
**THE CITY OF NEW YORK
DEPARTMENT OF FINANCE
DIVISION OF TAX POLICY AND DATA ANALYTICS**

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

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

TAX YEAR 2016

BILL DE BLASIO, MAYOR

JACQUES JIHA, PH.D., COMMISSIONER

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**REPORT PREPARED BY THE
DIVISION OF TAX POLICY AND DATA ANALYTICS
MAY 2020**

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Highlights

This report presents statistical information for Tax Year 2016 for three New York City business income taxes: the Business Corporation Tax (COR), the General Corporation Tax (GCT), and the Unincorporated Business Tax (UBT).

The COR, GCT, and UBT generated \$5.50 billion in tax year 2016 liability, a decrease of 2 percent from tax year 2015. The number of taxpayers increased 1 percent from 2015, to 359,563.

- The finance & insurance sector accounted for 35 percent of all tax liability, followed by the service sector (professional/technical/managerial and other services), which generated 31 percent.
- More than half of NYC business income taxpayers reported liability of \$300 or less. Fewer than 3 percent of taxpayers, those with liabilities of \$50,000 or more, generated 84 percent of total liability.

Business Corporation Tax

In 2016, the Business Corporation Tax generated \$2.39 billion from 163,159 taxpayers. While the number of taxpayers increased by 6 percent, total liability decreased by 3 percent from 2015.

- The finance & insurance sector generated 54 percent of total liability, followed by the trade and service sectors with 12 percent each. The information sector generated 8 percent.
- The top 10 percent of taxpayers, or 16,316 firms, generated \$2.36 billion, or 99 percent of total liability. The top 1 percent of taxpayers accounted for \$2.21 billion, or 92 percent of total liability.
- About two-thirds of taxpayers paid the minimum tax, while the remaining taxpayers incurred liability under the entire net income or capital base. Ninety-two percent of total liability was incurred under the entire net income base.

General Corporation Tax

The General Corporation Tax generated \$1.13 billion from 167,211 taxpayers in 2016. The number of taxpayers decreased by 3 percent from 2015, while liability remained approximately constant.

- The service sector generated 32 percent of total liability, followed by real estate with 24 percent, other with 17 percent, and trade with 14 percent.
- The top 10 percent of taxpayers, or 16,721 firms, generated \$942 million, or 83 percent of total liability. The top 1 percent of taxpayers accounted for \$562 million, or half of total liability.

- Forty-six percent of taxpayers paid the minimum tax, while the remaining taxpayers incurred liability under the entire net income, income plus compensation, or capital bases. Ninety-two percent of total liability was incurred under the entire net income base.

Unincorporated Business Tax

The Unincorporated Business Tax generated \$1.98 billion in 2016 tax liability, a 2 percent decrease from the previous year. Partnerships generated \$1.80 billion, a 2 percent decrease from 2015. Proprietorships generated \$176 million in liability, a decrease of 3 percent from 2015. There were 13,776 partnership taxpayers and 15,417 proprietorship taxpayers, an increase of 3 percent and a decrease of 2 percent, respectively.

- Among partnerships, law firms and finance and insurance firms each generated 32 percent of total liability. Among proprietorships, service-sector firms accounted for 65 percent of total proprietorship liability, while legal-sector firms generated 12 percent.
- The top 10 percent of partnership taxpayers, or 1,378 firms, accounted for 84 percent of total partnership liability, and the top 1 percent accounted for 48 percent. The proprietorship liability distribution was far less skewed, with the top 10 percent generating 48 percent of proprietorship liability, while the top 1 percent generated 19 percent.

BUSINESS INCOME TAXES

Table 1
2016 BUSINESS INCOME TAXES
TAXPAYERS BY INDUSTRY

Total Taxpayers: 359,563

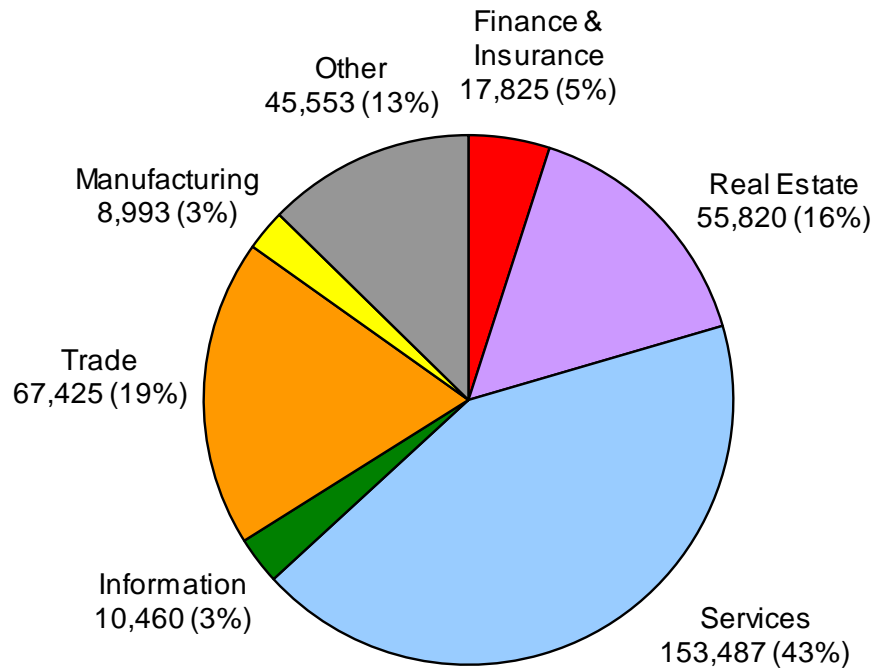
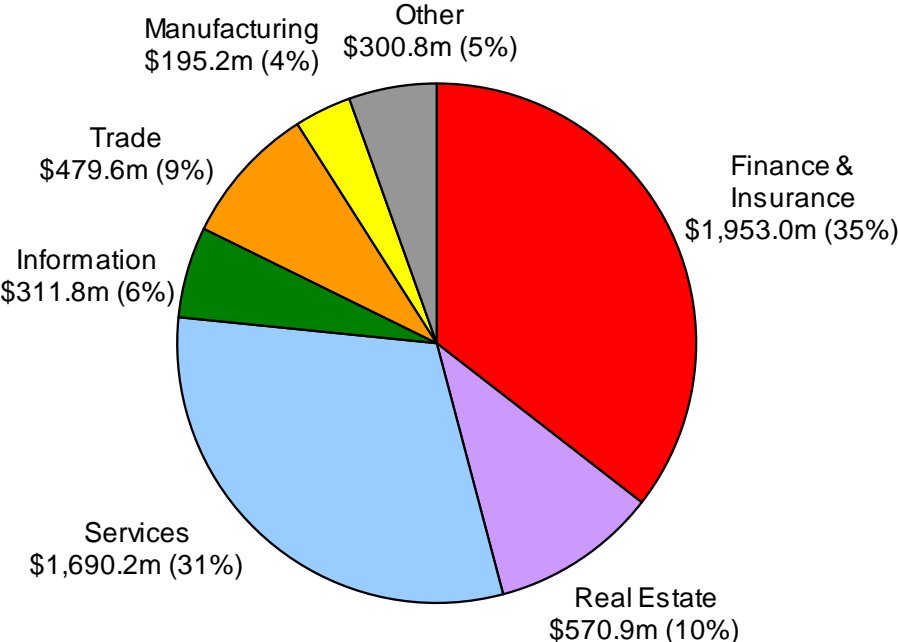


Table 2
2016 BUSINESS INCOME TAXES
LIABILITY BY INDUSTRY

Total Liability: \$5,501.6m



**BUSINESS INCOME TAXES
TAX YEAR 2016**

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

Industry	Number	% of Total	Liability	% of Total
Finance & Insurance	17,825	5.0 %	\$1,952,997	35.5 %
Real Estate	55,820	15.5	570,908	10.4
Services	153,487	42.7	1,690,188	30.7
Information	10,460	2.9	311,848	5.7
Trade	67,425	18.8	479,570	8.7
Manufacturing	8,993	2.5	195,246	3.5
Other	45,553	12.7	300,850	5.5
TOTAL	359,563	100.0 %	\$5,501,606	100.0 %

**BUSINESS INCOME TAXES
TAX YEAR 2016**

**Table 4
DISTRIBUTION BY LIABILITY PER RETURN**

Liability per Return	Number	% of Total	Liability (000)	% of Total
\$300 or Less	191,393	53.2 %	-\$810	0.0 %
\$300 - \$1,000	42,763	11.9	24,362	0.4
\$1,000 - \$5,000	68,708	19.1	160,314	2.9
\$5,000 - \$10,000	22,185	6.2	158,376	2.9
\$10,000 - \$50,000	25,544	7.1	537,571	9.8
\$50,000 - \$500,000	7,611	2.1	1,051,527	19.1
\$500,000 - \$1,000,000	639	0.2	449,538	8.2
More than \$1,000,000	720	0.2	3,120,727	56.7
TOTAL	359,563	100.0 %	\$5,501,606	100.0 %

BUSINESS CORPORATION TAX

Table 5
**2016 BUSINESS CORPORATION TAX
TAXPAYERS BY INDUSTRY**

Total Taxpayers: 163,159

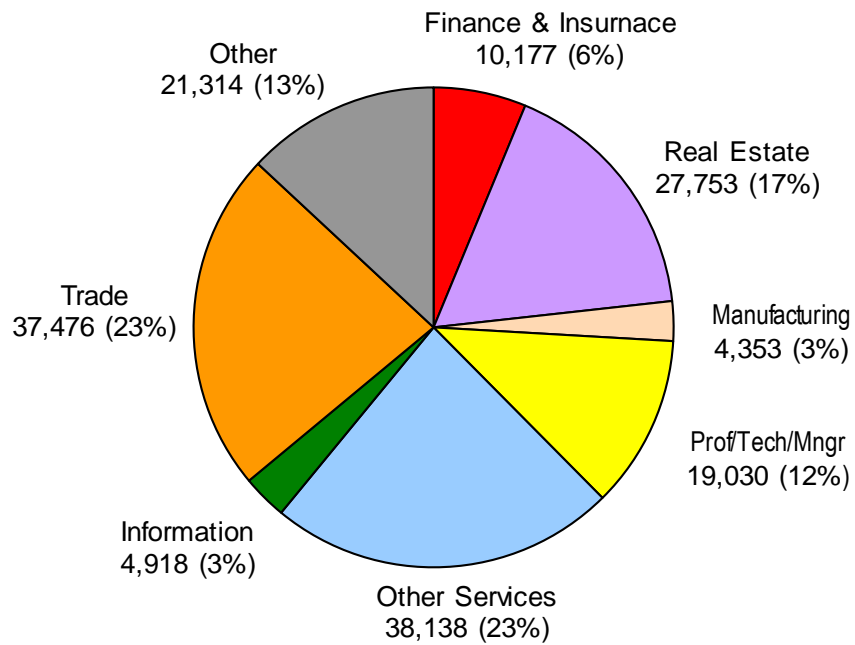
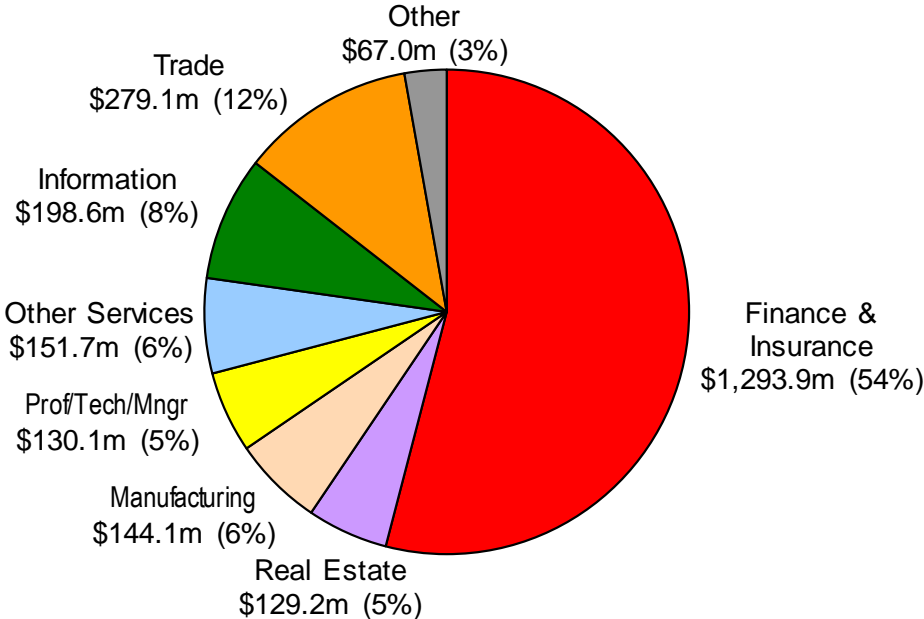


Table 6
**2016 BUSINESS CORPORATION TAX
LIABILITY BY INDUSTRY**

Total Liability: \$2,393.7m



**BUSINESS CORPORATION TAX
TAX YEAR 2016**

**Table 7
DISTRIBUTION BY INDUSTRY
(\$ THOUSANDS)**

Industry	Number	% of Total	Liability	% of Total
Finance & Insurance	10,177	6.2 %	\$1,293,918	54.1 %
Credit Agencies	841	0.5	823,399	34.4
Funds & Trusts	3,390	2.1	11,386	0.5
Insurance	1,023	0.6	93,079	3.9
Securities & Commodities	4,923	3.0	366,054	15.3
Real Estate	27,753	17.0	129,204	5.4
Lessors of Non-Residential Property	2,298	1.4	24,928	1.0
Lessors of Residential Property	7,783	4.8	18,423	0.8
Lessors of Other Property	1,121	0.7	2,963	0.1
Property Management	3,387	2.1	6,020	0.3
Agents and Brokers	1,138	0.7	3,726	0.2
Other Real Estate	12,026	7.4	73,145	3.1
Manufacturing	4,353	2.7	144,120	6.0
Computer and Electronics	255	0.2	35,890	1.5
Chemical	244	0.1	28,478	1.2
Food and Beverage	644	0.4	30,477	1.3
Petroleum and Mining	162	0.1	3,542	0.1
Textiles/Apparel/Leather	942	0.6	2,590	0.1
Machinery	412	0.3	19,985	0.8
Fabricated Metal	226	0.1	5,701	0.2
Printing	352	0.2	1,558	0.1
Furniture	176	0.1	1,785	0.1
Other Manufacturing	940	0.6	14,114	0.6
Prof/Tech/Managerial	19,030	11.7	130,055	5.4
Holding Companies	1,560	1.0	4,896	0.2
Legal Services	1,077	0.7	1,844	0.1
Managerial	32	0.0	503	0.0
Accounting	1,082	0.7	5,308	0.2
Architectural/Engineering/Design	1,828	1.1	8,864	0.4
Computer-Related	3,790	2.3	44,107	1.8
Management/Science/Technical	2,287	1.4	18,345	0.8
Advertising/Public Relations/Marketing	1,277	0.8	17,665	0.7
Other Prof/Tech/Managerial	6,097	3.7	28,522	1.2

(continued)

**BUSINESS CORPORATION TAX
TAX YEAR 2016**

**Table 7 (continued)
DISTRIBUTION BY INDUSTRY
(\$ THOUSANDS)**

Industry	Number	% of Total	Liability	% of Total
Other Services	38,138	23.4 %	\$151,685	6.3 %
Accommodations & Food	9,186	5.6	49,909	2.1
Administration/Support	3,671	2.2	44,581	1.9
Arts & Entertainment	3,131	1.9	18,861	0.8
Education	1,114	0.7	2,940	0.1
Health Care	3,725	2.3	12,893	0.5
Personal Services	11,701	7.2	4,769	0.2
Civic, Prof., Sports & Similar Organizations	946	0.6	5,847	0.2
Rental & Leasing	715	0.4	6,222	0.3
Repair & Maintenance	2,878	1.8	1,490	0.1
Social Services	859	0.5	1,771	0.1
Waste Management	181	0.1	2,280	0.1
Miscellaneous Other Services	31	0.0	122	0.0
Information	4,918	3.0	198,630	8.3
Broadcasting/Telecomm	773	0.5	56,237	2.3
Information Services/Data	2,004	1.2	65,160	2.7
Movies/Video/Sound	1,007	0.6	47,284	2.0
Publishing	1,134	0.7	29,949	1.3
Trade	37,476	23.0	279,054	11.7
Durable Wholesale	8,229	5.0	43,589	1.8
Non-Durable Wholesale	6,320	3.9	44,257	1.8
Retail-Clothing and Accessories	2,947	1.8	52,034	2.2
Retail-General Merchandise	883	0.5	40,091	1.7
Retail-Food and Beverage	8,129	5.0	14,999	0.6
Retail-Health and Personal Care	1,610	1.0	30,994	1.3
Retail-Building Maintenance and Gardening	537	0.3	18,794	0.8
Retail-Electronics	949	0.6	3,162	0.1
Retail-Furniture and Furnishings	726	0.4	3,853	0.2
Retail-Motor Vehicles	536	0.3	2,431	0.1
Retail-Other	6,610	4.1	24,849	1.0
Other	21,314	13.1	67,041	2.8
Construction	11,073	6.8	36,132	1.5
Transportation	8,385	5.1	20,547	0.9
Utilities	99	0.1	9,170	0.4
Miscellaneous Other	192	0.1	1,048	0.0
Not Available	1,565	1.0	144	0.0
TOTAL	163,159	100.0 %	\$2,393,708	100.0 %

**BUSINESS CORPORATION TAX
TAX YEAR 2016**

**Table 8
DISTRIBUTION BY LIABILITY PER RETURN**

Liability per Return	Number	% of Total	Liability (000)	% of Total
\$300 or Less	112,740	69.1 %	-\$276	0.0 %
\$300 - \$1,000	19,368	11.9	10,461	0.4
\$1,000 - \$5,000	22,971	14.1	48,341	2.0
\$5,000 - \$10,000	2,662	1.6	18,873	0.8
\$10,000 - \$50,000	3,196	2.0	71,069	3.0
\$50,000 - \$500,000	1,662	1.0	271,989	11.4
\$500,000 - \$1,000,000	225	0.1	159,082	6.6
More than \$1,000,000	335	0.2	1,814,170	75.8
TOTAL	163,159	100.0 %	\$2,393,708	100.0 %

**BUSINESS CORPORATION TAX
TAX YEAR 2016**

**Table 9
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	1,839	\$1,292,175	472	\$1,270,096
Real Estate	2,908	122,457	189	92,898
Manufacturing	912	143,425	171	132,013
Prof/Tech/Managerial	2,560	130,505	200	103,952
Other Services	2,487	143,307	158	123,618
Information	778	197,810	113	189,091
Trade	3,362	268,818	239	241,246
Other	1,470	63,354	90	52,349
TOTAL	16,316	\$2,361,852	1,632	\$2,205,263

**BUSINESS CORPORATION TAX
TAX YEAR 2016**

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

Tax Base	Number	% of Total	Liability	% of Total
Net Income	46,318	28.4 %	\$2,192,887	91.6 %
Capital	1,569	1.0	154,400	6.5
Minimum Tax	109,199	66.9	36,487	1.5
Extension	6,073	3.7	9,934	0.4
TOTAL	163,159	100.0 %	\$2,393,708	100.0 %

**BUSINESS CORPORATION TAX
TAX YEAR 2016**

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

Industry	Net Income		Capital		Minimum Tax	
	Number	Liability	Number	Liability	Number	Liability
Finance & Insurance	2,277	\$1,207,262	292	\$81,500	7,458	\$3,124
Real Estate	7,168	94,907	700	24,987	19,147	6,726
Manufacturing	1,600	131,638	66	10,476	2,551	1,173
Prof/Tech/Managerial	5,881	122,199	199	3,772	12,327	3,376
Other Services	11,427	135,409	87	8,590	25,313	6,774
Information	1,273	185,232	116	11,644	3,374	1,590
Trade	9,960	257,912	74	9,449	25,947	10,384
Other	6,732	58,327	35	3,983	13,082	3,341
TOTAL	46,318	\$2,192,887	1,569	\$154,400	109,199	\$36,487

**BUSINESS CORPORATION TAX
TAX YEAR 2016**

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

Form Type	Number	% of Total	Liability	% of Total
Long Form (NYC-2)	145,113	88.9 %	\$371,625	15.5 %
Combined Form (NYC-2A)	4,945	3.0	2,003,297	83.7
Short Form (NYC-2S)	7,028	4.3	8,852	0.4
Extension	6,073	3.7	9,934	0.4
TOTAL	163,159	100.0 %	\$2,393,708	100.0 %

**BUSINESS CORPORATION TAX
TAX YEAR 2016**

**Table 13
DISTRIBUTION BY FORM TYPE AND LIABILITY PER RETURN**

Liability per Return	Long Form NYC-2		Combined Form NYC-2A		Short Form NYC-2S		Not Available	
	Number	Liability (000)	Number	Liability (000)	Number	Liability (000)	Number	Liability (000)
\$300 or Less	102,121	\$2,456	816	-\$3,319	5,204	\$295	4,599	\$292
\$300 - \$1,000	17,539	9,416	321	191	764	432	744	421
\$1,000 - \$5,000	20,381	42,287	1,198	3,116	791	1,689	601	1,249
\$5,000 - \$10,000	2,104	14,949	377	2,642	126	893	55	390
\$10,000 - \$50,000	2,142	46,007	885	21,467	118	2,373	51	1,223
\$50,000 - \$500,000	743	109,598	876	156,855	*	*	*	*
\$500,000 - \$1,000,000	53	36,860	168	119,434	*	*	*	*
More than \$1,000,000	30	110,052	304	1,702,912	*	*	*	*
TOTAL	145,113	\$371,625	4,945	\$2,003,297	7,028	\$8,852	6,073	\$9,934

* Numbers cannot be provided due to confidentiality restrictions.

**BUSINESS CORPORATION TAX
TAX YEAR 2016**

**Table 14
DISTRIBUTION BY ALLOCATION STATUS AND INDUSTRY
(\$ THOUSANDS)**

Allocation Status and Industry	Number	% of Total	Liability	% of Total
Multi-jurisdictional	27,916	17.1 %	\$2,202,482	92.0 %
Finance & Insurance	4,073	2.5	1,256,165	52.5
Real Estate	1,759	1.1	49,412	2.1
Manufacturing	1,687	1.0	141,337	5.9
Prof/Tech/Managerial	5,247	3.2	119,953	5.0
Other Services	4,512	2.8	128,079	5.4
Information	1,730	1.1	196,505	8.2
Trade	6,885	4.2	258,193	10.8
Other	2,023	1.2	52,839	2.2
100% N.Y.C.	129,166	79.2	181,276	7.6
Finance & Insurance	5,950	3.6	35,705	1.5
Real Estate	25,256	15.5	77,209	3.2
Manufacturing	2,530	1.6	1,949	0.1
Prof/Tech/Managerial	13,160	8.1	9,393	0.4
Other Services	32,315	19.8	22,694	0.9
Information	3,033	1.9	1,961	0.1
Trade	29,096	17.8	19,552	0.8
Other	17,826	10.9	12,812	0.5
Not Available	6,077	3.7	9,950	0.4
Finance & Insurance	154	0.1	2,048	0.1
Real Estate	738	0.5	2,584	0.1
Manufacturing	136	0.1	834	0.0
Prof/Tech/Managerial	623	0.4	708	0.0
Other Services	1,311	0.8	913	0.0
Information	155	0.1	164	0.0
Trade	1,495	0.9	1,309	0.1
Other	1,465	0.9	1,390	0.1
TOTAL	163,159	100.0 %	\$2,393,708	100.0 %

See Appendix A for definition of allocation status.

**BUSINESS CORPORATION TAX
TAX YEAR 2016**

**Table 15
DISTRIBUTION BY TAX RATE AND INDUSTRY
(\$ THOUSANDS)**

Tax Rate and Industry	Number	% of Total	Liability	% of Total
Taxpayers on the Net Income Tax Base	46,318	28.4 %	\$2,192,887	91.6 %
4.425%	20	0.0	260	0.0
Manufacturing	20	0.0	260	0.0
6.5%	42,465	26.0	75,057	3.1
Finance & Insurance	1,530	0.9	6,327	0.3
Real Estate	6,910	4.2	16,150	0.7
Manufacturing	1,031	0.6	2,033	0.1
Professional/Technical/Managerial	5,104	3.1	10,758	0.4
Other Services	11,046	6.8	13,478	0.6
Information	992	0.6	2,477	0.1
Trade	9,303	5.7	14,955	0.6
Other	6,549	4.0	8,880	0.4
Between 6.5% and 8.85%	510	0.3	14,234	0.6
Finance & Insurance	92	0.1	2,586	0.1
Real Estate	60	0.0	3,181	0.1
Manufacturing	37	0.0	419	0.0
Professional/Technical/Managerial	121	0.1	3,264	0.1
Other Services	48	0.0	1,518	0.1
Information	24	0.0	466	0.0
Trade	98	0.1	1,869	0.1
Other	30	0.0	931	0.0
8.85%	3,289	2.0	1,444,335	60.3
Finance & Insurance	621	0.4	539,348	22.5
Real Estate	198	0.1	75,576	3.2
Manufacturing	512	0.3	128,926	5.4
Professional/Technical/Managerial	656	0.4	108,176	4.5
Other Services	333	0.2	120,413	5.0
Information	257	0.2	182,290	7.6
Trade	559	0.3	241,088	10.1
Other	153	0.1	48,517	2.0
9%	34	0.0	659,002	27.5
Finance & Insurance	34	0.0	659,002	27.5
Taxpayers Not on Net Income Tax Base	116,841	71.6	200,821	8.4
Finance & Insurance	7,900	4.8	86,656	3.6
Real Estate	20,585	12.6	34,297	1.4
Manufacturing	2,753	1.7	12,482	0.5
Professional/Technical/Managerial	13,149	8.1	7,856	0.3
Other Services	26,711	16.4	16,276	0.7
Information	3,645	2.2	13,398	0.6
Trade	27,516	16.9	21,142	0.9
Other	14,582	8.9	8,714	0.4
TOTAL	163,159	100.0 %	\$2,393,708	100.0 %

GENERAL CORPORATION TAX

Table 16
**2016 GENERAL CORPORATION TAX
TAXPAYERS BY INDUSTRY**

Total Taxpayers: 167,211

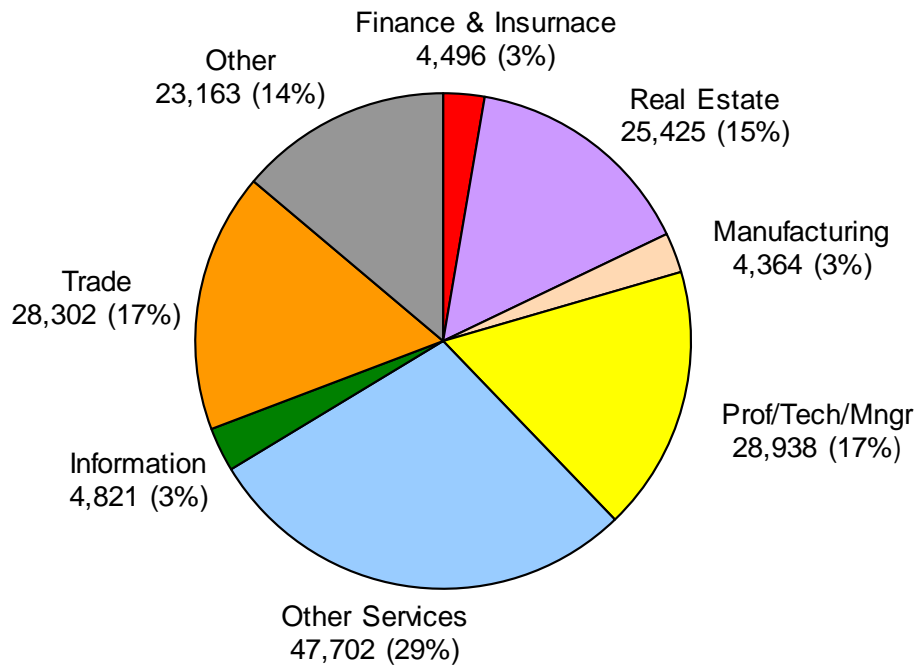
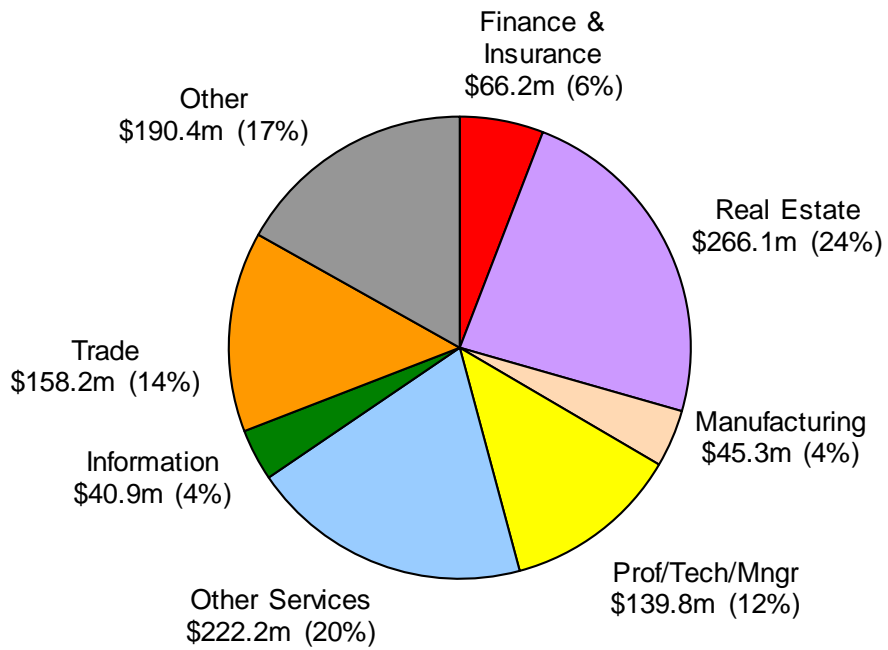


Table 17
**2016 GENERAL CORPORATION TAX
LIABILITY BY INDUSTRY**

Total Liability: \$1,129.0m



**GENERAL CORPORATION TAX
TAX YEAR 2016**

**Table 18
DISTRIBUTION BY INDUSTRY
(\$ THOUSANDS)**

Industry	Number	% of Total	Liability	% of Total
Finance & Insurance	4,496	2.7 %	\$66,154	5.9 %
Credit Agencies	583	0.3	4,282	0.4
Funds & Trusts	287	0.2	1,258	0.1
Insurance	1,403	0.8	9,234	0.8
Securities & Commodities	2,223	1.3	51,380	4.6
Real Estate	25,425	15.2	266,081	23.6
Lessors of Non-Residential Property	6,190	3.7	109,954	9.7
Lessors of Residential Property	7,641	4.6	74,059	6.6
Lessors of Other Property	1,417	0.8	23,570	2.1
Property Management	2,734	1.6	16,831	1.5
Agents and Brokers	2,483	1.5	10,345	0.9
Other Real Estate	4,960	3.0	31,322	2.8
Manufacturing	4,364	2.6	45,302	4.0
Computer and Electronics	94	0.1	872	0.1
Chemical	102	0.1	1,175	0.1
Food & Beverage	576	0.3	6,928	0.6
Petroleum and Mining	211	0.1	3,605	0.3
Textiles/Apparel/Leather	1,023	0.6	3,988	0.4
Machinery	252	0.2	11,811	1.0
Fabricated Metal	377	0.2	6,492	0.6
Printing	439	0.3	1,357	0.1
Furniture	260	0.2	1,422	0.1
Other Manufacturing	1,030	0.6	7,651	0.7
Prof/Tech/Managerial	28,938	17.3	139,800	12.4
Holding Companies	598	0.4	2,372	0.2
Legal Services	3,537	2.1	29,311	2.6
Accounting	1,949	1.2	5,247	0.5
Architectural/Engineering/Design	4,460	2.7	26,304	2.3
Computer-Related	3,794	2.3	14,346	1.3
Management/Science/Technical	2,996	1.8	11,931	1.1
Advertising/Public Relations/Marketing	1,851	1.1	15,572	1.4
Other Prof/Tech/Managerial	9,753	5.8	34,716	3.1

(continued)

**GENERAL CORPORATION TAX
TAX YEAR 2016**

**Table 18 (continued)
DISTRIBUTION BY INDUSTRY
(\$ THOUSANDS)**

Industry	Number	% of Total	Liability	% of Total
Other Services	47,702	28.5 %	\$222,198	19.7 %
Accommodations & Food	6,805	4.1	32,896	2.9
Administration/Support	4,375	2.6	25,678	2.3
Arts & Entertainment	8,697	5.2	35,879	3.2
Education	1,325	0.8	5,486	0.5
Health Care	12,595	7.5	86,958	7.7
Personal Services	8,575	5.1	16,954	1.5
Civic, Prof., Sports & Similar Organizations	92	0.1	118	0.0
Rental & Leasing	1,147	0.7	5,847	0.5
Repair and Maintenance	2,776	1.7	8,422	0.7
Public Administration & Social Services	1,063	0.6	2,423	0.2
Waste Management	216	0.1	1,479	0.1
Miscellaneous Other Services	36	0.0	59	0.0
Information	4,821	2.9	40,868	3.6
Broadcasting/Telecomm	566	0.3	3,392	0.3
Information Services/Data	1,244	0.7	24,412	2.2
Movies/Video/Sound	2,250	1.3	9,777	0.9
Publishing	761	0.5	3,286	0.3
Trade	28,302	16.9	158,207	14.0
Durable Wholesale	6,372	3.8	39,271	3.5
Non-Durable Wholesale	4,899	2.9	33,227	2.9
Retail-Clothing and Accessories	2,332	1.4	6,401	0.6
Retail-General Merchandise	379	0.2	2,388	0.2
Retail-Food and Beverage	4,045	2.4	21,332	1.9
Retail-Health and Personal Care	2,286	1.4	16,605	1.5
Retail-Building Maintenance and Gardening	554	0.3	4,232	0.4
Retail-Electronics	454	0.3	2,934	0.3
Retail-Furniture and Furnishings	626	0.4	3,495	0.3
Retail-Motor Vehicles	548	0.3	4,427	0.4
Retail-Other	5,807	3.5	23,895	2.1
Other	23,163	13.9	190,413	16.9
Construction	14,603	8.7	169,876	15.0
Transportation	7,331	4.4	19,866	1.8
Utilities	44	0.0	305	0.0
Miscellaneous Other	179	0.1	181	0.0
Not Available	1,006	0.6	185	0.0
TOTAL	167,211	100.0 %	\$1,129,023	100.0 %

**GENERAL CORPORATION TAX
TAX YEAR 2016**

**Table 19
DISTRIBUTION BY LIABILITY PER RETURN**

Liability per Return	Number	% of Total	Liability (000)	% of Total
\$300 or Less	77,534	46.4 %	\$1,210	0.1 %
\$300 - \$1,000	21,593	12.9	12,760	1.1
\$1,000 - \$5,000	40,464	24.2	97,798	8.7
\$5,000 - \$10,000	11,434	6.8	80,987	7.2
\$10,000 - \$50,000	12,917	7.7	268,797	23.8
\$50,000 - \$500,000	3,053	1.8	374,419	33.2
\$500,000 - \$1,000,000	144	0.1	98,171	8.7
More than \$1,000,000	72	0.0	194,882	17.3
TOTAL	167,211	100.0 %	\$1,129,023	100.0 %

**GENERAL CORPORATION TAX
TAX YEAR 2016**

**Table 20
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	614	\$61,647	97	\$47,172
Real Estate	3,761	234,350	370	150,729
Manufacturing	524	40,727	74	27,881
Prof/Tech/Managerial	2,657	107,018	190	46,181
Other Services	4,184	167,421	288	72,599
Information	318	36,327	32	29,544
Trade	2,566	126,923	265	67,874
Other	2,097	167,109	356	120,012
TOTAL	16,721	\$941,523	1,672	\$561,993

**GENERAL CORPORATION TAX
TAX YEAR 2016**

**Table 21
DISTRIBUTION BY TAX BASE
(\$ THOUSANDS)**

Tax Base	Number	% of Total	Liability	% of Total
Net Income	73,728	44.1 %	\$1,040,796	92.2 %
Income Plus Compensation	9,845	5.9	50,686	4.5
Capital	5,892	3.5	12,843	1.1
Minimum Tax	76,955	46.0	19,206	1.7
Not Available	791	0.5	5,491	0.5
TOTAL	167,211	100.0 %	\$1,129,023	100.0 %

**GENERAL CORPORATION TAX
TAX YEAR 2016**

**Table 22
DISTRIBUTION BY TAX BASE AND INDUSTRY
(\$ THOUSANDS)**

Industry	Net Income		Income Plus Compensation		Capital		Minimum Tax	
	Number	Liability	Number	Liability	Number	Liability	Number	Liability
Finance & Insurance	1,827	\$60,842	288	\$3,234	247	\$1,528	2,115	\$321
Real Estate	12,425	254,036	391	2,135	2,302	7,786	10,205	1,086
Manufacturing	1,826	43,260	229	789	158	232	2,131	698
Prof/Tech/Managerial	13,246	123,481	2,544	13,428	489	556	12,539	1,757
Other Services	20,923	194,309	4,071	20,696	1,030	577	21,466	5,207
Information	1,773	38,512	340	1,770	115	157	2,579	360
Trade	11,199	145,377	1,074	4,064	972	1,072	14,887	6,392
Other	10,509	180,980	908	4,570	579	936	11,033	3,385
TOTAL	73,728	\$1,040,796	9,845	\$50,686	5,892	\$12,843	76,955	\$19,206

**GENERAL CORPORATION TAX
TAX YEAR 2016**

**Table 23
DISTRIBUTION BY FORM TYPE
(\$ THOUSANDS)**

Form Type	Number	% of Total	Liability	% of Total
Short Form (NYC-4S EZ)	28,058	16.8 %	\$20,325	1.8 %
Short Form (NYC-4S)	44,677	26.7	253,937	22.5
Long Form (NYC-3L)	90,135	53.9	814,808	72.2
Combined Form (NYC-3A)	296	0.2	33,913	3.0
Not Available/Extension	4,045	2.4	6,040	0.5
TOTAL	167,211	100.0 %	\$1,129,023	100.0 %

**GENERAL CORPORATION TAX
TAX YEAR 2016**

**Table 24
DISTRIBUTION BY FORM TYPE AND LIABILITY PER RETURN**

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	20,563	\$1,014	15,721	\$1,246	38,263	-\$1,052	37	-\$147	2,950	\$148
\$300 - \$1,000	3,050	1,849	6,697	3,888	11,403	6,748	18	10	425	264
\$1,000 - \$5,000	3,500	8,377	13,249	31,703	23,204	56,521	39	115	472	1,081
\$5,000 - \$10,000	668	4,596	3,791	26,858	6,855	48,648	22	151	98	734
\$10,000 - \$50,000	269	3,760	4,473	90,961	8,003	170,224	89	2,057	83	1,794
\$50,000 - \$500,000	*	*	722	80,096	2,233	281,685	74	10,474	*	*
\$500,000 - \$1,000,000	*	*	*	*	109	73,364	*	*	*	*
More than \$1,000,000	*	*	*	*	65	178,669	*	*	*	*
TOTAL	28,058	\$20,325	44,677	\$253,937	90,135	\$814,808	296	\$33,913	4,045	\$6,040

* Numbers cannot be provided due to confidentiality restrictions.

**GENERAL CORPORATION TAX
TAX YEAR 2016**

**Table 25
DISTRIBUTION BY ALLOCATION STATUS AND INDUSTRY
(\$ THOUSANDS)**

Allocation Status and Industry	Number	% of Total	Liability	% of Total
Multi-jurisdictional	22,938	13.7 %	\$419,074	37.1 %
Finance & Insurance	770	0.5	32,518	2.9
Real Estate	1,035	0.6	26,546	2.4
Manufacturing	1,331	0.8	32,572	2.9
Prof/Tech/Managerial	5,297	3.2	68,220	6.0
Other Services	5,629	3.4	61,791	5.5
Information	942	0.6	31,243	2.8
Trade	4,737	2.8	72,698	6.4
Other	3,197	1.9	93,486	8.3
100% N.Y.C.	140,228	83.9	703,909	62.3
Finance & Insurance	3,621	2.2	33,392	3.0
Real Estate	23,950	14.3	238,456	21.1
Manufacturing	2,942	1.8	12,396	1.1
Prof/Tech/Managerial	23,003	13.8	70,930	6.3
Other Services	41,056	24.6	158,872	14.1
Information	3,772	2.3	9,551	0.8
Trade	22,836	13.7	84,060	7.4
Other	19,048	11.4	96,252	8.5
Not Available	4,045	2.4	6,040	0.5
Finance & Insurance	105	0.1	243	0.0
Real Estate	440	0.3	1,079	0.1
Manufacturing	91	0.1	333	0.0
Prof/Tech/Managerial	638	0.4	651	0.1
Other Services	1,017	0.6	1,536	0.1
Information	107	0.1	74	0.0
Trade	729	0.4	1,449	0.1
Other	918	0.5	675	0.1
TOTAL	167,211	100.0 %	\$1,129,023	100.0 %

See Appendix B for definition of allocation status.

UNINCORPORATED BUSINESS TAX

PARTNERSHIPS

Table 26
**2016 UNINCORPORATED BUSINESS TAX
PARTNERSHIP TAXPAYERS BY INDUSTRY**

Total Taxpayers: 13,776

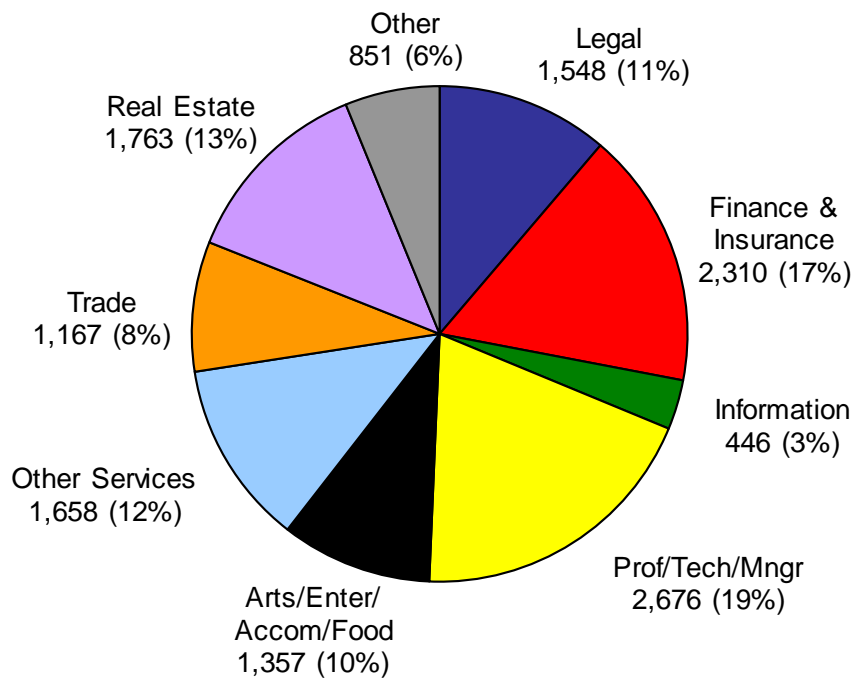
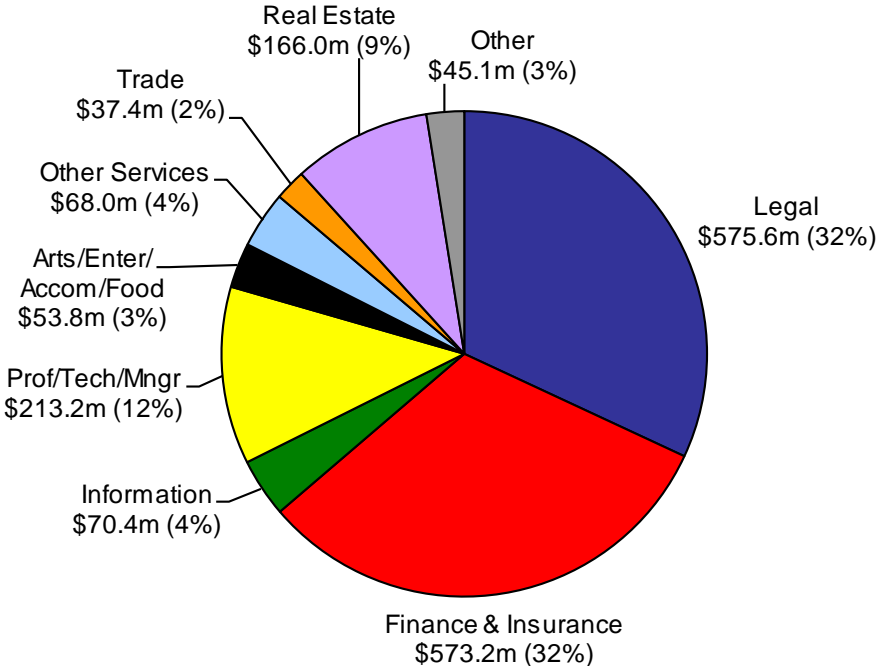


Table 27
**2016 UNINCORPORATED BUSINESS TAX
PARTNERSHIP LIABILITY BY INDUSTRY**

Total Liability: \$1,802.7m



**UNINCORPORATED BUSINESS TAX
PARTNERSHIP TAXPAYERS
TAX YEAR 2016**

**Table 28
DISTRIBUTION BY INDUSTRY
(\$ THOUSANDS)**

Industry	Number	% of Total	Liability	% of Total
Legal	1,548	11.2 %	\$575,617	31.9 %
Finance & Insurance	2,310	16.8	573,198	31.8
Credit Agencies	125	0.9	15,657	0.9
Funds & Trusts	138	1.0	16,429	0.9
Securities & Commodities	1,948	14.1	535,791	29.7
Insurance and Other Finance	99	0.7	5,321	0.3
Information	446	3.2	70,372	3.9
Broadcasting/Telecomm	66	0.5	27,160	1.5
Information Services/Data	143	1.0	33,329	1.8
Movies/Video/Sound	164	1.2	4,523	0.3
Publishing	73	0.5	5,361	0.3
Prof/Tech/Managerial	2,676	19.4	213,243	11.8
Accounting	342	2.5	100,477	5.6
Holding Companies	56	0.4	353	0.0
Architectural/Engineering/Design	498	3.6	14,263	0.8
Computer-Related	206	1.5	8,021	0.4
Management/Science/Technical	455	3.3	36,929	2.0
Advertising/Public Relations	411	3.0	21,430	1.2
Other Prof/Tech/Managerial	708	5.1	31,771	1.8
Arts/Enter/Accom/Food	1,357	9.9	53,808	3.0
Accommodations	164	1.2	11,593	0.6
Amusement	81	0.6	3,306	0.2
Food Services	777	5.6	16,963	0.9
Performing Arts	335	2.4	21,945	1.2

(continued)

**UNINCORPORATED BUSINESS TAX
PARTNERSHIP TAXPAYERS
TAX YEAR 2016**

**Table 28 (continued)
DISTRIBUTION BY INDUSTRY
(\$ THOUSANDS)**

Industry	Number	% of Total	Liability	% of Total
Other Services	1,658	12.0 %	\$68,006	3.8 %
Administration/Support	344	2.5	15,022	0.8
Education	77	0.6	1,609	0.1
Health Care	795	5.8	41,769	2.3
Personal Service	291	2.1	4,884	0.3
Rental & Leasing	85	0.6	3,794	0.2
Social Services	34	0.2	571	0.0
Miscellaneous Other Services	32	0.2	358	0.0
Trade	1,167	8.5	37,367	2.1
Durable Wholesale	257	1.9	5,993	0.3
Non-Durable Wholesale	250	1.8	10,183	0.6
Retail	660	4.8	21,192	1.2
Real Estate	1,763	12.8	165,990	9.2
Lessors of Real Estate	567	4.1	29,796	1.7
Brokers/Managers	493	3.6	15,376	0.9
Other Real Estate	703	5.1	120,818	6.7
Other	851	6.2	45,093	2.5
Construction	509	3.7	34,419	1.9
Manufacturing	218	1.6	5,398	0.3
Miscellaneous Other	124	0.9	5,277	0.3
TOTAL	13,776	100.0 %	\$1,802,694	100.0 %

**UNINCORPORATED BUSINESS TAX
PARTNERSHIP TAXPAYERS
TAX YEAR 2016**

**Table 29
DISTRIBUTION BY LIABILITY PER RETURN**

Liability per Return	Number	% of Total	Liability (000)	% of Total
\$300 or Less	468	3.4 %	-\$1,713	-0.1 %
\$300 - \$1,000	607	4.4	382	0.0
\$1,000 - \$5,000	1,632	11.8	4,441	0.2
\$5,000 - \$10,000	2,803	20.3	20,556	1.1
\$10,000 - \$50,000	5,171	37.5	118,342	6.6
\$50,000 - \$500,000	2,521	18.3	365,789	20.3
\$500,000 - \$1,000,000	263	1.9	187,812	10.4
More than \$1,000,000	311	2.3	1,107,084	61.4
TOTAL	13,776	100.0 %	\$1,802,694	100.0 %

**UNINCORPORATED BUSINESS TAX
PARTNERSHIP TAXPAYERS
TAX YEAR 2016**

**Table 30
TOP TEN PERCENT AND TOP ONE PERCENT OF TAXPAYERS BY INDUSTRY
(\$ THOUSANDS)**

Industry	Top Ten Percent		Top One Percent	
	Number	Liability	Number	Liability
Legal	275	\$535,871	57	\$414,621
Finance & Insurance	545	516,959	49	227,397
Information	28	60,949	*	*
Prof/Tech/Managerial	176	159,766	14	92,596
Arts/Enter/Accom/Food	48	28,601	*	*
Other Services	81	30,810	*	*
Trade	34	17,663	*	*
Real Estate	131	133,279	*	*
Other	60	27,896	*	*
TOTAL	1,378	\$1,511,794	138	\$864,267

* Numbers cannot be provided due to confidentiality restrictions.

**UNINCORPORATED BUSINESS TAX
PARTNERSHIP TAXPAYERS
TAX YEAR 2016**

**Table 31
DISTRIBUTION BY ALLOCATION STATUS AND INDUSTRY
(\$ THOUSANDS)**

Allocation Status and Industry	Number	% of Total	Liability	% of Total
Multi-jurisdictional	4,180	30.3 %	\$1,166,477	64.7 %
Legal	578	4.2	519,899	28.8
Finance & Insurance	930	6.8	323,414	17.9
Information	194	1.4	64,530	3.6
Prof/Tech/Managerial	1,014	7.4	163,397	9.1
Arts/Enter/Accom/Food	180	1.3	20,626	1.1
Other Services	321	2.3	20,319	1.1
Trade	465	3.4	21,555	1.2
Real Estate	161	1.2	15,694	0.9
Other	337	2.4	17,042	0.9
100% N.Y.C.	9,324	67.7	629,730	34.9
Legal	956	6.9	55,410	3.1
Finance & Insurance	1,355	9.8	248,973	13.8
Information	243	1.8	5,801	0.3
Prof/Tech/Managerial	1,599	11.6	48,756	2.7
Arts/Enter/Accom/Food	1,151	8.4	32,383	1.8
Other Services	1,306	9.5	47,262	2.6
Trade	658	4.8	15,224	0.8
Real Estate	1,559	11.3	148,014	8.2
Other	497	3.6	27,906	1.5
Not Available	272	2.0	6,488	0.4
TOTAL	13,776	100.0 %	\$1,802,694	100.0 %

UNINCORPORATED BUSINESS TAX

PROPRIETORSHIPS

Table 32
**2016 UNINCORPORATED BUSINESS TAX
PROPRIETORSHIP TAXPAYERS
BY INDUSTRY**

Total Taxpayers: 15,417

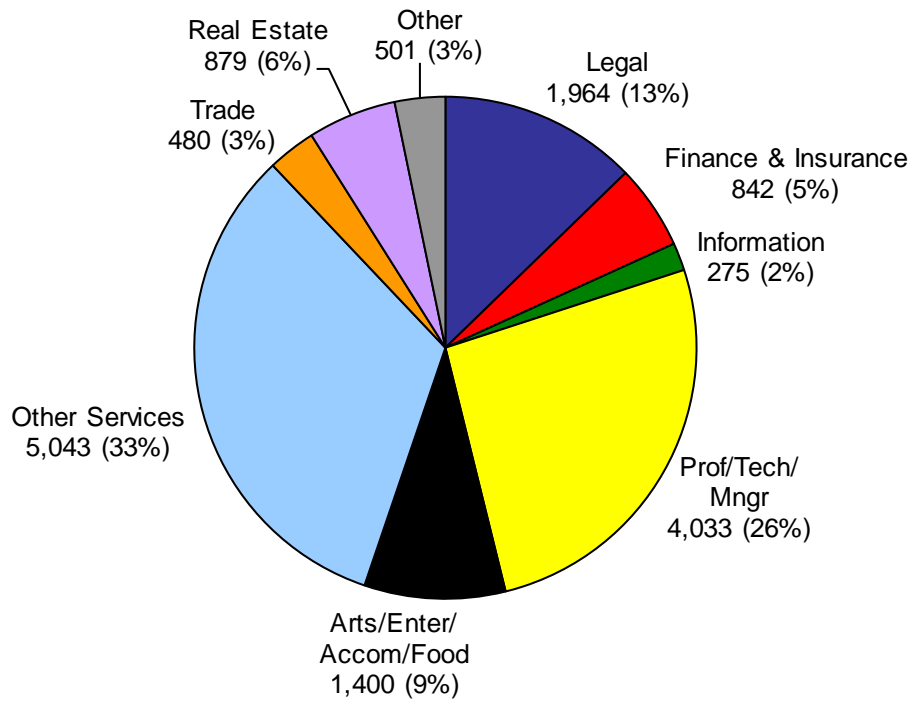
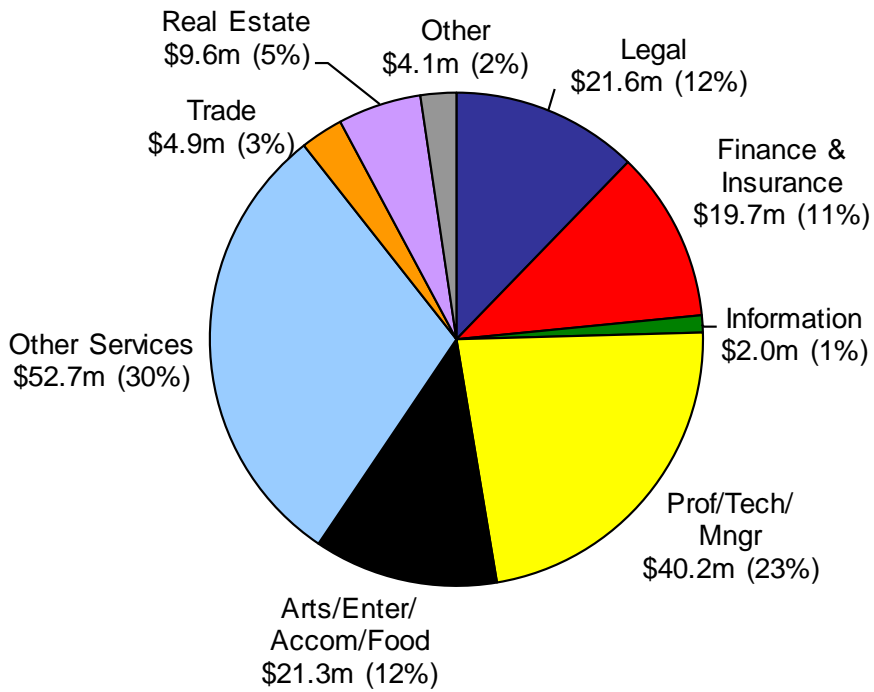


Table 33
**2016 UNINCORPORATED BUSINESS TAX
PROPRIETORSHIP LIABILITY
BY INDUSTRY**

Total Liability: \$176.2m



**UNINCORPORATED BUSINESS TAX
PROPRIETORSHIP TAXPAYERS
TAX YEAR 2016**

**Table 34
DISTRIBUTION BY INDUSTRY
(\$ THOUSANDS)**

Industry	Number	% of Total	Liability	% of Total
Legal	1,964	12.7 %	\$21,573	12.2 %
Finance & Insurance	842	5.5	19,727	11.2
Insurance	214	1.4	2,110	1.2
Securities & Commodities	596	3.9	16,961	9.6
Other Finance	32	0.2	657	0.4
Information	275	1.8	1,978	1.1
Broadcasting/Telecomm	22	0.1	145	0.1
Information Services/Data	67	0.4	480	0.3
Movies/Video/Sound	132	0.9	962	0.5
Publishing	54	0.4	390	0.2
Prof/Tech/Managerial	4,033	26.2	40,176	22.8
Accounting	331	2.1	2,315	1.3
Architectural/Engineering/Design	744	4.8	7,115	4.0
Computer-Related	269	1.7	1,984	1.1
Management/Science/Technical	888	5.8	11,738	6.7
Advertising/Public Relations	335	2.2	2,977	1.7
Other Prof/Tech/Managerial	1,466	9.5	14,048	8.0
Arts/Enter/Accom/Food	1,400	9.1	21,286	12.1
Accommodations & Food Services	99	0.6	1,017	0.6
Amusement	33	0.2	372	0.2
Performing Arts	1,268	8.2	19,897	11.3

(continued)

**UNINCORPORATED BUSINESS TAX
PROPRIETORSHIP TAXPAYERS
TAX YEAR 2016**

**Table 34 (continued)
DISTRIBUTION BY INDUSTRY
(\$ THOUSANDS)**

Industry	Number	% of Total	Liability	% of Total
Other Services	5,043	32.7 %	\$52,739	29.9 %
Administration/Support	232	1.5	2,520	1.4
Education	139	0.9	832	0.5
Health Practitioners	4,075	26.4	44,598	25.3
Other Health Care	85	0.6	904	0.5
Personal Service	376	2.4	2,976	1.7
Repair & Maintenance	27	0.2	132	0.1
Social Services	80	0.5	405	0.2
Miscellaneous Other Services	29	0.2	371	0.2
Trade	480	3.1	4,942	2.8
Durable Wholesale	122	0.8	1,261	0.7
Non-Durable Wholesale	85	0.6	913	0.5
Retail	273	1.8	2,768	1.6
Real Estate	879	5.7	9,632	5.5
Lessors of Real Estate	32	0.2	372	0.2
Brokers/Managers	559	3.6	5,867	3.3
Other Real Estate	288	1.9	3,393	1.9
Other	501	3.2	4,127	2.3
Construction	207	1.3	2,903	1.6
Manufacturing	58	0.4	427	0.2
Transportation & Utilities	31	0.2	244	0.1
Miscellaneous Other & Not Available	205	1.3	553	0.3
TOTAL	15,417	100.0 %	\$176,181	100.0 %

**UNINCORPORATED BUSINESS TAX
PROPRIETORSHIP TAXPAYERS
TAX YEAR 2016**

**Table 35
DISTRIBUTION BY LIABILITY PER RETURN**

Liability per Return	Number	% of Total	Liability (000)	% of Total
\$300 or Less	651	4.2 %	-\$30	0.0 %
\$300 - \$1,000	1,195	7.8	759	0.4
\$1,000 - \$5,000	3,641	23.6	9,734	5.5
\$5,000 - \$10,000	5,286	34.3	37,960	21.5
\$10,000 - \$50,000	4,260	27.6	79,363	45.0
More than \$50,000	384	2.5	48,393	27.5
TOTAL	15,417	100.0 %	\$176,181	100.0 %

**UNINCORPORATED BUSINESS TAX
PROPRIETORSHIP TAXPAYERS
TAX YEAR 2016**

**Table 36
TOP TEN PERCENT AND TOP ONE PERCENT OF TAXPAYERS BY INDUSTRY
(\$ THOUSANDS)**

Industry	Top Ten Percent		Top One Percent	
	Number	Liability	Number	Liability
Legal	193	\$8,834	16	\$2,977
Finance & Insurance	146	14,265	21	9,296
Information	15	555	*	*
Prof/Tech/Managerial	338	16,814	39	6,073
Arts/Enter/Accom/Food	184	13,398	31	7,179
Other Services	487	21,391	32	5,455
Trade	48	2,043	*	*
Real Estate	99	4,469	*	*
Other	32	2,001	*	*
TOTAL	1,542	\$83,769	154	\$33,588

* Numbers cannot be provided due to confidentiality restrictions.

**UNINCORPORATED BUSINESS TAX
PROPRIETORSHIP TAXPAYERS
TAX YEAR 2016**

**Table 37
DISTRIBUTION BY ALLOCATION STATUS AND INDUSTRY
(\$ THOUSANDS)**

Allocation Status and Industry	Number	% of Total	Liability	% of Total
Multi-jurisdictional	1,408	9.1 %	\$24,383	13.8 %
Legal	147	1.0	2,119	1.2
Finance & Insurance	98	0.6	3,636	2.1
Information	21	0.1	179	0.1
Prof/Tech/Managerial	399	2.6	5,054	2.9
Arts/Enter/Accom/Food	297	1.9	8,203	4.7
Other Services	305	2.0	2,970	1.7
Trade	52	0.3	757	0.4
Real Estate	39	0.3	409	0.2
Other	50	0.3	1,055	0.6
100% N.Y.C.	13,727	89.0	148,570	84.3
Legal	1,782	11.6	19,133	10.9
Finance & Insurance	734	4.8	16,003	9.1
Information	252	1.6	1,797	1.0
Prof/Tech/Managerial	3,558	23.1	33,988	19.3
Arts/Enter/Accom/Food	1,080	7.0	12,686	7.2
Other Services	4,667	30.3	49,161	27.9
Trade	414	2.7	4,002	2.3
Real Estate	823	5.3	8,939	5.1
Other	417	2.7	2,862	1.6
Not Available	282	1.8	3,227	1.8
TOTAL	15,417	100.0 %	\$176,181	100.0 %

APPENDICES

APPENDIX A

Description of the New York City Business Corporation Tax

The Business Corporation Tax is imposed on all corporations (excluding S corporations), wherever organized, for the privilege of doing business, employing capital, owning or leasing property, or maintaining an office in New York City. Regulated utilities subject to the City Utility Tax are not subject to this tax. Insurance corporations pay no City business income taxes.

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 Business Corporation Tax, 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 Business Corporation Tax merges the taxation of C corporations formerly taxable under the General Corporation Tax and banking corporations, which were formerly taxable under the Banking Corporation Tax.

Basis and Rate of Tax

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

1. Business income allocated to the City and taxed at the appropriate rate shown below:
 - qualified manufacturing corporations: 4.425% - 8.85%
 - qualified small businesses: 6.5% - 8.85%
 - financial corporations: 9%
 - all other taxpayers: 8.85%
2. Business capital allocated to the City and taxed 0.15% up to a maximum tax of \$10 million. (A \$10,000 reduction applies to all capital tax calculations.)
3. A fixed-dollar minimum tax, which is a graduated amount ranging from \$25 where the taxpayer's City receipts are not over \$100,000 to \$200,000 where City receipts exceed \$1 billion.

A taxpayer's "business income" is its entire net income minus investment income and other exempt income. "Entire net income" means total net income from all sources, and is generally the same as federal taxable income, subject to various statutory modifications. (Real estate investment trusts and regulated investment companies are subject to tax on "real estate investment trust taxable income" or "investment company taxable income," respectively, as defined in the Internal Revenue Code, with certain modifications.) "Investment income" generally means income from stocks of non-unitary corporations held for investment for more than one year that meet certain

statutory requirements. “Other exempt income” generally means certain income received from a controlled foreign corporation and certain dividends from unitary corporations.

“Business capital” means all assets, other than investment capital and stock issued by the taxpayer, less liabilities not deducted from investment capital. “Investment capital” generally means stocks of non-unitary corporations held by the taxpayer for investment for more than one year, less liabilities directly or indirectly attributable to investment capital.

Allocation

A corporation is taxed on the City-allocated portion of its business income and business capital. Prior to the enactment of the Business Corporation Tax in 2015, the General Corporation Tax utilized a three-factor business allocation formula, the factors being property, payroll and receipts. Under legislation adopted in 2009, a 10-year phase-in was adopted in order to transition from the three-factor formula to a single-factor formula utilizing only receipts. The Business Corporation Tax incorporates the last three years of the phase-in schedule; the single-receipts factor will be fully phased-in beginning with the 2018 tax year. However, the Business Corporation Tax allows taxpayers with less than \$50 million of New York City receipts to make a one-time election to use the 2017 allocation percentage weights in tax years beginning after 2017. (The weights are 93% receipts, 3.5% property and 3.5% payroll.) In addition, under the Business Corporation Tax, customer location (typically based on mailing address) is used to determine the source of receipts from the performance of services, and new sourcing rules have been created for allocating income from financial instruments.

Credits

To eliminate multiple taxation of the same income, the Business Corporation Tax allows a credit for corporations that are partners in firms subject to the Unincorporated Business Tax. 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 may be permitted or required to file a combined return if they conduct a unitary business and meet a more-than-50% stock ownership test based on voting power. The stock ownership test is satisfied where one corporation directly or indirectly owns more than 50 percent of the stock of another corporation, or corporations are controlled by a common interest or by related parties through more-than-50% stock ownership. The combined group must include all domestic corporations, alien corporations deemed domestic corporations under the Internal

Revenue Code or having effectively connected income, captive REITs and RICs, and combinable captive insurance companies. However, corporations subject to the General Corporation Tax or Banking Corporation Tax, and regulated utilities subject to the Utility Tax, cannot be included in a combined return under the Business Corporation Tax.

Taxpayers can also make an irrevocable commonly owned group election that requires combined reporting for a 7-year period. Under such an election, the group must include all unitary and non-unitary corporations that could be taxed under the Business Corporation Tax and that meet the more-than-50% stock ownership test. Upon expiration, the election is automatically renewed for an additional 7 years unless the group affirmatively declines to renew. If the election is not renewed, a new election cannot be made for 3 years.

Filing Period

The 2016 tax year includes all reported activity and income over a twelve-month period beginning between January 1, 2016 and December 31, 2016. In 2016, 55 percent of all Business Corporation Tax filers reported on a calendar-year basis. Of these, all but 0.7 percent were full-year filers. The tax period used under the Business Corporation Tax must conform to the federal tax year.

APPENDIX B

Description of the New York City General Corporation Tax

The New York City General Corporation Tax (GCT) is imposed on subchapter S corporations and qualified subchapter S subsidiaries under the U.S. Internal Revenue Code, 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);¹
- Business and investment capital allocated to the City and taxed at 0.15 percent up to a maximum of \$1 million;
- 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.²

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

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

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

¹ 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.

² Where a combined return is filed, each taxable subsidiary included in the return must pay the fixed minimum tax. Taxpayers who are on extension with liability less than or equal to \$300 or a tax that is equal to another of the fixed minimum tax amounts are classified as minimum taxpayers.

“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 General Corporation Tax or Banking Corporation Tax 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 2016 tax year includes all reported activity and income over a twelve-month period beginning between January 1, 2016 and December 31, 2016. In 2016, 94 percent of all GCT filers reported on a calendar-year basis. Of these, all but 0.4 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

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.³ 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.

³ 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. Due to refundable credits, some taxpayers may have net liabilities less than zero.

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 2016 tax year includes all reported activity and income over a twelve-month period that began between January 1, 2016 and December 31, 2016. In 2016, 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 Business Corporation Tax (COR), 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 and Data Analytics converted these tax files into an aggregate database in order to analyze various characteristics of the COR, GCT, and UBT. The distributions presented in this report reflect data that are as complete as possible. For tax year 2016, 96 percent of all COR taxpayers had filed annual returns, 98 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 files contain COR, GCT, and UBT transactions, including declarations of estimated liability, quarterly estimated payments, applications for extensions, and annual returns. 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 and is net of all refundable credits. The number of COR and GCT 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 with liability before credits greater than zero, or, if no annual return was filed, the number of applications for an extension with liability greater than zero. Note the aggregate reported number of taxpayers and tax liabilities may not sum to the total values due to rounding.

Industry

The 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, partnership and 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.

Form Type

COR taxpayers use one of three types of annual returns, the NYC-2, NYC-2A, and NYC-2S. Form NYC-2 is used by non-combined firms, other than S corporations, doing business, employing capital, owning or leasing property or maintaining an office in the City. Non-combined corporations that are a general or limited partner in a partnership that does business, employs capital, owns or leases property, maintains an office, or derives receipts from activity in the City are also required to file NYC-2. Form NYC-2A is used by corporations that meet these same criteria pertaining to business activity in the City but are combined corporations. Form NYC-2S is a short-form version of NYC-2.

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.”

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. 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.

Allocation

Taxpayers were classified as multi-jurisdictional if their business allocation percentage (BAP) was less than 100.

APPENDIX E

Glossary of Industry Sectors

Business Corporation Tax and 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.