

**Summary of 2009 New York State and New York City
Legislation Affecting City Taxes and
Department of Finance Programs**



**New York City Department of Finance
David M. Frankel
Commissioner**

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New York State and New York City Legislative Summary For the Year 2009

The following are brief summaries of New York State and New York City laws enacted during 2009 to date that affect City taxes and other areas within the Department of Finance's jurisdiction. Citations are provided after each summary for readers who wish to consult the laws themselves.

BUSINESS INCOME TAXES

Unincorporated Business Tax Credit Increased and Filing Requirements Modified

For tax years beginning in 2009 and thereafter, the full and partial credits against UBT liability are increased. If the tax is not more than \$3,400, a credit is allowed for the full amount of the tax; if the tax is more than \$3,400 but less than \$5,400, a partial credit is allowed in the amount determined by multiplying the tax by a fraction whose numerator is \$5,400 less the amount of the tax and whose denominator is \$2,000. (Formerly, a full credit was allowed if the tax was not over \$1,800, and a partial credit was allowed if the tax was over \$1,800 but less than \$3,200.) In addition, beginning with the 2009 tax year, unincorporated businesses (including partnerships) will not be required to file returns if their gross income, before deducting the cost of goods or services sold, is not more than \$95,000, and will not be required to file declarations of estimated tax if their estimated tax can reasonably be expected to be not over \$3,400.

- Chapter 183, NYS Laws of 2009

Various City Tax Provisions Conformed to Their New York State Counterparts

The following are brief summaries of the provisions of Chapter 201 of the New York Laws of 2009, an omnibus measure that is designed to bring City tax law provisions into closer conformity with their State tax law counterparts as they have been amended in recent years. Each summary refers to the relevant section or sections of Chapter 201.

¶ Sections 1 and 2 amend the general corporation tax's business allocation formula to phase in, over a 10-year period, a transition from a three-factor (property, payroll and receipts) formula to a single factor formula utilizing only receipts. The phase-in begins with the 2009 tax year and is fully effective for tax years beginning after 2017.

¶ Sections 3 and 4 similarly amend the unincorporated business tax to implement, beginning in 2009, a 10-year transition to a single receipts factor allocation formula.

¶ Section 5 also phases in, over 10 years beginning in 2009, a single receipts factor formula for a corporation subject to the banking corporation tax that is substantially

engaged in providing management, administrative or distribution services to a regulated investment company (a mutual fund).

¶ Sections 6 through 9 amend general corporation tax provisions relating to the filing of combined returns by affiliated corporations. The amendments are designed, in part, to make the filing of a combined return mandatory where there are substantial intercorporate transactions among the related corporations, regardless of the transfer prices charged in those intercorporate transactions. The amendments also require a “captive” regulated investment company or a “captive” real estate investment trust to be included in a combined return with a related New York City taxpayer where a greater-than-50-percent ownership test is met. The amendments apply to taxable years beginning in 2009 and thereafter.

¶ Sections 10 through 15 amend the banking corporation tax, for 2009 and later tax years, to require a “captive” regulated investment company or a “captive” real estate investment trust to be included in a combined banking corporation tax return with a related New York City taxpayer where a greater-than-50-percent ownership test is satisfied.

¶ Section 16 increases, beginning in 2009, the maximum amount that can be owed under the alternative general corporation tax measured by business and investment capital from \$350,000 to \$1 million.

¶ Section 17, effective as of tax year 2009, changes the general corporation tax’s fixed dollar minimum tax from a flat \$300 to a graduated amount ranging from \$25 where New York City receipts are not more than \$100,000 to \$5,000 where New York City receipts exceed \$25 million.

¶ Section 18 eliminates, as of 2011, the alternative minimum banking corporation tax based on issued capital stock that currently applies to alien (non-U.S.) banking corporations, and subjects them to the alternative minimum tax measured by taxable assets that currently applies to U.S. banking corporations. The taxable assets tax is also reduced for certain banks with low net worth ratios.

¶ Sections 19 and 20 amend the banking corporation tax to allow a net operating loss deduction for losses sustained in taxable years beginning after 2008. Losses can be carried forward, but cannot be carried back.

¶ Sections 21 through 23 subject a banking corporation, not otherwise taxable, to the banking corporation tax for years beginning after 2010 if it has issued credit cards to at least 1,000 customers with mailing addresses in the City, if it has merchant customer contracts with merchants that have at least 1,000 locations in the City or if certain New York City receipts exceed a \$1 million threshold.

¶ Section 24 clarifies the banking corporation tax’s definition of “banking corporation” as it relates to certain bank-owned corporations that hold and manage investment assets.

¶ Sections 25 through 32 amend the banking corporation tax with regard to certain corporations that would be subject to the tax but for the fact that a statutory election or grandfathering provision permitted them to be taxed under the general corporation tax. The amendment lists certain changes in the business or circumstances of the electing or grandfathered corporation that, if they occur in a tax year beginning after 2008, will result in its becoming subject to the banking corporation tax.

¶ Sections 33, 34 and 108 amend the general corporation tax and unincorporated business tax, for years beginning after 2008, to prescribe special rules for apportioning receipts from certain services of registered securities or commodities brokers or dealers. Among other items, brokerage commission receipts, margin interest and advisory service fees are sourced within or outside the City based on the mailing address of the firm’s customer; while gross income from a firm’s principal transactions involving purchases and sales of stocks and securities are sourced based on the firm’s award of production credits among its offices or according to the mailing addresses of customers to whom sales are made.

¶ Section 35 amends the City utility tax’s statute of limitations on refund claims to extend the claim period from one year following payment of the tax to the later of three years from the date the return was filed or two years from the date the tax was paid. The change applies to refund claims for taxable periods beginning on or after January 1, 2009.

¶ Section 36 directs the Department of Finance to develop and operate a financial institution data match system to assist in identifying and seizing assets of tax debtors whose debts have been reduced to judgment by the docketing of a City tax warrant. Financial institutions doing business in the City are required to work with the Department in implementing such a system.

¶ Section 37 establishes an ongoing voluntary disclosure and compliance program under which a delinquent City taxpayer can voluntarily disclose and pay a City tax liability not previously identified by the Department of Finance or a law enforcement agency. If the taxpayer satisfies the statute’s criteria, penalties for failure to file a return or pay the tax or estimated tax will be waived and no criminal prosecution will be initiated.

¶ Section 38 authorizes the Department of Finance to adopt rules that require certain tax return preparers and taxpayers to file returns for and pay City taxes electronically. Persons that could be subject to these requirements include tax-software-using tax return preparers that prepare more than 100 returns in any year beginning after 2008 and taxpayers that prepare their own returns for any year beginning after 2009 using tax software.

¶ Sections 39 through 72 amend provisions of the City's income and excise taxes that authorize the Commissioner of Finance to set the rate of interest payable on tax underpayments. The underpayment rate that the Commissioner can set equals the federal short-term rate plus seven (formerly five) percentage points, but cannot be less than 7.5 (formerly six) percent. If the Commissioner does not set the underpayment rate, a default rate of 7.5 (formerly six) percent applies.

¶ Sections 73 through 77 amend the State Business Corporation Law and Not-For-Profit Corporation Law and the City Administrative Code to bar the New York Department of State from filing a certificate of dissolution for a corporation that has done business in the City and incurred liability for a City income or excise tax, unless the Commissioner of Finance's consent to the dissolution is attached to the certificate. A corporation seeking to dissolve will be required to file an application for consent to dissolution with the Department of Finance and pay or enter into an agreement to pay amounts owed. These new requirements take effect October 1, 2009.

¶ Sections 78 through 86 amend penalty provisions of the City's corporate, unincorporated business and utility taxes to increase the fraud penalty from 50 percent to 200 percent of any deficiency due to fraud, and to add a new false- or fraudulent-document filing penalty of \$100 per document or \$500 per tax return. An existing penalty of 50 percent of the interest on a fraudulent deficiency is eliminated.

¶ Sections 87 through 93 impose the following new penalties under the City's hotel room occupancy tax: for failure to keep or turn over required records to the Department of Finance, a penalty of up to \$1,000 for the first tax quarter in which the failure occurs, and up to \$5,000 for each succeeding quarter; for presenting to the Department required records that are not in an auditable form, a penalty of up to \$1,000 for each tax quarter; and for failure to turn over to the Department in an electronic format records that are required to be kept in that format, a penalty of up to \$5,000 for each tax quarter. These penalties must be waived if the Department determines that a failure was entirely due to reasonable cause and not willful neglect. In addition, the existing 50 percent fraud penalty is increased to 200 percent of the fraudulent underpayment, the penalty of 50 percent of the interest on a fraudulent underpayment is eliminated, a new penalty of up to \$5,000 is imposed on paid preparers who aid or assist in the filing of fraudulent returns, statements or other documents, and taxpayers are subject to a new penalty of \$100 for each false or fraudulent document submitted and \$500 for each false or fraudulent return.

¶ Sections 94 through 107 revise the criminal penalty provisions that apply to the City's income and excise taxes. In place of various criminal acts formerly specified, a new set of defined crimes, referred to as "tax fraud acts," is spelled out, which range from a class A misdemeanor to a class E to class B felony, depending on the amount of tax evaded. In the case of a felony, the maximum potential fine imposable by a court, formerly \$250,000 for a corporation and \$50,000 for other taxpayers, can be set at the

higher of those amounts or twice the amount of the underpaid tax liability. The new provisions apply to offenses committed on or after July 11, 2009.

- Chapter 201, NYS Laws of 2009

Biotechnology Credit Allowed Against General Corporation Tax and Unincorporated Business Tax

For taxable years beginning in 2010, 2011 and 2012, biotechnology firms with not more than 100 full-time employees, at least 75 percent of whom are employed in the City, with total annual product sales not exceeding \$10 million, and that meet certain other conditions, are eligible for a credit against the GCT or UBT based on qualifying expenditures for research and development property, qualified research expenses and qualified high-technology training costs. A taxpayer is allowed a credit of up to \$250,000 for a tax year in which its in-City employment level is at least 105 percent of its base year employment; if the increase in jobs is less than 105 percent, the credit is limited to 50 percent of the amount otherwise allowable and the total annual credit cannot exceed \$125,000. The total of all biotechnology credits allowed during any calendar year cannot exceed \$3 million. The Department of Finance is directed to adopt rules for prorating credits where the cap is exceeded.

- Chapter 453, NYS Laws of 2009 and NYC Local Law 67 of 2009

General and Banking Corporation Tax Modifications Required For New MTA Payroll Tax

In connection with the imposition under Article 23 of the Tax Law of the new Metropolitan Commuter Transportation Mobility Tax—which applies to the payroll expenses of employers and the net earnings of self-employed individuals carrying on business within the Metropolitan Commuter Transportation District—the City’s general corporation tax and banking corporation tax have been amended to require the addback to income of any Article 23 tax deducted on the federal return, and the exclusion from income of any refunded Article 23 tax included in federal gross income. (The same modifications are required under the State’s corporate taxes and the State and City personal income tax.)

- Chapter 25 (Part C), NYS Laws of 2009

City Film and Commercial Production Credit Authorizations Modified

Under State authorizing legislation, the City allows credits against its general corporation tax and unincorporated business tax for certain costs of producing films in the City. Subject to specified exceptions, the credits must be substantially identical to New York State’s film production credit. An amendment to the State’s credit provision requires that the credit, normally allowed in the tax year of the film’s completion, be spread out equally over two years if the credit amount is at least \$1 million but less than \$5 million,

or over three years if the credit is at least \$5 million. The City is also authorized to allow—although to date it has not enacted-- GCT and UBT credits for qualifying costs of producing TV, radio and movie theater commercials, which, with certain exceptions, must be substantially identical to the State’s commercial production credit. The State’s credit provision has been amended to clarify the definition of “qualifying production costs” as it relates to certain design techniques.

- Chapters 57 (Part Y-1) and 448, NYS Laws of 2009

SALES TAX

City Sales Tax Rate Increased, Clothing and Footwear Exemption Limited and Tax Imposed on Certain Utility Transportation Services

Effective August 1, 2009, the following City sales and use tax changes apply:

- ¶ The City tax rate is increased from 4 percent to 4.5 percent;
- ¶ the City exemption for clothing and footwear costing \$110 or more is eliminated, and the exemption is conformed to the State exemption for clothing and footwear items costing less than \$110; and
- ¶ the City tax is imposed on the services of transporting, transmitting or distributing gas or electricity, even if purchased from someone other than the seller of the gas or electricity. (Sales of gas and electricity were already subject to the City tax.)

- Chapter 200, NYS Laws of 2009

Sales Tax Exemption For Purchases Related to Lower Manhattan Commercial Office Space Continued

In 2005, State and City sales tax exemptions were enacted for certain property and services used to equip, furnish, alter or improve leased commercial office space in Lower Manhattan. The exemptions applied to purchases related to leases for at least 10 years that commenced on or after September 1, 2005 but not later than a statutory deadline. For leases in the World Trade Center site, the World Financial Center or the Battery Park City area, the lease commencement deadline of September 1, 2011 has been changed to September 1, 2015, and the lease commencement deadline in the rest of the statutorily defined Lower Manhattan area has been changed from September 1, 2009 to September 1, 2013.

- Chapter 203, NYS Laws of 2009

State and Local Sales Taxes Imposed on Limousine Services

Beginning June 1, 2009, State and local sales taxes apply to “transportation services,” defined as livery service provided by limousine, black car or other motor vehicle, with a driver. The new tax does not apply to taxicab or bus services, scheduled public transportation services or transportation services provided in connection with funerals.

- Chapter 57 (Part U-1), NYS Laws of 2009

Remote Sellers Deemed Sales Tax Vendors Based on Certain Activities of Affiliates

Effective June 1, 2009, a remote seller will be considered a vendor subject to State and local sales tax requirements if an affiliate that is a sales tax vendor uses in New York trademarks, service marks or trade names that are the same as those used by the remote seller, or if the affiliate engages in activities in the State that benefit the remote seller in its development or maintenance of a market for its goods or services in the State. (Generally, persons are affiliated if one has a greater-than-five-percent direct or indirect ownership interest in the other or if another person or affiliated group directly or indirectly owns a greater-than-five-percent interest in both of them.)

- Chapter 57 (Part P-1), NYS Laws of 2009

Exemptions For Commercial Aircraft and Certain Vehicles and Vessels Narrowed

The State and local sales tax exemption for commercial aircraft and the State and local use tax exemption for aircraft, motor vehicles and vessels purchased by nonresidents are narrowed, as of June 1, 2009, to make the exemptions inapplicable in certain situations in which the airplane, vehicle or vessel is used to transport the purchaser’s personnel, partners, shareholders or directors or those of certain affiliated persons.

- Chapter 57 (Part N-1), NYS Laws of 2009.

Exemption For Parts and Services Used in Maintaining or Repairing Aircraft Made Permanent

The services of maintaining, servicing or repairing aircraft, and tangible personal property used in performing those services, were exempted from state and local sales taxes in 2004, but the exemption was scheduled to expire on December 1, 2009. That expiration date has been repealed and the exemption made permanent.

- Chapter 204, NYS Laws of 2009

New Sales and Use Tax Rules Prescribed For Modular Homes

Comprehensive new State and local sales and use tax rules have been enacted concerning the tax treatment of modular one- to three-family homes and their component modules.

Effective December 1, 2009, the new rules are designed to equalize the tax treatment of modular home components with that of building materials used in the construction of on-site homes.

- Chapter 399, NYS Laws of 2009

REAL PROPERTY TAX

Administration of Senior Citizen Rent Increase Exemption (SCRIE) Program Transferred From Aging Department to Finance Department

Responsibility for establishing SCRIE eligibility and determining the amount of the benefit has been transferred from the City's Department for the Aging to the Department of Finance, effective August 28, 2009. The SCRIE program covers tenants 62 and over who live in rent-regulated apartments and have household income not exceeding the current ceiling of \$29,000. An eligible tenant is exempted from the portion of any rent increase that would raise the rent to more than one-third of household income; the landlord is compensated for the foregone rent by means of a real property tax abatement.

- NYC Local Law 44 of 2009

Reverse Mortgage Proceeds Excluded From Income in Determining SCHE Eligibility

In determining income eligibility under the senior citizen homeowner exemption program authorized under section 467 of the Real Property Tax Law, the proceeds of a reverse mortgage are excluded from income; however, interest or dividends earned from investing the proceeds are included in income, and funds used to repay a reverse mortgage are not deductible from income.

- Chapter 259, NYS Laws of 2009

Class Share Adjustment Frozen For City's FY 2010 Real Estate Tax Levy

Article 18 of the Real Property Tax Law requires that the adjusted base proportions of the four real property tax classes in the City (which determine the share of the total tax levy payable by each class) be revised each year to reflect relative changes in market values, subject to a five-percent cap on the increase in any class's share of the levy. Under special legislation that applies only to the City fiscal year beginning July 1, 2009, the five-percent limit on increases does not apply and, instead, the current base proportion of any class is limited to that class's adjusted base proportion for the previous fiscal year. This measure is designed to prevent a significant increase in tax burden that residential owners and renters in Classes One and Two would otherwise have faced.

- Chapter 207, NYS Laws of 2009

Middle Class STAR Rebate Program Repealed

The State-funded Middle Class STAR rebate program enacted in 2007 to provide real estate tax relief in the form of annual rebate checks to homeowners (including cooperative and condominium apartment owners) in the City and elsewhere in the State has been repealed. The repeal is effective beginning with the rebates that were scheduled to be issued in the fall of 2009.

- Chapter 57 (Part M), NYS Laws of 2009

Disability Definition Expanded Under Low-Income Disabled Homeowner Exemption Program

Pursuant to section 459-c of the Real Property Tax Law, the City grants partial real property tax exemptions to limited-income homeowners with disabilities, as defined in the law. That definition has been amended to include as a disabled person one who is certified to receive a U. S. Department of Veterans Affairs disability pension pursuant to 38 U.S.C. §1521.

- Chapter 353, NYS Laws of 2009

Private Dwelling Tax Exemption Program's Completion Deadline Extended

Section 421-b of the Real Property Tax Law grants a partial real estate tax exemption for up to 10 years on newly constructed, reconstructed or converted one- and two-family homes that are owner-occupied and meet certain other conditions. Although the current program applies only where construction work on a residence began before July 1, 2006, the law's completion deadline, formerly July 1, 2009, has been extended to July 1, 2010.

- Chapter 154, NYS Laws of 2009

Deadline Established For Acting on Housing Development Fund Company Exemption Applications

Low-income housing projects of Housing Development Fund Companies organized under Article 11 of the Private Housing Finance Law are eligible for real estate tax exemptions to the extent authorized by the municipality's local legislative body (the City Council in New York City). An amendment to Article 11 provides that in the City the City Council must, within 120 days of submission, approve or disapprove by resolution a request for tax exemption submitted by the Department of Housing Preservation and Development on behalf of an HDFC project. If the City Council fails to act within that time, the requested exemption will be deemed approved.

- Chapter 73, NYS Laws of 2009

Authorizing Legislation For Cold War Veterans' Exemption Liberalized

In 2007, a new section 458-b of the Real Property Tax Law was enacted to authorize localities to adopt local legislation granting real property tax exemptions for residences owned by "cold war veterans," as defined in the law. Section 458-b has been amended to permit localities to grant higher levels of benefits than formerly authorized, to permit the exemption to be extended to cooperative apartments owned by veterans and to extend the exemption to a residence held in trust for an otherwise eligible veteran. (To date, the City has not acted to implement the exemption.)

- Chapter 235, NYS Laws of 2009

HOTEL ROOM OCCUPANCY TAX

Room Remarketers Required to Collect Hotel Occupancy Tax on Additional Rent They Charge

In addition to State and City sales taxes on hotel room rentals, the City imposes a separate hotel tax that consists of a fixed dollar amount per room per day and a 5.875 percent tax on the daily room rent. For purposes of the 5.875 percent tax, beginning September 1, 2009 a guest who books a room through a remarketer, such as an internet intermediary, is taxable on the full room charge paid to the remarketer; the remarketer must remit to the hotel operator for payment over to the City the portion of the tax based on the rent it pays to the hotel operator (referred to as the "net rent"), and the remarketer must pay directly to the City the portion of the tax collected on the additional amount it charges the guest (referred to as the "additional rent").

- NYC Local Law 43 of 2009

PERSONAL INCOME TAX

City PIT STAR Credit Reduced

The school tax reduction (STAR) credit funded by the State and allowed under the City personal income tax has been reduced for tax years beginning after 2008. For married couples filing jointly and surviving spouses, the credit is reduced to \$125 from its former levels of \$310 in 2009 and \$335 thereafter; for all other filers, the credit is reduced to \$62.50 from its former levels of \$155 in 2009 and \$167.50 thereafter. (Taxpayers with income above \$250,000 (indexed for inflation after 2009) are not eligible for the credit.)

- Chapter 57 (Part M), NYS Laws of 2009

Non-Charitable Itemized Deductions Eliminated For High Income Taxpayers

For State and City personal income tax purposes, individuals with New York adjusted gross income over \$1 million will not be allowed to claim any itemized deductions, except for 50 percent of charitable contributions, for tax years beginning after 2008. (Under existing law, taxpayers with New York AGI above \$525,000 cannot claim 50 percent of their itemized deductions, including charitable contributions.)

- Chapter 57 (Part W-1), NYS Laws of 2009

Family-Presence-in-New-York Rule Modified in Determining Residence of Taxpayer Living Overseas

For State and City personal income tax purposes, an individual domiciled in New York State/City will not be treated as a resident if, within a 548-day period, he or she is present in a foreign country for at least 450 days, is not present here for more than 90 days and his or her spouse and minor children do not reside at the taxpayer's permanent place of abode here for more than 90 days. That last requirement has been amended to specify that the spouse and minor children cannot be present anywhere in New York State/City during the test period.

- Chapter 57 (Part A-1), NYS Laws of 2009

COMMERCIAL RENT TAX

Liberalized Commercial Rent Tax Reduction in Lower Manhattan Extended

In 2005, the Lower Manhattan commercial rent tax special reduction was liberalized for five-year-or-longer leases (except subleases) that began on or after July 1, 2005 but before July 1, 2009. That benefit has been extended to prime leases commencing before July 1, 2013.

- Chapter 203, NYS Laws of 2009

MISCELLANEOUS

City's "Red-Light Camera" Program Expanded and Extended

Legislation that authorizes the City to issue tickets for red-light violations, based on images recorded by photo-monitoring devices installed at intersections, has been amended to increase the number of intersections at which the cameras can be placed from 100 to 150. The program sunset date has also been extended from December 1, 2009 to

December 1, 2014. Tickets issued under the program are adjudicated by the Department of Finance's Parking Violations Bureau.

- Chapter 18, NYS Laws of 2009

Real Property Transfer Report Form Fees Increased

Beginning June 1, 2009, the fees payable to the City Register and other local recording officers in connection with the submission of real property transfer report forms for recording are increased from \$75 to \$125 for qualifying residential or farm property, and from \$165 to \$250 for other property. In addition, the fee payable to the City Register in connection with the submission of a City real property transfer tax return for a non-deed transfer is increased from \$50 to \$100. (Nine dollars out of each fee is retained by the locality and the balance is paid to the State Office of Real Property Services for deposit into the State's general fund.)

- Chapter 56 (Part JJ), NYS Laws of 2009

Industrial and Commercial Abatement Program Eligibility Accepted in Determining Qualification For Energy Cost Savings Program Benefits

The City's Energy Cost Savings Program and Lower Manhattan Energy Program offer qualifying businesses reduced energy bills, and compensate energy service providers for their foregone revenues by allowing credits against their City utility tax payments. In determining eligibility for ECSP and LMEP, certain firms can satisfy the "specially eligible premises" requirements of the statute if they meet the eligibility requirements under the City's Industrial and Commercial Incentive Program. That statute has been amended to permit eligibility under the Industrial and Commercial Abatement Program—which, in 2008, replaced the ICIP benefit for new applicants—to also meet those requirements.

- Chapter 202, NYS Laws of 2009

Temporary Amnesty Program Authorized For Environmental Control Board Default Judgments

The Department of Finance is authorized, during the City's 2009-2010 fiscal year, to establish a 90-day program during which default judgments obtained by the City's Environmental Control Board can be resolved by payment of the penalty for the underlying violation; if the requirements of the program are satisfied, the additional penalty imposed on account of the default will be waived. (The program covers such quality-of-life violations as dirty sidewalks, sidewalk obstructions and illegal or unlicensed vending.) If the original notice of violation included an order requiring the correction of a violation, the violator must also establish that the condition was corrected. The program does not apply to judgments issued on or after May 1, 2009. The

Commissioner of Finance has designated the period from September 21 to December 21, 2009 as the program period.

- NYC Local Law 47 of 2009

Returns Filed Under State's Voluntary Disclosure and Compliance Program Available to City

The State's voluntary disclosure and compliance program, enacted in 2008, has been amended to clarify that returns and reports filed under the program can be disclosed to the Department of Finance, as well as to the IRS and other state and local taxing authorities, to the extent permitted by the State Tax Law.

- Chapter 57 (Part V-1, Subpart H), NYS Laws of 2009

Application of Sheriff's Poundage Fee Provision Clarified

Under section 8012(b)4 of the Civil Practice Law and Rules, where a case is settled after certain collection actions have been initiated by a sheriff, the sheriff's percentage fee is based on the lesser of the judgment or the settlement amount. That provision has been amended to clarify that it applies after issuance of a property execution and levy against real or personal property, as well as after service of an income execution. (In the City, the Sheriff's Office is part of the Department of Finance.)

- Chapter 381, NYS Laws of 2009

Enhanced Powers of City Marshals Continued

In 1997, temporary legislation was adopted to give City Marshals the same powers as those vested in the City Sheriff (an official of the Department of Finance) with regard to the enforcement of money judgments issued by the Supreme Court and Family Courts in the City. The legislation's expiration date has been extended periodically, most recently from June 30, 2009 to June 30, 2014.

- Chapter 103, NYS Laws of 2009

Coin-Operated Amusement Devices Tax Provisions Repealed

In 1997, the City tax on coin-operated amusement devices was amended to provide that the tax would not be imposed for any tax year beginning on or after August 1, 1997. Despite the elimination of the tax, occasional summonses continued to be issued for violations of Administrative Code section 11-4013, which required the placing of tax stamps on the devices. In order to eliminate any confusion, section 11-4013, as well as the part of the Code that imposed the tax, has been repealed.

- NYC Local Law 54 of 2009

E911 Surcharge Extended to VoIP Service

The E911 surcharge on land line telephone bills, which helps fund enhanced 911 emergency phone systems in the City and other localities, has been extended to voice over internet protocol (VoIP) service provided over a broadband connection, effective January 1, 2010. In the City, the surcharge is \$1 per month for each access line, and is collected from customers by the service provider and paid over to the Department of Finance.

- Chapter 269, NYS Laws of 2009

Limited Liability Company Filing Fee Authorization Expanded

Under the Tax Law, New York State imposes filing fees on limited liability companies and limited liability partnerships; the per-firm fee ranges from \$25 to \$4,500, depending on its New York-source gross income. Effective for tax years beginning after 2008, the filing fee has been extended to all partnerships; however, partnerships, other than limited liability partnerships, are exempt from the fee if their New York-source gross income is less than \$1 million. The City is authorized to impose a filing fee comparable to the State fee, but based on New York City-source gross income, and that authorization has been expanded to cover the partnerships now subject to the State fee. (To date, the City has taken no action to impose the authorized fee.)

- Chapter 57 (Part H-1), NYS Laws of 2009

Chronology of Selected Legislative Actions Affecting NYC Taxes

Explanatory Notes:

Local laws adopted by the NYC Council. Chapter laws adopted by the NYS Legislature. TYs BOOA = Tax years beginning on or after; TYs EOOA = Tax years ending on or after.

Tax Acronyms:

BTX = Banking Corporation Tax
 CT = Cigarette Tax
 HTX = Hotel Room Occupancy Tax
 PIT = Personal Income Tax
 RPTT = Real Property Transfer Tax
 UBT = Unincorporated Business Tax

CRT = Commercial Rent Tax
 GCT = General Corporation Tax
 MRT = Mortgage Recording Tax
 RPT = Real Property Tax
 STX = Sales Tax
 UTX = Utility Tax

Tax Action	Tax	Legal Citation	Effective Date
1990			
Increase in hotel tax rate from 5% to 6%	HTX	Chapter 342, Laws of 1990, Local Law 43 of 1990	9/1/90
Increase in mortgage recording tax rates	MRT	Chapter 343, Laws of 1990, Local Law 44 of 1990	8/1/90
Imposition of 12.5% PIT surcharge	PIT	Chapter 344, Laws of 1990, Local Law 42 of 1990	TY90
1991			
Real property tax rate increase for "Safe Streets, Safe City" Program	RPT	City Council Resolution, 1/22/91	FY91
Additional real property tax rate increase	RPT	City Council Resolution, 7/1/91	FY92
12.5% PIT surcharge extended and dedicated to "Safe Streets, Safe City" program	PIT	Chapter 6, Laws of 1991, Local Law 15 of 1991	TY92
STX imposed on telephone answering services	STX	Chapter 166, Laws of 1991	9/1/91
STX imposed on pre-written computer software	STX	C. 166	9/1/91
STX imposed on shipping and delivery charges	STX	C. 166	9/1/91
Imposition of 14% PIT surcharge	PIT	Chapter 272, Laws of 1991, Local Laws 64,77 of 1991	TY91
1993			
Partial CRT credit for annual rent between \$11,000-\$13,999	CRT	Local Law 57 of 1993	6/1/93
Increase in CRT taxable threshold from \$11,000 to \$21,000 annual rent	CRT	LL 57	6/1/94

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Tax Action	Tax	Legal Citation	Effective Date
1994			
50% rate reduction for qualifying transfers to newly organized REITs	RPTT	Chapter 170, Laws of 1994	6/9/94
Hotel tax rate reduction from 6% to 5%	HTX	Local Law 21 of 1994	12/1/94
Increase in CRT taxable threshold from \$21,000 to \$31,000 annual rent	CRT	Local Law 22 of 1994	6/1/95
UBT Technical Reform:			
o Allow entity earning up to \$25,000 in gross income to retain "self-trading" exemption	UBT	Chapter 485, Laws of 1994	TYs BOOA 7/1/94
o Conform UBT treatment of investment income to GCT rules	UBT	C. 485	TYs BOOA 7/1/94
o Replace partnership-level exemption with partner-level credit	UBT	C. 485	TYs BOOA 7/1/94
o Allow real estate exemption even though other income earned	UBT	C. 485	TYs BOOA 7/1/94
1995			
Lower Manh commercial revitalization program established		Chapter 4, Laws of 1995	4/1/95
Increase in CRT taxable threshold from \$31,000 to \$40,000 annual rent	CRT	Local Law 57 of 1995	9/1/95
CRT eliminated above 96 St in Manhattan and in other boroughs	CRT	LL 57	9/1/95
CRT effective rate reduction from 6% to 5.1%	CRT	LL 57	3/1/96
CRT effective rate reduction from 5.1% to 4.5%	CRT	LL 57	6/1/96
Repeal City sales tax on interior decorating and design	STX	Chapters 297,298, Laws of 1995	12/1/95
Senior Citizen Homeowner Exemption (SCHE) extended to co-op owners	RPT	Chapter 406, 407, Laws of 1995	FY97
Industrial and Commercial Incentive Program (ICIP) revised and extended -- renovations and "smart" bldgs. in Manh.; deeper industrial benefit provided	RPT	Chapter 661, Laws of 1995, Local Law 58 of 1995	7/1/95 [new benefits]
1996			
Amendments to SCHE related to co-op owners	RPT	Chapter 49, Laws of 1996, Local Laws 1,40 of 1996	FY97
UBT Reforms			
o Self-trading exemption expanded to cover modern activities	UBT	Chapter 128, Laws of 1996	TYs BOOA 1/1/96
o "Principally engaged" test established for self-trading exemption	UBT	C. 128	TYs BOOA 1/1/96
o Allow carry forward of partner-level credit	UBT	C. 128	TYs BOOA 1/1/96
UBT small business credit increased from \$600 to \$800; partial credit for liability \$801-\$999 (credit increased to \$1000 for TYs BOOA 1/1/97)	UBT	C. 128	TYs BOOA 1/1/96
Co-op and Condo tax abatement established	RPT	Chapter 273, Laws of 1996	FY97
Sales tax holiday for clothing purchases under \$500	STX	Chapter 309, Laws of 1996	1/18 - 1/24/97
50% transfer tax rate reduction for qualifying transfers between 7/13/96 and 8/31/99 to preexisting REITs; prior temporary rate reduction for transfers to newly organized REITs made permanent	RPTT	C. 309	7/13/96
City sales tax exemption for production items	STX	Chapter 366, Laws of 1996	9/1/96
Lower Manh commercial revitalization program amended		Chapter 472, Laws of 1996	7/1/96
Reform of "income-plus-compensation" GCT base	GCT	Chapter 625, Laws of 1996	TYs BOOA 7/1/99; fully effective
Repeal of "regular-place-of-business" requirement	GCT,UBT	C. 625	TYs BOOA 7/1/96
Manufacturers allowed to double-weight receipts factor	GCT,UBT	C. 625	TYs BOOA 7/1/96

Chronology of Selected Legislative Actions Affecting NYC Taxes

Tax Action	Tax	Legal Citation	Effective Date
1997			
City PIT rates reduced under STAR Program	PIT	Chapter 389, Laws of 1997	TYs BOOA 1/1/99; phased in over 3 years
City PIT credit allowed under STAR Program	PIT	C. 389	TYs BOOA 1/1/98; phased in over 4 years
Increase in CRT taxable threshold from \$40,000 to \$100,000 annual rent; partial credit provided for rent betw. \$100,000-\$139,999	CRT	Local Law 63 of 1997	6/1/97
CRT effective rate reduction from 4.5% to 3.9%	CRT	LL 63	9/1/98
Veterans' exemption extended to co-op owners	RPT	Chapter 171, Laws of 1997, Local Law 68 of 1997	FY99
Sales tax holiday for clothing purchases under \$100	STX	C. 389	9/1 - 9/7/97
UBT small business credit increased from \$1,000 to \$1,800; partial credit for liability \$1,801-\$3,199	UBT	Chapter 481, Laws of 1997	TYs BOOA 1/1/97
NYC residents allowed a partial PIT credit for UBT paid	PIT	C. 481	TYs BOOA 1/1/97
Lower Manh commercial revitalization program amended and extended		Chapter 629, Laws of 1997	9/17/97
City sales tax exemption for theatrical productions	STX	Chapter 670, Laws of 1997	3/1/98
Sales tax holiday for clothing purchases under \$500	STX	Chapter 687, Laws of 1997	1/17 - 1/23/98
Annual vault charge repealed		Local Law 47 of 1997	TYs BOOA 6/1/98
Coin-operated amusement devices tax repealed		Local Law 48 of 1997	TYs BOOA 8/1/97
1998			
Sales tax holiday for clothing purchases under \$500	STX	Chapter 56, Laws of 1998	9/1 - 9/7/98
Sales tax holiday for clothing purchases under \$500	STX	C. 56	1/17 - 1/24/99
Sales tax exemption for college textbooks	STX	C. 56	6/1/98
Sales tax exemption for computer hardware used to develop computer software	STX	C. 56	6/1/98
Sales tax exemption for telecommunications equipment expanded	STX	C. 56	9/1/98
Lower Manh commercial revitalization program technical amendments		Chapter 468, Laws of 1998	9/17/97
1999			
12.5% "Safe Streets, Safe City" PIT surcharge expires	PIT		TY99
Nonresident earnings tax repealed	PIT	Chapter 5, Laws of 1999	7/1/99
ICIP benefits extended	RPT	Chapter 143, Laws of 1999, Local Law 44 of 1999	1/1/99
Co-op and condo tax abatement extended	RPT	Chapter 407, Laws of 1999	FY00
Sales tax holiday for clothing purchases under \$500	STX	C. 407	9/1 - 9/7/99
Sales tax holiday for clothing purchases under \$500	STX	C. 407	1/15 - 1/21/00
Permanent NYS sales tax exemption for clothing under \$110; City Council resolution passed to include NYC local tax	STX	C. 407	3/1/00
Sales tax exemption for certain cable tv and telecommunications equipment	STX	C. 407	3/1/01
Sales tax exemption for computer hardware used to develop Internet websites	STX	C. 407	3/1/01
50% transfer tax rate reduction for qualifying transfers to pre-existing REITs extended to 8/31/02	RPTT	C. 407	9/1/99

Chronology of Selected Legislative Actions Affecting NYC Taxes

Tax Action	Tax	Legal Citation	Effective Date
2000			
Special UBT and Bank Tax allocation rules adopted for mutual fund management fees	UBT,BTX	Chapter 63, Laws of 2000	TYs BOOA 1/1/01
Sales tax exemption for equipment used by Internet data center operators (web site operators)	STX	C. 63	9/1/00
Sales tax exemption for telecommunications and cable tv service providers expanded	STX	C. 63	9/1/00
Sales tax exemption for broadcasters' production and transmission equipment	STX	C. 63	9/1/00
Sales tax phased-out on energy distribution sold separately from commodity	STX	C. 63	9/1/00
PIT 14% surcharge reduced	PIT	Chapter 184, Laws of 2000 Local Laws 68 of 2000, 37 of 2001	TY01
ICIP revisions to encourage development in "commercial revitalization areas"	RPT	Chapter 261, Laws of 2000, Local Law 42 of 2001	7/1/00
New commercial revitalization program for designated areas in NYC		C. 261	7/1/00
City sales tax exemption provided for energy used in production	STX	Chapter 472, Laws of 2000	11/1/00
2001			
Increase in CRT taxable threshold from \$100,000 to \$150,000 annual rent; partial credit provided for rent betw. \$150,000-\$189,999	CRT	Local Law 6 of 2001	12/1/00
"In progress" exemption period expanded to 3 yrs for certain commercial construction	RPT	Local Law 35 of 2001	Constr commenced aft 1/5/00
Increase in CRT taxable threshold from \$150,000 to \$250,000 annual rent; partial credit provided for rent betw. \$250,000-\$300,000	CRT	Local Law 38 of 2001	6/1/01
Lower Manh commercial revitalization program extended		Chapter 118, Laws of 2001	4/1/01
Co-op and condo tax abatement extended	RPT	Chapter 294, Laws of 2001	FY02
2002			
Special mid-year real property tax increase to offset budget gap	RPT	Local Law 40 of 2002	1/1/03
Persons killed in 9-11 attacks exempted from personal income tax	PIT	Chapter 85, Laws of 2002	TYs 00,01
Sales tax holidays in Lower Manhattan for purchases under \$500	STX	C. 85, City Council Resol. 278	6/9-6/11, 7/9-7/11, 8/20-8/22/02
50% transfer tax rate reduction for qualifying transfers to pre-existing REITs extended to 8/31/05	RPTT	C. 85	9/1/02
City business tax depreciation rules partially uncoupled from 2002 federal amendments	GCT,BTX, UBT	Chapter 93, Laws of 2002, Local Law 17 of 2002	TYs EOOA 9/10/01
City cigarette tax increased from 8 cents to \$1.50 per pack	CT	C. 93, Local Law 10 of 2002	7/2/02
City utility tax treatment of mobile telecommunications services revised	UTX	C. 93	TYs BOOA 8/1/02

Chronology of Selected Legislative Actions Affecting NYC Taxes

Tax Action	Tax	Legal Citation	Effective Date
2003			
Three-year City personal income tax surcharge imposed on joint filers and surviving spouses with taxable income exceeding \$150,000, heads of households with taxable income over \$125,000 and singles and married persons filing separately with taxable income over \$100,000; higher surcharge rate imposed on all taxpayers with taxable income over \$500,000	PIT	Chapter 63, Laws of 2003, Local Law 41 of 2003	TY's 2003, 2004, 2005
City sales tax rate temporarily increased by .125% (to 4.125%)	STX	C. 63, Local Law 35 of 2003	6/4/03--5/31/05
Sales tax exemption for clothing and footwear purchases under \$110 temporarily suspended	STX	Chapter 62, Laws of 2003	6/1/03--5/31/04
Sales tax holidays declared for clothing and footwear purchases under \$110	STX	C. 62 and 63, NYC Council Resolution 937 of 2003	8/26--9/1/03 and 1/26-- 2/1/04
25% surcharge imposed on real estate tax bills for Class 1 (1- to 3-family homes) rental properties not the primary residence of the owner or the owner's parent or child [Note: Local Law 6 of 2004 delayed the surcharge until FY 2007.]	RPT	C. 63, Local Law 47 of 2003	FY 2004
Industrial and commercial incentive program extended	RPT	Chapter 103, Laws of 2003, Local Law 48 of 2003	7/1/03
J-51 exemption program extended	RPT	Chapter 418, Laws of 2002, Local Law 16 of 2003	2/28/03
Certain intangible asset-related transactions between related entities disregarded for City general and banking corporation, unincorporated business and personal income tax purposes	GCT, BTX, UBT, PIT	C. 63, Chapter 686, Laws of 2003	TYsBOOA 1/1/03
Three-month amnesty program established for City-administered income and non-property excise taxes		C. 63	10/20/03--1/23/04
City's commercial revitalization program and commercial expansion program extended		Chapter 440, Laws of 2003	7/1/03
2004			
Hotel room occupancy fee of \$1.50 per room per day imposed to help fund Javits Convention Center expansion	HTX	Chapter 3, Laws of 2004	4/1/05
Real property tax abatement of \$400 for owners of 1- to 3-family homes and coop and condo apts occupied as owner's primary residence	RPT	Chapter 60, Laws of 2004, Local Law 40 of 2004	FY's 2004, 2005, 2006
Coop and condo tax abatement extended for four years	RPT	Chapter 97, Laws of 2004	FY 2005
Absentee landlord surcharge on 1- to 3-family homes (enacted in 2003) delayed until FY 2007	RPT	Local Law 6 of 2004	FY 2004
Earned income tax credit equal to 5 percent of Federal credit adopted	PIT	C. 60	TYs BOOA 1/1/04
Extension of temporary suspension of sales tax exemption for clothing and footwear items under \$110	STX	C. 60, Chapters 101, 120, Laws of 2004	6/1/04 - 5/31/05
Sales tax holidays declared for clothing and footwear purchases under \$110	STX	C. 60, 101, 120	8/31/04-9/6/04 1/31/05-2/6/05
Relocation and Employment Assistance Program (REAP) extended and expanded to include certain relocations to lower Manhattan	BTX,GCT, UBT,UTX	Chapter 143, Laws of 2004	7/1/03
Expiring banking corporation tax provisions extended	BTX	C. 60	
5 percent film production credit adopted for eligible production costs related to NYC productions	GCT,UBT	C. 60, Chapter 745, Laws of 2004, Local Law 6 of 2005	TYs BOOA 1/1/05
Mortgage recording tax extended to certain transactions involving wrap-around mortgages and spreader agreements	MRT	C. 60, 745	1/17/05
NYC authorized to claim certain NYS tax overpayments as offsets against City tax debt	-	C. 60	8/20/04

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Tax Action	Tax	Legal Citation	Effective Date
2005			
Retail space in Lower Manhattan used for sale of tangible goods exempted from commercial rent tax	CRT	Chapter 2, Laws of 2005	12/1/05
Other Lower Manhattan commercial rent tax/sales tax benefit programs enacted/expanded	CRT,STX	C. 2	Various
Additional firms made eligible for Lower Manhattan Relocation and Employment Assistance Program (REAP) credit	BTX,GCT,UBT,UTX	C. 2	LM premises acquired after 6/30/05
Energy cost savings program and Lower Manhattan energy program extended until 7/1/07	UTX	C. 2	6/30/05
Commercial rent tax special reduction benefit extended to industrial/mfg space in Special Garment Center District	CRT	Chapter 727, Laws of 2005	Leases commencing after 6/30/05
Commercial expansion program abatement benefits liberalized for industrial and manufacturing tenants	RPT	C. 727	Leases commencing after 6/30/06
Relocation costs credit allowed for moves by industrial/mfg firms to industrial business zones	GCT,UBT	Chapter 635, Laws of 2005	TYs BOOA 1/1/06
Real property tax payment rules revised	RPT		6/6/05
Senior citizen rent increase exemption program (SCRIE) extended to disabled persons	RPT	Chapter 188, Laws of 2005, Local Law 76 of 2005	10/10/05
SCRIE income eligibility ceiling increased	RPT	Chapter 205, Laws of 2005, Local Law 75 of 2005	7/1/05
Assessment increases limited for additions and improvements to multiple dwellings with fewer than 11 units	RPT	Chapter 711, Laws of 2005	Rolls completed in 2005 and later years
Unincorporated business tax rules revised to conform to general corporation tax	UBT,UTX	Chapter 633, Laws of 2005	Various
Clothing/footwear items under \$110 exempted from City sales tax	STX	Chapter 285, Laws of 2005	9/1/05
Various City taxes and higher tax rates extended	PIT,CT,STX,GCT	Chapter 636, Laws of 2005	8/30/05
Metered sales to tenants of cogeneration facility energy produced by large cooperative housing developments exempted from utility tax	UTX	Local Law 88 of 2005	1/1/06
State Tax Department permitted to seek offset of City tax refunds against State tax debt	Various	Chapter 61, Laws of 2005	4/12/05
State's Tax Shelter Voluntary Compliance Initiative includes City personal income tax	PIT	C. 61, Chapter 63, Laws of 2005	10/1/05
2006			
Commissioner of Finance authorized to require electronic filing of real estate tax income and expense statements and transfer tax returns	RPT, RPTT	Chapter 385, Laws of 2006	7/26/06
Uniform application filing deadline of March 15 established for real estate tax exemptions	RPT	Chapter 531, Laws of 2006	8/16/06
New York State real estate tax rebate program adopted for homeowners eligible for school tax relief (STAR) exemption	RPT	Chapters 105, 109, Laws of 2006	Beginning in 2006
Income ceiling increased for senior citizen homeowner exemption (SCHE) program	RPT	Chapter 186, Laws of 2006, Local Law 42 of 2006	Rolls completed in 2007 and later years
Income ceiling increased for disabled homeowner exemption (DHE) program	RPT	Chapter 187, Laws of 2006, Local Law 41 of 2006	Rolls completed in 2007 and later years
Commercial expansion program rules modified	RPT	Chapter 403, Laws of 2006	7/1/05
J-51 exemption/abatement program extended	RPT	Chapter 244, Laws of 2006	7/26/06
421-a exemption program revised	RPT	Local Law 58 of 2006	12/28/07
Absentee landlords' real estate tax surcharge repealed before taking effect	RPT	Local Law 27 of 2006	7/1/06
Standard deduction increased for married couples	PIT	Chapter 62, Laws of 2006	TYsBOOA 1/1/06
School tax relief (STAR) credit increased	PIT	C. 105, 109	TYsBOOA 1/1/06
Reduced tax rates for qualifying real estate investment trust transfers extended	RPTT	C. 62	9/1/05
Expiring banking corporation tax provisions extended	BCT	C. 62	4/28/06
Film production credit extended and annual cost cap increased	GCT, UBT	C. 62, Local Law 24 of 2006	7/11/06

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Tax Action	Tax	Legal Citation	Effective Date
2007			
Clothing and footwear fully exempted from City sales tax	STX	Chapter 82, Laws of 2007	9/1/07
Homeowners' \$400 real estate tax rebate program extended for three years	RPT	Chapter 483, Laws of 2007, Local Law 40 of 2007	FY's 2007, 2008, 2009
Alternative general corporation tax based on income plus compensation reduced over three years	GCT	Chapter 491, Laws of 2007	TYBOOA 1/1/07
Alternative general corporation taxes based on income plus compensation and capital eliminated for small corporations	GCT	C. 491	TYBOOA 1/1/07
Small corporations permitted to use NYS entire net income in calculating general corporation tax liability	GCT	C. 491	TYBOOA 1/1/07
Allowance for proprietor's and partner's services increased	UBT	C. 491	TYBOOA 1/1/07
Expiring banking corporation tax provisions extended for two years	BTX	Chapters 60, 96, Laws of 2007	TYBOOA 1/1/08
Household and dependent care credit adopted	PIT	Chapter 484, Laws of 2007	TYBOOA 1/1/07
Credit for UBT payments increased to maximum of 100% and minimum of 23% based on income	PIT	Local Law 35 of 2007	TYBOOA 1/1/07
School tax relief (STAR) credit increased	PIT	Chapter 57, Laws of 2007	TYBOOA 1/1/07
Nonprofits allowed real property tax exemption as of date property acquired	RPT	Chapter 482, Laws of 2007	8/1/07
New York State "Middle Class STAR" rebate program adopted for local real estate taxes	RPT	Chapter 57, Laws of 2007	2006-2007 school year
Section 421-a multiple dwelling exemption program revised	RPT	Chapters 618, 619, 620, Laws of 2007	12/28/07
Industrial and commercial incentive program extended	RPT	Chapter 92, Laws of 2007, Local Law 41 of 2007	7/1/07
Lower Manhattan commercial revitalization program extended	RPT, CRT	Chapter 60, Laws of 2007	4/1/07
Deadlines for meeting certain relocation and employment assistance program (REAP) requirements extended	BTX, GCT, UBT, UTX	Chapters 417, 497, Laws of 2007	8/1/07
Energy cost savings program and Lower Manhattan energy program extended until 7/1/10	UTX	Chapter 255, Laws of 2007	7/1/07
2008			
Coop/condo tax abatement program extended for four years	RPT	Chapter 109, Laws of 2008	FY 2009
Industrial and Commercial Incentive Program replaced by Industrial and Commercial Abatement Program	RPT	Chapters 119, 138, Laws of 2008, Local Law 47 of 2008	7/1/08
Midyear real estate tax increase authorized	RPT	Local Laws 66 of 2008 and 2 of 2009	1/1/09
"Green roof" tax abatement program adopted	RPT	Chapter 461, Laws of 2008	FY 2010
Solar electric generating system tax abatement program adopted	RPT	Chapter 473, Laws of 2008	FY 2010
Federal qualified production activity income (QPAI) deduction disallowed for City tax purposes	BTX, GCT, PIT	Chapter 57, Laws of 2008	TYBOOA 1/1/08
Relocation and employment assistance programs (REAP) extended	BTX, GCT, UBT, UTX	Chapter 131, Laws of 2008	7/1/08
Scheduled increases in school tax relief (STAR) credit delayed for one year and credit disallowed for filers with income over \$250,000	PIT	C. 57	TYBOOA 1/1/08
City sales tax authorization restored upon sunseting of tax imposed to secure repayment of MAC obligations	STX	C. 57	8/1/08
State and local sales tax collection required by out-state sellers with in-state referrers of customers	STX	C. 57	4/23/08
Hotel tax rate temporarily raised to 5.875 percent	HTX	Local Law 65 of 2008	3/1/09
Reduced rates for qualifying real estate investment trust (REIT) transfers extended	RPTT	Chapter 416, Laws of 2008	9/1/08
Expiring tax authorizations extended for three years	CT, GCT, PIT, STX	Chapter 525, Laws of 2008	9/4/08

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Tax Action	Tax	Legal Citation	Effective Date
2009			
City sales tax rate increased from 4% to 4.5%	STX	Chapter 200, Laws of 2009	8/1/09
City sales tax exemption on clothing and footwear conformed to State exemption covering only items costing under \$110	STX	C. 200	8/1/09
Unincorporated business tax credit increased: full credit if tax not over \$3400; partial credit if tax between \$3401 and \$5399	UBT	Chapter 183, Laws of 2009	TYBOOA 1/1/09
Various City tax provisions conformed to State tax provisions, including:			
•10-year phase-in of single receipts factor allocation formula	GCT, UBT	Chapter 201, Laws of 2009	TYBOOA 1/1/09
•mandatory combined returns where substantial intercompany transactions exist	GCT, UBT	C. 201	TYBOOA 1/1/09
•required combination for "captive" REITs/RICs	GCT, BTX	C. 201	TYBOOA 1/1/09
•cap on alternative tax on capital raised to \$1 million	GCT	C. 201	TYBOOA 1/1/09
•fixed-dollar minimum tax to be based on gross receipts	GCT	C. 201	TYBOOA 1/1/09
•alien banks subject to taxable assets alternative tax base	BTX	C. 201	TYBOOA 1/1/11
•banks allowed net operating loss carryforward deduction	BTX	C. 201	Losses after 2008
•special receipts sourcing rules adopted for broker/dealers	GCT, UBT	C. 201	TYBOOA 1/1/09
•City voluntary disclosure and compliance program adopted	Various	C. 201	7/11/09
•income and excise tax criminal penalties revised	Various	C. 201	7/11/09
Room remarketers required to collect hotel tax on markups	HTX	Local Law 43 of 2009	9/1/09
City sales tax imposed on electric and gas transmission services	STX	C. 200	8/1/09
State/City sales tax imposed on limousine services	STX	Chapter 57, Laws of 2009	6/1/09
City school tax reduction (STAR) credit reduced	PIT	C. 57	TYBOOA 1/1/09
Middle Class STAR Rebate Program repealed	RPT	C. 57	2009-2010 school year
Small biotechnology firms allowed credit for certain R&D and training costs	GCT, UBT	Chapter 453, Laws of 2009, Local Law 67 of 2009	TYs 2010, 2011, 2012