

**Summary of 2013 New York State and New York
City Legislation Affecting City Taxes and
the Department of Finance**



**New York City Department of Finance
Beth E. Goldman
Commissioner**

**Prepared by the Office of Tax Policy
January 6, 2014**

SUMMARY OF 2013 NEW YORK STATE AND NEW YORK CITY LEGISLATION AFFECTING CITY TAXES AND THE DEPARTMENT OF FINANCE

The following are brief summaries of New York State and New York City laws enacted during 2013 that affect City taxes and other areas within the Department of Finance's jurisdiction. Citations are provided after each summary for readers who wish to consult the laws themselves.

REAL PROPERTY TAX

Coop/Condo Tax Abatement Program Extended and Revised

The City's partial real estate tax abatement program for eligible owners of Class Two cooperative and condominium dwelling units, which was scheduled to expire at the end of the 2011-2012 fiscal year, has been extended for three years, through the fiscal year ending June 30, 2015. Program benefits have also been revised, resulting in benefit increases for many owners. Before the change, units with an average assessed value greater than \$15,000 were eligible for an abatement equal to 17.5 percent of the unit's taxes, while units with an average assessed value of \$15,000 or less were eligible for a 25 percent abatement. Under the revised program, all units with average assessed values not exceeding \$50,000 are eligible for a rising abatement, beginning at 25 percent in FY 2013 and rising to 28.1 percent in FY 2015. Units with average assessed values exceeding \$50,000 but not greater than \$60,000 are also eligible for increased abatements, but for those assessed at more than \$60,000 the abatement percentage remains at 17.5 percent. In addition, beginning in FY 2013, a unit that is not the owner's primary residence is no longer eligible for an abatement; however, if the unit had received the abatement in FY 2012, the abatement will be phased out over the next two years through a 50 percent reduction in FY 2013 and a 75 percent reduction in FY 2014.

A provision has also been added to the abatement law to authorize the Commissioner of Finance to adopt rules calling for the denial, termination or revocation of an abatement for failure to pay real estate taxes or other municipal charges owing on the property.

- Chapter 4 (§§ 4-11 and 18-20), NYS Laws of 2013

Coop/Condo Tax Abatement Allowable for Dwelling Units Held in Trust or Receiving Certain Other Tax Benefits

Effective as of June 1, 2012, a dwelling unit that is held in trust can qualify for the coop/condo abatement allowed by section 467-a of the Real Property Tax Law if the trust is solely for the benefit of a person who would qualify for the abatement

if he or she owned the property directly. Section 467-a is also amended to clarify that, among the other tax benefits that a dwelling can receive while still qualifying for the abatement, are the exemptions under Real Property Tax Law sections 425 (school tax relief (STAR) exemption) and 459-c (limited-income disabled homeowner exemption).

- Chapter 97, NYS Laws of 2013

J-51 Exemption/Abatement Program Continued and Modified

The real estate tax exemption and abatement program authorized under section 489 of the Real Property Tax Law, commonly known as the J-51 program, provides tax benefits for certain residential conversions and alterations and improvements to multiple dwellings. The program, which had lapsed at the end of 2011, has been retroactively reinstated. The deadline for completing conversions, alterations or improvements, formerly December 31, 2011, has been extended to June 30, 2015. However, the time allowed from the start to the completion of the work, formerly 36 months in most cases, has been reduced to 30 months. The time for filing an application for J-51 benefits has also been reduced. In addition, with respect to projects completed on or after December 31, 2011: (1) with some exceptions, J-51 benefits will not be allowed for alterations or improvements to cooperative or condominium buildings with an average unit assessed value of \$30,000 or more unless the work was carried out with substantial governmental assistance; and (2) no benefits will be granted for the conversion of a nonresidential building into a Class A multiple dwelling unless the conversion was carried out with substantial governmental assistance. For this purpose, "substantial governmental assistance" includes grants, loans or subsidies from any federal, state or local agency in furtherance of a program for the development of affordable housing approved by the NYC Department of Housing Preservation and Development.

- Chapter 4 (§§ 1-3), NYS Laws of 2013 and NYC Local Law 48 of 2013

Class Share Adjustment Limited for City's FY 2014 Real Estate Tax Levy

Article 18 of the Real Property Tax Law requires that the adjusted base proportions of the four real property tax classes in the City (which determine the share of the total tax levy payable by each class) be revised each year to reflect relative changes in market values, subject to a five-percent cap on the increase in any class's share of the levy. Under special legislation that applies to the City's fiscal year ending in 2014, the five-percent limit on increases has been reduced to one percent. The legislation requires the issuance of revised real estate tax bills for FY 2014 in place of the bills mailed prior to its enactment.

- Chapter 134, NYS Laws of 2013

Owners of Certain Hurricane Sandy-Damaged Properties Made Eligible for Property Tax Rebates

Owners of Class One, Two or Four properties that were seriously damaged or completely demolished during Hurricane Sandy (which occurred on October 29 and 30, 2012) have been made eligible for a partial rebate of property taxes levied for the City's 2012-2013 fiscal year. To be eligible for the rebate, the NYC Department of Buildings, after inspection, must have declared the property seriously damaged and unsafe to enter or occupy or completely demolished as a result of the storm. The rebate amount equals two-thirds of the annual tax attributable to a damaged or destroyed structure. Shareholders in cooperatively-owned buildings are entitled to a rebate based on the number of shares owned. Special rules for calculating the rebate apply to certain separately-owned single-family homes constructed on cooperatively-owned land. The NYC Commissioner of Finance is responsible for mailing rebate checks to eligible owners.

- Chapter 250, NYS Laws of 2013 and NYC Local Law 67 of 2013

“Green Roof” Abatement Program Extended and Modified

Beginning in 2009, owners of Class One, Two and Four buildings became eligible for a “green roof” tax abatement for certain additions to a roof that include a growth medium and a vegetation layer. The abatement, which can be claimed for one year, was equal to \$4.50 per square foot of green roof, but limited to the lesser of \$100,000 or the building's tax liability for the year in which the abatement is claimed. The abatement program was scheduled to expire at the end of the City fiscal year that began July 1, 2013, but it has been extended through the City fiscal year beginning July 1, 2018. In addition, beginning July 1, 2014, the abatement amount will be increased to \$5.23 per square foot and the dollar limit will be raised to the lesser of \$200,000 or the building's annual tax. However, for the fiscal year beginning July 1, 2014, the aggregate amount of all abatements allowed will be limited to \$750,000; for the following four fiscal years, the total of all abatements will be limited to \$1 million per year. If total annual abatements exceed these ceilings, approved applicants will receive pro rata abatements as determined by the Department of Finance.

- Chapter 524, NYS Laws of 2013

Revised Rules Adopted for Income and Expense Statement Filings by Owners of Income-Producing Property and Department of Finance Required to Publish Data Regarding Assessment Process

Owners of income-producing property, with some exceptions, are required to file annual income and expense statements with the Department of Finance for real property assessment purposes. Beginning in 2014, those statements will be due by June 1 rather than September 1. Certain property owners who did not operate

the property for the full year for which a statement normally would have been required, and who are currently required to file the statement for the period of operation, will not, starting in 2014, be required to file any statement for that year, but will, instead, be required to file a claim of exclusion by June 1. Penalties are provided for failure to file a required claim of exclusion. The new penalties for failure to file a claim of exclusion, as well as existing penalties for failure to file an income and expense statement, will incur interest if not timely paid and will become enforceable under the rules that apply to the enforcement of tax liens.

In addition, beginning in 2014, the Department of Finance will be required to publish on its website, by February 15 each year, statistical information, formulas, data sources and other information used in valuing property for real estate tax purposes for the upcoming fiscal year.

- NYC Local Law 52 of 2013

School Tax Relief (STAR) Registration Program Established

To help eliminate improper STAR exemptions, the NYS Department of Taxation and Finance has been directed to establish and implement a registration program covering all property owners newly applying for or already receiving a basic STAR exemption. (This registration program will not apply to senior citizens eligible for the enhanced STAR exemption.) The deadline for the initial registration under the program is April 1, 2014, and the Tax Department must notify owners in writing of the registration requirement at least 60 days before that date. Following the initial registration, the Department must endeavor to confirm continuing eligibility through means other than re-registration, including the review of personal income tax returns, but can reinstate a registration requirement, although not more often than once every three years. In addition to the registration requirement, procedures are established for the removal or denial of exemptions that do not meet statutory conditions, and fees and enhanced penalties are prescribed for improperly granted exemptions or material misstatements on exemption applications.

- Chapter 57 (Part J), NYS Laws of 2013

Certain Parcels Made Eligible for Section 421-a Benefits in High-Density Districts of Manhattan and Deadline Extended on Availability of Longer Period for Completing Construction

The 421-a tax exemption program provides real property tax exemptions for the construction of new multiple dwellings in the City. Benefits are currently unavailable, however, for projects in areas of Manhattan in which a maximum base floor area ratio of 15 or greater is permitted as of right. An exception to this restriction has been adopted by 2013 legislation, which permits benefits for projects constructed on specifically designated Manhattan blocks and lots,

provided the project developers meet certain requirements regarding the availability of affordable housing and comply with other statutory conditions. The legislation also extends the availability of a longer period from the start to the completion of construction (72 months instead of 36 months) in order to meet the program's construction-period requirement.

- Chapter 4 (§§ 14-17), NYS Laws of 2013

Certain Telecommunications Property to be Subject to Assessment Ceilings

Under legislation that will take effect on January 1, 2015, the NYS Department of Taxation and Finance will be required to determine annual assessment ceilings for local public utility mass real property, which comprises certain locally assessed property used in the transmission and distribution of telephone or telegraph service and electromagnetic voice, video and data signals. To the extent that locally determined assessed values exceed the assessment ceilings, as calculated under detailed rules contained in the legislation, the excess will be exempt from taxation. The measure is set to expire on January 1, 2019.

- Chapter 475, NYS Laws of 2013

Localities Authorized to Extend Alternative Veterans' Exemption to School District Taxes

Section 458-a of the Real Property Tax Law, which allows the alternative veterans' exemption, provided that the exemption was not applicable to taxes levied for school purposes. Under legislation that took effect on December 18, 2013, the exemption may be allowed for purposes of school district taxation if the governing body of the school district in which the property is located adopts a resolution providing for such an exemption.

- Chapter 518, NYS Laws of 2013

Transfer of Prorated Alternative Veterans' Exemption Authorized Where Residence Sold and New Residence Purchased During Year

A veteran or eligible relative receiving the alternative veterans' exemption under section 458-a of the Real Property Tax Law will be permitted to transfer the exemption, on a prorated basis, where the residence already receiving the exemption is sold and a new residence is purchased during the year. The transferred exemption will equal the applicable tax rate multiplied by the previously-granted exempt amount multiplied by the fraction of the year remaining after the new residence is acquired. The legislation applies to

assessment rolls based on taxable status dates occurring on or after January 1, 2014.

- NYC Local Law 68 of 2013

Space Leased by Veterans' Organizations to Non-Exempt Entities Eligible for Exemption at Local Option

Under section 452 of the Real Property Tax Law, property owned by veterans' organizations is exempt from taxation, but if a portion of the space is leased to a non-exempt entity, that portion is taxable. Effective January 2, 2014, localities are authorized to adopt local legislation that exempts such leased space.

- Chapter 243, NYS Laws of 2013

Extension Period and Payment Terms Modified for Extended Exemptions Granted to Redevelopment Company Projects

Under Article 5 of the New York Private Housing Finance Law, redevelopment company projects are eligible for real property tax exemptions for specified periods. Legislation enacted in 2012 permitted local legislative extensions of the exemption periods for such projects (other than mutual redevelopment company projects) for 50 additional years. During the additional exemption period, the legislation required such projects to pay taxes equal to the greater of (1) 10 percent of the project's annual rent or carrying charges (less utilities), or (2) the taxes payable by the project immediately prior to the expiration of the initial exemption period. Legislation enacted in 2013 modified those provisions to allow an additional exemption period of 40 years, and to require tax payments during the additional period equal to (1) the taxes payable by a project in accordance with the local legislature's resolution in effect immediately prior to the expiration of the initial exemption period, or (2) if there is no such resolution, the taxes payable in accordance with PHFL Article 5 immediately prior to the expiration of the initial exemption period.

- Chapter 478, NYS Laws of 2013

Tax Lien Sale Provisions Amended to Allow Eligible Persons Acting on Owner's Behalf to Enter Into Installment Agreements

The City's Administrative Code authorizes the Commissioner of Finance to sell tax liens resulting from unpaid real estate taxes, water and sewer charges and other real estate-related charges. Provisions that allowed a property owner to avoid inclusion in a lien sale by entering into an installment payment agreement have been amended to permit an eligible person, including a fiduciary, to enter into an agreement on the owner's behalf. The amendment requires that rules governing the eligibility of owners and other eligible persons to enter into

installment agreements be adopted by June 1, 2014. Another amendment to the tax lien sale provisions requires the annual posting on the Department of Finance’s website of an exemption eligibility check list to apprise owners of exemptions that could exclude them from a lien sale.

- NYC Local Law 147 of 2013

Localities Authorized to Set Maximum Exemption Amounts for “Green Building” Exemptions

Chapter 188 of the NYS Laws of 2012 authorized localities to adopt local legislation to provide real estate tax exemptions for property improvements meeting certification standards for “green buildings” that promote environmental goals. The authorized exemption was for a specified percentage, declining over a 10-year period, of the assessed value of the improvements. Legislation adopted in 2013 permits a locality granting the exemption to establish by local law a maximum exempt amount. (To date, the City has not acted to allow the “green building” exemption.)

- Chapter 14, NYS Laws of 2013

Cross Reference: See Miscellaneous section write-up concerning START-UP NY Program (on page 12) for item relating to real property tax.

BUSINESS INCOME TAXES

Royalty Payment Addback Rules Revised

In 2003, State and City tax legislation—at the City level covering the general and banking corporation taxes, the unincorporated business tax and the personal income tax—was enacted to require taxpayers that made certain federally deductible royalty payments to a related member to add those payments back in calculating their State/City taxable income. If the related member was taxable in New York, the royalty payments received could be excluded from its State/City taxable income if the payor added back the payments on its State/City return. Under 2013 amendments to those provisions, the income exclusion available to a royalty recipient is eliminated. The addback for royalty payments continues to be required, but will not apply if specified conditions are met. Certain of the conditions require that the royalty transaction be entered into for a valid business purpose with arms-length terms and that the related member be taxable in another jurisdiction at specified levels on a tax base that includes the royalty payments. The amendments apply to tax years beginning on or after January 1, 2013.

- Chapter 59 (Part E), NYS Laws of 2013

SALES TAX

Noncomplying Vendor Enforcement Measure Extended

A provision that authorizes the State Tax Department to require a noncomplying sales tax vendor to deposit sales tax collections in a separate bank account, which was set to expire on December 31, 2013, has been extended through December 31, 2016.

- Chapter 59 (Part H), NYS Laws of 2013

Exemption Allowed for Natural Gas to be Converted to Compressed Natural Gas for Use in Vehicles

Effective June 1, 2013, an exemption from State and local sales taxes is allowed for purchases of natural gas that will be converted to compressed natural gas for use directly and exclusively in motor vehicle engines. The exemption will expire on August 31, 2014.

- Chapter 59 (Part K), NYS Laws of 2013

Certain Interdistributor Sales of Highway Diesel Motor Fuel Exempted From Prepaid Sales Tax

Beginning August 1, 2013, sales of highway diesel motor fuel by one registered distributor to another are exempt from the prepaid State and local sales tax if the fuel is: (1) delivered to a terminal of a licensed/registered operator, or (2) sold within the terminal where it was delivered.

- Chapter 59 (Part W), NYS Laws of 2013

Sales Tax Exemption for Broadcasters Updated

In connection with the State and local sales tax exemption for tangible personal property used or consumed by broadcasters in the production or transmission of recorded programs, the definition of the term “recorded programs” has been amended, effective July 31, 2013, to mean “any program contained on any medium,” rather than “any program contained on film, tape, disc or any other physical media.”

- Chapter 229, NYS Laws of 2013

Water and Sewer Service Line Protection Program Receipts Exempted From Sales Tax

Effective October 21, 2013, receipts from sales of and fees associated with water and sewer service line protection programs sold to owners of residential property are exempt from State and local sales taxes.

- Chapter 400, NYS Laws of 2013

Certain Out-of State Purchases of Motor Vehicles by Military Personnel Exempted From Sales Tax

Effective December 18, 2013, a motor vehicle purchased in another state by a member of the Armed Forces will be exempt from New York State and local sales taxes upon the member's return to and registration of the vehicle in New York, provided there is proof of payment in another state of a sales, use, excise, usage or highway use tax necessary to obtain title.

- Chapter 534, NYS Laws of 2013

Technical Corrections Made to Provisions Authorizing NYC to Conform to NYS Commercial Solar Energy Systems Equipment Exemption

A 2012 law exempted from the State sales tax receipts from the sale and installation of commercial solar energy systems equipment, and authorized localities, including the City, to conform their local laws. The authorizing language for the City contained technical deficiencies, which have been corrected by 2013 legislation. (To date, however, the City has not acted to conform its local tax.)

- Chapter 13, NYS Laws of 2013

Cross Reference: See Miscellaneous section write-up concerning START-UP NY Program (on page 12) for item relating to sales tax.

PERSONAL INCOME TAX

NYC Resident Shareholders Allowed Limited Credit for NYC General Corporation Taxes Paid by Their S Corporations

Certain NYC residents, who are shareholders of federal S corporations that have made the New York State S corporation election, will be eligible for a City personal income tax credit for their share of NYC general corporation taxes paid by their S corporations (including an exempt qualified subchapter S subsidiary (QSSS)). If the resident shareholder's taxable income is not more than \$35,000, a full credit is allowed. If taxable income is more than \$35,000 but less than

\$100,000, a partial credit is allowed, which decreases as taxable income increases. Taxpayers whose taxable income is \$100,000 or more are not eligible for any credit. The credit will be available for tax years beginning on or after January 1, 2014 but before July 1, 2015; however, if a tax year includes days occurring after June 30, 2015, the credit must be prorated to reflect only days occurring before July 1, 2015.

- Chapter 4 (§§ 12 and 13), NYS Laws of 2013

Limitation on Itemized Deductions for High-Income Taxpayers Extended

For State and City personal income tax purposes, if an individual's New York adjusted gross income is over \$10 million, his or her New York itemized deduction is an amount equal to 25 percent of any charitable contribution deduction allowed for federal income tax purposes. This limitation, which had been set to expire for tax years beginning after 2012, has been continued for tax years beginning in 2013, 2014 and 2015.

- Chapter 59 (Part D), NYS Laws of 2013

Standard Deduction Indexing Continued

The standard deduction allowed for State and City personal income tax purposes will continue to be indexed for cost-of-living increases for tax years beginning in 2015, 2016 and 2017. Indexing had been set to end after tax year 2014.

- Chapter 59 (Part FF), NYS Laws of 2013

Partial Exclusion Allowed for Small Business income

Beginning in 2014, a partial State and City personal income tax exclusion will be allowed for income from a small business. For this purpose, a "small business" is defined as a sole proprietor or farm business employing one or more persons during the tax year and having net business income or net farm income of less than \$250,000. In tax year 2014, a taxpayer can exclude three percent of small business income; the exclusion percentage increases to 3.75 percent in tax year 2015 and to five percent beginning in tax year 2016.

- Chapter 59 (Part Y), NYS Laws of 2013

Deduction Allowed for Income From Businesses Operated at NYS Innovation Hot Spots

Under a new State economic development program, known as the NYS Business Incubator and Innovation Hot Spot Support Act, qualifying firms are eligible for certain State tax benefits, including a personal income tax benefit that also

applies under the City's personal income tax. The PIT benefit permits a sole proprietor, partner or New York S-corporation shareholder to claim a deduction for the amount of income attributable to qualifying operations at or as part of a NYS innovation hot spot.

- Chapter 59 (Part C), NYS Laws of 2013

E-Filing Requirement Extended

Electronic filing and payment requirements applicable to State and City personal income taxes (and other State and State-administered local taxes) were modified in 2012 to require e-filing by tax preparers who prepare tax documents for more than 10 different taxpayers. That requirement, which was scheduled to revert to a higher threshold requirement at the end of 2013, has been continued in effect through December 31, 2016.

- Chapter 59 (Part H), NYS Laws of 2013

Cross Reference: See Miscellaneous section write-up concerning START-UP NY Program (on page 12) for item relating to personal income tax.

HOTEL ROOM OCCUPANCY TAX

Higher Hotel Tax Rate Extended

In addition to the State and City sales taxes on hotel room occupancies, the City imposes a separate hotel room occupancy tax that consists of a flat fee per day per room and a percentage rate applied to the room rent paid. In 2009, the percentage rate was increased from five percent to 5.875 percent, but was scheduled to revert to five percent beginning December 1, 2013. Local legislation adopted at the end of 2013 has set a five-percent rate for the period from December 1, 2013 to December 19, 2013, and has restored the 5.875 percent rate for the period from December 20, 2013 to November 30, 2015. Under that legislation, the rate is scheduled to revert to five percent on December 1, 2015.

- NYC Local Law 151 of 2013

CIGARETTE TAX

Cigarette Tax Enforcement Rules Strengthened

A local law has authorized the Commissioner of Finance to order the sealing of any premises in which a specified number of cigarette tax violations have occurred within a three-year period. (Sealing orders may also be issued for

certain violations of the City's health and consumer affairs laws relating to cigarettes and tobacco products.) The seizure and forfeiture of tax-paid cigarettes is also authorized when they are sold or possessed by an unlicensed retail or wholesale dealer. For purposes of various provisions of the cigarette tax law and the City's health and consumer affairs laws relating to retail cigarette dealers, there is a presumption that a person is a retail dealer if such person possesses or transports a specified number of cigarettes; the local law reduces that number from 5,000 or more cigarettes to more than 400 cigarettes. The measure also makes it unlawful, with some exceptions, to sell, possess or transport any counterfeit cigarette tax stamps, whether or not affixed to a cigarette pack.

In addition to the above amendments, the local law amends various provisions of the City's health and consumer affairs laws relating to cigarettes and other tobacco products, and gives the Commissioner of Finance a role in enforcing such provisions.

- NYC Local Law 97 of 2013

REAL PROPERTY TRANSFER TAX

Cross Reference: See Miscellaneous section write-up concerning START-UP NY Program (on page 12) for item relating to real property transfer tax.

MISCELLANEOUS

START-UP NY Program Offers Tax Incentives for Firms Affiliating With NY Colleges and Universities and Creating New Jobs

New York State has adopted a new tax incentive program, known as the START-UP NY Program, which provides state and local tax benefits to approved businesses that relocate, start up or expand in designated tax-free areas of the State, including areas in New York City, through affiliations with approved public and private universities and colleges. Among other requirements, a participating business must create jobs in order to receive program benefits. The benefits are available for up to 10 years, beginning in 2014. The following City tax benefits (which match the benefits under the corresponding State taxes) are available to approved program participants:

- Personal income tax—Eligible employees working in tax-free areas qualify for five years of full exclusion, followed by five years of partial exclusion, for wages received from an approved business.

- Sales and use tax—Approved businesses in tax-free areas are eligible for credit or refund of taxes imposed on certain purchases of tangible personal property and utility and other services. A credit or refund is also available for certain purchases of tangible personal property by contractors and repairmen for use in constructing, servicing or repairing tax-free area realty of an approved business.
- Real property transfer tax—Leases of real property located in a tax-free area to an approved business are exempt from the transfer tax.
- Real property tax—Private colleges and universities will retain their tax-exempt status on property that is exempt as of June 30, 2013 but that is subsequently leased to a business participating in the START-UP NY Program.

Detailed information about the START-UP NY Program is available on the NYS Department of Taxation and Finance website.

- Chapter 68, NYS Laws of 2013

State Tax Department Authorized to Share Data With City Regarding Credit and Debit Card Settlement Payments to Merchants

Under 2010 legislation, financial institutions and other credit and debit card settlement organizations are required to file with the NYS Department of Taxation and Finance annual information returns regarding settlement payments made to New York payees. A 2013 law authorizes the State Tax Department to disclose to the NYC Department of Finance, for local tax administration purposes, information from those returns relating to any firm with a New York City address or that is a City taxpayer or is subject to any City tax reporting requirement.

- Chapter 235, NYS Laws of 2013

Delinquent Taxpayers to Face Suspension of Drivers' Licenses

The NYS Commissioners of Taxation and Finance and Motor Vehicles have been mandated to develop procedures to implement a new statutory program designed to improve tax collection through the suspension of New York drivers' licenses (except commercial drivers' licenses) of taxpayers with past-due tax liabilities of \$10,000 or more. The program covers all taxes administered by the State Tax Commissioner, including the City's personal income tax and sales tax.

- Chapter 59 (Part P), NYS Laws of 2013

Service of Income Execution Authorized Without First Filing Warrant

The NYS Commissioner of Taxation and Finance has been authorized to serve income executions without first filing a warrant in the appropriate County Clerk's office or with the NYS Department of State, as had been previously required. The warrantless income execution can be served if the taxpayer fails to pay the amount owed within 21 days after the issuance of a notice and demand (or 10 business days if the amount owed is \$100,000 or more). The authorization, which remains in effect until April 1, 2015, applies to all taxes administered by the State Tax Commissioner, including the City's personal income tax and sales tax.

- Chapter 59 (Part Q), NYS laws of 2013

City Sheriff's Mileage Fees Increased

Beginning January 17, 2014, the Department of Finance's Office of the Sheriff will be entitled to a fee of \$30 (formerly \$25) for mileage traveled entirely within the City in connection with the performance of certain services. Beginning one year later the fee will increase to \$35. (City Marshals will be entitled to the same fee increases.)

- Chapter 532, NYS Laws of 2013

Chronology of Selected Legislative Actions Affecting NYC Taxes

Explanatory Notes:

Local laws adopted by the NYC Council. Chapter laws adopted by the NYS Legislature. TYs BOOA = Tax years beginning on or after; TYs EOOA = Tax years ending on or after; FY = Fiscal Year (New York City's Fiscal Year begins July 1 and ends the following June 30.)

Tax Acronyms:

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

CMVT = Commercial Motor Vehicle Tax
 CT = Cigarette Tax
 HTX = Hotel Room Occupancy Tax
 PIT = Personal Income Tax
 RPTT = Real Property Transfer Tax
 UBT = Unincorporated Business Tax

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

Chronology of Selected Legislative Actions Affecting NYC Taxes

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

Chronology of Selected Legislative Actions Affecting NYC Taxes

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

Chronology of Selected Legislative Actions Affecting NYC Taxes

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

Chronology of Selected Legislative Actions Affecting NYC Taxes

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

Chronology of Selected Legislative Actions Affecting NYC Taxes

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

Chronology of Selected Legislative Actions Affecting NYC Taxes

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

Chronology of Selected Legislative Actions Affecting NYC Taxes

Tax Action	Tax	Legal Citation	Effective Date
2009			
City sales tax rate increased from 4% to 4.5%	STX	Chapter 200, Laws of 2009	8/1/09
City sales tax exemption on clothing and footwear conformed to State exemption covering only items costing under \$110	STX	C. 200	8/1/09
Unincorporated business tax credit increased: full credit if tax not over \$3400; partial credit if tax between \$3401 and \$5399	UBT	Chapter 183, Laws of 2009	TYBOOA 1/1/09
Various City tax provisions conformed to State tax provisions, including:			
•10-year phase-in of single receipts factor allocation formula	GCT, UBT	Chapter 201, Laws of 2009	TYBOOA 1/1/09
•mandatory combined returns where substantial intercompany transactions exist	GCT, UBT	C. 201	TYBOOA 1/1/09
•required combination for "captive" REITs/RICs	GCT, BTX	C. 201	TYBOOA 1/1/09
•cap on alternative tax on capital raised to \$1 million	GCT	C. 201	TYBOOA 1/1/09
•fixed-dollar minimum tax to be based on gross receipts	GCT	C. 201	TYBOOA 1/1/09
•alien banks subject to taxable assets alternative tax base	BTX	C. 201	TYBOOA 1/1/11
•banks allowed net operating loss carryforward deduction	BTX	C. 201	Losses after 2008
•special receipts sourcing rules adopted for broker/dealers	GCT, UBT	C. 201	TYBOOA 1/1/09
•City voluntary disclosure and compliance program adopted	Various	C. 201	7/11/09
•income and excise tax criminal penalties revised	Various	C. 201	7/11/09
Room remarketers required to collect hotel tax on markups	HTX	Local Law 43 of 2009	9/1/09
City sales tax imposed on electric and gas transmission services	STX	C. 200	8/1/09
State/City sales tax imposed on limousine services	STX	Chapter 57, Laws of 2009	6/1/09
City school tax reduction (STAR) credit reduced	PIT	C. 57	TYBOOA 1/1/09
Middle Class STAR Rebate Program repealed	RPT	C. 57	2009-2010 school year
Small biotechnology firms allowed credit for certain R&D and training costs	GCT, UBT	Chapter 453, Laws of 2009, Local Law 67 of 2009	TYs 2010, 2011, 2012
2010			
Additional bracket added to City personal income tax rate schedule; 3.876% rate on taxable income over \$500,000	PIT	Chapter 57, Laws of 2010	TYBOOA 1/1/10
Total itemized deductions for taxpayer with AGI over \$10 million limited to 25% of federal charitable contribution deduction	PIT	C. 57	TY's 2010, 2011, 2012
Hotel room remarketers' markup made subject to State/City sales tax	STX	C. 57	9/1/10
Bank bad debt deduction conformed to federal deduction	BTX	C. 57	TYBOOA 1/1/10
Expiring bank tax provisions extended for one year	BTX	Chapters 24, 67, Laws of 2010	TYBOOA 1/1/10
STAR exemption eliminated for homeowners with incomes above \$500,000	RPT	C. 57	2011-2012 school year
2011			
Expiring tax authorizations extended for three years	CT, GCT, PIT, STX	Chapter 209, Laws of 2011	7/20/11
Industrial and Commercial Abatement Program extended for four years	RPT	Chapter 28, Laws of 2011	3/1/11
Section 421-a Multiple Dwelling Exemption Program extended until June 15, 2015	RPT	Chapter 97, Laws of 2011	12/28/10
Tax Lien Sale Program extended for four years	RPT	Local Law 15 of 2011	3/16/11
Expiring bank tax provisions made permanent and Gramm-Leach-Bliley transitional provisions extended for two years	BTX	Chapter 61, Laws of 2011	3/31/11
Electronic news services and electronic periodicals exempted from State/City sales tax	STX	Chapter 583, Laws of 2011	3/1/12
Marriage Equality Act recognizes same-sex marriages for State/City tax purposes	Various	Chapters 95, 96, Laws of 2011	7/24/11
Reduced tax rates for qualifying real estate investment trust (REIT) transfers extended for three years	RPTT	Chapter 493, Laws of 2011	8/31/11
Higher hotel room tax rate extended for two years	HTX	Local Law 67 of 2011	12/1/11
Increases in STAR tax savings limited	RPT	Chapter 58, Laws of 2011	FY 2012
Taxi and Limousine Commission authorized to collect motor vehicle tax on medallion cabs	CMVT	Local Law 73 of 2011	4/1/12

Chronology of Selected Legislative Actions Affecting NYC Taxes

Tax Action	Tax	Legal Citation	Effective Date
2012			
Deadline extended for paying 1/1/13 tax installment on certain residential property damaged or demolished by Hurricane Sandy	RPT	Local Law 63 of 2012	12/20/12
Solar electric generating system abatement extended for 2 years	RPT	Chapter 401, Laws of 2012	8/17/12
Biotechnology credit extended for 3 years	GCT, UBT	Chapter 429, Laws of 2012, Local Law 61 of 2012	12/20/12
Gramm-Leach-Bliley transitional provisions extended for 2 years and modified	BTX, GCT	Chapter 59, Laws of 2012	3/30/12
Responsibility for collecting CMVT on medallion cabs returned to Department of Finance	CMVT	Local Law 35 of 2012	6/1/12
NYC financial institution data match system extended to all banks doing business in NYS	Various	Chapter 380, Laws of 2012	8/17/12
2013			
Coop/condo abatement program extended for 3 years and revised	RPT	Chapter 4, Laws of 2013	6/1/12
J-51 exemption/abatement program extended and modified	RPT	C. 4	12/31/11
Rebates authorized for Hurricane Sandy-damaged property	RPT	Chapter 250, Laws of 2013, Local Law 67 of 2013	7/31/13
"Green roof" abatement program extended and modified	RPT	Chapter 524, Laws of 2013	7/1/14
STAR registration program established	RPT	Chapter 57, Laws of 2013	4/1/13
START-UP NY Program established	RPT, PIT, STX, RPTT	Chapter 68, Laws of 2013	1/1/14
Royalty payment addback rules revised	GCT, BTX, UBT, PIT	Chapter 59, Laws of 2013	TYBOOA 1/1/13
NYC resident shareholders allowed limited credit for general corporation taxes paid by NYS S corporation	PIT	C. 4	TYBOOA 1/1/14
Partial exclusion allowed for income from small business	PIT	C. 59	TYBOOA 1/1/14
Cigarette tax enforcement powers expanded	CT	Local Law 97 of 2013	11/19/13
Higher hotel tax percentage rate extended	HTX	Local law 151 of 2013	12/20/13