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

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

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

TAX YEAR 2013

BILL DE BLASIO, MAYOR

JACQUES JIHA, PH.D., COMMISSIONER

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**REPORT PREPARED BY THE
DIVISION OF TAX POLICY
MARCH 2017**

Table of Contents

Highlights	i-ii
Business Income Taxes	1-5
Table 1: Distribution of Taxpayers by Industry	2
Table 2: Distribution of Liability by Industry	3
Table 3: Distribution by Industry.....	4
Table 4: Distribution by Liability per Return	5
Banking Corporation Tax	6-13
Table 5: Distribution of Taxpayers by Bank Type	7
Table 6: Distribution of Liability by Bank Type	8
Table 7: Distribution by Bank Type	9
Table 8: Distribution by Liability per Return	10
Table 9: Top Ten Percent of Taxpayers by Bank Type	10
Table 10: Distribution by Tax Base.....	11
Table 11: Distribution by Tax Base and Bank Type	11
Table 12: Distribution by Form Type.....	12
Table 13: Distribution by Allocation Status and Bank Type	13
General Corporation Tax	14-25
Table 14: Distribution of Taxpayers by Industry	15
Table 15: Distribution of Liability by Industry	16
Table 16: Distribution by Industry.....	17
Table 17: Distribution by Liability per Return	19
Table 18: Top Ten Percent and Top One Percent of Taxpayers by Industry.....	20
Table 19: Distribution by Tax Base.....	21
Table 20: Distribution by Tax Base and Industry.....	21
Table 21: Distribution by Form Type.....	22
Table 22: Distribution by Form Type and Liability per Return	22
Table 23: Distribution by Allocation Status and Industry	23
Table 24: Distribution by State Corporation Status	24
Table 25: Distribution of State S Corporations by Industry	24
Table 26: Distribution of State S Corporations by Tax Base	25
Table 27: Distribution of State S Corporations by Allocation Status	25
Unincorporated Business Tax (Partnerships)	26-34
Table 28: Distribution of Taxpayers by Industry	27
Table 29: Distribution of Liability by Industry	28
Table 30: Distribution by Industry.....	29
Table 31: Distribution by Liability per Return	31
Table 32: Top Ten Percent and Top One Percent of Taxpayers by Industry.....	32
Table 33: Distribution by Allocation Status and Industry	33
Table 34: Distribution by Limited Liability Partnership/Company Status	34
Table 35: Distribution of Limited Liability Partnerships/Companies by Industry	34

Unincorporated Business Tax (Proprietorships)	35-41
Table 36: Distribution of Taxpayers by Industry	36
Table 37: Distribution of Liability by Industry	37
Table 38: Distribution by Industry.....	38
Table 39: Distribution by Liability per Return	40
Table 40: Top Ten Percent and Top One Percent of Taxpayers by Industry.....	40
Table 41: Distribution by Allocation Status and Industry.....	41
 Appendices	 42-57
A. Description of the New York City Banking Corporation Tax	43
B. Description of the New York City General Corporation Tax.....	46
C. Description of the New York City Unincorporated Business Tax	49
D. Methodology	51
E. Corporate Tax Reform of 2015	54
F. Glossary of Industry Sectors.....	55

Highlights

This report presents statistical information for tax year 2013 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 \$5.733 billion in tax year 2013 liability, a decrease of 5 percent from tax year 2012. The number of taxpayers increased 4 percent from 2012, to 343,166. The data show that in 2013:

- The financial sector accounted for 41 percent of all tax liability, followed by the service sector, which generated 27 percent.
- More than half of NYC business income taxpayers reported liability of \$300 or less. Two percent of taxpayers — those with liabilities of \$50,000 or more — were responsible for 85 percent of total taxpayer liability.

Banking Corporation Tax

In 2013, the Banking Corporation Tax generated \$1.293 billion from 484 taxpayers, a decrease in tax liability of 19 percent from tax year 2012. The data show that in 2013:

- Foreign banks and clearing house banks generated 46 percent and 20 percent, respectively, of total BCT liability.
- The top 10 percent of taxpayers in terms of liability generated \$1.094 billion, or 85 percent of total liability.
- Eighty-four percent of BCT liability was incurred under the entire net income or alternative net income bases, and 50 percent of taxpayers paid on one of these bases.

General Corporation Tax

The General Corporation Tax generated \$2.656 billion in tax year 2013 liability, the same as in tax year 2012. The number of taxpayers increased 4 percent from 2012 to 315,798. The data show that in 2013:

- Firms in the service sector generated 24 percent of total liability, followed by those in the finance & insurance and trade sectors, each with 18 percent. Firms in the information sector generated 14 percent.
- The top 10 percent of taxpayers in terms of liability generated \$2.468 billion, or 93 percent of total liability. The top 1 percent of taxpayers accounted for \$1.943 billion, or 73 percent of total liability.

- Fifty-seven 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. Ninety percent of total GCT liability was incurred under the entire net income base.
- Approximately 152,000 GCT taxpayers were recognized as S corporations for New York State tax purposes. S corporations accounted for \$880 million, or 33 percent, of GCT liability in 2013.

Unincorporated Business Tax

The Unincorporated Business Tax produced \$1.785 billion in 2013 tax liability, a 1 percent increase from the previous year. Partnerships generated \$1.618 billion, an increase of 2 percent from 2012. Proprietorships generated \$167 million in liability, the same as in 2012. There were 11,949 partnership taxpayers and 14,935 proprietorship taxpayers, an increase of 5 percent for partnerships and 3 percent for proprietorships compared to 2012.

Other characteristics of the UBT population are as follows:

- Among UBT partnerships, legal, finance & insurance, and professional services firms generated \$1.248 billion in tax liability, or 77 percent of total partnership liability. Among proprietorships, service-sector firms accounted for 67 percent of total liability, while legal-sector firms generated 12 percent.
- The top 10 percent of partnership taxpayers, or 1,195 firms, accounted for 84 percent of total partnership liability, and the top 1 percent accounted for 47 percent. The proprietorship liability distribution was far less skewed, with the top 10 percent generating 49 percent of proprietorship liability, while the top 1 percent generated 21 percent of liability.
- Under the UBT, limited liability companies (LLCs) are generally treated as partnerships for tax purposes. In 2013, firms identified as LLCs or as limited liability partnerships (LLPs) accounted for 98 percent of UBT partnership liability and 95 percent of partnership taxpayers.

BUSINESS INCOME TAXES

Table 1
2013 BUSINESS INCOME TAXES
TAXPAYERS BY INDUSTRY

Total Taxpayers: 343,166

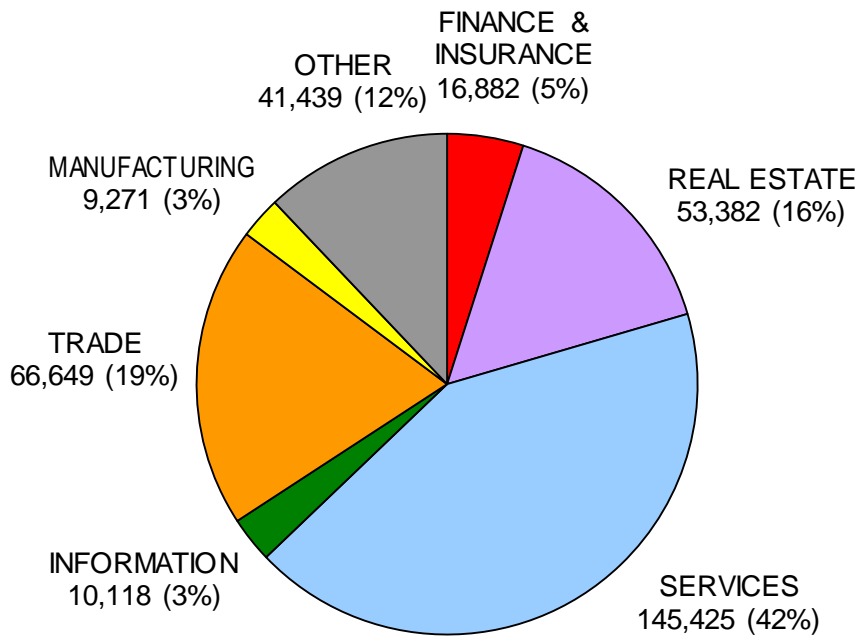
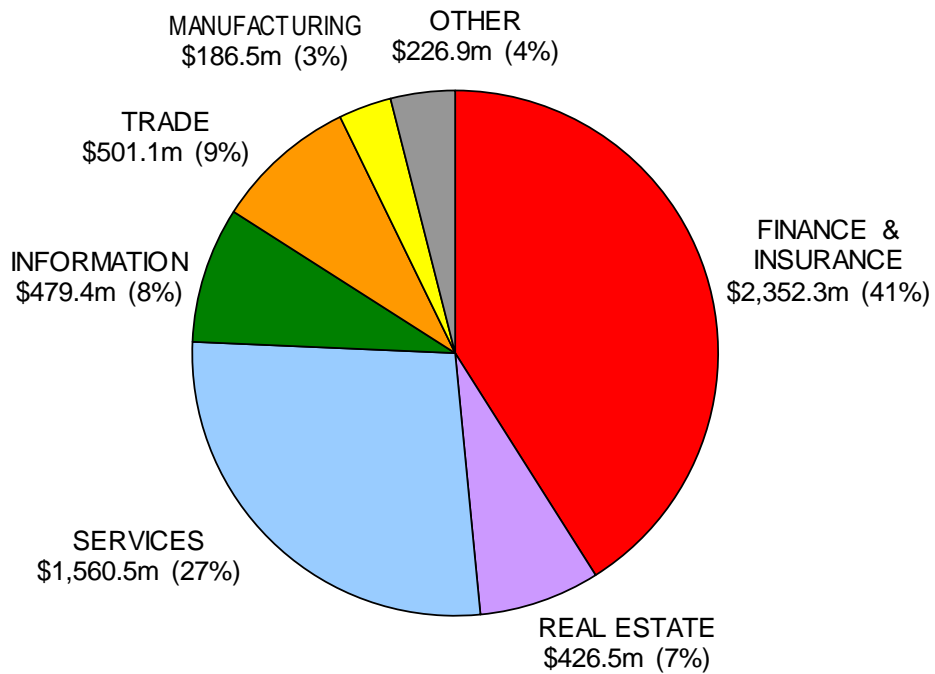


Table 2
2013 BUSINESS INCOME TAXES
LIABILITY BY INDUSTRY

Total Liability: \$5,733.2m



**BUSINESS INCOME TAXES
TAX YEAR 2013**

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

Industry	Number	% of Total	Liability	% of Total
Finance & Insurance	16,882	4.9 %	\$2,352,252	41.0 %
Real Estate	53,382	15.6	426,516	7.4
Services	145,425	42.4	1,560,484	27.2
Information	10,118	2.9	479,410	8.4
Trade	66,649	19.4	501,141	8.7
Manufacturing	9,271	2.7	186,506	3.3
Other	41,439	12.1	226,921	4.0
TOTAL	343,166	100.0 %	\$5,733,231	100.0 %

**BUSINESS INCOME TAXES
TAX YEAR 2013**

**Table 4
DISTRIBUTION BY LIABILITY PER RETURN**

Liability per Return	Number	% of Total	Liability (000)	% of Total
\$300 or Less*	180,233	52.5 %	\$2,053	0.0 %
\$300 - \$1,000	41,992	12.2	24,255	0.4
\$1,000 - \$5,000	66,313	19.3	157,294	2.7
\$5,000 - \$10,000	22,444	6.5	159,422	2.8
\$10,000 - \$50,000	23,826	6.9	498,185	8.7
\$50,000 - \$500,000	7,090	2.1	985,869	17.2
\$500,000 - \$1,000,000	576	0.2	399,597	7.0
More than \$1,000,000	692	0.2	3,506,556	61.2
TOTAL	343,166	100.0 %	\$5,733,231	100.0 %

* Starting this year, BCT and GCT liability is reported net of all refundable credits, rather than set to zero if liability after credits is negative.

BANKING CORPORATION TAX

Table 5
**2013 BANKING CORPORATION TAX
TAXPAYERS BY BANK TYPE**

Total Taxpayers: 484

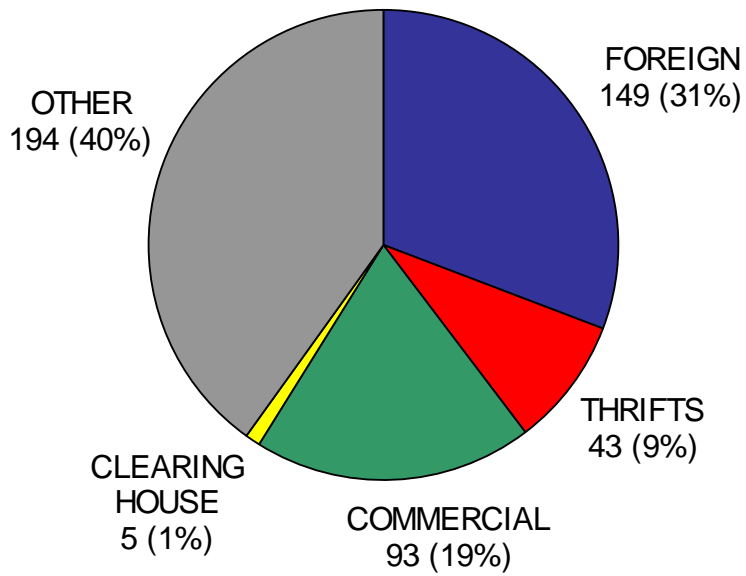
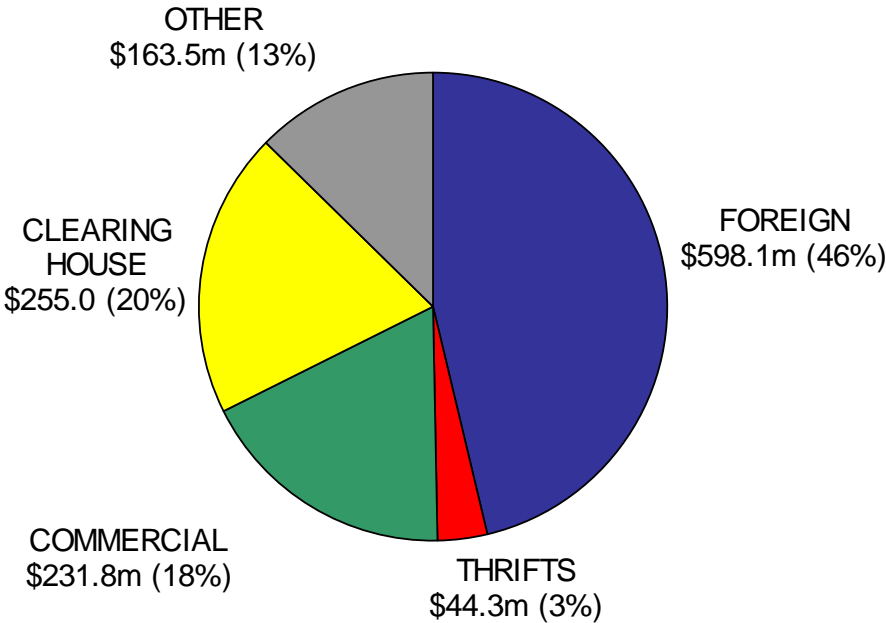


Table 6
**2013 BANKING CORPORATION TAX
LIABILITY BY BANK TYPE**

Total Liability: \$1,292.7m



**BANKING CORPORATION TAX
TAX YEAR 2013**

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

Bank Type	Number	% of Total	Liability	% of Total
Commercial	93	19.2 %	\$231,801	17.9 %
Clearing House	5	1.0	254,977	19.7
Foreign	149	30.8	598,116	46.3
Thrifts	43	8.9	44,307	3.4
Other	194	40.1	163,495	12.6
TOTAL	484	100.0 %	\$1,292,696	100.0 %

**BANKING CORPORATION TAX
TAX YEAR 2013**

**Table 8
DISTRIBUTION BY LIABILITY PER RETURN**

Liability per Return	Number	% of Total	Liability (000)	% of Total
\$125 or Less*	84	17.4 %	-\$94	0.0 %
\$125 - \$1,000	26	5.4	11	0.0
\$1,000 - \$5,000	34	7.0	88	0.0
\$5,000 - \$10,000	14	2.9	105	0.0
\$10,000 - \$50,000	52	10.7	1,293	0.1
\$50,000 - \$500,000	122	25.2	24,229	1.9
\$500,000 - \$1,000,000	41	8.5	27,797	2.2
More than \$1,000,000	111	22.9	1,239,267	95.9
TOTAL	484	100.0 %	\$1,292,696	100.0 %

* Starting this year, BCT liability is reported net of all refundable credits, rather than set to zero if liability after credits is negative.

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

Bank Type	Number	Liability
Commercial / Clearing House	13	\$440,430
Foreign	24	517,927
Other	11	135,283
TOTAL	48	\$1,093,639

**BANKING CORPORATION TAX
TAX YEAR 2013**

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

Tax Base	Number	% of Total	Liability	% of Total
Net Income or Alternative Net Income	240	49.6 %	\$1,089,026	84.2 %
Asset	150	31.0	200,313	15.5
Minimum Tax or Not Available	94	19.4	3,357	0.3
TOTAL	484	100.0 %	\$1,292,696	100.0 %

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

Tax Base	Commercial/ Clearing House		Foreign		Other/Thrfts	
	Number	Liability	Number	Liability	Number	Liability
Net Income or Alternative Net Income	66	\$378,314	63	\$529,122	111	\$181,590
Asset	21	106,001	66	68,148	63	26,163
Minimum Tax or Not Available	11	2,463	20	846	63	49
TOTAL	98	\$486,778	149	\$598,116	237	\$207,802

**BANKING CORPORATION TAX
TAX YEAR 2013**

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

Form Type	Number	% of Total	Liability	% of Total
NYC-1	341	70.5 %	\$503,332	38.9 %
NYC-1A (Combined Form)	138	28.5	786,020	60.8
Not Available / Extension	5	1.0	3,345	0.3
TOTAL	484	100.0 %	\$1,292,696	100.0 %

**BANKING CORPORATION TAX
TAX YEAR 2013**

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

Allocation Status And Bank Type	Number	% of Total	Liability	% of Total
Multi-Jurisdictional	368	76.0 %	\$1,214,453	93.9 %
Commercial / Clearing House	87	18.0	482,690	37.3
Foreign	106	21.9	532,634	41.2
Other	175	36.2	199,129	15.4
100% N.Y.C.	110	22.7	74,898	5.8
Commercial / Clearing House	8	1.7	1,627	0.1
Foreign	42	8.7	64,639	5.0
Other	60	12.4	8,633	0.7
Not Available	6	1.2	3,345	0.3
TOTAL	484	100.0 %	\$1,292,696	100.0 %

See Appendix A for definition of allocation status.

GENERAL CORPORATION TAX

Table 14
**2013 GENERAL CORPORATION TAX
TAXPAYERS BY INDUSTRY**

Total Taxpayers: 315,798

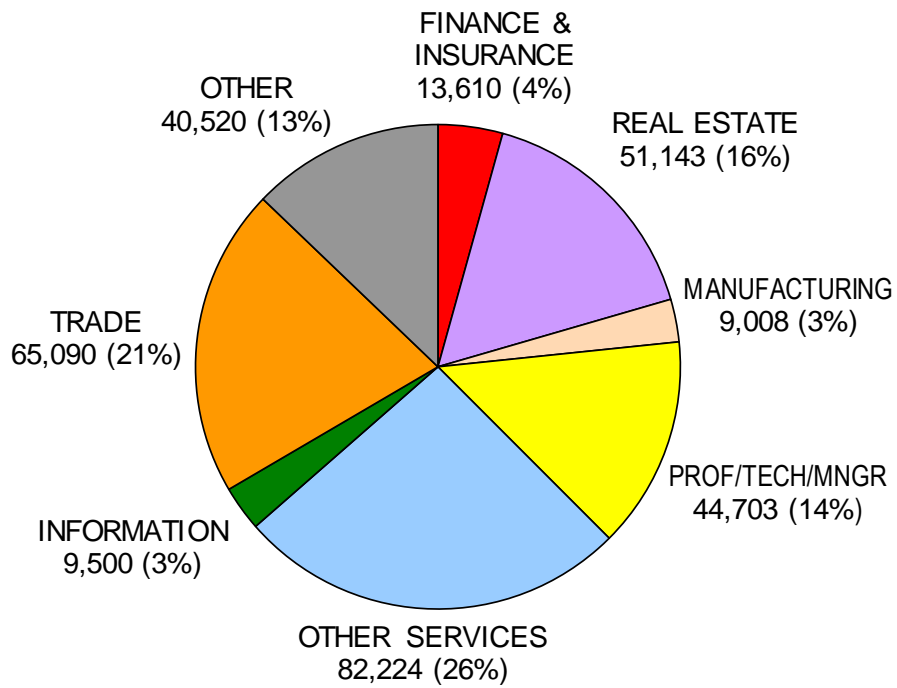
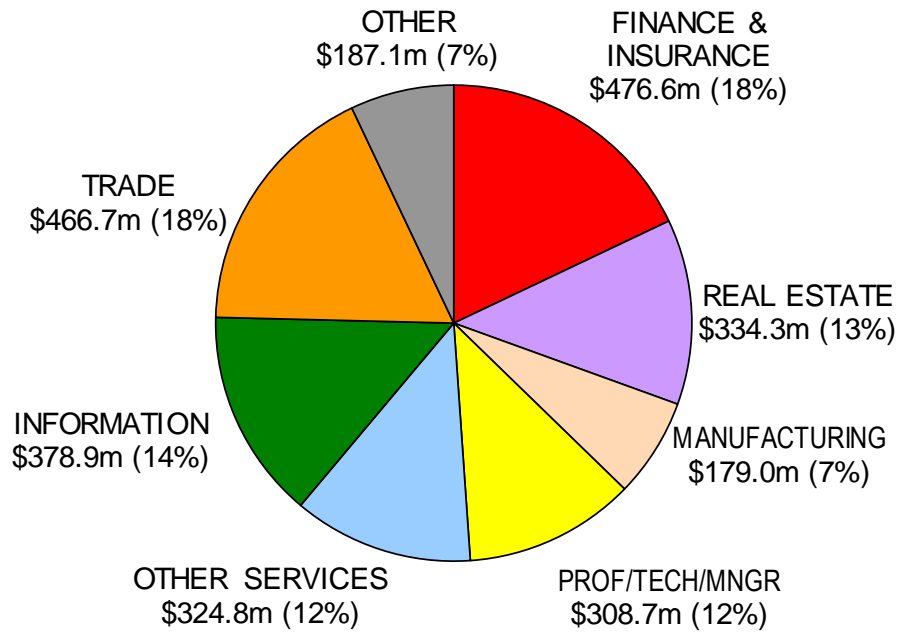


Table 15
**2013 GENERAL CORPORATION TAX
LIABILITY BY INDUSTRY**

Total Liability: \$2,656.1m



**GENERAL CORPORATION TAX
TAX YEAR 2013**

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

Industry	Number	% of Total	Liability	% of Total
Finance & Insurance	13,610	4.3 %	\$476,551	17.9 %
Credit Agencies	1,089	0.3	15,827	0.6
Funds & Trusts	3,433	1.1	11,692	0.4
Insurance	2,509	0.8	30,871	1.2
Securities & Commodities	6,579	2.1	418,161	15.7
Real Estate	51,143	16.2	334,337	12.6
Lessors of Non-Residential Property	8,923	2.8	118,316	4.5
Lessors of Residential Property	14,546	4.6	69,899	2.6
Lessors of Other Property	2,705	0.9	20,684	0.8
Property Management	5,601	1.8	16,359	0.6
Agents and Brokers	3,325	1.1	8,723	0.3
Other Real Estate	16,043	5.1	100,357	3.8
Manufacturing	9,008	2.9	179,018	6.7
Computer and Electronics	345	0.1	48,962	1.8
Chemical	332	0.1	39,426	1.5
Food/Beverage	1,174	0.4	24,659	0.9
Petroleum and Mining	377	0.1	4,609	0.2
Textiles/Apparel/Leather	2,099	0.7	12,973	0.5
Machinery	636	0.2	17,312	0.7
Fabricated Metal	661	0.2	4,753	0.2
Printing	910	0.3	3,947	0.1
Furniture	434	0.1	2,077	0.1
Other Manufacturing	2,040	0.6	20,300	0.8
Prof/Tech/Managerial	44,703	14.2	308,667	11.6
Holding Companies	2,263	0.7	52,500	2.0
Legal Services	4,356	1.4	26,595	1.0
Managerial	45	0.0	1,870	0.1
Accounting	2,716	0.9	8,791	0.3
Architectural/Engineering/Design	5,989	1.9	26,573	1.0
Computer-Related	7,345	2.3	67,271	2.5
Management/Science/Technical	4,629	1.5	36,882	1.4
Advertising/Public Relations/Marketing	3,000	0.9	24,378	0.9
Other Prof/Tech/Managerial	14,360	4.5	63,807	2.4

(continued)

**GENERAL CORPORATION TAX
TAX YEAR 2013**

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

Industry	Number	% of Total	Liability	% of Total
Other Services	82,224	26.0 %	\$324,817	12.2 %
Accommodations and Food	15,645	5.0	59,417	2.2
Administration/Support	7,724	2.4	61,235	2.3
Arts & Entertainment	11,146	3.5	53,347	2.0
Education	2,250	0.7	10,415	0.4
Health Care	15,544	4.9	86,964	3.3
Personal Services	19,412	6.1	26,789	1.0
Religious	1,043	0.3	724	0.0
Rental & Leasing	1,833	0.6	13,141	0.5
Repair/Maintenance	5,498	1.7	8,525	0.3
Social Services	1,633	0.5	1,469	0.1
Waste Management	381	0.1	2,341	0.1
Miscellaneous Other Services	115	0.0	450	0.0
Information	9,500	3.0	378,906	14.3
Broadcasting/Telecomm	1,504	0.5	82,300	3.1
Information Services/Data	2,942	0.9	96,918	3.6
Movies/Video/Sound	3,167	1.0	135,274	5.1
Publishing	1,887	0.6	64,414	2.4
Trade	65,090	20.6	466,684	17.6
Durable Wholesale	15,365	4.9	79,583	3.0
Non-Durable Wholesale	11,074	3.5	106,354	4.0
Retail-Clothing and Accessories	5,446	1.7	79,736	3.0
Retail-General Merchandise	1,574	0.5	38,622	1.5
Retail-Food and Beverage	11,999	3.8	34,669	1.3
Retail-Health and Personal Care	3,587	1.1	41,833	1.6
Retail-Building Maintenance and Gardening	1,058	0.3	15,613	0.6
Retail-Electronics	1,329	0.4	8,585	0.3
Retail-Motor Vehicles	1,216	0.4	5,948	0.2
Retail-Furniture and Furnishings	1,394	0.4	7,489	0.3
Retail-Other	11,048	3.5	48,250	1.8
Other	40,520	12.8	187,078	7.0
Construction	23,593	7.5	121,884	4.6
Transportation	13,583	4.3	40,995	1.5
Utilities	144	0.0	17,526	0.7
Not Available	2,843	0.9	965	0.0
Miscellaneous Other	357	0.1	5,707	0.2
TOTAL	315,798	100.0 %	\$2,656,059	100.0 %

**GENERAL CORPORATION TAX
TAX YEAR 2013**

**Table 17
DISTRIBUTION BY LIABILITY PER RETURN**

Liability per Return	Number	% of Total	Liability (000)	% of Total
\$300 or Less*	179,088	56.7 %	\$2,008	0.1 %
\$300 - \$1,000	40,259	12.7	23,150	0.9
\$1,000 - \$5,000	61,301	19.4	143,826	5.4
\$5,000 - \$10,000	14,842	4.7	104,489	3.9
\$10,000 - \$50,000	15,297	4.8	320,553	12.1
\$50,000 - \$500,000	4,407	1.4	594,226	22.4
\$500,000 - \$1,000,000	302	0.1	209,004	7.9
More than \$1,000,000	302	0.1	1,258,804	47.4
TOTAL	315,798	100.0 %	\$2,656,059	100.0 %

* Starting this year, GCT liability is reported net of all refundable credits, rather than set to zero if liability after credits is negative.

**GENERAL CORPORATION TAX
TAX YEAR 2013**

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

Industry	Top Ten Percent		Top One Percent	
	Number	Liability	Number	Liability
Finance & Insurance	1,903	\$470,233	472	\$437,562
Real Estate	6,759	301,187	506	190,938
Manufacturing	1,321	173,902	247	150,980
Prof/Tech/Managerial	5,244	281,472	437	193,158
Other Services	7,004	277,116	470	163,519
Information	1,015	373,641	166	356,030
Trade	5,288	425,809	550	337,121
Other	3,042	164,539	309	113,726
TOTAL	31,576	\$2,467,898	3,157	\$1,943,035

**GENERAL CORPORATION TAX
TAX YEAR 2013**

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

Tax Base	Number	% of Total	Liability	% of Total
Entire Net Income	101,465	32.1 %	\$2,392,909	90.1 %
Income Plus Compensation	13,824	4.4	68,404	2.6
Capital	19,914	6.3	135,900	5.1
Minimum Tax	179,180	56.7	45,693	1.7
Not Available	1,415	0.4	13,152	0.5
TOTAL	315,798	100.0 %	\$2,656,059	100.0 %

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

Industry	Entire Net Income		Income Plus Compensation		Capital		Minimum Tax	
	Number	Liability	Number	Liability	Number	Liability	Number	Liability
Finance & Insurance	3,458	\$427,951	489	\$7,503	1,243	\$36,896	8,367	\$1,947
Real Estate	16,110	285,818	554	2,406	8,905	39,577	25,358	3,970
Manufacturing	3,059	170,542	390	1,363	600	5,203	4,931	1,580
Prof/Tech/Managerial	16,389	270,903	3,477	15,866	1,769	15,987	22,878	4,914
Other Services	26,906	277,366	5,351	26,164	2,953	7,553	46,661	9,329
Information	2,599	363,189	494	3,655	630	10,265	5,730	1,210
Trade	18,694	433,684	1,812	6,674	2,732	8,817	41,559	16,461
Other	14,250	163,457	1,257	4,771	1,082	11,602	23,696	6,283
TOTAL	101,465	\$2,392,909	13,824	\$68,404	19,914	\$135,900	179,180	\$45,693

**GENERAL CORPORATION TAX
TAX YEAR 2013**

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

Form Type	Number	% of Total	Liability	% of Total
Short Form (NYC-4S EZ)	48,614	15.4 %	\$17,815	0.7 %
Short Form (NYC-4S)	99,773	31.6	296,520	11.2
Long Form (NYC-3L)	153,878	48.7	1,138,007	42.8
Combined Form (NYC-3A)	3,192	1.0	1,189,053	44.8
Not Available/Extension	10,341	3.3	14,665	0.6
TOTAL	315,798	100.0 %	\$2,656,059	100.0 %

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

Liability per Return	Short Form NYC-4S EZ		Short Form NYC-4S		Long Form NYC-3L		Combined Form NYC-3A		Not Available	
	Number	Liability (000)	Number	Liability (000)	Number	Liability (000)	Number	Liability (000)	Number	Liability (000)
\$300 or Less^	40,718	\$2,025	51,216	\$3,938	78,719	-\$2,167	414	-\$2,210	8,021	\$422
\$300 - \$1,000	4,378	2,527	16,096	9,101	18,521	10,782	170	100	1,094	640
\$1,000 - \$5,000	2,854	6,675	22,122	50,525	34,735	82,739	604	1,694	986	2,193
\$5,000 - \$10,000	504	3,404	4,963	35,022	8,909	62,815	340	2,346	126	902
\$10,000 - \$50,000	153	2,230	4,675	93,518	9,689	206,225	694	16,727	86	1,854
\$50,000 - \$500,000	*	*	673	75,692	3,050	401,414	653	112,525	*	*
\$500,000 - \$1,000,000	*	*	17	11,970	155	105,338	129	90,961	*	*
More than \$1,000,000	*	*	11	16,753	100	270,862	188	966,910	*	*
TOTAL	48,614	\$17,815	99,773	\$296,520	153,878	\$1,138,007	3,192	\$1,189,053	10,341	\$14,665

* Numbers cannot be provided due to confidentiality restrictions.

^ Starting this year, GCT liability is reported net of all refundable credits, rather than set to zero if liability after credits is negative.

**GENERAL CORPORATION TAX
TAX YEAR 2013**

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

Allocation Status and Industry	Number	% of Total	Liability	% of Total
Multi-jurisdictional	36,863	11.7 %	\$1,816,283	68.4 %
Finance & Insurance	2,505	0.8	374,686	14.1
Real Estate	1,672	0.5	66,763	2.5
Manufacturing	2,782	0.9	164,607	6.2
Prof/Tech/Managerial	8,972	2.8	224,791	8.5
Other Services	6,758	2.1	151,688	5.7
Information	2,298	0.7	367,436	13.8
Trade	7,934	2.5	358,960	13.5
Other	3,942	1.2	107,352	4.0
100% N.Y.C.	268,515	85.0	825,101	31.1
Finance & Insurance	10,763	3.4	99,554	3.7
Real Estate	48,208	15.3	264,863	10.0
Manufacturing	5,969	1.9	14,035	0.5
Prof/Tech/Managerial	34,388	10.9	82,721	3.1
Other Services	72,867	23.1	168,391	6.3
Information	6,872	2.2	10,846	0.4
Trade	54,851	17.4	106,204	4.0
Other	34,597	11.0	78,488	3.0
Not Available	10,420	3.3	14,675	0.6
Finance & Insurance	342	0.1	2,312	0.1
Real Estate	1,263	0.4	2,711	0.1
Manufacturing	257	0.1	376	0.0
Prof/Tech/Managerial	1,343	0.4	1,155	0.0
Other Services	2,599	0.8	4,738	0.2
Information	330	0.1	625	0.0
Trade	2,305	0.7	1,520	0.1
Other	1,981	0.6	1,238	0.0
TOTAL	315,798	100.0 %	\$2,656,059	100.0 %

See Appendix B for definition of allocation status.

**GENERAL CORPORATION TAX
TAX YEAR 2013**

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

Corporation Status	Number	% of Total	Liability	% of Total
State S Corporation	151,812	48.1 %	\$879,757	33.1 %
State C Corporation	163,986	51.9	1,776,302	66.9
TOTAL	315,798	100.0 %	\$2,656,059	100.0 %

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

Industry	Number	% of Total	Liability	% of Total
Finance & Insurance	4,163	2.7 %	\$53,312	6.1 %
Real Estate	24,095	15.9	192,273	21.9
Manufacturing	4,105	2.7	29,395	3.3
Prof/Tech/Managerial	25,561	16.8	103,059	11.7
Other Services	42,941	28.3	183,341	20.8
Information	4,420	2.9	53,348	6.1
Trade	26,819	17.7	154,991	17.6
Other	19,708	13.0	110,038	12.5
TOTAL	151,812	100.0 %	\$879,757	100.0 %

**GENERAL CORPORATION TAX
TAX YEAR 2013**

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

Tax Base	Number	% of Total	Liability	% of Total
Entire Net Income	66,769	44.0 %	\$803,286	91.3 %
Income Plus Compensation	8,881	5.8	48,943	5.6
Capital	5,058	3.3	9,854	1.1
Minimum Tax	70,950	46.7	16,907	1.9
Not Available	154	0.1	766	0.1
TOTAL	151,812	100.0 %	\$879,757	100.0 %

**Table 27
DISTRIBUTION OF STATE S CORPORATIONS BY ALLOCATION STATUS
(\$ THOUSANDS)**

Allocation Status	Number	% of Total	Liability	% of Total
Multi-jurisdictional	17,245	11.4 %	\$333,624	37.9 %
100% N.Y.C.	133,635	88.0	545,244	62.0
Not Available	932	0.6	888	0.1
TOTAL	151,812	100.0 %	\$879,757	100.0 %

See Appendix B for definition of allocation status.

UNINCORPORATED BUSINESS TAX

PARTNERSHIPS

Table 28
**2013 UNINCORPORATED BUSINESS TAX
PARTNERSHIP TAXPAYERS BY INDUSTRY**

Total Taxpayers: 11,949

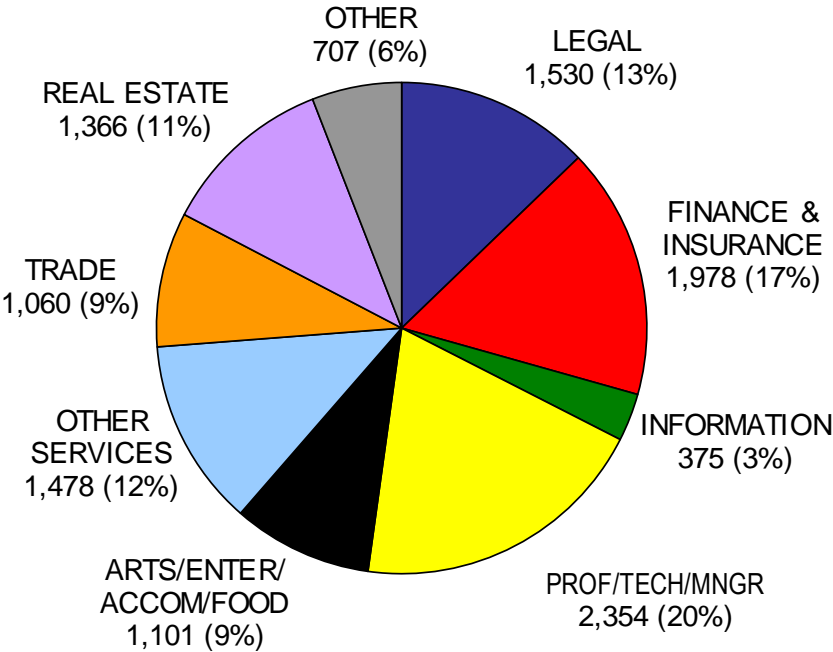
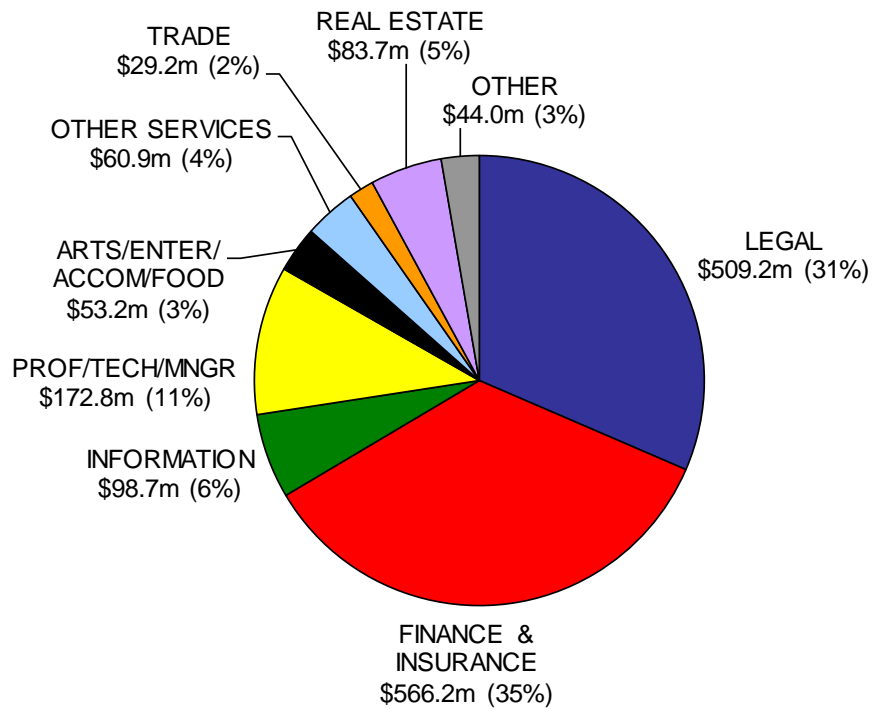


Table 29
**2013 UNINCORPORATED BUSINESS TAX
PARTNERSHIP LIABILITY BY INDUSTRY**

Total Liability: \$1,617.9m



**UNINCORPORATED BUSINESS TAX
PARTNERSHIP TAXPAYERS
TAX YEAR 2013**

**Table 30
DISTRIBUTION BY INDUSTRY
(\$ THOUSANDS)**

Industry	Number	% of Total	Liability	% of Total
Legal	1,530	12.8 %	\$509,247	31.5 %
Finance & Insurance	1,978	16.6	566,210	35.0
Credit Agencies	86	0.7	18,358	1.1
Funds & Trusts	119	1.0	14,328	0.9
Securities & Commodities	1,709	14.3	530,942	32.8
Insurance and Other Finance	64	0.5	2,582	0.2
Information	375	3.1	98,659	6.1
Broadcasting/Telecomm	62	0.5	37,528	2.3
Information Services/Data	116	1.0	48,272	3.0
Movies/Video/Sound	128	1.1	4,584	0.3
Publishing	69	0.6	8,275	0.5
Prof/Tech/Managerial	2,354	19.7	172,836	10.7
Accounting	332	2.8	84,870	5.2
Holding Companies	59	0.5	327	0.0
Architectural/Engineering/Design	408	3.4	11,488	0.7
Computer-Related	207	1.7	6,546	0.4
Management/Science/Technical	396	3.3	30,042	1.9
Advertising/Public Relations	359	3.0	16,487	1.0
Other Prof/Tech/Managerial	593	5.0	23,075	1.4
Arts/Enter/Accom/Food	1,101	9.2	53,158	3.3
Accommodations	152	1.3	12,761	0.8
Amusement	67	0.6	2,239	0.1
Food Services	556	4.7	14,134	0.9
Performing Arts	326	2.7	24,024	1.5

(continued)

**UNINCORPORATED BUSINESS TAX
PARTNERSHIP TAXPAYERS
TAX YEAR 2013**

**Table 30
DISTRIBUTION BY INDUSTRY
(\$ THOUSANDS)**

Industry	Number	% of Total	Liability	% of Total
Other Services	1,478	12.4 %	\$60,876	3.8 %
Administration/Support	271	2.3	12,239	0.8
Education	60	0.5	1,996	0.1
Health Care	750	6.3	38,300	2.4
Personal Service	271	2.3	5,625	0.3
Rental & Leasing	70	0.6	2,111	0.1
Repair/Maintenance	19	0.2	157	0.0
Social Services	23	0.2	250	0.0
Miscellaneous Other Services	14	0.1	198	0.0
Trade	1,060	8.9	29,167	1.8
Durable Wholesale	261	2.2	6,621	0.4
Non-Durable Wholesale	255	2.1	11,207	0.7
Retail	544	4.6	11,339	0.7
Real Estate	1,366	11.4	83,667	5.2
Lessors of Real Estate	425	3.6	15,944	1.0
Brokers/Managers	426	3.6	16,901	1.0
Other Real Estate	515	4.3	50,821	3.1
Other	707	5.9	44,048	2.7
Construction	380	3.2	32,092	2.0
Manufacturing	208	1.7	7,006	0.4
Transportation & Utilities	89	0.7	4,673	0.3
Miscellaneous Other & Not Available	30	0.3	277	0.0
TOTAL	11,949	100.0 %	\$1,617,868	100.0 %

**UNINCORPORATED BUSINESS TAX
PARTNERSHIP TAXPAYERS
TAX YEAR 2013**

**Table 31
DISTRIBUTION BY LIABILITY PER RETURN**

Liability per Return	Number	% of Total	Liability (000)	% of Total
\$300 or Less	361	3.0 %	\$40	0.0 %
\$300 - \$1,000	491	4.1	308	0.0
\$1,000 - \$5,000	1,380	11.5	3,708	0.2
\$5,000 - \$10,000	2,419	20.2	17,738	1.1
\$10,000 - \$50,000	4,569	38.2	104,769	6.5
\$50,000 - \$500,000	2,226	18.6	330,455	20.4
\$500,000 - \$1,000,000	227	1.9	158,346	9.8
More than \$1,000,000	276	2.3	1,002,503	62.0
TOTAL	11,949	100.0 %	\$1,617,868	100.0 %

**UNINCORPORATED BUSINESS TAX
PARTNERSHIP TAXPAYERS
TAX YEAR 2013**

**Table 32
TOP TEN PERCENT AND TOP ONE PERCENT OF TAXPAYERS
(\$ THOUSANDS)**

Industry	Top Ten Percent		Top One Percent	
	Number	Liability	Number	Liability
Legal	262	\$471,198	50	\$345,198
Finance & Insurance	481	513,298	47	245,976
Information	36	90,101	*	*
Prof/Tech/Managerial	131	123,421	*	*
Arts/Enter/Accom/Food	46	30,092	*	*
Other Services	79	29,362	*	*
Trade	20	9,717	*	*
Real Estate	85	59,033	*	*
Other	55	29,331	*	*
TOTAL	1,195	\$1,355,554	119	\$764,355

* Numbers cannot be provided due to confidentiality restrictions.

**UNINCORPORATED BUSINESS TAX
PARTNERSHIP TAXPAYERS
TAX YEAR 2013**

**Table 33
DISTRIBUTION BY ALLOCATION STATUS AND INDUSTRY
(\$ THOUSANDS)**

Allocation Status and Industry	Number	% of Total	Liability	% of Total
Multi-jurisdictional	3,616	30.3 %	\$1,093,361	67.6 %
Legal	536	4.5	454,596	28.1
Finance & Insurance	725	6.1	329,763	20.4
Information	180	1.5	92,407	5.7
Prof/Tech/Managerial	886	7.4	129,130	8.0
Arts/Enter/Accom/Food	149	1.2	21,286	1.3
Other Services	275	2.3	16,895	1.0
Trade	449	3.8	18,101	1.1
Real Estate	145	1.2	16,487	1.0
Other	271	2.3	14,695	0.9
100% N.Y.C.	8,106	67.8	520,302	32.2
Legal	981	8.2	54,387	3.4
Finance & Insurance	1,162	9.7	234,203	14.5
Information	190	1.6	6,231	0.4
Prof/Tech/Managerial	1,435	12.0	43,333	2.7
Arts/Enter/Accom/Food	944	7.9	31,817	2.0
Other Services	1,193	10.0	43,836	2.7
Trade	598	5.0	10,736	0.7
Real Estate	1,185	9.9	66,465	4.1
Other	418	3.5	29,295	1.8
Unknown	227	1.9	4,205	0.3
Legal	13	0.1	264	0.0
Finance & Insurance	91	0.8	2,244	0.1
Information	*	*	*	*
Prof/Tech/Managerial	33	0.3	373	0.0
Arts/Enter/Accom/Food	*	*	*	*
Other Services	10	0.1	145	0.0
Trade	13	0.1	329	0.0
Real Estate	36	0.3	715	0.0
Other	18	0.2	58	0.0
TOTAL	11,949	100.0 %	\$1,617,868	100.0 %

See Appendix C for definition of allocation status.

* Numbers cannot be provided due to confidentiality restrictions.

**UNINCORPORATED BUSINESS TAX
PARTNERSHIP TAXPAYERS
TAX YEAR 2013**

**Table 34
DISTRIBUTION OF TAXPAYERS BY LIMITED LIABILITY PARTNERSHIP/COMPANY STATUS
(\$ THOUSANDS)**

LLP/LLC Status	Number	% of Total	Liability	% of Total
LLP/LLC	11,317	94.7 %	\$1,579,254	97.6 %
Non-LLP/LLC	632	5.3	38,614	2.4
TOTAL	11,949	100.0 %	\$1,617,868	100.0 %

**Table 35
DISTRIBUTION OF LIMITED LIABILITY PARTNERSHIP/COMPANY BY INDUSTRY
(\$ THOUSANDS)**

Industry	Number	% of Total	Liability	% of Total
Legal	1,386	12.2 %	\$507,341	32.1 %
Finance & Insurance	1,856	16.4	538,440	34.1
Information	365	3.2	97,949	6.2
Prof/Tech/Managerial	2,252	19.9	171,356	10.9
Arts/Enter/Accom/Food	1,060	9.4	50,537	3.2
Other Services	1,395	12.3	59,092	3.7
Trade	1,030	9.1	28,497	1.8
Real Estate	1,300	11.5	82,646	5.2
Other	673	5.9	43,396	2.7
TOTAL	11,317	100.0 %	\$1,579,254	100.0 %

UNINCORPORATED BUSINESS TAX

PROPRIETORSHIPS

Table 36
**2013 UNINCORPORATED BUSINESS TAX
PROPRIETORSHIP TAXPAYERS
BY INDUSTRY**

Total Taxpayers: 14,935

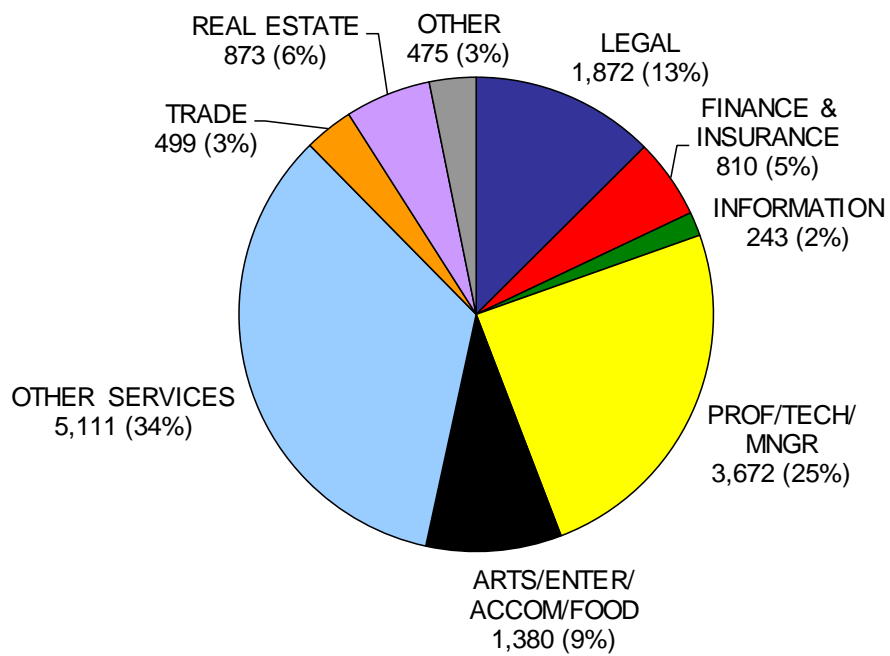
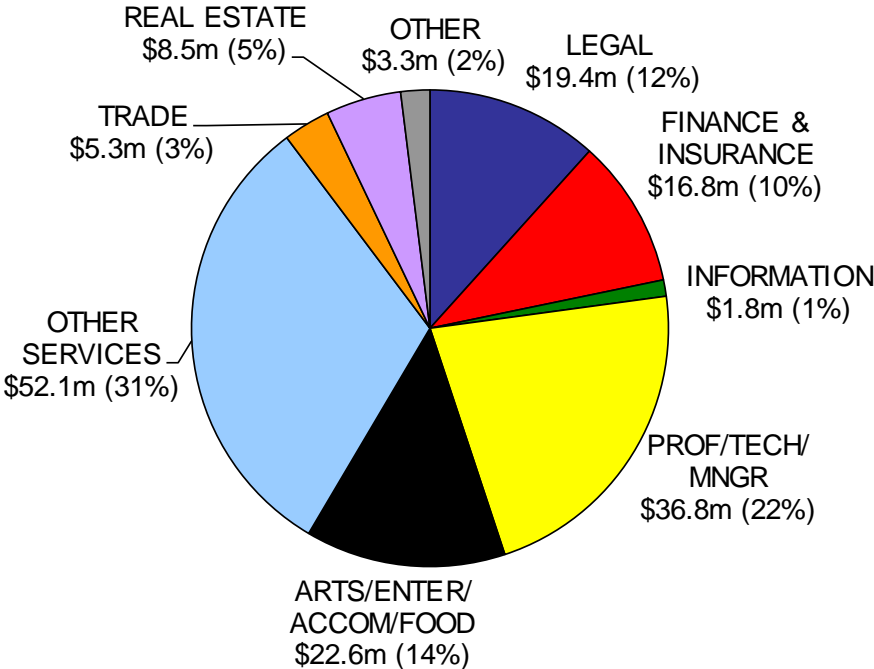


Table 37
**2013 UNINCORPORATED BUSINESS TAX
 PROPRIETORSHIP LIABILITY
 BY INDUSTRY**

Total Liability: \$166.6m



**UNINCORPORATED BUSINESS TAX
PROPRIETORSHIP TAXPAYERS
TAX YEAR 2013**

**Table 38
DISTRIBUTION BY INDUSTRY
(\$ THOUSANDS)**

Industry	Number	% of Total	Liability	% of Total
Legal	1,872	12.5 %	\$19,430	11.7 %
Finance & Insurance	810	5.4	16,795	10.1
Insurance	183	1.2	1,996	1.2
Securities & Commodities	593	4.0	14,151	8.5
Other Finance	34	0.2	648	0.4
Information	243	1.6	1,845	1.1
Broadcasting/Telecomm	26	0.2	176	0.1
Information Services/Data	67	0.4	489	0.3
Movies/Video/Sound	111	0.7	892	0.5
Publishing	39	0.3	288	0.2
Prof/Tech/Managerial	3,672	24.6	36,762	22.1
Accounting	301	2.0	1,929	1.2
Architectural/Engineering/Design	678	4.5	6,040	3.6
Computer-Related	267	1.8	1,739	1.0
Management/Science/Technical	781	5.2	9,031	5.4
Advertising/Public Relations	279	1.9	2,374	1.4
Other Prof/Tech/Managerial	1,366	9.1	15,649	9.4
Arts/Enter/Accom/Food	1,380	9.2	22,628	13.6
Accommodations	12	0.1	111	0.1
Amusement	33	0.2	259	0.2
Food Services	62	0.4	705	0.4
Performing Arts	1,273	8.5	21,553	12.9

(continued)

**UNINCORPORATED BUSINESS TAX
PROPRIETORSHIP TAXPAYERS
TAX YEAR 2013**

**Table 38
DISTRIBUTION BY INDUSTRY
(\$ THOUSANDS)**

Industry	Number	% of Total	Liability	% of Total
Other Services	5,111	34.2 %	\$52,063	31.2 %
Administration/Support	201	1.3	1,918	1.2
Education	132	0.9	1,293	0.8
Health Practitioners	4,214	28.2	44,346	26.6
Other Health Care	97	0.6	806	0.5
Personal Service	346	2.3	2,967	1.8
Religious & Civic Organizations	14	0.1	110	0.1
Repair/Maintenance	27	0.2	192	0.1
Social Services	61	0.4	289	0.2
Other Services	19	0.1	143	0.1
Trade	499	3.3	5,290	3.2
Durable Wholesale	141	0.9	1,214	0.7
Non-Durable Wholesale	75	0.5	675	0.4
Retail	283	1.9	3,402	2.0
Real Estate	873	5.8	8,512	5.1
Lessors of Real Estate	27	0.2	275	0.2
Brokers/Managers	563	3.8	4,677	2.8
Other Real Estate	283	1.9	3,560	2.1
Other	475	3.2	3,283	2.0
Construction	176	1.2	1,679	1.0
Manufacturing	55	0.4	482	0.3
Transportation & Utilities	38	0.3	250	0.1
Miscellaneous Other & Not Available	206	1.4	872	0.5
TOTAL	14,935	100.0 %	\$166,608	100.0 %

**UNINCORPORATED BUSINESS TAX
PROPRIETORSHIP TAXPAYERS
TAX YEAR 2013**

**Table 39
DISTRIBUTION BY LIABILITY PER RETURN**

Liability per Return	Number	% of Total	Liability (000)	% of Total
\$300 or Less	690	4.6 %	\$97	0.1 %
\$300 - \$1,000	1,226	8.2	788	0.5
\$1,000 - \$5,000	3,598	24.1	9,672	5.8
\$5,000 - \$10,000	5,169	34.6	37,090	22.3
\$10,000 - \$50,000	3,908	26.2	71,570	43.0
More than \$50,000	344	2.3	47,391	28.4
TOTAL	14,935	100.0 %	\$166,608	100.0 %

**Table 40
TOP TEN PERCENT AND TOP ONE PERCENT OF TAXPAYERS
(\$ THOUSANDS)**

Industry	Top Ten Percent		Top One Percent	
	Number	Liability	Number	Liability
Legal	173	\$7,808	13	\$2,529
Finance & Insurance	146	12,070	33	7,983
Information	12	683	*	*
Prof/Tech/Managerial	309	16,732	26	7,314
Arts/Enter/Accom/Food	192	15,163	33	9,243
Other Services	511	21,495	31	5,266
Trade	52	2,581	*	*
Real Estate	73	3,284	*	*
Other	25	1,095	*	*
TOTAL	1,493	\$80,911	149	\$34,647

* Numbers cannot be provided due to confidentiality restrictions.

**UNINCORPORATED BUSINESS TAX
PROPRIETORSHIP TAXPAYERS
TAX YEAR 2013**

**Table 41
DISTRIBUTION BY ALLOCATION STATUS AND INDUSTRY
(\$ THOUSANDS)**

Allocation Status and Industry	Number	% of Total	Liability	% of Total
Multi-jurisdictional	1,281	8.6 %	\$23,483	14.1 %
Legal	121	0.8	1,670	1.0
Finance & Insurance	86	0.6	4,012	2.4
Information	15	0.1	155	0.1
Prof/Tech/Managerial	344	2.3	3,631	2.2
Arts/Enter/Accom/Food	280	1.9	9,356	5.6
Other Services	299	2.0	2,774	1.7
Trade	62	0.4	1,195	0.7
Real Estate	24	0.2	319	0.2
Other	50	0.3	371	0.2
100% N.Y.C.	13,295	89.0	136,593	82.0
Legal	1,715	11.5	16,797	10.1
Finance & Insurance	704	4.7	12,603	7.6
Information	225	1.5	1,678	1.0
Prof/Tech/Managerial	3,245	21.7	29,375	17.6
Arts/Enter/Accom/Food	1,066	7.1	13,023	7.8
Other Services	4,721	31.6	48,523	29.1
Trade	418	2.8	4,006	2.4
Real Estate	830	5.6	8,020	4.8
Other	371	2.5	2,569	1.5
Not Available	359	2.4	6,533	3.9
TOTAL	14,935	100.0 %	\$166,608	100.0 %

See Appendix C for definition of allocation status.

APPENDICES

APPENDIX A

Description of the New York City Banking Corporation Tax For Tax Year 2013¹

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;
- Taxable assets allocated to the City and taxed at 0.01 percent;²
- 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. 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).

¹ Under New York State legislation enacted in 2015 (Chapter 60, Part D, NYS Laws of 2015), the city's Banking Corporation Tax and General Corporation Tax have been significantly reformed in order to bring them into closer conformity with New York State's corporate income taxes, which were significantly revised in 2014. Both the state and the city reforms apply to taxable years beginning on or after January 1, 2015. A summary of the city changes appears in Appendix E. For further details, please refer to the Department of Finance's website at http://www1.nyc.gov/assets/finance/downloads/pdf/corp_tax_reform/corp_tax_reform_outline.pdf

² The taxable assets tax rate is reduced for certain banks with low net worth ratios.

“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.

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 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. (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 2013 tax year includes all reported activity and income over a twelve-month period beginning between January 1, 2013 and December 31, 2013. In 2013, 85 percent of all BCT filers reported on a calendar-year basis. Of these, all but 3 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 2013³

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 15 percent and taxed at 8.85 percent (the “income-plus-compensation” base);⁴
- Business and investment capital allocated to the City and taxed at 0.15 percent up to a maximum of \$1 million;⁵
- 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.⁶

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

³ Under New York State legislation enacted in 2015 (Chapter 60, Part D, NYS Laws of 2015), the city’s Banking Corporation Tax and General Corporation Tax have been significantly reformed in order to bring them into closer conformity with New York State’s corporate income taxes, which were significantly revised in 2014. Both the state and the city reforms apply to taxable years beginning on or after January 1, 2015. A summary of the city changes appears in Appendix E. For further details, please refer to the Department of Finance’s website at http://www1.nyc.gov/assets/finance/downloads/pdf/corp_tax_reform/corp_tax_reform_outline.pdf

⁴ 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.

⁵ 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.

⁶ Where a combined return is filed, each taxable subsidiary included in the return must pay the fixed minimum tax.

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.

“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, and for employment opportunities relocated to targeted areas within the City. Certain biotechnology firms are allowed a credit for qualifying expenditures related to research and development activities. Due to credits, some taxpayers may have liabilities below the fixed minimum tax.

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 2013 tax year includes all reported activity and income over a twelve-month period beginning between January 1, 2013 and December 31, 2013. In 2013, 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 2013

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.⁷ 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. Investment income is allocated to the City according to the extent of activity within the City of the issuer of the investment.

⁷ An individual or entity is not disqualified from this exemption if it receives \$25,000 or less from other activities.

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, and for employment opportunities relocated to targeted areas within the City. Certain biotechnology firms are allowed a credit for qualifying expenditures related to research and development activities.

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 2013 tax year includes all reported activity and income over a twelve-month period that began between January 1, 2013 and December 31, 2013. In 2013, 95 percent of UBT filers reported on a calendar-year basis. The tax period used under the UBT must conform to the federal tax year.

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 Division 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 2013, 99 percent of all BCT taxpayers had filed annual returns, 97 percent of GCT taxpayers had filed annual returns, and 98 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, almost 100 percent of corporate and partnership liability and 99 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 that are most significant to the UBT.

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.⁸ 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, while the NYC-202EIN is used by estates and trusts. The NYC-202S is a simplified version 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.

⁸ Limited liability companies doing business in New York City are generally taxed as partnerships under the UBT.

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

Corporate Tax of 2015

In 2015, the State Legislature adopted comprehensive City corporate tax reform legislation that substantially conforms to the New York State corporate tax reform measures enacted in 2014 and 2015. The reformed City tax, referred to as the Corporate Tax of 2015, is codified in a new Subchapter 3-A of Chapter 6 of Title 11 of the NYC Administrative Code, which is effective for tax years beginning on or after January 1, 2015. The Corporate Tax of 2015 merges the taxation of general business corporations, which were formerly taxable under the General Corporation Tax, and banking corporations, which were formerly taxable under the Banking Corporation Tax. The Corporate Tax of 2015 does not, however, apply to S corporations (including qualified Subchapter S subsidiaries), as defined in the U.S. Internal Revenue Code. S corporations continue to be subject to the General Corporation Tax or the Banking Corporation Tax.

Among the major changes made by the new corporate tax are the following:

- The entire net income tax base is replaced by a business income tax base.
- The definitions of investment capital and investment income are narrowed and both are exempted from tax.
- The separate treatment of subsidiary capital and subsidiary income is eliminated.
- The alternative tax base measured by income plus compensation paid to certain shareholders is repealed.
- Tax rates for qualifying manufacturers and small businesses are reduced.
- Customer-based sourcing rules are adopted for receipts-allocation purposes.
- The rules for carrying over net operating losses (NOLs) incurred in tax years beginning after 2014 are simplified.
- Pre-2015 NOLs are converted into a “prior NOL conversion subtraction pool” to stabilize their value for financial accounting purposes.
- Combined reporting is adopted for unitary corporations that meet a more-than-50 percent-stock-ownership test, with an election for non-unitary corporations to file a combined return if they meet the ownership test.

A detailed outline describing the City corporate tax reform legislation can be found at: http://www1.nyc.gov/assets/finance/downloads/pdf/corp_tax_reform/corp_tax_reform_outline.pdf

APPENDIX F

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.
 - Captive REIT/RIC
 - Credit Card Banks
 - 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 and trusts; securities and commodities brokers and dealers, exchanges; insurance agents and brokers; related industries.
- **REAL ESTATE** – lessors of real estate; property management; real estate brokers; related real estate activity.
- **MANUFACTURING** - apparel and textile; food and beverages; printing; machinery; computers and electronics; furniture; chemicals; other manufacturing.

- PROFESSIONAL/TECHNICAL/MANAGERIAL SERVICES – computer-related services; architectural, design and engineering services; management, scientific and technical; legal services; advertising, public relations and marketing; accounting; consulting; veterinary services; holding companies; other professional, technical, and managerial services.
- OTHER SERVICES - personal services; accommodations and food services; health care; entertainment, amusement and recreation; administrative and support services; repair services; education and social assistance; non-realty rental and leasing; miscellaneous other services.
- INFORMATION - motion pictures; information services and data processing; publishing; telecommunications; broadcasting.
- TRADE - retail and wholesale.
- OTHER – construction; transportation; unregulated utilities; agriculture; mining; unknown.

Unincorporated Business Tax Industries

- LEGAL
- FINANCE AND INSURANCE - credit agencies; firms engaged in banking, lending or financing activities; funds and trusts; securities and commodities brokers and dealers, exchanges; insurance agents and brokers; related industries.
- INFORMATION - motion pictures; information services and data processing; publishing; telecommunications; broadcasting.
- PROFESSIONAL/TECHNICAL/MANAGERIAL SERVICES - computer-related services; architectural, design and engineering services; management, scientific and technical; advertising, public relations and marketing; accounting; consulting; veterinary services; holding companies (partnerships only); other professional, technical, and managerial services.
- ARTS/ENTERTAINMENT/ACCOMMODATIONS/FOOD SERVICES - performing arts; amusements and recreation (includes museums); accommodations; food services and drinking places.
- OTHER SERVICES – health care; administrative and support services; personal services; non-realty rental and leasing services; education and social assistance; repair services; miscellaneous other services.
- TRADE - retail and wholesale.
- REAL ESTATE – lessors of real estate; property management; real estate brokers and related real estate activity.

- OTHER – construction; manufacturing; transportation and utilities; miscellaneous other and unknown.