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

**SUMMARY OF NEW YORK STATE
AND NEW YORK CITY
LEGISLATION THAT AFFECTS
CITY TAXES AND THE
DEPARTMENT OF FINANCE**

2015

BILL DE BLASIO, MAYOR

JACQUES JIHA, PH.D., COMMISSIONER

**SUMMARY OF NEW YORK STATE
AND NEW YORK CITY
LEGISLATION THAT AFFECTS
CITY TAXES AND THE
DEPARTMENT OF FINANCE**

2015



**BILL DE BLASIO
MAYOR**

**JACQUES JIHA, PH.D.
COMMISSIONER**

**REPORT PREPARED BY THE
DIVISION OF TAX POLICY
JUNE 2016**

Table of Contents

Business Income Taxes	2
Real Property Tax.....	3
Personal Income Tax	10
Sales Tax.....	11
Commercial Rent Tax	13
Hotel Room Occupancy Tax.....	14
Miscellaneous	14
Chronology of Selected Legislative Actions Affecting NYC Taxes, 1990-Present	16

SUMMARY OF 2015 NEW YORK STATE AND NEW YORK CITY LEGISLATION THAT AFFECTS CITY TAXES AND THE DEPARTMENT OF FINANCE

The following are brief summaries of New York State and New York City laws enacted during 2015 that affect City taxes and other areas within the Department of Finance's jurisdiction. Citations are provided after each summary for readers who wish to consult the laws themselves.

BUSINESS INCOME TAXES

City Corporate Tax Reform Legislation Adopted

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

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

- The entire net income tax base is replaced by a business income tax base.
- The definitions of investment capital and investment income are narrowed and both are exempted from tax.
- The separate treatment of subsidiary capital and subsidiary income is eliminated.
- The alternative tax base measured by income plus compensation paid to certain shareholders is repealed.
- Tax rates for qualifying manufacturers and small businesses are reduced.
- Customer-based sourcing rules are adopted for receipts-allocation purposes.
- The rules for carrying over net operating losses (NOLs) incurred in tax years beginning after 2014 are simplified.
- Pre-2015 NOLs are converted into a "prior NOL conversion subtraction pool" to stabilize their value for financial accounting purposes.

- Combined reporting is adopted for unitary corporations that meet a more-than-50 percent-stock-ownership test, with an election for non-unitary corporations to file a combined return if they meet the ownership test.

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

- Chapter 60 (Part D), NYS Laws of 2015

REAP Business Tax Credit Programs Extended

The City's Relocation and Employment Assistance Programs provide tax credits against the City's corporate income taxes, unincorporated business tax and utility tax for relocating and adding employees at qualifying premises in designated areas of the City. (The original REAP credit is available for relocations to premises above 96th Street in Manhattan and in the other boroughs; the later Lower Manhattan REAP credit is available for relocations to premises below Houston Street.) Statutory provisions that generally barred the issuance of REAP certificates of eligibility after June 30, 2015 have been amended to permit certificates to be issued until June 30, 2017.

- Chapter 20 (Part A, §§ 35-38), NYS Laws of 2015

Biotechnology Credit Extended

Beginning in tax year 2010, certain biotechnology firms in the City were allowed a credit against the general corporation tax or unincorporated business tax based on qualifying research and development costs. The credit can be claimed for a maximum of three years, and the total of all credits allowed during any calendar year cannot exceed \$3 million. The credit was scheduled to expire at the end of tax year 2015, but legislation has been enacted to continue the credit through tax year 2018.

- Chapter 260, NYS Laws of 2015 and NYC Local Law 111 of 2015

REAL PROPERTY TAX

Coop/Condo Partial Tax Abatement Program Extended

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 2014-2015 fiscal year, has been extended for four years—through the fiscal year ending June 30, 2019. Also extended through the year ending June 30, 2019 is a provision stating that no more than three dwelling units owned by a unit owner in a single building, one of which must be the owner's primary residence, shall be eligible to receive the partial abatement. Under the program, units in buildings with an average unit assessed value not exceeding \$50,000 receive an abatement equal to 28.1 percent of the unit's taxes; units in buildings with an average unit

assessed value greater than \$50,000 but not greater than \$55,000 receive an abatement equal to 25.2 percent of the unit's taxes; units in buildings with an average unit assessed value greater than \$55,000 but not more than \$60,000 receive an abatement equal to 22.5 percent of the unit's taxes; and units in buildings with an average unit assessed value exceeding \$60,000 receive an abatement equal to 17.5 percent of the unit's taxes.

- Chapter 20 (Part A, §§ 61-63), NYS Laws of 2015

Section 421-a Multiple Dwelling Exemption Program Extended and Revised

The section 421-a program provides real estate tax exemptions for the construction of new multiple dwellings. Prior to 2015, otherwise eligible projects could qualify for 421-a benefits if construction commenced before June 15, 2015. Under legislation enacted in 2015, the existing 421-a program was extended to cover any project on which construction is commenced not later than December 31, 2015 and completed on or before December 31, 2019. The legislation also established an Extended Benefit Program under which owners of certain qualifying rental projects that began construction before July 1, 2008 can elect to extend their existing 421-a benefits for an additional 10 or 15 years at a 50 percent property tax reduction during the extended period in return for agreeing to preserve existing affordable units and provide additional affordable units during the extended period.

The 2015 legislation also established a new 421-a exemption program—with components for rental housing and cooperative and condominium housing—for projects on which construction is commenced between January 1, 2016 and June 15, 2019 and completed not later than June 15, 2023. However, the legislation provided that the new program would take effect only if representatives of residential real estate developers and construction labor unions signed a memorandum of understanding regarding wages payable to construction workers on 421-a projects with more than 15 units no later than January 15, 2016. Since no agreement was reached by the deadline, and since no other legislative action has been taken as of the date of this report, the new 421-a program is not in effect.

The 421-a program is administered by the NYC Department of Housing Preservation and Development.

- Chapter 20 (Part A, §§ 63-a-63-m), NYS Laws of 2015

Buildings Damaged by Superstorm Sandy and Later Rebuilt Made Eligible for Limitations on Assessment Increases

Under legislation enacted in 2014, certain properties in Class One (1-3 family homes), Class Two (larger residential buildings) and Class Four (commercial properties other than utility properties) that were damaged by Superstorm Sandy (which occurred on October 29 and 30, 2012) and were later rebuilt, were eligible for a partial real property tax abatement for the City's 2014-2015 fiscal year. The abatement was designed to ensure that the tax on a building that was repaired or rebuilt after the storm was not higher than the amount owed before the storm.

In 2015, legislation has been adopted to provide additional relief for Class One, Two and Four properties damaged by Superstorm Sandy. The legislation limits increases in the assessed value of such properties to levels below the increases that would normally be permitted for physical increases due to repair or reconstruction work. To be eligible for these assessment increase limitations, a building must meet the following conditions:

- (1) The Department of Finance reduced the assessed value of the building on the assessment roll completed in 2013 from its assessed value on the roll completed in 2012 as a result of damage caused by the storm; and
- (2) The Department of Finance increased or will increase the building's assessed value as a result of the repair or reconstruction work necessitated by the storm on any assessment roll completed from 2014 through 2020.

For properties that meet these conditions, the legislation serves to limit assessment increases on the rolls completed in 2014 through 2020 to the increases that would have been permitted if the storm had not occurred. However, if a building's square footage is increased as a result of the repair or reconstruction work, the limit on increases will be adjusted to reflect the additional square footage.

- Chapter 14, NYS Laws of 2015 and NYC Local Law 34 of 2015

Tax Abatement Benefits in Lower Manhattan Extended

The Lower Manhattan Commercial Revitalization Program, which offers eligible landlords real estate tax abatements that are in turn passed along to their qualifying commercial tenants in the form of lower rents, contains several sunset dates that have been extended as follows: the end of the eligibility period during which the lease term must begin has been extended from March 31, 2016 to March 31, 2018; the end of the benefit period during which the abatement is available has been extended from March 31, 2022 to March 31, 2024; and the end of the period during which certain expenditures on common area improvements must be made has been extended from September 30, 2016 to September 30, 2018.

- Chapter 20 (Part A, §§ 53-55), NYS Laws of 2015

Industrial and Commercial Abatement Program Continued

The Industrial and Commercial Abatement Program, which provides tax abatement benefits for the construction or improvement of industrial or commercial buildings in designated areas of the City, has been extended by moving the application filing deadline from March 1, 2017 to March 1, 2019. Benefits will not be allowed for construction work performed pursuant to a building permit issued after April 1, 2019, or, if no building permit is required, for construction work commenced after April 1, 2019. (The former deadline was April 1, 2017.)

- Chapter 20 (Part A, §§ 57-60), NYS Laws of 2015

ICAP Boundary Commission Membership and Meeting Schedule Modified

The Industrial and Commercial Abatement Program law creates a Commercial Incentive Area Boundary Commission, which, subject to City Council approval, is empowered to designate special commercial abatement areas in which enhanced benefit levels are available. The law, which formerly designated the NYC Deputy Mayor for Economic Development and Planning as one of the Commission members, has been amended to allow the Mayor to designate any deputy mayor as a member. Another amendment to the law authorizes the Commission to meet in 2015, and provides that, if it does not do so, new applications for special commercial abatement area benefits postmarked after December 31, 2015 will be deemed applications for regular area benefits. (The ICAP Boundary Commission met in November of 2015 and recommended the continuance of the existing special areas; since the City Council did not alter the recommendation, the special area designations remain in effect.)

- Chapter 271, NYS Laws of 2015

J-51 Exemption/Abatement Program Extended

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 deadline for completing conversions, alterations or improvements in order to qualify for benefits, formerly June 29, 2015, has been extended until June 29, 2019.

- Chapter 20 (Part A, §§ 19, 20), NYS Laws of 2015 and NYC Local Law 60 of 2016

Commercial Expansion Program Extended for Two Years

The City's Commercial Expansion Program is designed to benefit qualifying commercial, industrial and manufacturing tenants in designated areas of the City by providing tax abatements to landlords, which in turn are passed on to the tenants in the form of lower rents. The program has been extended by moving the eligibility period termination date from June 30, 2016 to June 30, 2018, and by moving the date by which certain expenditures must be made for improvements to a building's common areas from December 31, 2016 to December 31, 2018.

- Chapter 20 (Part A, §§ 51, 52), NYS Laws of 2015

Real Estate Tax Abatement Allowed for Economic Losses Resulting from Lengthening of Period for Amortizing Major Capital Improvement Costs

In connection with various amendments in 2015 to the City's rent control and rent stabilization laws, the period during which a landlord can amortize or recoup the cost of a building-wide major capital improvement (MCI) through higher apartment rents has been increased from seven years to eight years if the building has no more than 35 units or nine years if the building has more than 35 units. Landlords affected by this change have been made eligible to receive a real property tax abatement equal to 50 percent of the economic loss attributable to the extended

amortization period. The amount of the economic loss is determined by multiplying the total approved cost of the major capital improvement by a fraction whose numerator is the increase, measured in months, in the amortization period (12 or 24 months) and whose denominator is the total number of months in the new amortization period (96 or 108 months). The abatement applies only during the City fiscal year following the approval of an application for abatement by the NYC Department of Finance, and no part of the abatement can be carried over to any subsequent fiscal year.

- Chapter 20 (Part A, §§ 30-32 and 65), NYS Laws of 2015

Tax Lien Sale Program Extended and Modified

Statutory provisions that authorize the Commissioner of Finance to enforce the collection of delinquent real estate taxes, water and sewer charges and other real estate-related charges through the sale of tax liens, which had been set to expire on January 1, 2015, have been extended until December 31, 2016. In addition, beginning January 1, 2015 and before January 1, 2017, certain properties damaged or destroyed by Superstorm Sandy must be excluded from tax lien sales. The measure also requires purchasers of tax liens to submit quarterly reports to the City Council, containing detailed information relating to the tax liens and the property involved, and creates a temporary task force, which must meet at least quarterly, to review and evaluate the tax lien sale process, with a mandate to submit a report to the Mayor and City Council Speaker by September 1, 2016.

- NYC Local Laws 14 and 20 of 2015

Exemption/Abatement Program for Rehabilitation of Single-Room Occupancy Housing Extended

Section 488-a of the Real Property Tax Law authorizes tax exemptions and abatements for the rehabilitation of multiple dwellings used for single-room occupancy. The statutory deadline by which eligible rehabilitation work must be commenced in order to be eligible for benefits has been extended to December 30, 2019.

- Chapter 273, NYS Laws of 2015 and NYC Local Law 61 of 2016

Increase Authorized in Alternative Veterans' Exemption Dollar Ceilings

For purposes of the alternative veterans' exemption allowed under section 458-a of the Real Property Tax Law, localities have been authorized to increase the dollar ceilings on the exemptions that would otherwise be allowed. Currently, the dollar ceilings in New York City are \$54,000 for the basic exemption, \$36,000 for the additional combat zone exemption and \$180,000 for the additional disability exemption. (These amounts are multiplied by the latest class ratios to arrive at the actual ceilings.) The new legislative authorization includes seven

levels of increases, the highest of which is \$75,000, \$50,000 and \$250,000, respectively. (To date, the City has taken no action on this authorization.)

- Chapter 381, NYS Laws of 2015

Banking Commission to Provide Detailed Data Supporting Recommended Interest Rate on Delinquent Taxes and Discount Rate on Early Tax Payments

The NYC Banking Commission, which consists of the Mayor, the Comptroller and the Commissioner of Finance, is responsible for annually recommending to the City Council a proposed interest rate to be charged for delinquent property taxes and water and sewer charges and a proposed discount rate for early payment of property taxes. Beginning in 2015, a new local law requires the Banking Commission to submit with its recommendations detailed reports containing information specified in the law and describing the factors considered in arriving at its recommendations. The local law also changes the date by which the Banking Commission must send its annual recommendations to the Council from May 25 to May 13, and changes the calculation of the default discount rate that will apply if the Council does not adopt a discount rate.

- NYC Local Law 30 of 2015

Department of Finance Assigned New Responsibilities in Connection with Administration of SCRIE and DRIE Programs

The City's senior citizen rent increase exemption (SCRIE) and disability rent increase exemption (DRIE) programs offer qualifying limited-income tenants living in rent-controlled or rent-regulated apartments an exemption from certain rent increases, and compensate landlords for the foregone rents through real property tax abatements. The Department of Finance administers these programs. Local legislation has directed the Commissioner of Finance to designate departmental employees to serve as ombudspersons for the programs, with the responsibility for receiving, investigating and responding to complaints, and making recommendations to the Commissioner regarding the administration of each program. The measure also directs the establishment of dedicated email addresses or website links to receive written inquiries regarding the programs, requires that program eligibility criteria be included on various documents issued by the Department and requires the submission of periodic reports on the programs to the City Council.

- NYC Local Law 40 of 2015

Certain Limited-Income Senior Citizens or Disabled Persons Protected Against Reductions in SCRIE or DRIE Benefits

Under the senior citizen rent increase exemption (SCRIE) and disability rent increase exemption (DRIE) programs, qualifying heads of household are exempted from the portion of a rent increase that would cause the rent to exceed one-third of total household income. Some heads of household were granted rent increase exemptions although they did not meet the one-third ratio

requirement or were granted rent increase exemptions greater than those for which they were eligible. To prevent the loss or reduction of the benefit that they had been granted, legislation has been adopted to permit a head of household to continue to receive the benefit granted if a rent increase exemption order was in effect as of January 1, 2015 or took effect on or before July 1, 2015.

- Chapter 553, NYS Laws of 2015

Eligible Surviving Household Members Authorized to Apply for Transfer of SCRIE or DRIE Benefit Granted to Deceased Head of Household

Upon the death of a head of household who had been granted a rent increase exemption under the SCRIE or DRIE program, a household member who meets program eligibility requirements has been made eligible to apply to have the rent increase exemption transferred to and continued in his or her name as the new head of household. The transfer option is available until the later of six months following the head of household's death or 90 days after the date of a notice from the Department of Finance advising that the benefit has expired as a result of the head of household's death. A benefit transfer is also available where a head of household permanently leaves the household as specified in rules promulgated by the administering agency.

- Chapter 580, NYS Laws of 2015

Landlords of Rent-Controlled or Rent-Regulated Buildings Required to Furnish Tenants with Information About SCRIE and DRIE Programs

Beginning in 2015, the local agency administering the senior citizen rent increase exemption (SCRIE) or disability rent increase exemption (DRIE) program (the Department of Finance in New York City) is required to develop informational material describing eligibility for and benefits of the SCRIE and DRIE programs and how to get additional information on these programs. That material must be provided to landlords of rent-controlled or rent-regulated buildings, who, in turn, must deliver it to building tenants at least once a year, including with a new lease and all renewal leases.

- Chapter 424, NYS Laws of 2015

State Department of Taxation and Finance Authorized to Recoup Improperly Granted Basic STAR Exemptions

Effective April 13, 2015, the State Department of Taxation and Finance is authorized to recover any tax savings (with interest) resulting from an improperly granted basic school tax relief (STAR) exemption on one or more of the three preceding assessment rolls. Amounts to be recouped are collectible from the owner of the affected property using the collection procedures prescribed in the personal income tax law. An owner claiming that an exemption was not improperly granted is entitled to a hearing within the Department of Taxation and Finance and

may seek review of an adverse determination by the State Board of Real Property Tax Services and the courts.

- Chapter 59 (Part E), NYS Laws of 2015

One-Time Relief Granted to Certain STAR Applicants Who Registered With NYS Department of Taxation and Finance But Not Local Assessor

Homeowners who registered with the NYS Department of Taxation and Finance for the 2014 basic STAR exemption, but failed to file a timely exemption application with the local assessor for that year, have been made eligible to receive the benefit of the exemption for 2014. The Department of Taxation and Finance will pay benefit amounts directly to qualifying homeowners, provided they are identified to the Department no later than October 1, 2015.

- Chapter 59 (Part F), NYS Laws of 2015

All Local Taxing Jurisdictions Required to Participate in STAR Income Verification Program

In connection with the enhanced STAR benefit that can be claimed by limited-income homeowners who are 65 or over, an owner can authorize the local assessing jurisdiction to have his or her income eligibility verified annually by the NYS Department of Taxation and Finance instead of furnishing copies of income tax returns with STAR applications. Legislation has been adopted to make it clear that this income verification program is a state-wide program in which all local assessing units must participate.

- Chapter 451, NYS Laws of 2015

PERSONAL INCOME TAX

NYC Resident Shareholder Credit for General Corporation Taxes Paid by S Corporation Extended

Certain NYC residents, who are shareholders of federal S corporations that have made the New York State S corporation election, are 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 was due to expire on July 1, 2015, but it has been extended through tax years beginning before July 1, 2019; however, if a tax year includes days occurring after June 30, 2019, the credit must be prorated to reflect only days occurring before July 1, 2019.

- Chapter 20 (Part A, § 60-a), NYS Laws of 2015

STAR PIT Rate Reduction Eliminated for Taxpayers With Taxable Income Over \$500,000

In 1997, as part of the State-funded school tax relief (STAR) program, City personal income tax rates were reduced. In 2010, the rate reduction was eliminated on the portion of a taxpayer's taxable income that exceeded \$500,000. Under 2015 legislation, which applies to tax years beginning after 2014, the rate reduction has been completely eliminated for all taxpayers with taxable income above \$500,000.

- Chapter 59 (Part B), NYS Laws of 2015

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 \$1 million but not over \$10 million, his or her total New York itemized deductions cannot exceed 50 percent of the federal deduction for charitable contributions. For individuals with New York adjusted gross income above \$10 million, total New York itemized deductions cannot exceed 25 percent of the federal charitable contributions deduction. These limitations, which had been set to expire for tax years beginning after 2015, have been continued through tax year 2017.

- Chapter 59 (Part H), NYS Laws of 2015

Right to Receive Refund by Paper Check Continued

In 2011, the NYS Taxpayers' Bill of Rights was amended to allow a taxpayer to elect to receive a refund by paper check, notwithstanding the State Tax Department's adoption of a prepaid debit card or direct deposit program for the payment of State and City personal income tax refunds. That amendment was set to expire after five years, but it has been extended for an additional five years—through November 14, 2021.

- Chapter 456, NYS Laws of 2015

SALES TAX

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

In 2005, State and City sales tax exemptions were enacted for certain property and services used to equip, furnish, alter or improve leased commercial office space in Lower Manhattan. The exemptions applied to purchases related to leases for at least 10 years that commenced on or after September 1, 2005 but not later than a statutory deadline. For leases in the World Trade Center site, the World Financial Center and the Battery Park City area, the most recent lease commencement deadline of September 1, 2017 has been extended to September 1, 2019, and the sales tax exemption for purchases has been extended until November 30, 2020. The lease commencement deadline in the rest of the statutorily defined Lower Manhattan area has been

changed from September 1, 2015 to September 1, 2017, and the sales tax exemption for purchases has been extended until November 30, 2018.

- Chapter 20 (Part A, §§ 33, 34), NYS Laws of 2015

State and Local Sales Tax Cap Adopted for Boat Purchases

Effective June 1, 2015, a State and local sales tax exemption applies to the portion of the price paid for a vessel (including any outboard motor or trailer sold with it) that exceeds \$230,000. The new exemption does not, however, limit any other sales tax exemption, exclusion or credit that applies to vessels. (The measure also prescribes special rules regarding the time for paying any use tax due on a vessel purchased by a New York resident outside the State and later used here.)

- Chapter 59 (Part SS), NYS Laws of 2015

General Aviation Aircraft Exempted from Sales Tax

Effective September 1, 2015, general aviation aircraft and machinery or equipment to be installed on such aircraft are exempt from State and local sales tax. A general aviation aircraft is generally defined as a noncommercial aircraft used in civil aviation, but excludes an unmanned aerial vehicle or drone. (Commercial aircraft are exempt from sales tax under a preexisting provision.)

- Chapter 59 (Part TT), NYS Laws of 2015

Transactions Related to Dodd-Frank Wall Street Reform Law Exempted from Sales Tax

Otherwise taxable sales of tangible personal property or services between related persons, occurring as a result of the enactment of the Dodd-Frank Wall Street Reform and Consumer Protection Act, have been exempted from State and local sales tax. The exemption takes effect on September 1, 2015, and generally expires on July 1, 2019. However, the exemption remains in effect for transactions occurring on or after July 1, 2019 pursuant to a binding contract entered into before that date, but in no case beyond June 30, 2024.

- Chapter 59 (Part UU), NYS Laws of 2015

Rules Prescribed for Taxing Prepaid Mobile Calling Services

Effective April 13, 2015, the sales tax law has been amended to spell out rules governing the taxation of “prepaid mobile calling services,” which are defined as the right to use a commercial mobile radio service, which must be paid for in advance and is sold for use over a specified period of time or in predetermined units or dollars that decline with use in a known amount. The sales tax on such services is to be collected by the retailer, using the tax rate in effect at the retailer’s location. If the sale does not take place at the retailer’s location, it will be sourced to the customer’s shipping address or, if no item is shipped, to the customer’s billing address or the

location associated with the customer's mobile telephone number. (These rules are similar to preexisting rules that apply to prepaid telephone calling services.)

- Chapter 59 (Part V), NYS Laws of 2015

Certain Sales of Solar-Generated Electricity Exempted from State Sales Tax with Local Option to Conform

Effective December 1, 2015, certain sales of electricity generated by residential or commercial solar energy systems equipment and sold under a written solar power purchase agreement are exempt from the NYS sales tax. (Under a solar power purchase agreement, the owner of the solar energy equipment installs it at a customer's premises, and sells the electricity generated by the equipment to the customer in order to provide heating, cooling, hot water or electricity at the premises.) The exemption does not apply for local sales tax purposes, but localities are given the option of amending their local sales tax laws to include it. (To date, the City has not opted to allow the exemption.)

- Chapter 59 (Part Z), NYS Laws of 2015

Certain Alcoholic Beverage Tastings Exempted from State and Local Sales and Use Taxes

Effective June 1, 2015, an exemption from State and local use taxes is granted for beer, cider or liquor furnished at no charge by a licensed brewery, farm brewery, cider producer, farm cidery, distillery or farm distillery to a customer or prospective customer for consumption at tastings held in accordance with the NYS Alcoholic Beverage Control Law. The exemption also applies to any bottles, corks, caps and labels used to package the alcoholic beverages served at the tastings. Effective April 13, 2015, the measure also expands and clarifies the existing State and local sales and use tax exemptions for certain wine tastings. A provision that limited the exemption to tastings held at the licensed premises has been amended to allow the exemption for wine tastings held either on or off the licensed premises, as permitted by the ABCL; the law has also been amended to clarify that the exemption covers the bottles, corks, caps and labels used to package the wine served.

- Chapter 59 (Part U), NYS Laws of 2015

COMMERCIAL RENT TAX

Lower Manhattan Special Reductions Extended

In 2005, the Lower Manhattan commercial rent tax special reduction was liberalized for five-year-or-longer leases (except subleases) that commenced on or after July 1, 2005 but not later than a specified end date. That end date, which was June 30, 2015, has been extended to June 30, 2017. In addition, the end of the period during which special commercial rent tax reductions are

allowed under the Lower Manhattan Commercial Revitalization Program has been extended from March 31, 2022 to March 31, 2024.

- Chapter 20 (Part A, §§ 50, 56), NYS Laws of 2015

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, 2015. Local legislation adopted by the City Council has extended the 5.875 percent rate through November 30, 2019. Unless extended at that time, the rate would revert to five percent on December 1, 2019.

- NYC Local Law 112 of 2015

MISCELLANEOUS

Energy Cost Reduction Programs Extended for Two Years

The sunset dates for new applicants to qualify for benefits under the City's Lower Manhattan Energy Program and Energy Cost Savings Program have been extended from July 1, 2015 to July 1, 2017. Under these programs, energy suppliers sell discounted energy to eligible businesses and are reimbursed for their lost revenue by claiming credits against their City utility taxes.

- Chapter 20 (Part A, §§ 39-49), NYS Laws of 2015

Bus Lane Camera Program Extended

In 2010, the City was authorized to establish, for designated bus routes, a bus rapid transit program that, based on images captured by bus lane photo devices, imposes fines on motor vehicle owners where the vehicle operator fails to comply with bus lane restrictions. That program, which was set to expire in September 2015, has been extended until September 2020. The City's Department of Transportation is responsible for operating the photo devices. Hearings on violations are held by the Department of Finance's Parking Violations Bureau, which is empowered to promulgate a schedule of fines, not exceeding \$115 for violating a bus lane restriction and not exceeding \$25 for a failure to timely respond to a notice of violation.

- Chapter 239, NYS Laws of 2015

Department of Finance Directed to Issue Annual Reports on Outstanding Environmental Control Board Judgments

Various City agencies issue tickets for quality-of-life offenses, such as littering, peddling, air and noise pollution, and sanitation and health code violations. Those tickets are filed with the City's Environmental Control Board for adjudication; ECB judgments are docketed in civil court, and are then forwarded to the Department of Finance for collection. Local legislation has been adopted to require the Department of Finance, by November 1st of each year, to submit to the City Council, and post on the DOF website, a report on ECB judgments referred to it for collection, including the number of outstanding judgments, the total amount owed and the enforcement efforts used to collect judgments. The local law also authorizes City Marshals to enforce judgments arising out of Sanitation Code violations; formerly, only the Department of Finance's Office of the Sheriff could enforce such judgments.

- NYC Local Law 11 of 2015

Authority to Serve Income Execution Without Filing Warrant Extended

In 2013, the NYS Commissioner of Taxation and Finance was 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 applies to all taxes administered by the State Tax Commissioner, including the City's personal income tax and sales tax, was set to expire on April 1, 2015, but has been extended until March 31, 2017.

- Chapter 59 (Part DD), NYS Laws of 2015

Collection of Fee or Penalty Prohibited Where Vehicle and Traffic Law Summons Dismissed

Effective April 20, 2016, municipal agencies that adjudicate NYS Vehicle and Traffic Law violations—including the Department of Finance's Parking Violations Bureau—can impose a fine, penalty, forfeiture or any other fee or surcharge against a person charged with a violation of the Vehicle and Traffic Law (or a local law adopted pursuant to it) only if such person is convicted of the charge.

- Chapter 578, NYS Laws of 2015

Chronology of Selected Legislative Actions That Affect 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:

<p>BTX = Banking Corporation Tax CRT = Commercial Rent Tax CT15 = Corporate Tax of 2015 HTX = Hotel Room Occupancy Tax PIT = Personal Income Tax RPTT = Real Property Transfer Tax UBT = Unincorporated Business Tax</p>	<p>CMVT = Commercial Motor Vehicle Tax CT = Cigarette Tax GCT = General Corporation Tax MRT = Mortgage Recording Tax RPT = Real Property Tax STX = Sales Tax UTX = Utility Tax</p>
--	--

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
2014			
Income ceilings increased for 2 years for senior citizen rent increase exemption (SCRIE) and disability rent increase exemption (DRIE) programs	RPT	Chapters 55 and 129, Laws of 2014, Local Laws 19 and 39 of 2014	7/1/14
One year tax abatement authorized for certain buildings damaged by Superstorm Sandy and later rebuilt	RPT	Chapter 25, Laws of 2014, Local Law 20 of 2014	FY 2015
Expiring City tax authorizations extended for 3 years	CT, GCT, PIT, STX	Chapter 338, Laws of 2014	9/4/14
Additional City minimum personal income tax repealed	PIT	Chapter 59, Laws of 2014	TYBOOA 1/1/14
Gramm-Leach-Bliley transitional provisions extended for 2 years	BTX, GCT	C. 59	TYBOOA 1/1/15
Relocation and employment assistance program (REAP) tax credits extended for 2 years	BTX, GCT, UBT, UTX	C. 59	7/1/13
Lower Manhattan commercial revitalization program extended for 2 years	RPT, CRT	C. 59	4/1/14
Lower Manhattan special commercial rent tax reductions extended for 2 years	CRT	C. 59	7/1/13
Industrial and commercial abatement program extended for 2 years	RPT	C. 59	3/31/14
Commercial expansion program extended for 2 years	RPT	C. 59	3/31/14
Solar electric generating system abatement extended for 2 years and increased	RPT	Chapter 396, Laws of 2014	9/23/14
Veterans' exemption ceiling increased for property purchased with "eligible funds"	RPT	Chapter 425, Laws of 2014	7/1/15
Lower Manhattan sales tax exemption extended for purchases related to commercial office space	STX	C. 59	9/1/13
Lower Manhattan energy program and energy cost savings program extended for 2 years	UTX	C. 59	7/1/13
Reduced tax rates for qualifying real estate investment trust (REIT) transfers extended for 3 years	RPTT	Chapter 500, Laws of 2014	12/17/14

Chronology of Selected Legislative Actions Affecting NYC Taxes

Tax Action	Tax	Legal Citation	Effective Date
2015			
Corporate tax reform legislation enacted	CT15,	Chapter 60, Laws of 2015	TYBOOA 1/1/15
	BTX, GCT		
Relocation and employment assistance program (REAP) extended for 2 years	BTX, GCT,	Chapter 20, Laws of 2015	6/23/15
	UBT, UTX,		
	CT15,		
Biotechnology credit extended for 3 years	GCT,UBT	Chapter 260, Laws of 2015, Local Law 111 of 2015	11/30/15
Coop/condo abatement program extended for 4 years	RPT	C. 20	6/15/15
Section 421-a multiple dwelling exemption program extended and revised	RPT	C. 20	6/15/15
Assessment increase limits adopted for Superstorm Sandy-damaged properties later rebuilt	RPT	Chapter 14, Laws of 2015, Local Law 34 of 2015	5/14/15
Lower Manhattan commercial revitalization program extended for 2 years	RPT, CRT	C. 20	6/15/15
Industrial and commercial abatement program extended for 2 years	RPT	C. 20	6/15/15
J-51 exemption/abatement program extended for 4 years	RPT	C. 20, Local Law 60 of 2016	5/10/16
Commercial expansion program extended for 2 years	RPT	C. 20	6/15/15
Abatement adopted relating to amortization of major capital improvement costs	RPT	C. 20	6/15/15
Tax lien sale program extended for 2 years and modified	RPT	Local Laws 14 and 20 of 2015	1/1/15
Exemption/abatement program for rehabilitation of single-room occupancy housing extended for 4 years	RPT	Chapter 273, Laws of 2015, Local Law 61 of 2016	5/10/16
NYC resident shareholder credit for general corporation taxes paid by S corporation extended for 4 years	PIT	C. 20	6/15/15
STAR rate reduction eliminated for taxpayers with income over \$500,000	PIT	Chapter 59, Laws of 2015	TY BOOA 1/1/15
Limitations on itemized deductions for high-income taxpayers extended for 2 years	PIT	C. 59	4/13/15
Lower Manhattan sales tax exemption extended for purchases related to commercial office space	STX	C. 20	6/23/15
Sales tax cap adopted for boats purchased for over \$230,000	STX	C. 59	6/1/15
General aviation aircraft exempted from sales tax	STX	C. 59	9/1/15
Higher hotel tax percentage rate extended for 4 years	HTX	Local Law 112 of 2015	12/1/15
Lower Manhattan energy program and energy cost savings program extended for 2 years	UTX	C. 20	6/23/15