9	983,070	46.0
<b>COMBINED FORM (NYC-3A)</b>	2,676	1.0	881,675	41.3
<b>NOT AVAILABLE / EXTENSION</b>	9,455	3.4	17,667	0.8
<b>TOTAL</b>	<b>281,179</b>	<b>100.0 %</b>	<b>\$2,136,078</b>	<b>100.0 %</b>

**GENERAL CORPORATION TAX  
TAX YEAR 2009**

**Table 22  
DISTRIBUTION BY FORM TYPE AND LIABILITY RANGE  
(\$ THOUSANDS)**

LIABILITY PER RETURN (Actual \$)	SHORT FORM (NYC-4S EZ)		SHORT FORM (NYC-4S)		LONG FORM (NYC-3L)		COMBINED FORM (NYC-3A)		NOT AVAILABLE	
	Number	Liability	Number	Liability	Number	Liability	Number	Liability	Number	Liability
<b>\$300 OR LESS</b>	33,463	\$1,851	52,327	\$15,342	66,662	\$4,390	292	\$31	6,915	\$816
<b>\$300 - \$1,000</b>	3,518	2,002	15,562	7,080	16,629	9,616	144	89	1,135	672
<b>\$1,000 - \$5,000</b>	2,014	4,853	20,688	39,463	29,953	71,063	511	1,456	1,078	2,379
<b>\$5,000 - \$10,000</b>	397	3,177	4,450	33,870	7,573	53,517	325	2,280	154	1,128
<b>\$10,000 - \$50,000</b>	*	*	4,039	91,191	8,303	175,837	600	14,763	*	*
<b>\$50,000 - \$500,000</b>	*	*	565	77,635	2,561	339,411	553	94,407	*	*
<b>\$500,000 - \$1,000,000</b>	0	0	*	*	157	108,053	97	68,702	*	*
<b>MORE THAN \$1,000,000</b>	0	0	*	*	79	221,183	154	699,947	*	*
<b>TOTAL</b>	<b>39,490</b>	<b>\$12,984</b>	<b>97,641</b>	<b>\$240,683</b>	<b>131,917</b>	<b>\$983,070</b>	<b>2,676</b>	<b>\$881,675</b>	<b>9,455</b>	<b>\$17,667</b>

\* Numbers cannot be provided due to confidentiality restrictions.

**GENERAL CORPORATION TAX  
TAX YEAR 2009**

**Table 23  
DISTRIBUTION BY ALLOCATION STATUS AND INDUSTRY  
(\$ THOUSANDS)**

ALLOCATION STATUS AND INDUSTRY	Number	% of Total	Liability	% of Total
<b>MULTI-JURISDICTIONAL</b>	<b>32,723</b>	<b>11.6 %</b>	<b>\$1,459,405</b>	<b>68.3 %</b>
Finance & Insurance	2,068	0.7	408,084	19.1
Real Estate	1,503	0.5	46,043	2.2
Manufacturing	2,785	1.0	138,279	6.5
Prof/Tech/Managerial	7,630	2.7	174,623	8.2
Other Services	5,750	2.0	113,423	5.3
Information	1,897	0.7	235,142	11.0
Trade	7,438	2.6	252,687	11.8
Other	3,652	1.3	91,124	4.3
<b>100% N.Y.C.</b>	<b>238,923</b>	<b>85.0</b>	<b>657,187</b>	<b>30.8</b>
Finance & Insurance	9,945	3.5	70,869	3.3
Real Estate	44,838	15.9	165,783	7.8
Manufacturing	5,824	2.1	13,002	0.6
Prof/Tech/Managerial	28,835	10.3	73,929	3.5
Other Services	61,652	21.9	144,586	6.8
Information	5,811	2.1	11,256	0.5
Trade	49,762	17.7	85,397	4.0
Other	32,256	11.5	92,365	4.3
<b>NOT AVAILABLE</b>	<b>9,533</b>	<b>3.4</b>	<b>19,486</b>	<b>0.9</b>
Finance & Insurance	312	0.1	4,671	0.2
Real Estate	1,281	0.5	1,661	0.1
Manufacturing	326	0.1	573	0.0
Prof/Tech/Managerial	1,126	0.4	4,318	0.2
Other Services	2,036	0.7	3,535	0.2
Information	292	0.1	655	0.0
Trade	1,987	0.7	2,530	0.1
Other	2,173	0.8	1,543	0.1
<b>TOTAL</b>	<b>281,179</b>	<b>100.0 %</b>	<b>\$2,136,078</b>	<b>100.0 %</b>

See Appendix B for definition of allocation status.

**GENERAL CORPORATION TAX  
TAX YEAR 2009  
STATE S CORPORATIONS**

**Table 24  
DISTRIBUTION BY STATE S CORPORATION STATUS  
(\$ THOUSANDS)**

S CORPORATION STATUS	Number	% of Total	Liability	% of Total
STATE S CORPORATION	138,118	49.1 %	\$779,963	36.5 %
STATE C CORPORATION	143,061	50.9	1,356,115	63.5
<b>TOTAL</b>	<b>281,179</b>	<b>100.0 %</b>	<b>\$2,136,078</b>	<b>100.0 %</b>

**Table 25  
DISTRIBUTION OF STATE S CORPORATIONS BY INDUSTRY  
(\$ THOUSANDS)**

INDUSTRY	Number	% of Total	Liability	% of Total
FINANCE & INSURANCE	4,244	3.1 %	\$76,351	9.8 %
REAL ESTATE	23,242	16.8	130,965	16.8
MANUFACTURING	4,125	3.0	33,341	4.3
PROF/TECH/MANAGERIAL	21,732	15.7	87,883	11.3
OTHER SERVICES	36,788	26.6	149,922	19.2
INFORMATION	3,948	2.9	48,240	6.2
TRADE	25,533	18.5	134,425	17.2
OTHER	18,506	13.4	118,836	15.2
<b>TOTAL</b>	<b>138,118</b>	<b>100.0 %</b>	<b>\$779,963</b>	<b>100.0 %</b>

**Table 26  
DISTRIBUTION OF STATE S CORPORATIONS BY TAX BASE  
(\$ THOUSANDS)**

TAX BASE	Number	% of Total	Liability	% of Total
ENTIRE NET INCOME	59,408	43.0 %	\$686,244	88.0 %
INCOME PLUS COMPENSATION	9,433	6.8	64,546	8.3
CAPITAL	5,678	4.1	9,996	1.3
MINIMUM TAX	63,278	45.8	17,079	2.2
NOT AVAILABLE	321	0.2	2,098	0.3
<b>TOTAL</b>	<b>138,118</b>	<b>100.0 %</b>	<b>\$779,963</b>	<b>100.0 %</b>

**UNINCORPORATED BUSINESS TAX**

**PARTNERSHIPS**

Table 27  
**2009 UNINCORPORATED BUSINESS TAX  
PARTNERSHIP TAXPAYERS BY INDUSTRY**

**Total Taxpayers: 8,953**

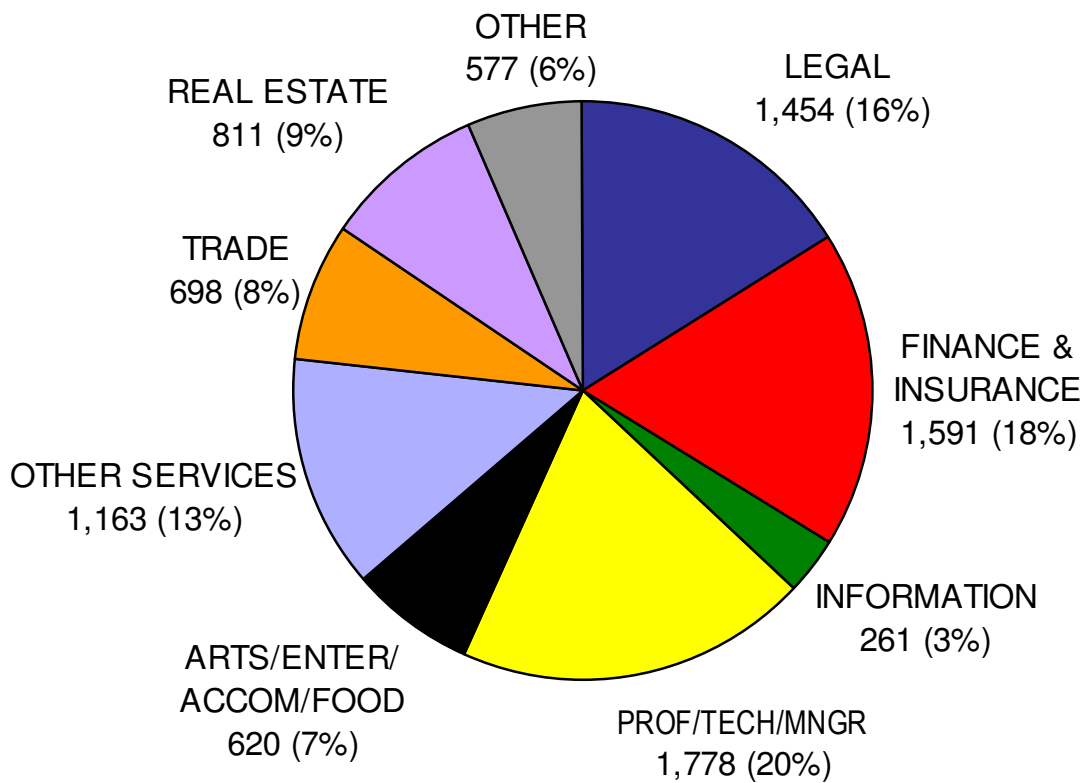
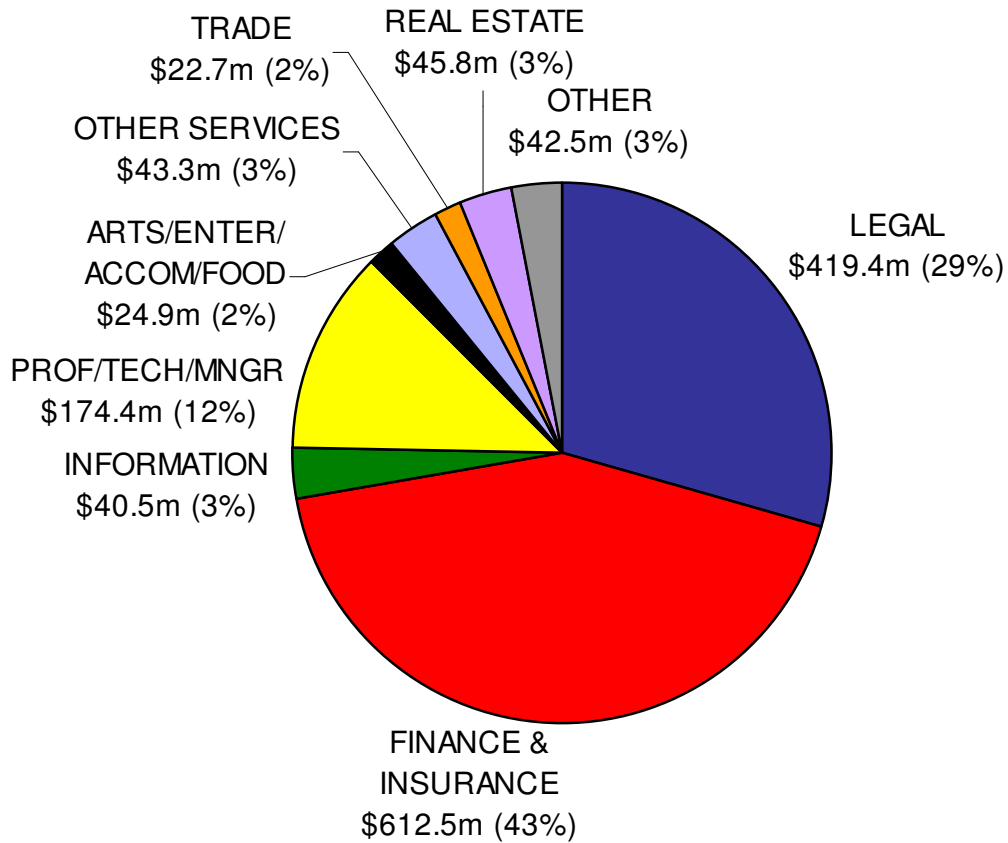




Table 28  
**2009 UNINCORPORATED BUSINESS TAX  
PARTNERSHIP LIABILITY BY INDUSTRY**

**Total Liability: \$1,426.0m**



**UNINCORPORATED BUSINESS TAX  
PARTNERSHIP TAXPAYERS  
TAX YEAR 2009**

**Table 29  
DISTRIBUTION BY INDUSTRY  
(\$ THOUSANDS)**

INDUSTRY	Number	% of Total	Liability	% of Total
<b>LEGAL</b>	<b>1,454</b>	<b>16.2 %</b>	<b>\$419,366</b>	<b>29.4 %</b>
<b>FINANCE &amp; INSURANCE</b>	<b>1,591</b>	<b>17.8</b>	<b>612,482</b>	<b>42.9</b>
Credit Agencies	53	0.6	3,782	0.3
Funds & Trusts	83	0.9	18,840	1.3
Insurance and Other Finance	57	0.6	3,053	0.2
Securities & Commodities	1,398	15.6	586,807	41.1
<b>INFORMATION</b>	<b>261</b>	<b>2.9</b>	<b>40,486</b>	<b>2.8</b>
Broadcasting/Telecomm	44	0.5	26,959	1.9
Information Services/Data	92	1.0	7,248	0.5
Movies/Video/Sound	80	0.9	2,900	0.2
Publishing	45	0.5	3,380	0.2
<b>PROF / TECH / MANAGERIAL</b>	<b>1,778</b>	<b>19.9</b>	<b>174,433</b>	<b>12.2</b>
Accounting	336	3.8	68,217	4.8
Holding Companies	73	0.8	3,401	0.2
Other Prof / Tech / Managerial	1,369	15.3	102,815	7.2
<b>ARTS / ENTER / ACCOM / FOOD</b>	<b>620</b>	<b>6.9</b>	<b>24,943</b>	<b>1.7</b>
Accommodations	59	0.7	2,578	0.2
Amusement	33	0.4	3,242	0.2
Food Services	313	3.5	6,451	0.5
Performing Arts	215	2.4	12,672	0.9
<b>OTHER SERVICES</b>	<b>1,163</b>	<b>13.0</b>	<b>43,272</b>	<b>3.0</b>
Administration/Support	216	2.4	7,217	0.5
Education	40	0.4	1,557	0.1
Health Care	636	7.1	27,154	1.9
Personal Service	191	2.1	3,122	0.2
Rental & Leasing	50	0.6	3,588	0.3
Repair/Maintenance	14	0.2	98	0.0
Miscellaneous Other Services	16	0.2	536	0.0
<b>TRADE</b>	<b>698</b>	<b>7.8</b>	<b>22,711</b>	<b>1.6</b>
Durable Wholesale	191	2.1	3,873	0.3
Non-Durable Wholesale	206	2.3	9,768	0.7
Retail	301	3.4	9,070	0.6
<b>REAL ESTATE</b>	<b>811</b>	<b>9.1</b>	<b>45,833</b>	<b>3.2</b>
<b>OTHER</b>	<b>577</b>	<b>6.4</b>	<b>42,509</b>	<b>3.0</b>
Construction	296	3.3	30,027	2.1
Manufacturing	170	1.9	8,062	0.6
Transportation & Utilities	56	0.6	3,893	0.3
Miscellaneous Other & Not Available	55	0.6	528	0.0
<b>TOTAL</b>	<b>8,953</b>	<b>100.0 %</b>	<b>\$1,426,036</b>	<b>100.0 %</b>

**UNINCORPORATED BUSINESS TAX  
PARTNERSHIP TAXPAYERS  
TAX YEAR 2009**

**Table 30  
DISTRIBUTION BY LIABILITY RANGE  
(\$ THOUSANDS)**

LIABILITY RANGE	Number	% of Total	Total Liability	% of Total
\$300 OR LESS	196	2.2 %	\$42	0.0 %
\$300 - \$1,000	330	3.7	209	0.0
\$1,000 - \$5,000	1,001	11.2	2,741	0.2
\$5,000 - \$10,000	1,800	20.1	13,208	0.9
\$10,000 - \$50,000	3,411	38.1	78,607	5.5
\$50,000 - \$500,000	1,771	19.8	272,084	19.1
\$500,000 - \$1,000,000	169	1.9	117,465	8.2
MORE THAN \$1,000,000	275	3.1	941,681	66.0
<b>TOTAL</b>	<b>8,953</b>	<b>100.0 %</b>	<b>\$1,426,036</b>	<b>100.0 %</b>

**Table 31  
TOP TEN PERCENT AND TOP ONE PERCENT OF TAXPAYERS  
(\$ THOUSANDS)**

INDUSTRY	TOP TEN PERCENT		TOP ONE PERCENT	
	Number	Liability	Number	Liability
LEGAL	213	\$377,827	35	\$243,656
FINANCE & INSURANCE	401	562,702	43	285,231
INFORMATION	27	35,055	*	*
PROF / TECH / MANAGERIAL	105	132,132	*	*
ARTS / ENTER / ACCOM / FOOD	21	12,419	*	*
OTHER SERVICES	28	15,840	*	*
TRADE	20	8,590	*	*
REAL ESTATE	42	28,182	*	*
OTHER	38	28,224	*	*
<b>TOTAL</b>	<b>895</b>	<b>\$1,200,972</b>	<b>89</b>	<b>\$634,856</b>

\* Numbers cannot be provided due to confidentiality restrictions.

**UNINCORPORATED BUSINESS TAX  
PARTNERSHIP TAXPAYERS  
TAX YEAR 2009**

**Table 32  
DISTRIBUTION BY ALLOCATION METHOD AND INDUSTRY  
(\$ THOUSANDS)**

ALLOCATION METHOD AND INDUSTRY	Number	% of Total	Liability	% of Total
<b>FORMULA</b>	<b>2,563</b>	<b>28.6 %</b>	<b>\$823,269</b>	<b>57.7 %</b>
Legal	397	4.4	237,900	16.7
Finance & Insurance	540	6.0	376,940	26.4
Information	115	1.3	35,688	2.5
Prof/Tech/Managerial	635	7.1	116,352	8.2
Arts/Enter/Accom/Food	84	0.9	6,685	0.5
Other Services	195	2.2	12,146	0.9
Trade	315	3.5	15,319	1.1
Real Estate	67	0.7	6,562	0.5
Other	215	2.4	15,678	1.1
<b>100% N.Y.C.</b>	<b>6,169</b>	<b>68.9</b>	<b>449,241</b>	<b>31.5</b>
Legal	990	11.1	58,422	4.1
Finance & Insurance	1,025	11.4	225,589	15.8
Information	140	1.6	4,774	0.3
Prof/Tech/Managerial	1,103	12.3	40,234	2.8
Arts/Enter/Accom/Food	528	5.9	18,193	1.3
Other Services	954	10.7	30,880	2.2
Trade	372	4.2	7,351	0.5
Real Estate	730	8.2	37,264	2.6
Other	327	3.7	26,534	1.9
<b>SEPARATE BOOKS</b>	<b>89</b>	<b>1.0</b>	<b>149,952</b>	<b>10.5</b>
Legal	57	0.6	122,837	8.6
Finance & Insurance	13	0.1	7,793	0.5
Prof/Tech/Managerial & Information	13	0.1	17,359	1.2
All Other Sectors	6	0.1	1,962	0.1
<b>NOT AVAILABLE</b>	<b>132</b>	<b>1.5</b>	<b>3,574</b>	<b>0.3</b>
<b>TOTAL</b>	<b>8,953</b>	<b>100.0 %</b>	<b>\$1,426,036</b>	<b>100.0 %</b>

See Appendix C for definition of allocation method.

**UNINCORPORATED BUSINESS TAX  
PARTNERSHIP TAXPAYERS  
TAX YEAR 2009**

**LIMITED LIABILITY PARTNERSHIPS/COMPANIES**

**Table 33  
DISTRIBUTION OF TAXPAYERS BY LIMITED LIABILITY PARTNERSHIP/COMPANY STATUS  
(\$ THOUSANDS)**

LLP/LLC STATUS	Number	% of Total	Liability	% of Total
LLP/LLC	8,318	92.9 %	\$1,391,914	97.6 %
NON-LLP/LLC	635	7.1	34,123	2.4
<b>TOTAL</b>	<b>8,953</b>	<b>100.0 %</b>	<b>\$1,426,036</b>	<b>100.0 %</b>

**Table 34  
DISTRIBUTION OF LIMITED LIABILITY PARTNERSHIPS/COMPANIES BY INDUSTRY  
(\$ THOUSANDS)**

INDUSTRY	Number	% of Total	Liability	% of Total
LEGAL	1,284	15.4 %	\$416,788	29.9 %
FINANCE & INSURANCE	1,498	18.0	590,070	42.4
INFORMATION	253	3.0	39,925	2.9
PROF / TECH / MANAGERIAL	1,657	19.9	173,133	12.4
ARTS / ENTER / ACCOM / FOOD	585	7.0	24,213	1.7
OTHER SERVICES	1,066	12.8	39,291	2.8
TRADE	673	8.1	22,326	1.6
REAL ESTATE	755	9.1	45,211	3.2
OTHER	547	6.6	40,955	2.9
<b>TOTAL</b>	<b>8,318</b>	<b>100.0 %</b>	<b>\$1,391,914</b>	<b>100.0 %</b>

**UNINCORPORATED BUSINESS TAX**

**PROPRIETORSHIPS**

Table 35  
**2009 UNINCORPORATED BUSINESS TAX  
PROPRIETORSHIP TAXPAYERS  
BY INDUSTRY**

**Total Taxpayers: 12,852**

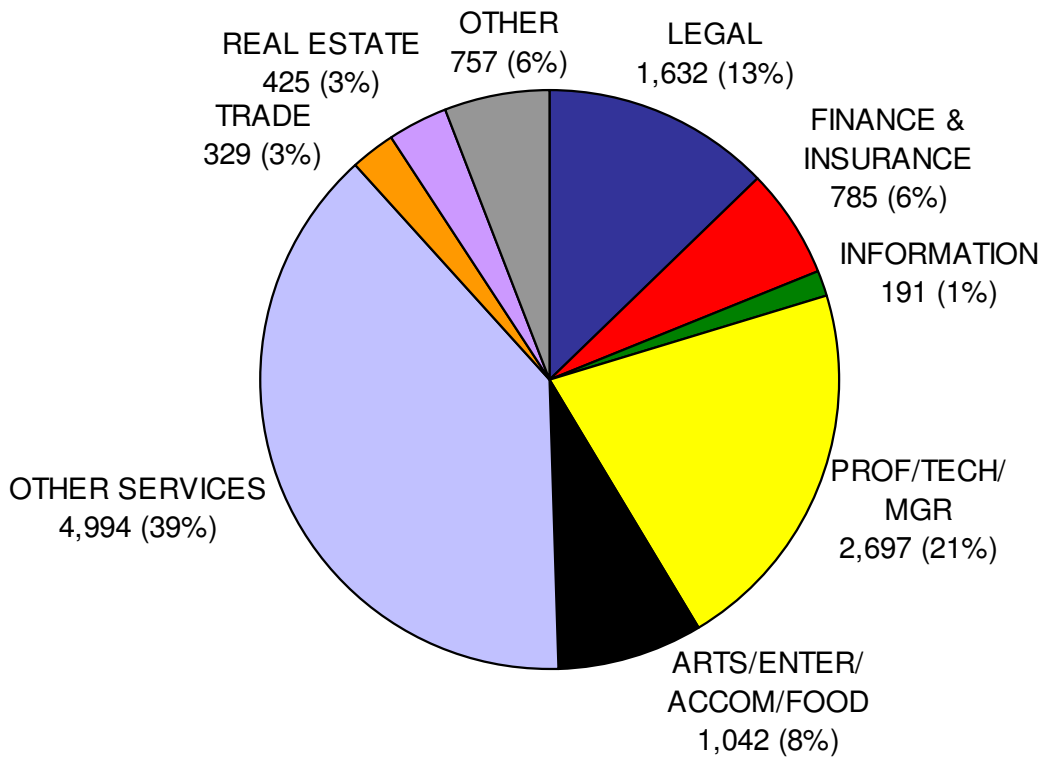
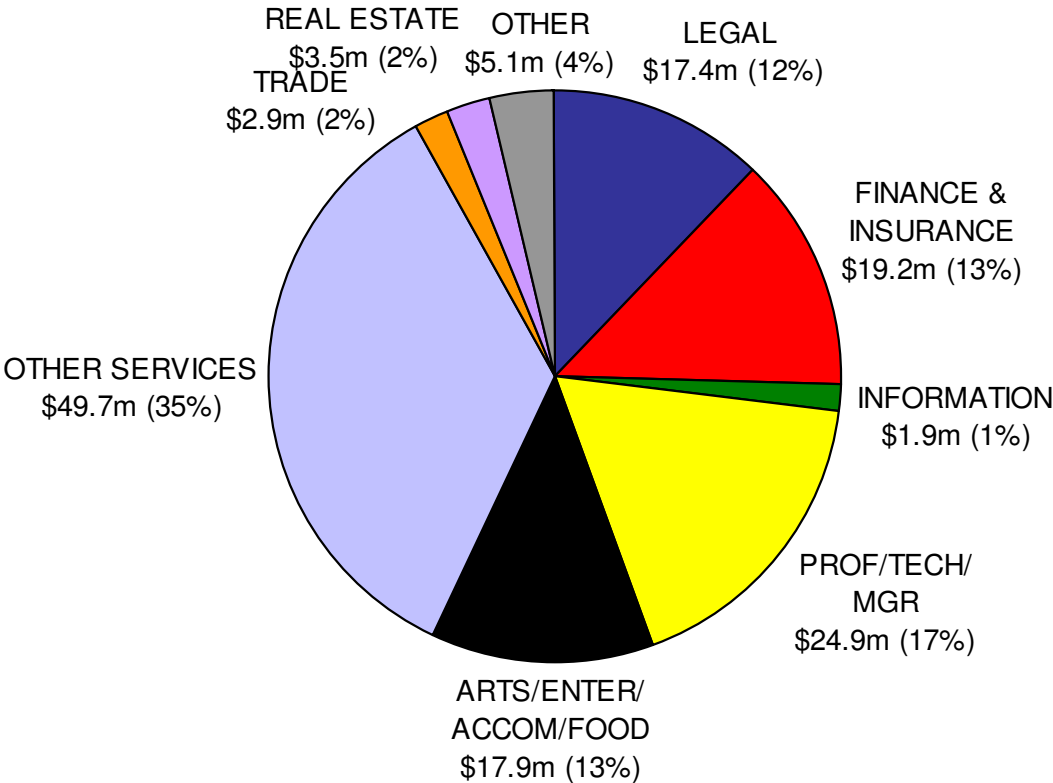


Table 36  
**2009 UNINCORPORATED BUSINESS TAX  
 PROPRIETORSHIP LIABILITY  
 BY INDUSTRY**

**Total Liability: \$142.3m**





**UNINCORPORATED BUSINESS TAX  
PROPRIETORSHIP TAXPAYERS  
TAX YEAR 2009**

**Table 37  
DISTRIBUTION BY INDUSTRY  
(\$ THOUSANDS)**

INDUSTRY	Number	% of Total	Liability	% of Total
<b>LEGAL</b>	<b>1,632</b>	<b>12.7 %</b>	<b>\$17,392</b>	<b>12.2 %</b>
<b>FINANCE &amp; INSURANCE</b>	<b>785</b>	<b>6.1</b>	<b>19,154</b>	<b>13.5</b>
Insurance	221	1.7	2,322	1.6
Securities & Commodities	541	4.2	16,508	11.6
Other Finance	23	0.2	324	0.2
<b>INFORMATION</b>	<b>191</b>	<b>1.5</b>	<b>1,929</b>	<b>1.4</b>
Broadcasting/Telecomm	24	0.2	284	0.2
Information Services/Data	46	0.4	336	0.2
Movies/Video/Sound	61	0.5	578	0.4
Publishing	60	0.5	731	0.5
<b>PROF / TECH / MANAGERIAL</b>	<b>2,697</b>	<b>21.0</b>	<b>24,854</b>	<b>17.5</b>
Accounting	286	2.2	1,961	1.4
Other Prof / Tech / Managerial	2,411	18.8	22,893	16.1
<b>ARTS / ENTER / ACCOM / FOOD</b>	<b>1,042</b>	<b>8.1</b>	<b>17,856</b>	<b>12.5</b>
Amusement	25	0.2	298	0.2
Food Services	35	0.3	391	0.3
Performing Arts	976	7.6	17,020	12.0
Other Arts/Enter/Accom/Food	6	0.0	147	0.1
<b>OTHER SERVICES</b>	<b>4,994</b>	<b>38.9</b>	<b>49,720</b>	<b>34.9</b>
Administration/Support	160	1.2	1,372	1.0
Education	92	0.7	585	0.4
Health Care	4,426	34.4	45,607	32.0
Personal Service	221	1.7	1,616	1.1
Rental & Leasing	9	0.1	154	0.1
Repair/Maintenance	14	0.1	102	0.1
Social Services	43	0.3	129	0.1
Religious	16	0.1	64	0.0
Miscellaneous Other Services	13	0.1	90	0.1
<b>TRADE</b>	<b>329</b>	<b>2.6</b>	<b>2,870</b>	<b>2.0</b>
Durable Wholesale	89	0.7	606	0.4
Non-Durable Wholesale	66	0.5	959	0.7
Retail	174	1.4	1,305	0.9
<b>REAL ESTATE</b>	<b>425</b>	<b>3.3</b>	<b>3,457</b>	<b>2.4</b>
<b>OTHER</b>	<b>757</b>	<b>5.9</b>	<b>5,074</b>	<b>3.6</b>
Construction	107	0.8	832	0.6
Manufacturing	35	0.3	188	0.1
Transportation & Utilities	34	0.3	273	0.2
Miscellaneous Other	10	0.1	54	0.0
Not Available	571	4.4	3,726	2.6
<b>TOTAL</b>	<b>12,852</b>	<b>100.0 %</b>	<b>\$142,307</b>	<b>100.0 %</b>

**UNINCORPORATED BUSINESS TAX  
PROPRIETORSHIP TAXPAYERS  
TAX YEAR 2009**

**Table 38  
DISTRIBUTION BY LIABILITY RANGE  
(\$ THOUSANDS)**

<b>LIABILITY RANGE</b>	<b>Number</b>	<b>% of Total</b>	<b>Total Liability</b>	<b>% of Total</b>
<b>\$300 OR LESS</b>	625	4.9 %	\$88	0.1 %
<b>\$300 - \$1,000</b>	1,094	8.5	693	0.5
<b>\$1,000 - \$5,000</b>	3,123	24.3	8,371	5.9
<b>\$5,000 - \$10,000</b>	4,459	34.7	31,896	22.4
<b>\$10,000 - \$50,000</b>	3,248	25.3	58,832	41.3
<b>MORE THAN \$50,000</b>	303	2.4	42,426	29.8
<b>TOTAL</b>	<b>12,852</b>	<b>100.0 %</b>	<b>\$142,307</b>	<b>100.0 %</b>

**Table 39  
TOP TEN PERCENT AND TOP ONE PERCENT OF TAXPAYERS  
BY INDUSTRY  
(\$ THOUSANDS)**

<b>INDUSTRY</b>	<b>TOP TEN PERCENT</b>		<b>TOP ONE PERCENT</b>	
	<b>Number</b>	<b>Liability</b>	<b>Number</b>	<b>Liability</b>
<b>LEGAL</b>	145	\$7,706	9	\$3,014
<b>FINANCE &amp; INSURANCE</b>	140	14,697	37	10,512
<b>INFORMATION</b>	20	1,006	*	*
<b>PROF / TECH / MANAGERIAL</b>	198	10,769	17	4,587
<b>ARTS / ENTER / ACCOM / FOOD</b>	172	12,695	29	7,279
<b>OTHER SERVICES</b>	514	19,997	29	4,173
<b>TRADE</b>	24	1,117	*	*
<b>REAL ESTATE</b>	36	1,305	*	*
<b>OTHER</b>	36	1,425	*	*
<b>TOTAL</b>	<b>1,285</b>	<b>\$70,717</b>	<b>128</b>	<b>\$30,744</b>

\* Numbers cannot be provided due to confidentiality restrictions.

**UNINCORPORATED BUSINESS TAX  
PROPRIETORSHIP TAXPAYERS  
TAX YEAR 2009**

**Table 40  
DISTRIBUTION BY ALLOCATION METHOD AND INDUSTRY  
(\$ THOUSANDS)**

ALLOCATION METHOD AND INDUSTRY	Number	% of Total	Liability	% of Total
<b>FORMULA</b>	<b>968</b>	<b>7.5 %</b>	<b>\$19,319</b>	<b>13.6 %</b>
Legal	103	0.8	1,601	1.1
Finance & Insurance	69	0.5	5,053	3.6
Information	14	0.1	381	0.3
Prof/Tech/Managerial	232	1.8	2,049	1.4
Arts/Enter/Accom/Food	184	1.4	6,132	4.3
Other Services	250	1.9	2,669	1.9
Trade	40	0.3	811	0.6
Real Estate	17	0.1	198	0.1
Other	59	0.5	425	0.3
<b>100% N.Y.C.</b>	<b>11,398</b>	<b>88.7</b>	<b>118,678</b>	<b>83.4</b>
Legal	1,477	11.5	15,435	10.8
Finance & Insurance	689	5.4	13,821	9.7
Information	165	1.3	1,485	1.0
Prof/Tech/Managerial	2,369	18.4	22,032	15.5
Arts/Enter/Accom/Food	820	6.4	10,822	7.6
Other Services	4,579	35.6	45,645	32.1
Trade	278	2.2	2,019	1.4
Real Estate	392	3.1	3,116	2.2
Other	629	4.9	4,304	3.0
<b>SEPARATE BOOKS</b>	<b>48</b>	<b>0.4</b>	<b>967</b>	<b>0.7</b>
Legal/Finance & Insurance/Prof/Tech/Mngr	13	0.1	144	0.1
All Other Sectors	35	0.3	823	0.6
<b>NOT AVAILABLE</b>	<b>438</b>	<b>3.4</b>	<b>3,342</b>	<b>2.3</b>
<b>TOTAL</b>	<b>12,852</b>	<b>100.0 %</b>	<b>\$142,307</b>	<b>100.0 %</b>

See Appendix C for definition of allocation method.

# **APPENDICES**

## APPENDIX A

### DESCRIPTION OF THE NEW YORK CITY BANKING CORPORATION TAX FOR TAX YEAR 2009

The New York City Banking Corporation Tax (BCT) is imposed on all banking corporations, wherever organized, for the privilege of doing business in New York City. The term “banking corporation” includes any corporation organized under the laws of the United States, New York State, or any other state or country, which is doing a banking business. The term also includes any corporation at least 65 percent of whose stock is directly or indirectly owned by a bank or bank holding company, provided it is principally engaged in a business that a bank could conduct or that is so closely related to banking as to be a proper incident thereto within the meaning of the Federal Bank Holding Company Act of 1956.

#### **Basis and Rate of Tax**

The tax is the greatest of the four amounts determined under the following liability calculations:

- Entire net income allocated to the City and taxed at 9 percent;
- Alternative entire net income allocated to the City and taxed at 3 percent;
- For non-alien banks only, taxable assets allocated to the City and taxed at 0.01 percent;<sup>2</sup>
- For alien banks only, issued capital stock allocated to the City and taxed at 0.26 percent;<sup>3</sup>
- A fixed minimum tax of \$125.

“Entire net income” means the taxpayer's federal taxable income, computed without regard to an S corporation election, and subject to certain modifications. Beginning in tax year 2009, a net operating loss carry forward deduction is allowed for losses sustained in tax years beginning after 2008. Deductions are also allowed for 17 percent of interest income from subsidiary capital, 60 percent of dividend income and net gains from subsidiary capital, and 22½ percent of interest income on obligations of the United States or of New York State or its political subdivisions (other than those held for resale in connection with regular trading activities).

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<sup>2</sup> Beginning in tax year 2011, the issued capital stock calculation applicable to alien banks is eliminated, and both alien and domestic banks are subject to the taxable assets calculation. In addition, beginning in 2011 the taxable assets tax rate is reduced for certain banks with low net worth ratios.

<sup>3</sup> Ibid.

“Alternative entire net income” means entire net income as described above, except that the above-described percentage deductions with regard to income from subsidiary capital and governmental obligations are not allowed.

“Taxable assets” means the average value of the taxpayer’s total assets less certain sums received from the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation.

“Issued capital stock” is included in the tax calculation at its face value, but if the stock is without par value, its actual or market value (but not less than \$5 per share) must be used. If the taxpayer does not issue capital stock, it must use, instead, the amount by which its average total assets exceed its average total liabilities.

### **Allocation**

If a taxpayer’s entire net income, alternative entire net income, or taxable assets are derived from business carried on within and outside the City, it can allocate each tax base by use of a three-factor formula employing payroll, receipts, and deposits factors. In calculating the entire net income allocation percentage, the numerator of the payroll factor includes only 80 percent of compensation paid to employees in the City, and the receipts and deposits factors are double-weighted. (Beginning in tax year 2009, a 10-year phase-in of a single receipts factor formula applies in the case of a corporation subject to the BCT that is substantially engaged in providing management, administrative, or distribution services to a regulated investment company, i.e. a mutual fund). In allocating alternative entire net income, the numerator of the payroll factor is recalculated by including 100 percent of in-city compensation, and the receipts and deposits factors are not double-weighted. In allocating taxable assets, the entire net income allocation percentage is used but it is adjusted to reflect the inclusion of in-city wages, receipts, and deposits of an international banking facility (IBF) maintained by the taxpayer.

### **International Banking Facilities (IBFs)**

The Federal Reserve Board authorizes banks to establish units, known as International Banking Facilities, through which they can conduct certain exclusively international banking activities without being subject to certain reserve and deposit insurance requirements. The establishing bank must maintain separate IBF accounts that comply with Federal Reserve reporting requirements and the tax requirements of states that provide an IBF exemption. Under the BCT, a bank that has established a New York IBF can exclude the IBF’s net income—the excess of income over expenses from qualifying foreign banking transactions—from the calculation of its entire net income; the IBF’s payroll, receipts, and deposits are also excluded from the numerator and denominator of the bank’s allocation formula. In the alternative, the bank can make an election to include the IBF’s net income in its entire net income; however, in allocating such entire net income, the IBF’s payroll, receipts, and deposits are included in the denominator, but excluded from the numerator, of the bank’s allocation formula.

## **Credits**

In order to eliminate multiple taxation of the same income, the BCT allows a credit for banking corporations that are partners in firms subject to the UBT. The credit is based upon the distributing partnership's UBT liability, and is applied against the bank partner's tax liability.

Other credits against the tax are allowed for certain expenses (including real estate tax escalation payments) of taxpayers relocating into the City from outside New York State and creating employment opportunities, and for employment opportunities relocated to targeted areas within the City.

## **Combined Reporting**

Corporations that are closely linked may be required or permitted to file a combined return. Generally, a banking corporation or bank holding company doing business in the city is required to file a combined return with any other banking corporation or bank holding company doing business in the city where an 80-percent-stock-ownership requirement is met. However, a corporation can be excluded from a combined return if it can be shown that its inclusion fails to properly reflect its tax liability. Certain banking corporations or bank holding companies that meet a 65 percent stock ownership requirement may be permitted or required to file a combined return if the Department of Finance determines that such filing is necessary to properly reflect the tax liability of such corporations because they are engaged in a unitary business and have other interrelationships. (Beginning in tax year 2009, a "captive" regulated investment company or real estate investment trust must be included in a combined return where a greater-than-50-percent ownership test is satisfied.) The tax on a combined return is measured by the combined entire net income, combined alternative entire net income, or combined assets of all the corporations included in the return, after the elimination of inter-corporate transactions and inter-corporate stockholdings and indebtedness.

## **Filing Period**

The 2009 tax year includes all reported activity and income over a twelve-month period beginning between January 1, 2009 and December 31, 2009. In 2009, 83 percent of all BCT filers reported on a calendar-year basis. Of these, all but 2 percent were full-year filers. The tax period used under the BCT must conform to the federal tax year.

## APPENDIX B

### DESCRIPTION OF THE NEW YORK CITY GENERAL CORPORATION TAX FOR TAX YEAR 2009

The New York City General Corporation Tax (GCT) is imposed on all corporations, wherever organized, for the privilege of doing business, employing capital, owning or leasing property, or maintaining an office in New York City. Corporations that are subject to other special taxes, namely banking institutions and regulated utilities, are not subject to this tax. Insurance corporations pay no City business income taxes.

#### **Basis and Rate of Tax**

The tax is the greatest of the four amounts determined under the following liability calculations:

- Entire net income allocated to the City and taxed at 8.85 percent;
- Entire net income, increased by compensation paid to certain shareholders, reduced by a \$40,000 allowance, allocated to the City, multiplied by 18.75 percent<sup>4</sup> and taxed at 8.85 percent (the “income-plus-compensation” base);<sup>5</sup>
- Business and investment capital allocated to the City and taxed at 0.15 percent up to a maximum of \$1 million;<sup>6</sup>
- A fixed minimum tax, which is a graduated amount ranging from \$25 where the taxpayer’s City receipts are not over \$100,000 to \$5,000 where City receipts exceed \$25 million.<sup>7</sup>

In addition, there is a tax of 0.075 percent on subsidiary capital allocated to the City.

“Entire net income” means the taxpayer's federal taxable income, computed without regard to an S corporation election, subject to certain modifications. Real estate investment trusts and regulated investment companies are subject to tax on “real estate investment trust taxable income” or “investment company taxable income,” respectively, as defined in the Internal Revenue Code, with certain modifications.

The income-plus-compensation base includes the total salaries and other compensation paid to every stockholder owning more than 5 percent of the taxpayer’s issued capital stock.

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<sup>4</sup> This percentage is reduced to 15 percent for years beginning in 2010 and thereafter.

<sup>5</sup> A taxpayer is exempt from these calculations if its Federal gross income is less than \$250,000, its business allocation percentage is 100 percent, and it has no investment or subsidiary capital.

<sup>6</sup> A taxpayer is exempt from these calculations if its Federal gross income is less than \$250,000, its business allocation percentage is 100 percent, and it has no investment or subsidiary capital.

<sup>7</sup> Where a combined return is filed, each taxable subsidiary included in the return must pay the fixed minimum tax.



“Business capital” means all assets, other than subsidiary capital, investment capital, and stock issued by the taxpayer, minus short- and long-term liabilities not deducted from subsidiary or investment capital.

“Investment capital” means investments in corporate and governmental stocks, bonds, and other securities, other than subsidiary capital and stock issued by the taxpayer, minus total liabilities directly or indirectly attributable to investment capital.

“Subsidiary capital” means investments in the stock of subsidiaries and any indebtedness from subsidiaries (other than accounts receivable) on which interest is not claimed and deducted by the subsidiary on a GCT or BCT return, minus total liabilities directly or indirectly attributable to subsidiary capital. A subsidiary is a corporation whose stock is more than 50 percent owned by the taxpayer.

### **Allocation**

A corporation is taxed on the City-allocated portion of its business income and business capital. The City's taxable share of total business income and capital is allocated using the business allocation percentage (BAP), which, before 2009, was based upon the traditional three-factor formula (property, payroll, receipts), with manufacturers having the option of double-weighting their receipts factor. Beginning in tax year 2009, the GCT business allocation formula is revised by phasing in, over a 10-year period, a transition from the three-factor formula to a single-factor formula utilizing only receipts. Investment income and investment capital are allocated to the City according to the extent of activity within the City of the issuer of the investment; subsidiary capital is allocated based on the extent of the subsidiary's activity within the City. (Income from subsidiary capital is not taxable.)

### **Credits**

To eliminate multiple taxation of the same income, the GCT allows a credit for corporations that are partners in firms subject to the UBT. The credit is based upon the distributing partnership's UBT liability, and is applied against the corporate partner's tax liability.

Other credits against the tax are allowed for certain expenses (including real estate tax escalation payments) of taxpayers relocating into the City from outside New York State and creating employment opportunities, for employment opportunities relocated to targeted areas within the City, and for certain costs incurred in producing films and television shows in the City.<sup>8</sup> Due to credits, some taxpayers may have liabilities below the fixed minimum tax.

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<sup>8</sup> For tax years 2010, 2011, and 2012, certain biotechnology firms are allowed a credit for qualifying expenditures related to research and development activities. Note: New York State law has authorized the New York City Council to continue the biotech credit through 2015, but the Council has not acted yet.

## **Combined Reporting**

Groups of corporations that are closely linked may be permitted or required to file a combined return. The general requirements for combined filing are as follows: the group must form a “unitary business,” for example, one in which the goods or services produced or acquired by one member of the group are acquired, used, or sold by other members of the group; 80 percent or more of the stock of the members of the combined group must be directly or indirectly owned by other members of the group, by the parent corporation, or by the same interests; and, filing on a separate basis would distort a corporation’s New York City activities, business, income, or capital. The filing of a combined return is mandatory where there are substantial inter-corporate transactions among the related corporations, regardless of the transfer prices charged in those inter-corporate transactions. In addition, a “captive” regulated investment company or real estate investment trust is required to be included in a combined return where a greater-than-50-percent ownership test is satisfied. When filing a combined return, the group's tax liability is computed by summing information for all members of the group and subtracting inter-corporate transactions.

## **Filing Period**

The 2009 tax year includes all reported activity and income over a twelve-month period beginning between January 1, 2009 and December 31, 2009. In 2009, 74 percent of all GCT filers reported on a calendar-year basis. Of these, all but 1 percent were full-year filers. The tax period used under the GCT must conform to the federal tax year.

## APPENDIX C

### DESCRIPTION OF THE NEW YORK CITY UNINCORPORATED BUSINESS TAX FOR TAX YEAR 2009

The New York City Unincorporated Business Tax (UBT) is imposed on partnerships, individuals, trusts, and estates that carry on or liquidate unincorporated businesses or professions wholly or partly within New York City. The tax also applies to corporations in liquidation. A tax return is required to be filed if the taxpayer's gross income, before any deduction for cost of goods sold or services performed, is greater than \$95,000.

#### **Basis and Rate of Tax**

The UBT is imposed at the rate of 4 percent on New York City taxable income. For proprietors, taxable income is based upon net profit from federal form 1040, Schedule C. For partnerships, taxable income is based upon net income from the partnership's federal form 1065. Taxpayers are required to make certain New York City modifications to this income, and the resulting amount is then allocated to New York City if the business is carried on both in and out of the City.

Individuals or unincorporated entities, other than dealers, are not considered to be unincorporated businesses subject to the UBT solely by reason of the purchase or sale of property or stock option contracts for their own account.<sup>9</sup> Investment partnerships and proprietorships may engage in limited business activity and still retain this self-trading exemption.

Owners, lessees, or fiduciaries that solely hold, lease, or manage real property are also not considered to be engaged in an unincorporated business. By contrast, dealers who hold real property primarily for sale to customers in the ordinary course of business are subject to the tax. Special rules apply to otherwise exempt taxpayers that operate a garage or other incidental business at the property for the benefit of the property's tenants.

#### **Allocation**

An unincorporated business is taxed on the City-allocated portion of its business income. Before 2009, total business net income was apportioned in accordance with the traditional three-factor formula based on property, payroll, and receipts, with manufacturers having the option of double-weighting their receipts factor. Beginning in tax year 2009, the formula is revised by phasing in, over a 10-year period, a transition from the three-factor formula to a single-factor formula utilizing only receipts.<sup>10</sup> Investment income is allocated to the City according to the extent of activity within the City of the issuer of the investment.

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<sup>9</sup> An individual or entity is not disqualified from this exemption if it receives \$25,000 or less from other activities.

<sup>10</sup> Certain grandfathered taxpayers that allocated income before 2005 based on their books and records may continue to use that method through tax year 2011.

## **Exemptions and Credits**

Through a combination of exemptions and credits, no tax is levied on proprietorships with allocated net income of not more than \$100,000 and on partnerships with allocated net income of not more than the sum of \$90,000 plus \$10,000 times the number of active partners. A proprietorship is allowed one exemption of \$5,000 and another exemption of up to \$10,000 as an allowance for proprietor services. A partnership is allowed one \$5,000 exemption and another exemption of up to \$10,000 for each active partner's services. The allowance for services is in lieu of any other deduction for payments to a proprietor or partner for services or use of capital. Both partnerships and proprietorships with tax after exemptions of \$3,400 or less (e.g., income after exemptions not greater than \$85,000) receive a full credit and owe no tax. Entities with tax after exemptions of more than \$3,400 but less than \$5,400 receive a partial credit.

In order to eliminate multiple taxation of the same income, the UBT allows a credit for partnerships that are themselves partners in firms subject to the UBT. The partner receiving the distribution may take a UBT credit that is based upon the distributing partnership's UBT liability, and is applied against the partner's UBT liability.

Other credits against the tax are allowed for certain expenses (including real estate tax escalation payments) of taxpayers relocating into the City from outside New York State and creating employment opportunities, for employment opportunities relocated to targeted areas within the City, and for certain costs incurred in producing films and television shows in the City.<sup>11</sup>

In addition, in order to address the double taxation of income under both the PIT and the UBT, partners and proprietors may take a credit against the New York City Personal Income Tax for a portion of their share of UBT paid.

## **Filing Period**

The 2009 tax year includes all reported activity and income over a twelve-month period that began between January 1, 2009 and December 31, 2009. In 2009, 97 percent of UBT filers reported on a calendar-year basis. The tax period used under the UBT must conform to the federal tax year.

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<sup>11</sup> For tax years 2010, 2011, and 2012, certain biotechnology firms are allowed a credit for qualifying expenditures related to research and development activities. See note in GCT section.

## APPENDIX D

### METHODOLOGY

The Banking Corporation Tax (BCT), General Corporation Tax (GCT), and Unincorporated Business Tax (UBT) data are obtained from tax data files maintained by the Department of Finance for purposes of processing, recording, and monitoring the payment history of individual taxpayers. The Office of Tax Policy converted these tax files into an aggregate database in order to analyze various characteristics of the BCT, GCT, and UBT. The distributions presented in this report reflect data that are as complete as possible. For tax year 2009, 97 percent of all BCT taxpayers had filed annual returns, 97 percent of GCT taxpayers had filed annual returns, and 97 percent of UBT taxpayers had filed annual returns.

#### **Liability and Number**

The Finance Department's master files contain BCT, GCT, and UBT transactions, including declarations of estimated liability, quarterly estimated payments, applications for extension, annual returns, liability adjustments, penalties, and interest charges. Liability was estimated based on either the tax reported on the annual return, or, if no annual return was filed, on the application for an extension. Liability excludes penalty and interest charges. The number of GCT and BCT taxpayers refers to the number of annual returns received, or, if no annual return was filed, the number of applications for an extension received. The number of UBT taxpayers refers to the number of annual returns received with liability greater than zero, or, if no annual return was filed, the number of applications for an extension received with liability greater than zero. In rare instances, a taxpayer will file more than one return for a tax year, with each return covering a portion of the year. For these cases filing short-year returns, the number of GCT and BCT taxpayers reported reflects the number of returns filed, while the number of UBT taxpayers reported reflects the number of returns with liability greater than zero, and the liability reported reflects the total liability on these returns.

#### **Industry**

The GCT and UBT distributions by industry sector are based upon the NAICS (North American Industry Classification System) code, as reported by taxpayers. Since firms select the one code that best describes their national activity, some multi-jurisdictional firms may use a NAICS code that does not accurately reflect their New York City activity.

In cases where the codes were missing or incorrect, various procedures were employed to identify the correct values. Computer programs assigned codes based upon name and data from other tax years. Unidentified large taxpayers were assigned codes manually. By these means, 100 percent of corporate liability, 100 percent of partnership liability, and 97 percent of proprietorship liability were ultimately identified by industry sector.

The report reflects additional verification of firms reporting as holding companies. Because under the NAICS system the definition of holding company is very broad, some taxpayers reported a holding company code when that code did not best describe the taxpayer's activity.

For UBT taxpayers, the sector groups differ from those commonly employed, in order to highlight the industries most significant to the UBT. Thus, the legal profession, which contributes 28 percent of all UBT liability, is treated as a distinct sector.

For banks, the sector reporting is by type of bank, as reported by the taxpayer on the City return.

### **Form Type**

BCT taxpayers use one of two types of annual returns. The most commonly used is the NYC-1 return. The NYC-1A is used by combined groups of banking corporations.

GCT taxpayers use one of four types of annual returns. The NYC-4S return, or the "short form," may be used by firms that do not own investment or subsidiary capital, do not have any income that could be allocated outside New York City, and do not take certain deductions or special credits. Taxpayers whose federal gross income is less than \$250,000, whose business allocation percentage is 100 percent, and that have no investment or subsidiary capital, may use the simplified version of the short form, NYC-4S EZ. Corporations eligible to use NYC-4S EZ compute their taxes using only the entire net income base or fixed dollar minimum, whichever is greater, and are not subject to the alternative bases measured by business or investment capital or by entire net income plus compensation paid to certain shareholders. Firms that allocate income outside the City, own investment or subsidiary capital, or use certain deductions or special credits, must use the NYC-3L, or the "long form." Some firms that are eligible to use the NYC-4S choose to report on the NYC-3L. The NYC-3A is used by combined groups of corporations.

UBT taxpayers use one of five types of annual returns. The NYC-204 is used by partnerships, including syndicates, groups, pools, or other unincorporated organizations.<sup>12</sup> The NYC-204 EZ can be used by partnerships that are required to file an unincorporated business tax return but have: no tax liability; no New York City modifications; all business income allocated to New York City; no credit for unincorporated business tax paid; no partial exemption for investment activities; no investment income; no net operating loss; and unincorporated business gross income, after the allowance for active partners, that is not more than \$90,000. This form may also be used by partnerships that are not required to file but wish to disclaim any liability for tax because they are engaged solely in activities exempt from the tax. The NYC-202 is used by individuals, estates, and trusts. The NYC-202S and NYC-202EZ are simplified versions of the NYC-202 and may be used by individuals who do not allocate business income, have no New York City modifications and have total income that is more than \$100,000. The NYC-202EZ

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<sup>12</sup> Limited liability companies doing business in New York City are generally taxed as partnerships under the UBT.

can be used only when there is no tax due with the filing. This form is discontinued for tax years starting in 2010.

### **Allocation**

Taxpayers were classified as multi-jurisdictional if their business allocation percentage (BAP) was less than 100. For BCT, the percentage used was the combined entire net income allocation percentage; if this was not available, the issuer's allocation percentage was used.

### **New York State S Corporation Status (GCT only)**

Data from the New York State Department of Taxation and Finance were used to identify New York City corporations that made the S corporation election at the State level.

### **LLP/ LLC Status (UBT only)**

LLC status was determined using the following methods: taxpayer name, LLC status from files supplied by the New York State Department of Taxation and Finance, and partnership type indicator on the NYC-204 or NYC-204 EZ return.

## APPENDIX E

### GLOSSARY OF INDUSTRY SECTORS

#### **BANKING CORPORATION TAX BANK TYPES**

- COMMERCIAL BANKS - U.S. incorporated banks that specialize in accepting corporate demand and time deposits and make commercial loans to businesses.
- CLEARING HOUSE BANKS - large commercial banks that are members of the New York Clearing House Association.
- FOREIGN BANKS - non-U.S. incorporated commercial banks with branches and offices in the United States. Domestic banks majority-owned by foreign banks and subsidiaries of foreign banks that provide limited banking services are classified elsewhere.
- THRIFT BANKS - both savings and loan associations and savings banks.
- OTHER BANKS
  - Edge Act Banks -- banks formed under the Edge Act banking legislation that allows national banks to conduct foreign lending operations through federal- or state-chartered subsidiaries.
  - Trust Companies -- banks specializing in the administration of trust funds, estates, custodial arrangements, stock transfers and registration, and other related services.
  - Subsidiaries of domestic and foreign banks that file separately from their parents as individual entities (and whose activities do not fall into the above categories).
  - Non-bank banks -- limited-service banks, which include certain leasing corporations, mortgage, and loan production offices.
  - Banking institutions whose bank types cannot be determined.

#### **GENERAL CORPORATION TAX INDUSTRIES**

- FINANCE and INSURANCE - credit agencies, firms engaged in banking, lending or financing activities, funds, trusts, securities and commodities brokers and dealers, exchanges, insurance agents and brokers, and related corporations.
- REAL ESTATE – lessors of real estate, property management, real estate brokers, and related real estate activity.



- **MANUFACTURING** - apparel and textile, food and beverages, printing, and other manufacturing.
- **PROFESSIONAL/TECHNICAL/MANAGERIAL SERVICES** - legal, accounting, consulting, architectural, engineering, advertising, veterinary services, and holding companies.
- **OTHER SERVICES** - administrative and support services, education, social assistance, entertainment, amusement and recreation, lodging, personal services, repair services, food services and drinking places, non-realty rental and leasing services, and medical care.
- **INFORMATION** - publishing, motion picture, broadcasting, telecommunications, information services, and data processing.
- **TRADE** - retail and wholesale.
- **OTHER** - construction, transportation, unregulated utilities, and unknown.

### **UNINCORPORATED BUSINESS TAX INDUSTRIES**

- **LEGAL**
- **FINANCE and INSURANCE** - credit agencies, firms engaged in banking, lending or financing activities, funds, trusts, securities and commodities brokers and dealers, exchanges, insurance agents and brokers, and related firms.
- **INFORMATION** - publishing, motion picture, broadcasting, telecommunications, information, and data processing.
- **PROFESSIONAL/TECHNICAL/MANAGERIAL SERVICES** - accounting, consulting, architectural, engineering, advertising, veterinary services, and holding companies.
- **ARTS/ENTERTAINMENT/ACCOMMODATIONS/ FOOD SERVICES** - performing arts, amusements and recreation, museums, accommodations, and food services and drinking places.
- **OTHER SERVICES** - administrative and support services, education, social assistance, personal services, repair services, non-realty rental and leasing services, and medical care.
- **TRADE** - retail and wholesale.
- **REAL ESTATE** – lessors of real estate, property management, real estate brokers, and related real estate activity.
- **OTHER** - manufacturing, construction, transportation, and unknown.