
**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 2017

BILL DE BLASIO, MAYOR

SHERIF SOLIMAN, COMMISSIONER

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**REPORT PREPARED BY THE
DIVISION OF TAX POLICY AND DATA ANALYTICS
FEBRUARY 2021**

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Highlights

This report presents statistical information for Tax Year 2017 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 \$5.63 billion in tax year 2017 liability, an increase of 2 percent from tax year 2016. The number of taxpayers also increased by 2 percent, to 366,968.

- The finance & insurance sector accounted for 36 percent of all tax liability, followed by the service sector (professional/technical/managerial and other services), which generated 32 percent.
- About 54 percent 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 2017, the Business Corporation Tax generated \$2.18 billion from 168,449 taxpayers. While the number of taxpayers increased by 3 percent from 2016, total liability decreased by 9 percent.

- The finance & insurance sector generated 49 percent of total liability, followed by the service sector with 15 percent and trade with 12 percent. The information sector generated 9 percent.
- The top 10 percent of taxpayers, or 16,845 firms, generated \$2.15 billion, or 98 percent of total liability. The top 1 percent of taxpayers accounted for \$1.99 billion, or 91 percent of total liability.
- About two-thirds of taxpayers paid the minimum tax, while 29 percent incurred liability under the entire net income base and just 1 percent under the capital base. Eighty-nine percent of total liability was incurred under the entire net income base.

General Corporation Tax

The General Corporation Tax generated \$1.15 billion from 169,078 taxpayers in 2017. The number of taxpayers increased by 1 percent from 2016, while liability increased by 2 percent.

- The service sector generated 35 percent of total liability, followed by real estate with 23 percent, other with 16 percent, and trade with 13 percent.
- The top 10 percent of taxpayers, or 16,908 firms, generated \$961 million, or 84 percent, of total liability. The top 1 percent of taxpayers accounted for \$571 million, or half of total liability.

- Forty-six percent of taxpayers paid the minimum tax, while 44 percent incurred liability under the entire net income base and 9 percent under the 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 \$2.30 billion in 2017, a 16 percent increase from the previous year. Partnerships generated \$2.07 billion, a 15 percent increase from 2016. Proprietorships generated \$224 million in liability, an increase of 27 percent from 2016. There were 14,006 partnership taxpayers and 15,435 proprietorship taxpayers. The number of partnership taxpayers increased by 2 percent while the number of proprietorship taxpayers was unchanged from 2016.

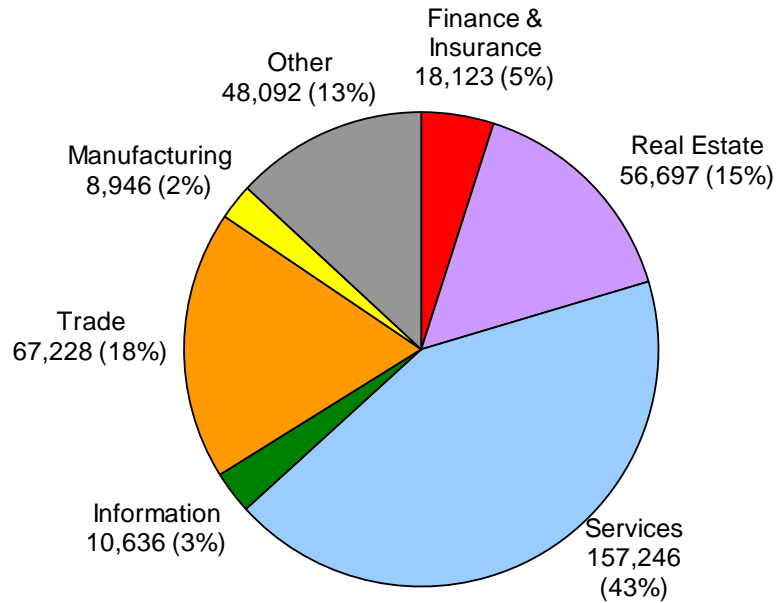
- Among partnerships, finance firms generated 40 percent of total liability, followed by law firms with 29 percent. Among proprietorships, service-sector firms accounted for 51 percent of total liability, while finance firms generated 28 percent and legal-sector firms generated 10 percent.
- The top 10 percent of partnership taxpayers, or 1,401 firms, generated \$1.77 billion, or 86 percent, of total partnership liability, and the top 1 percent accounted for 52 percent, or \$1.00 billion, of total partnership liability. The proprietorship liability distribution was far less skewed. The top 10 percent generated \$129 million, or 58 percent, of proprietorship liability, while the top 1 percent generated \$76 million, or 34 percent, of total proprietorship liability.

BUSINESS INCOME TAXES

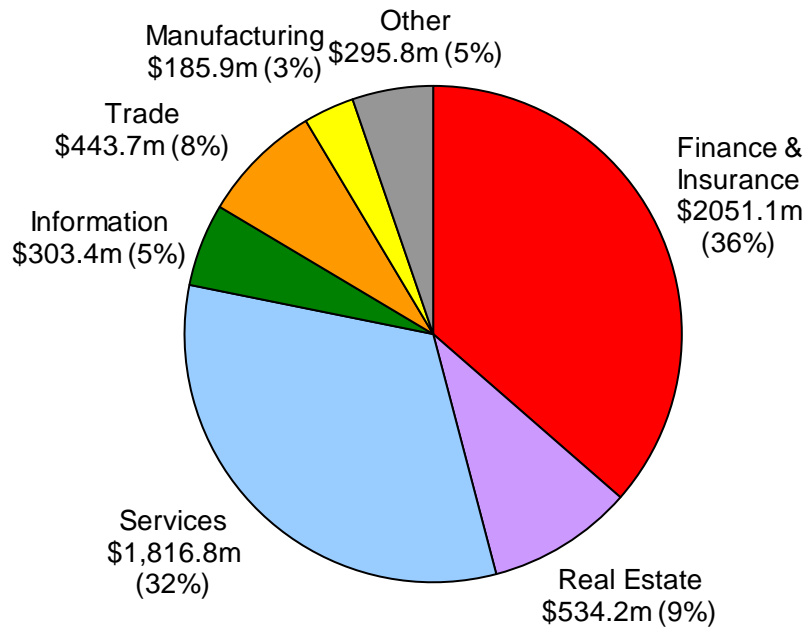
**BUSINESS INCOME TAXES
TAX YEAR 2017**

**Figure 1
DISTRIBUTION OF TAXPAYERS AND LIABILITY BY INDUSTRY**

Total Taxpayers: 366,968



Total Liability: \$5,630.9m



**BUSINESS INCOME TAXES
TAX YEAR 2017**

**Table 1
DISTRIBUTION BY INDUSTRY
(\$ THOUSANDS)**

Industry	Number	% of Total	Liability	% of Total
Finance & Insurance	18,123	4.9 %	\$2,051,132	36.4 %
Real Estate	56,697	15.5	534,248	9.5
Services	157,246	42.9	1,816,775	32.3
Information	10,636	2.9	303,382	5.4
Trade	67,228	18.3	443,727	7.9
Manufacturing	8,946	2.4	185,900	3.3
Other	48,092	13.1	295,762	5.3
TOTAL	366,968	100.0 %	\$5,630,926	100.0 %

**BUSINESS INCOME TAXES
TAX YEAR 2017**

**Table 2
DISTRIBUTION BY LIABILITY PER RETURN**

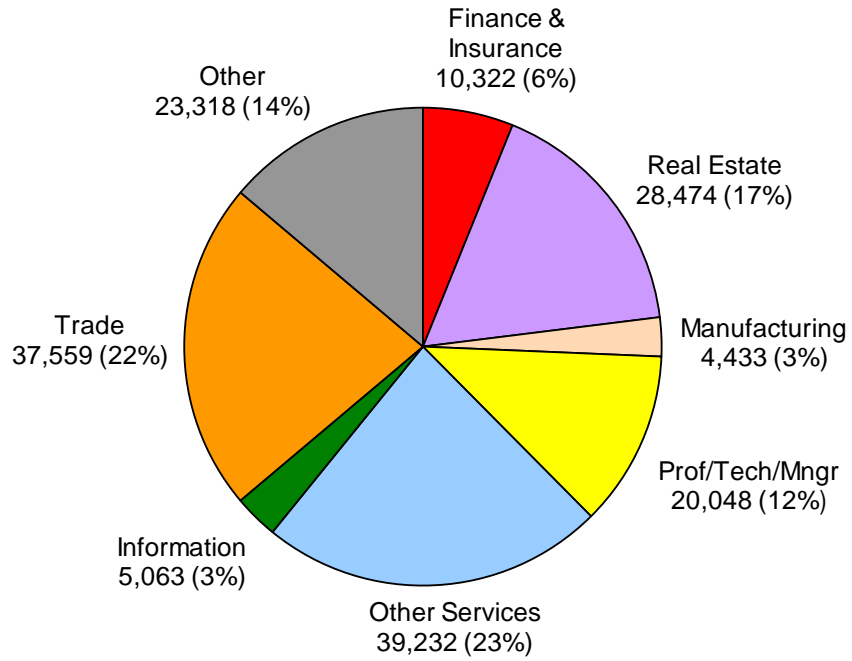
Liability per Return	Number	% of Total	Liability (000)	% of Total
\$300 or Less	196,642	53.6 %	\$683	0.0 %
\$300 - \$1,000	43,397	11.8	24,740	0.4
\$1,000 - \$5,000	69,229	18.9	161,023	2.9
\$5,000 - \$10,000	22,696	6.2	162,236	2.9
\$10,000 - \$50,000	25,753	7.0	544,011	9.7
\$50,000 - \$500,000	7,877	2.1	1,082,462	19.2
\$500,000 - \$1,000,000	621	0.2	436,779	7.8
More than \$1,000,000	753	0.2	3,218,992	57.2
TOTAL	366,968	100.0 %	\$5,630,926	100.0 %

BUSINESS CORPORATION TAX

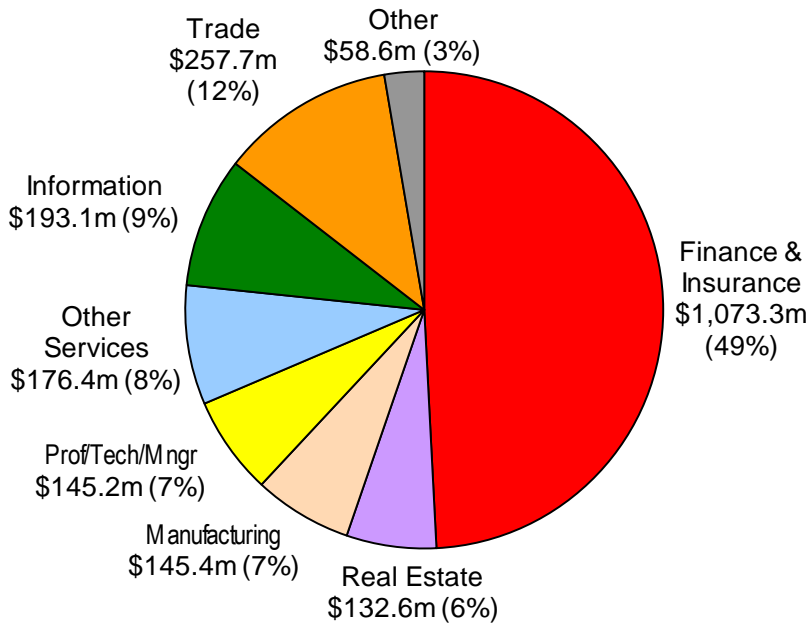
**BUSINESS CORPORATION TAX
TAX YEAR 2017**

**Figure 2
DISTRIBUTION OF TAXPAYERS AND LIABILITY BY INDUSTRY**

Total Taxpayers: 168,449



Total Liability: \$2,182.3m



**BUSINESS CORPORATION TAX
TAX YEAR 2017**

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

Industry	Number	% of Total	Liability	% of Total
Finance & Insurance	10,322	6.1 %	\$1,073,330	49.2 %
Credit Agencies	867	0.5	688,419	31.5
Funds & Trusts	3,331	2.0	12,442	0.6
Insurance	1,000	0.6	100,198	4.6
Securities & Commodities	5,124	3.0	272,272	12.5
Real Estate	28,474	16.9	132,627	6.1
Lessors of Non-Residential Property	2,266	1.3	25,189	1.2
Lessors of Residential Property	7,899	4.7	18,941	0.9
Lessors of Other Property	1,172	0.7	3,738	0.2
Property Management	3,518	2.1	7,815	0.4
Agents and Brokers	1,174	0.7	3,520	0.2
Other Real Estate	12,445	7.4	73,424	3.4
Manufacturing	4,433	2.6	145,427	6.7
Computer and Electronics	245	0.1	39,793	1.8
Chemical	259	0.2	23,917	1.1
Food and Beverage	697	0.4	23,541	1.1
Petroleum and Mining	175	0.1	7,047	0.3
Textiles/Apparel/Leather	926	0.5	1,925	0.1
Machinery	414	0.2	22,794	1.0
Fabricated Metal	235	0.1	6,890	0.3
Printing	341	0.2	1,929	0.1
Furniture	186	0.1	1,293	0.1
Other Manufacturing	955	0.6	16,297	0.7
Prof/Tech/Managerial	20,048	11.9	145,152	6.7
Holding Companies	1,695	1.0	5,730	0.3
Legal Services	1,062	0.6	2,667	0.1
Managerial	35	0.0	1,016	0.0
Accounting	1,167	0.7	5,957	0.3
Architectural/Engineering/Design	1,897	1.1	8,859	0.4
Computer-Related	3,829	2.3	50,588	2.3
Management/Science/Technical	2,549	1.5	24,580	1.1
Advertising/Public Relations/Marketing	1,339	0.8	15,184	0.7
Other Prof/Tech/Managerial	6,475	3.8	30,571	1.4

(continued)

**BUSINESS CORPORATION TAX
TAX YEAR 2017**

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

Industry	Number	% of Total	Liability	% of Total
Other Services	39,232	23.3 %	\$176,390	8.1 %
Accommodations & Food	9,471	5.6	50,416	2.3
Administration/Support	3,823	2.3	57,039	2.6
Arts & Entertainment	3,167	1.9	24,654	1.1
Education	1,175	0.7	2,391	0.1
Health Care	3,782	2.2	12,046	0.6
Personal Services	12,073	7.2	5,047	0.2
Civic, Prof., Sports & Similar Organizations	935	0.6	2,665	0.1
Rental & Leasing	740	0.4	15,788	0.7
Repair & Maintenance	2,911	1.7	1,728	0.1
Social Services	941	0.6	1,334	0.1
Waste Management	177	0.1	3,130	0.1
Miscellaneous Other Services	37	0.0	153	0.0
Information	5,063	3.0	193,099	8.8
Broadcasting/Telecomm	759	0.5	50,943	2.3
Information Services/Data	2,081	1.2	55,155	2.5
Movies/Video/Sound	1,034	0.6	50,217	2.3
Publishing	1,189	0.7	36,785	1.7
Trade	37,559	22.3	257,679	11.8
Durable Wholesale	8,401	5.0	37,765	1.7
Non-Durable Wholesale	6,083	3.6	38,924	1.8
Retail-Clothing and Accessories	2,959	1.8	46,232	2.1
Retail-General Merchandise	791	0.5	29,140	1.3
Retail-Food and Beverage	8,108	4.8	11,087	0.5
Retail-Health and Personal Care	1,690	1.0	48,252	2.2
Retail-Building Maintenance and Gardening	550	0.3	21,075	1.0
Retail-Electronics	975	0.6	2,810	0.1
Retail-Furniture and Furnishings	715	0.4	2,149	0.1
Retail-Motor Vehicles	552	0.3	1,893	0.1
Retail-Other	6,735	4.0	18,352	0.8
Other	23,318	13.8	58,556	2.7
Construction	11,732	7.0	35,722	1.6
Transportation	8,958	5.3	17,343	0.8
Utilities	97	0.1	4,009	0.2
Miscellaneous Other	194	0.1	917	0.0
Not Available	2,337	1.4	566	0.0
TOTAL	168,449	100.0 %	\$2,182,261	100.0 %

**BUSINESS CORPORATION TAX
TAX YEAR 2017**

**Table 4
DISTRIBUTION BY LIABILITY PER RETURN**

Liability per Return	Number	% of Total	Liability (000)	% of Total
\$300 or Less	116,675	69.3 %	\$1,091	0.0 %
\$300 - \$1,000	19,812	11.8	10,697	0.5
\$1,000 - \$5,000	23,720	14.1	49,667	2.3
\$5,000 - \$10,000	2,699	1.6	19,239	0.9
\$10,000 - \$50,000	3,290	2.0	73,602	3.4
\$50,000 - \$500,000	1,703	1.0	270,511	12.4
\$500,000 - \$1,000,000	206	0.1	144,353	6.6
More than \$1,000,000	344	0.2	1,613,101	73.9
TOTAL	168,449	100.0 %	\$2,182,261	100.0 %

**BUSINESS CORPORATION TAX
TAX YEAR 2017**

**Table 5
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	1,870	\$1,071,486	474	\$1,050,143
Real Estate	2,938	126,782	190	96,253
Manufacturing	898	137,498	180	126,723
Prof/Tech/Managerial	2,711	151,672	231	124,453
Other Services	2,624	168,018	165	147,175
Information	784	191,958	131	184,056
Trade	3,372	247,352	239	221,530
Other	1,648	53,553	75	41,020
TOTAL	16,845	\$2,148,318	1,685	\$1,991,354

**BUSINESS CORPORATION TAX
TAX YEAR 2017**

**Table 6
DISTRIBUTION BY TAX BASE
(\$ THOUSANDS)**

Tax Base	Number	% of Total	Liability	% of Total
Net Income	48,026	28.5 %	\$1,948,072	89.3 %
Capital	1,756	1.0	188,384	8.6
Minimum Tax	112,693	66.9	37,033	1.7
Extension	5,974	3.5	8,771	0.4
TOTAL	168,449	100.0 %	\$2,182,261	100.0 %

**BUSINESS CORPORATION TAX
TAX YEAR 2017**

**Table 7
DISTRIBUTION BY TAX BASE AND INDUSTRY
(\$ THOUSANDS)**

Industry	Net Income		Capital		Minimum Tax	
	Number	Liability	Number	Liability	Number	Liability
Finance & Insurance	2,359	\$978,168	308	\$91,162	7,499	\$3,554
Real Estate	7,005	93,884	806	29,615	19,900	6,840
Manufacturing	1,580	131,278	65	12,430	2,652	1,389
Prof/Tech/Managerial	6,269	126,007	230	13,768	12,934	3,296
Other Services	12,044	159,793	106	9,121	25,985	6,357
Information	1,361	174,140	117	17,026	3,411	1,453
Trade	10,009	237,718	81	8,034	26,172	10,591
Other	7,399	47,085	43	7,228	14,140	3,553
TOTAL	48,026	\$1,948,072	1,756	\$188,384	112,693	\$37,033

**BUSINESS CORPORATION TAX
TAX YEAR 2017**

**Table 8
DISTRIBUTION BY FORM TYPE
(\$ THOUSANDS)**

Form Type	Number	% of Total	Liability	% of Total
Long Form (NYC-2)	139,074	82.6 %	\$389,483	17.8 %
Combined Form (NYC-2A)	5,157	3.1	1,763,257	80.8
Short Form (NYC-2S)	18,244	10.8	20,749	1.0
Extension	5,974	3.5	8,771	0.4
TOTAL	168,449	100.0 %	\$2,182,261	100.0 %

**BUSINESS CORPORATION TAX
TAX YEAR 2017**

**Table 9
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	96,928	\$2,760	878	-\$2,756	14,362	\$817	4,507	\$270
\$300 - \$1,000	16,912	9,074	344	210	1,902	1,043	654	369
\$1,000 - \$5,000	20,184	41,631	1,292	3,277	1,577	3,286	667	1,472
\$5,000 - \$10,000	2,024	14,504	412	2,861	209	1,471	54	404
\$10,000 - \$50,000	2,221	48,180	851	20,479	151	3,264	67	1,679
\$50,000 - \$500,000	718	105,285	925	159,000	*	*	*	*
\$500,000 - \$1,000,000	48	30,790	153	110,044	*	*	*	*
More than \$1,000,000	39	137,260	302	1,470,142	*	*	*	*
TOTAL	139,074	\$389,483	5,157	\$1,763,257	18,244	\$20,749	5,974	\$8,771

* Numbers cannot be provided due to confidentiality restrictions.

**BUSINESS CORPORATION TAX
TAX YEAR 2017**

**Table 10
DISTRIBUTION BY ALLOCATION STATUS AND INDUSTRY
(\$ THOUSANDS)**

Allocation Status and Industry	Number	% of Total	Liability	% of Total
Multi-jurisdictional	28,903	17.2 %	\$1,979,957	90.7 %
Finance & Insurance	4,366	2.6	1,036,577	47.5
Real Estate	1,740	1.0	56,662	2.6
Manufacturing	1,708	1.0	135,383	6.2
Prof/Tech/Managerial	5,571	3.3	130,712	6.0
Other Services	4,582	2.7	147,135	6.7
Information	1,857	1.1	190,703	8.7
Trade	7,052	4.2	237,319	10.9
Other	2,027	1.2	45,466	2.1
100% N.Y.C.	133,572	79.3	193,533	8.9
Finance & Insurance	5,800	3.4	36,306	1.7
Real Estate	25,971	15.4	73,677	3.4
Manufacturing	2,589	1.5	9,714	0.4
Prof/Tech/Managerial	13,862	8.2	12,359	0.6
Other Services	33,553	19.9	28,136	1.3
Information	3,032	1.8	1,916	0.1
Trade	29,210	17.3	19,025	0.9
Other	19,555	11.6	12,400	0.6
Not Available	5,974	3.5	8,771	0.4
Finance & Insurance	156	0.1	447	0.0
Real Estate	763	0.5	2,289	0.1
Manufacturing	136	0.1	330	0.0
Prof/Tech/Managerial	615	0.4	2,081	0.1
Other Services	1,097	0.7	1,119	0.1
Information	174	0.1	480	0.0
Trade	1,297	0.8	1,336	0.1
Other	1,736	1.0	690	0.0
TOTAL	168,449	100.0 %	\$2,182,261	100.0 %

See Appendix A for definition of allocation status.

**BUSINESS CORPORATION TAX
TAX YEAR 2017**

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

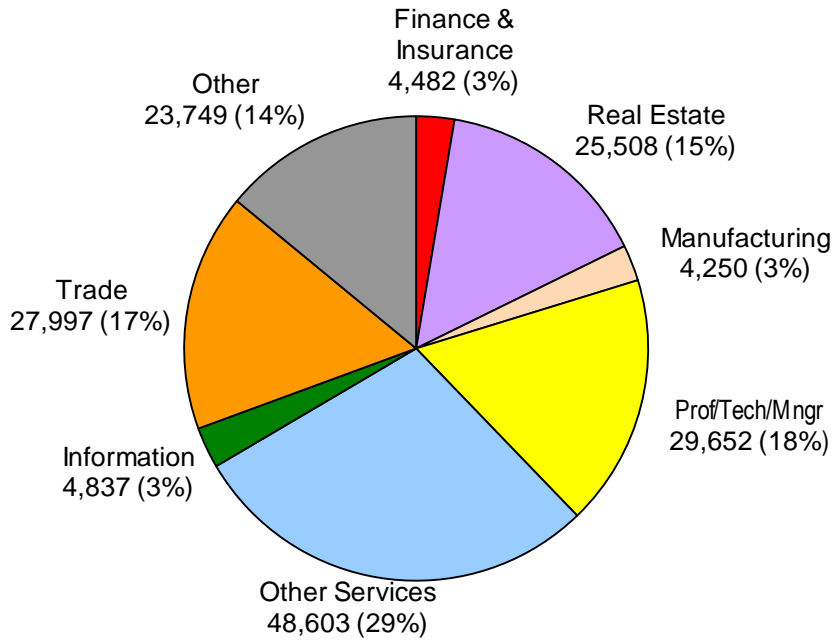
Tax Rate and Industry	Number	% of Total	Liability	% of Total
Taxpayers on the Net Income Tax Base	48,026	28.5 %	\$1,948,072	89.3 %
Between 4.425% and 6.5%	30	0.0	394	0.0
Manufacturing	30	0.0	394	0.0
6.5%	44,221	26.3	78,469	3.6
Finance & Insurance	1,605	1.0	5,944	0.3
Real Estate	6,774	4.0	16,068	0.7
Manufacturing	1,017	0.6	1,989	0.1
Professional/Technical/Managerial	5,477	3.3	12,154	0.6
Other Services	11,643	6.9	14,572	0.7
Information	1,085	0.6	2,481	0.1
Trade	9,399	5.6	14,960	0.7
Other	7,221	4.3	10,300	0.5
Between 6.5% and 8.85%	500	0.3	14,301	0.7
Finance & Insurance	94	0.1	2,995	0.1
Real Estate	40	0.0	2,399	0.1
Manufacturing	37	0.0	347	0.0
Professional/Technical/Managerial	126	0.1	2,927	0.1
Other Services	62	0.0	1,996	0.1
Information	33	0.0	579	0.0
Trade	76	0.0	1,619	0.1
Other	32	0.0	1,439	0.1
8.85%	3,244	1.9	1,443,406	66.1
Finance & Insurance	629	0.4	557,725	25.6
Real Estate	191	0.1	75,417	3.5
Manufacturing	496	0.3	128,548	5.9
Professional/Technical/Managerial	666	0.4	110,926	5.1
Other Services	339	0.2	143,225	6.6
Information	243	0.1	171,080	7.8
Trade	534	0.3	221,140	10.1
Other	146	0.1	35,346	1.6
9%	31	0.0	411,502	18.9
Finance & Insurance	31	0.0	411,502	18.9
Taxpayers Not on Net Income Tax Base	120,423	71.5	234,188	10.7
Finance & Insurance	7,963	4.7	95,163	4.4
Real Estate	21,469	12.7	38,744	1.8
Manufacturing	2,853	1.7	14,149	0.6
Professional/Technical/Managerial	13,779	8.2	19,144	0.9
Other Services	27,188	16.1	16,597	0.8
Information	3,702	2.2	18,959	0.9
Trade	27,550	16.4	19,961	0.9
Other	15,919	9.5	11,471	0.5
TOTAL	168,449	100.0 %	\$2,182,261	100.0 %

GENERAL CORPORATION TAX

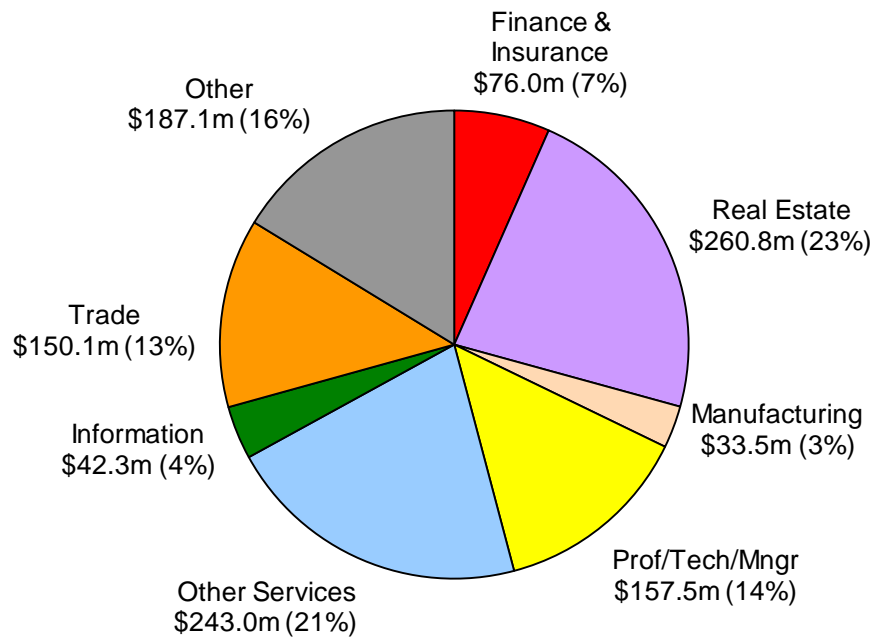
**GENERAL CORPORATION TAX
TAX YEAR 2017**

**Figure 3
DISTRIBUTION OF TAXPAYERS AND LIABILITY BY INDUSTRY**

Total Taxpayers: 169,078



Total Liability: \$1,150.3m



**GENERAL CORPORATION TAX
TAX YEAR 2017**

**Table 12
DISTRIBUTION BY INDUSTRY
(\$ THOUSANDS)**

Industry	Number	% of Total	Liability	% of Total
Finance & Insurance	4,482	2.7 %	\$75,985	6.6 %
Credit Agencies	589	0.3	8,680	0.8
Funds & Trusts	281	0.2	4,392	0.4
Insurance	1,407	0.8	9,418	0.8
Securities & Commodities	2,205	1.3	53,494	4.7
Real Estate	25,508	15.1	260,762	22.7
Lessors of Non-Residential Property	6,104	3.6	120,325	10.5
Lessors of Residential Property	7,593	4.5	65,057	5.7
Lessors of Other Property	1,386	0.8	16,342	1.4
Property Management	2,805	1.7	16,147	1.4
Agents and Brokers	2,524	1.5	10,897	0.9
Other Real Estate	5,096	3.0	31,995	2.8
Manufacturing	4,250	2.5	33,522	2.9
Computer and Electronics	89	0.1	396	0.0
Chemical	100	0.1	1,089	0.1
Food & Beverage	577	0.3	6,519	0.6
Petroleum and Mining	199	0.1	2,881	0.3
Textiles/Apparel/Leather	976	0.6	2,874	0.2
Machinery	251	0.1	7,199	0.6
Fabricated Metal	377	0.2	4,219	0.4
Printing	421	0.2	1,105	0.1
Furniture	256	0.2	911	0.1
Other Manufacturing	1,004	0.6	6,328	0.6
Prof/Tech/Managerial	29,652	17.5	157,546	13.7
Holding Companies	603	0.4	4,709	0.4
Legal Services	3,689	2.2	36,239	3.2
Accounting	2,041	1.2	6,227	0.5
Architectural/Engineering/Design	4,594	2.7	26,139	2.3
Computer-Related	3,722	2.2	14,796	1.3
Management/Science/Technical	3,074	1.8	15,147	1.3
Advertising/Public Relations/Marketing	1,903	1.1	15,326	1.3
Other Prof/Tech/Managerial	10,026	5.9	38,961	3.4

(continued)

**GENERAL CORPORATION TAX
TAX YEAR 2017**

**Table 12 (continued)
DISTRIBUTION BY INDUSTRY
(\$ THOUSANDS)**

Industry	Number	% of Total	Liability	% of Total
Other Services	48,603	28.7 %	\$243,000	21.1 %
Accommodations & Food	6,766	4.0	31,047	2.7
Administration/Support	4,403	2.6	26,890	2.3
Arts & Entertainment	8,941	5.3	42,449	3.7
Education	1,390	0.8	5,980	0.5
Health Care	13,023	7.7	94,783	8.2
Personal Services	8,725	5.2	19,881	1.7
Civic, Prof., Sports & Similar Organizations	82	0.0	95	0.0
Rental & Leasing	1,114	0.7	4,854	0.4
Repair and Maintenance	2,793	1.7	9,088	0.8
Public Administration & Social Services	1,102	0.7	2,744	0.2
Waste Management	228	0.1	4,489	0.4
Miscellaneous Other Services	36	0.0	700	0.1
Information	4,837	2.9	42,350	3.7
Broadcasting/Telecomm	537	0.3	3,114	0.3
Information Services/Data	1,259	0.7	25,868	2.2
Movies/Video/Sound	2,310	1.4	9,947	0.9
Publishing	731	0.4	3,420	0.3
Trade	27,997	16.6	150,060	13.0
Durable Wholesale	6,466	3.8	38,720	3.4
Non-Durable Wholesale	4,551	2.7	33,019	2.9
Retail-Clothing and Accessories	2,293	1.4	5,510	0.5
Retail-General Merchandise	360	0.2	1,341	0.1
Retail-Food and Beverage	4,027	2.4	19,082	1.7
Retail-Health and Personal Care	2,313	1.4	17,997	1.6
Retail-Building Maintenance and Gardening	547	0.3	4,183	0.4
Retail-Electronics	431	0.3	2,559	0.2
Retail-Furniture and Furnishings	607	0.4	2,977	0.3
Retail-Motor Vehicles	531	0.3	5,705	0.5
Retail-Other	5,871	3.5	18,968	1.6
Other	23,749	14.0	187,067	16.3
Construction	14,829	8.8	168,042	14.6
Transportation	7,483	4.4	17,781	1.5
Utilities	49	0.0	263	0.0
Miscellaneous Other	181	0.1	254	0.0
Not Available	1,207	0.7	728	0.1
TOTAL	169,078	100.0 %	\$1,150,291	100.0 %

**GENERAL CORPORATION TAX
TAX YEAR 2017**

**Table 13
DISTRIBUTION BY LIABILITY PER RETURN**

Liability per Return	Number	% of Total	Liability (000)	% of Total
\$300 or Less	78,890	46.7 %	\$1,650	0.1 %
\$300 - \$1,000	21,780	12.9	12,893	1.1
\$1,000 - \$5,000	40,389	23.9	97,554	8.5
\$5,000 - \$10,000	11,687	6.9	82,909	7.2
\$10,000 - \$50,000	12,929	7.6	269,418	23.4
\$50,000 - \$500,000	3,175	1.9	388,854	33.8
\$500,000 - \$1,000,000	148	0.1	103,230	9.0
More than \$1,000,000	80	0.0	193,784	16.8
TOTAL	169,078	100.0 %	\$1,150,291	100.0 %

**GENERAL CORPORATION TAX
TAX YEAR 2017**

**Table 14
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	600	\$71,289	104	\$57,395
Real Estate	3,817	228,573	353	141,664
Manufacturing	466	29,245	59	17,741
Prof/Tech/Managerial	2,716	124,060	213	59,547
Other Services	4,339	187,509	340	90,985
Information	290	37,799	32	31,755
Trade	2,572	118,858	233	58,041
Other	2,108	163,596	357	113,839
TOTAL	16,908	\$960,929	1,691	\$570,966

**GENERAL CORPORATION TAX
TAX YEAR 2017**

**Table 15
DISTRIBUTION BY TAX BASE
(\$ THOUSANDS)**

Tax Base	Number	% of Total	Liability	% of Total
Net Income	75,111	44.4 %	\$1,053,607	91.6 %
Income Plus Compensation	9,226	5.5	57,077	5.0
Capital	5,779	3.4	15,634	1.4
Minimum Tax¹	78,262	46.3	19,310	1.7
Not Available	700	0.4	4,664	0.4
TOTAL	169,078	100.0 %	\$1,150,291	100.0 %

1. Includes extensions if liability is \$300 or less or is equal to one of the fixed minimum amounts based on the City receipts.

**GENERAL CORPORATION TAX
TAX YEAR 2017**

**Table 16
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	1,876	\$64,224	274	\$9,850	241	\$1,454	2,073	\$298
Real Estate	12,573	246,907	387	2,437	2,348	9,367	10,102	1,186
Manufacturing	1,719	31,642	230	820	159	287	2,118	625
Prof/Tech/Managerial	13,805	141,323	2,278	13,022	472	1,092	12,990	1,613
Other Services	21,423	215,079	3,838	20,918	1,026	1,056	22,142	5,171
Information	1,775	40,044	320	1,684	99	173	2,629	371
Trade	11,211	137,288	1,004	4,086	882	1,269	14,776	6,470
Other	10,729	177,099	895	4,261	552	936	11,432	3,575
TOTAL	75,111	\$1,053,607	9,226	\$57,077	5,779	\$15,634	78,262	\$19,310

**GENERAL CORPORATION TAX
TAX YEAR 2017**

**Table 17
DISTRIBUTION BY FORM TYPE
(\$ THOUSANDS)**

Form Type	Number	% of Total	Liability	% of Total
Short Form (NYC-4S EZ)	28,899	17.1 %	\$19,889	1.7 %
Short Form (NYC-4S)	44,591	26.4	260,888	22.7
Long Form (NYC-3L)	91,503	54.1	810,401	70.5
Combined Form (NYC-3A)	284	0.2	53,981	4.7
Not Available/Extension	3,801	2.2	5,132	0.4
TOTAL	169,078	100.0 %	\$1,150,291	100.0 %

**GENERAL CORPORATION TAX
TAX YEAR 2017**

**Table 18
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	21,388	\$1,043	15,679	\$1,242	38,926	-\$628	37	-\$150	2,860	\$142
\$300 - \$1,000	3,116	1,876	6,617	3,859	11,632	6,895	12	6	403	257
\$1,000 - \$5,000	3,518	8,378	13,144	31,280	23,305	56,866	45	143	377	887
\$5,000 - \$10,000	652	4,487	3,874	27,526	7,051	50,104	31	214	79	577
\$10,000 - \$50,000	214	3,075	4,520	92,043	8,058	171,039	74	1,798	63	1,462
\$50,000 - \$500,000	11	1,028	732	82,011	2,340	292,286	73	11,724	19	1,806
\$500,000 - \$1,000,000	*	*	*	*	123	85,117	*	*	*	*
More than \$1,000,000	*	*	*	*	68	148,723	*	*	*	*
TOTAL	28,899	\$19,889	44,591	\$260,888	91,503	\$810,401	284	\$53,981	3,801	\$5,132

* Numbers cannot be provided due to confidentiality restrictions.

**GENERAL CORPORATION TAX
TAX YEAR 2017**

**Table 19
DISTRIBUTION BY ALLOCATION STATUS AND INDUSTRY
(\$ THOUSANDS)**

Allocation Status and Industry	Number	% of Total	Liability	% of Total
Multi-jurisdictional	23,934	14.2 %	\$431,778	37.5 %
Finance & Insurance	767	0.5	41,471	3.6
Real Estate	1,047	0.6	27,210	2.4
Manufacturing	1,302	0.8	24,529	2.1
Prof/Tech/Managerial	5,678	3.4	80,717	7.0
Other Services	5,955	3.5	63,896	5.6
Information	939	0.6	33,300	2.9
Trade	4,880	2.9	65,115	5.7
Other	3,366	2.0	95,541	8.3
100% N.Y.C.	141,343	83.6	713,331	62.0
Finance & Insurance	3,635	2.1	34,342	3.0
Real Estate	24,063	14.2	232,609	20.2
Manufacturing	2,863	1.7	8,839	0.8
Prof/Tech/Managerial	23,401	13.8	76,274	6.6
Other Services	41,767	24.7	178,211	15.5
Information	3,792	2.2	8,967	0.8
Trade	22,514	13.3	83,860	7.3
Other	19,308	11.4	90,229	7.8
Not Available	3,801	2.2	5,132	0.4
Finance & Insurance	80	0.0	172	0.0
Real Estate	398	0.2	893	0.1
Manufacturing	85	0.1	155	0.0
Prof/Tech/Managerial	573	0.3	554	0.0
Other Services	881	0.5	892	0.1
Information	106	0.1	83	0.0
Trade	603	0.4	1,085	0.1
Other	1,075	0.6	1,298	0.1
TOTAL	169,078	100.0 %	\$1,150,241	100.0 %

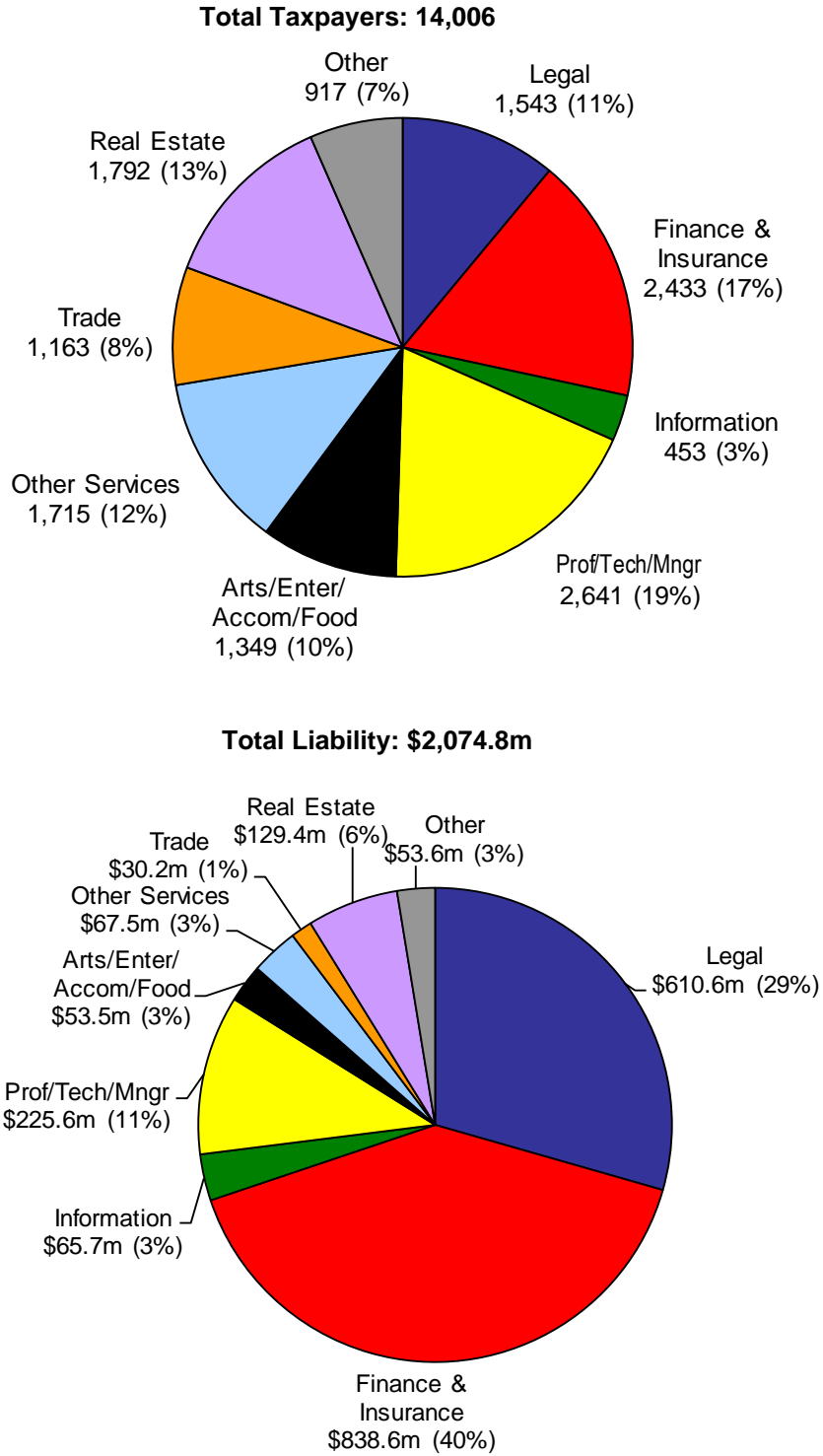
See Appendix B for definition of allocation status.

UNINCORPORATED BUSINESS TAX

PARTNERSHIPS

**UNINCORPORATED BUSINESS TAX
PARTNERSHIP TAXPAYERS
TAX YEAR 2017**

**Figure 4
DISTRIBUTION OF TAXPAYERS AND LIABILITY BY INDUSTRY**



**UNINCORPORATED BUSINESS TAX
PARTNERSHIP TAXPAYERS
TAX YEAR 2017**

**Table 20
DISTRIBUTION BY INDUSTRY
(\$ THOUSANDS)**

Industry	Number	% of Total	Liability	% of Total
Legal	1,543	11.0 %	\$610,591	29.4 %
Finance & Insurance	2,433	17.4	838,561	40.4
Credit Agencies	141	1.0	17,229	0.8
Funds & Trusts	132	0.9	16,850	0.8
Securities & Commodities	2,065	14.7	798,601	38.5
Insurance and Other Finance	95	0.7	5,881	0.3
Information	453	3.2	65,746	3.2
Broadcasting/Telecomm	64	0.5	21,055	1.0
Information Services/Data	150	1.1	34,147	1.6
Movies/Video/Sound	164	1.2	5,901	0.3
Publishing	75	0.5	4,644	0.2
Prof/Tech/Managerial	2,641	18.9	225,645	10.9
Accounting	337	2.4	106,576	5.1
Holding Companies	88	0.6	10,097	0.5
Architectural/Engineering/Design	439	3.1	13,911	0.7
Computer-Related	204	1.5	6,397	0.3
Management/Science/Technical	474	3.4	35,402	1.7
Advertising/Public Relations	405	2.9	23,511	1.1
Other Prof/Tech/Managerial	694	5.0	29,751	1.4
Arts/Enter/Accom/Food	1,349	9.6	53,498	2.6
Accommodations	160	1.1	8,949	0.4
Amusement	73	0.5	1,964	0.1
Food Services	745	5.3	16,681	0.8
Performing Arts	371	2.6	25,905	1.2

(continued)

**UNINCORPORATED BUSINESS TAX
PARTNERSHIP TAXPAYERS
TAX YEAR 2017**

**Table 20 (continued)
DISTRIBUTION BY INDUSTRY
(\$ THOUSANDS)**

Industry	Number	% of Total	Liability	% of Total
Other Services	1,715	12.2 %	\$67,465	3.3 %
Administration/Support	373	2.7	15,577	0.8
Education	85	0.6	1,640	0.1
Health Care	800	5.7	39,949	1.9
Personal Service	293	2.1	5,266	0.3
Rental & Leasing	82	0.6	3,707	0.2
Social Services	43	0.3	543	0.0
Miscellaneous Other Services	39	0.3	784	0.0
Trade	1,163	8.3	30,218	1.5
Durable Wholesale	265	1.9	4,170	0.2
Non-Durable Wholesale	245	1.7	10,067	0.5
Retail	653	4.7	15,981	0.8
Real Estate	1,792	12.8	129,445	6.2
Lessors of Real Estate	562	4.0	42,998	2.1
Brokers/Managers	503	3.6	15,606	0.8
Other Real Estate	727	5.2	70,841	3.4
Other	917	6.5	53,591	2.6
Construction	551	3.9	40,614	2.0
Manufacturing	204	1.5	6,571	0.3
Miscellaneous Other	162	1.2	6,406	0.3
TOTAL	14,006	100.0 %	\$2,074,761	100.0 %

**UNINCORPORATED BUSINESS TAX
PARTNERSHIP TAXPAYERS
TAX YEAR 2017**

**Table 21
DISTRIBUTION BY LIABILITY PER RETURN**

Liability per Return	Number	% of Total	Liability (000)	% of Total
\$300 or Less	451	3.2 %	-\$2,135	-0.1 %
\$300 - \$1,000	616	4.4	401	0.0
\$1,000 - \$5,000	1,617	11.5	4,379	0.2
\$5,000 - \$10,000	2,893	20.7	21,139	1.0
\$10,000 - \$50,000	5,240	37.4	119,895	5.8
\$50,000 - \$500,000	2,601	18.6	380,383	18.3
\$500,000 - \$1,000,000	262	1.9	185,151	8.9
More than \$1,000,000	326	2.3	1,365,550	65.8
TOTAL	14,006	100.0 %	\$2,074,761	100.0 %

**UNINCORPORATED BUSINESS TAX
PARTNERSHIP TAXPAYERS
TAX YEAR 2017**

**Table 22
TOP TEN PERCENT AND TOP ONE PERCENT OF TAXPAYERS BY INDUSTRY
(\$ THOUSANDS)**

Industry	Top Ten Percent		Top One Percent	
	Number	Liability	Number	Liability
Legal	278	\$570,146	50	\$433,478
Finance & Insurance	581	779,451	60	444,676
Information	36	56,751	*	*
Prof/Tech/Managerial	169	169,763	11	94,477
Arts/Enter/Accom/Food	48	27,351	*	*
Other Services	86	29,890	*	*
Trade	22	10,558	*	*
Real Estate	116	94,235	*	*
Other	65	36,439	*	*
TOTAL	1,401	\$1,774,584	140	\$1,071,022

* Numbers cannot be provided due to confidentiality restrictions.

**UNINCORPORATED BUSINESS TAX
PARTNERSHIP TAXPAYERS
TAX YEAR 2017**

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

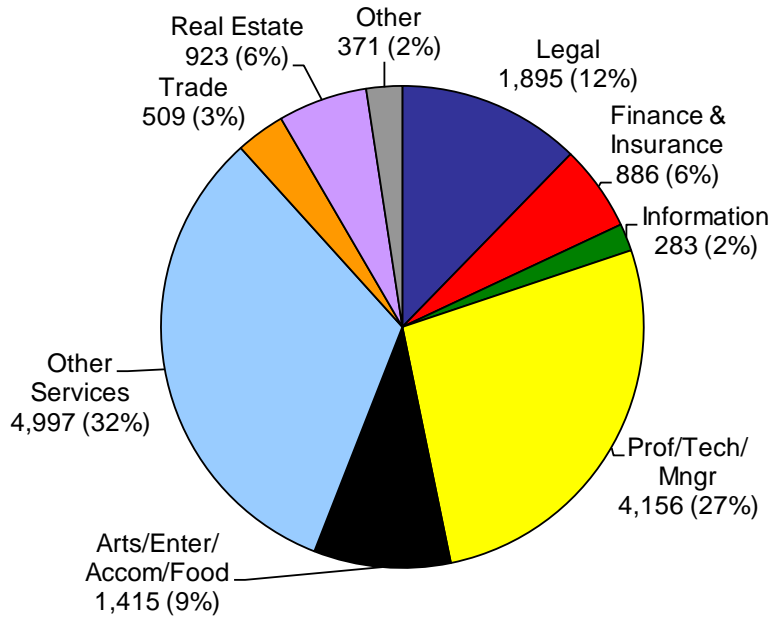
Allocation Status and Industry	Number	% of Total	Liability	% of Total
Multi-jurisdictional	4,322	30.9 %	\$1,369,232	66.0 %
Legal	596	4.3	555,616	26.8
Finance & Insurance	964	6.9	482,986	23.3
Information	205	1.5	59,307	2.9
Prof/Tech/Managerial	1,051	7.5	171,512	8.3
Arts/Enter/Accom/Food	213	1.5	25,382	1.2
Other Services	344	2.5	20,984	1.0
Trade	459	3.3	15,721	0.8
Real Estate	161	1.1	17,674	0.9
Other	329	2.3	20,050	1.0
100% N.Y.C.	9,505	67.9	702,545	33.9
Legal	934	6.7	54,696	2.6
Finance & Insurance	1,450	10.4	354,968	17.1
Information	243	1.7	6,430	0.3
Prof/Tech/Managerial	1,561	11.1	53,643	2.6
Arts/Enter/Accom/Food	1,124	8.0	28,060	1.4
Other Services	1,356	9.7	46,281	2.2
Trade	681	4.9	14,085	0.7
Real Estate	1,608	11.5	110,906	5.3
Other	548	3.9	33,475	1.6
Not Available	179	1.3	2,985	0.1
TOTAL	14,006	100.0 %	\$2,074,761	100.0 %

UNINCORPORATED BUSINESS TAX
PROPRIETORSHIPS

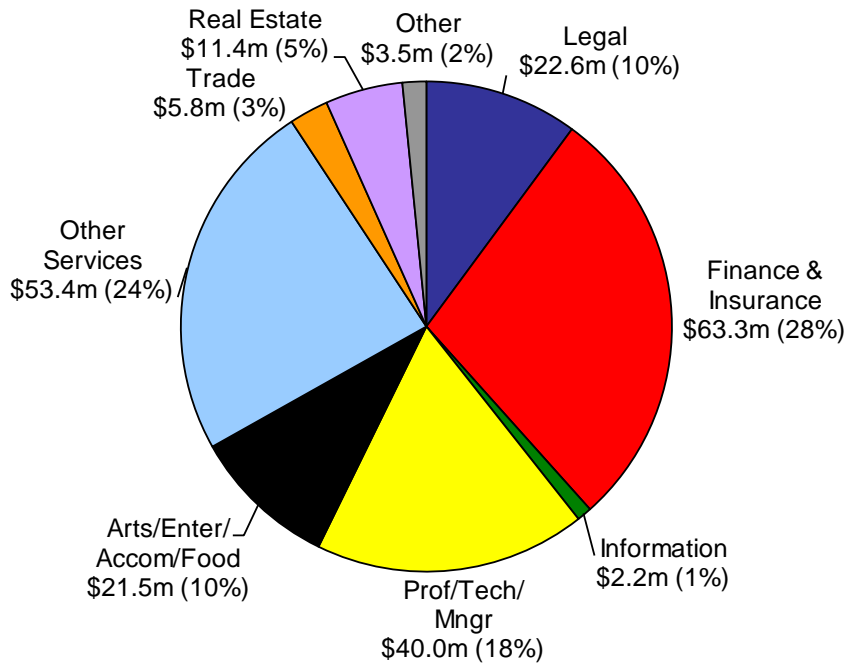
**UNINCORPORATED BUSINESS TAX
PROPRIETORSHIP TAXPAYERS
TAX YEAR 2017**

**Figure 5
DISTRIBUTION OF TAXPAYERS AND LIABILITY BY INDUSTRY**

Total Taxpayers: 15,435



Total Liability: \$223.6m



**UNINCORPORATED BUSINESS TAX
PROPRIETORSHIP TAXPAYERS
TAX YEAR 2017**

**Table 24
DISTRIBUTION BY INDUSTRY
(\$ THOUSANDS)**

Industry	Number	% of Total	Liability	% of Total
Legal	1,895	12.3 %	\$22,589	10.1 %
Finance & Insurance	886	5.7	63,256	28.3
Insurance	205	1.3	2,202	1.0
Securities & Commodities	649	4.2	60,513	27.1
Other Finance	32	0.2	541	0.2
Information	283	1.8	2,186	1.0
Broadcasting/Telecomm	28	0.2	159	0.1
Information Services/Data	67	0.4	498	0.2
Movies/Video/Sound	131	0.8	1,072	0.5
Publishing	57	0.4	457	0.2
Prof/Tech/Managerial	4,156	26.9	39,963	17.9
Accounting	323	2.1	2,385	1.1
Architectural/Engineering/Design	744	4.8	7,175	3.2
Computer-Related	300	1.9	2,034	0.9
Management/Science/Technical	923	6.0	10,566	4.7
Advertising/Public Relations	361	2.3	3,458	1.5
Other Prof/Tech/Managerial	1,505	9.8	14,345	6.4
Arts/Enter/Accom/Food	1,415	9.2	21,488	9.6
Accommodations & Food Services	104	0.7	1,062	0.5
Amusement	25	0.2	249	0.1
Performing Arts	1,286	8.3	20,178	9.0

(continued)

**UNINCORPORATED BUSINESS TAX
PROPRIETORSHIP TAXPAYERS
TAX YEAR 2017**

**Table 24 (continued)
DISTRIBUTION BY INDUSTRY
(\$ THOUSANDS)**

Industry	Number	% of Total	Liability	% of Total
Other Services	4,997	32.4 %	\$53,448	23.9 %
Administration/Support	215	1.4	2,683	1.2
Education	152	1.0	1,018	0.5
Health Practitioners	4,012	26.0	44,703	20.0
Other Health Care	78	0.5	881	0.4
Personal Service	394	2.6	3,113	1.4
Repair & Maintenance	23	0.1	179	0.1
Social Services	95	0.6	542	0.2
Miscellaneous Other Services	28	0.2	327	0.1
Trade	509	3.3	5,769	2.6
Durable Wholesale	131	0.8	1,395	0.6
Non-Durable Wholesale	78	0.5	651	0.3
Retail	300	1.9	3,723	1.7
Real Estate	923	6.0	11,414	5.1
Lessors of Real Estate	31	0.2	290	0.1
Brokers/Managers	593	3.8	6,227	2.8
Other Real Estate	299	1.9	4,897	2.2
Other	371	2.4	3,500	1.6
Construction	197	1.3	2,429	1.1
Manufacturing	59	0.4	380	0.2
Transportation & Utilities	35	0.2	274	0.1
Miscellaneous Other & Not Available	80	0.5	417	0.2
TOTAL	15,435	100.0 %	\$223,613	100.0 %

**UNINCORPORATED BUSINESS TAX
PROPRIETORSHIP TAXPAYERS
TAX YEAR 2017**

**Table 25
DISTRIBUTION BY LIABILITY PER RETURN**

Liability per Return	Number	% of Total	Liability (000)	% of Total
\$300 or Less	626	4.1 %	\$78	0.0 %
\$300 - \$1,000	1,189	7.7	749	0.3
\$1,000 - \$5,000	3,503	22.7	9,424	4.2
\$5,000 - \$10,000	5,417	35.1	38,950	17.4
\$10,000 - \$50,000	4,294	27.8	81,096	36.3
More than \$50,000	406	2.6	93,317	41.7
TOTAL	15,435	100.0 %	\$223,613	100.0 %

**UNINCORPORATED BUSINESS TAX
PROPRIETORSHIP TAXPAYERS
TAX YEAR 2017**

**Table 26
TOP TEN PERCENT AND TOP ONE PERCENT OF TAXPAYERS BY INDUSTRY
(\$ THOUSANDS)**

Industry	Top Ten Percent		Top One Percent	
	Number	Liability	Number	Liability
Legal	203	\$10,183	19	\$3,515
Finance & Insurance	162	57,550	28	52,305
Information	14	686	*	*
Prof/Tech/Managerial	316	15,571	28	4,355
Arts/Enter/Accom/Food	198	13,117	29	6,216
Other Services	474	21,478	31	5,558
Trade	51	2,787	*	*
Real Estate	95	6,010	11	2,807
Other	31	1,620	*	*
TOTAL	1,544	\$129,003	154	\$76,348

* Numbers cannot be provided due to confidentiality restrictions.

**UNINCORPORATED BUSINESS TAX
PROPRIETORSHIP TAXPAYERS
TAX YEAR 2017**

**Table 27
DISTRIBUTION BY ALLOCATION STATUS AND INDUSTRY
(\$ THOUSANDS)**

Allocation Status and Industry	Number	% of Total	Liability	% of Total
Multi-jurisdictional	1,404	9.1 %	\$28,493	12.7 %
Legal	141	0.9	1,538	0.7
Finance & Insurance	107	0.7	10,004	4.5
Information	24	0.2	310	0.1
Prof/Tech/Managerial	414	2.7	4,986	2.2
Arts/Enter/Accom/Food	274	1.8	6,471	2.9
Other Services	315	2.0	3,089	1.4
Trade	51	0.3	684	0.3
Real Estate	38	0.2	576	0.3
Other	40	0.3	833	0.4
100% N.Y.C.	13,761	89.2	192,659	86.2
Legal	1,727	11.2	20,780	9.3
Finance & Insurance	767	5.0	52,999	23.7
Information	255	1.7	1,853	0.8
Prof/Tech/Managerial	3,674	23.8	34,521	15.4
Arts/Enter/Accom/Food	1,122	7.3	14,838	6.6
Other Services	4,620	29.9	49,622	22.2
Trade	446	2.9	4,995	2.2
Real Estate	872	5.6	10,623	4.8
Other	278	1.8	2,426	1.1
Not Available	270	1.7	2,461	1.1
TOTAL	15,435	100.0 %	\$223,613	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% (The tax rate for qualified manufacturing corporations phases out between \$10 and \$20 million of allocated business income and \$20 and \$40 million of business income before allocation.)
 - qualified small businesses: 6.5% - 8.85% (The tax rate for small businesses phases out between \$1 and \$1.5 million of allocated business income and \$2 and \$3 million of business income before allocation.)
 - 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. For tax years beginning after 2016, a beer production credit is allowed for beer produced in the City. 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 2017 tax year includes all reported activity and income over a twelve-month period beginning between January 1, 2017 and December 31, 2017. In 2017, 56 percent of all Business Corporation Tax filers reported on a calendar-year basis. 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;²
- 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.³

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 See footnote 1.

³ Where a combined return is filed, each taxable subsidiary included in the return must pay the fixed minimum tax. Includes extensions if liability is \$300 or less or is equal to one of the fixed minimum amounts based on the City receipts.

“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. For tax years beginning after 2016, a beer production credit is allowed for beer produced in the City. 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 2017 tax year includes all reported activity and income over a twelve-month period beginning between January 1, 2017 and December 31, 2017. In 2017, 94 percent of all GCT filers reported on a calendar-year basis. 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.⁴ 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.

⁴ 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. For tax years beginning after 2016, a beer production credit is allowed for beer produced in the City. 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 2017 tax year includes all reported activity and income over a twelve-month period that began between January 1, 2017 and December 31, 2017. In 2017, 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 2017, 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.” The NYC-3A is used by combined groups of corporations.

UBT taxpayers use one of five types of annual returns. The NYC-204 is used by partnerships, including syndicates, groups, pools, or other unincorporated organizations. 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.