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

**STATISTICAL PROFILE OF THE
NEW YORK CITY
COMMERCIAL RENT TAX**

TAX YEAR 2014

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Introduction

Applicability

The commercial rent tax (CRT) is imposed on the rent paid by tenants who occupy or use real property for commercial purposes in Manhattan south of 96th Street.

Certain tenants are exempt from the CRT. The major exemption categories are:

- Tenants with annual rents below \$250,000
- Tenants with rental periods of 14 days or less during the tax year
- Tenants that are governmental or non-profit organizations
- Tenants that use the premises for certain theatrical productions
- Tenants located in the “World Trade Center Area”
- Tenants occupying retail space in Lower Manhattan
- Tenants eligible for the Commercial Revitalization Program

Tax Rate and Liability

The statutory rate is 6.0 percent of rent, but the effective tax rate is 3.9 percent because only 65 percent of rent is subject to tax. Moreover, a sliding scale tax credit applies to taxpayers whose rent is between \$250,000 and \$300,000.

The CRT tax year starts on June 1 and ends on May 31 of the following year.

Total liability has increased 4.9 percent annually since TY 2004. Average liability per taxpayer has increased 3.5 percent annually since TY 2004. Total liability in TY 2014 was \$687 million.

History

The CRT was first implemented in NYC in 1963. In 1995, properties in Manhattan north of 96th Street and in the other boroughs were exempted. The base rent reduction was set at 35 percent of rent effective September 1, 1998. The CRT annual rent threshold was raised to \$250,000 effective June 1, 2001.

**COMMERCIAL RENT TAX
TAX YEAR 2014**

**Table 1
DISTRIBUTION BY RENT RANGE
(\$ THOUSANDS)**

RENT RANGE	Number	% of Total	Liability	% of Total
\$250,000 - \$274,999	295	4.2 %	\$1,127	0.2 %
\$275,000 - \$299,999	293	4.2	2,605	0.4
\$300,000 - \$349,999	593	8.5	7,481	1.1
\$350,000 - \$399,999	461	6.6	6,712	1.0
\$400,000 - \$449,999	473	6.8	7,768	1.1
\$450,000 - \$499,999	361	5.2	6,694	1.0
\$500,000 - \$549,999	306	4.4	6,198	0.9
\$550,000 - \$599,999	279	4.0	6,199	0.9
\$600,000 - \$649,999	461	6.6	11,592	1.7
\$700,000 - \$799,999	388	5.6	11,232	1.6
\$800,000 - \$899,999	268	3.8	8,846	1.3
\$900,000 - \$999,999	206	3.0	7,580	1.1
\$1,000,000 - \$1,999,999	1,151	16.5	62,577	9.1
\$2,000,000 - \$2,999,999	404	5.8	38,182	5.6
\$3,000,000 - \$3,999,999	225	3.2	30,248	4.4
\$4,000,000 - \$4,999,999	145	2.1	25,213	3.7
\$5,000,000 AND OVER	659	9.5	446,842	65.0
TOTAL	6,968	100.0 %	\$687,096	100.0 %

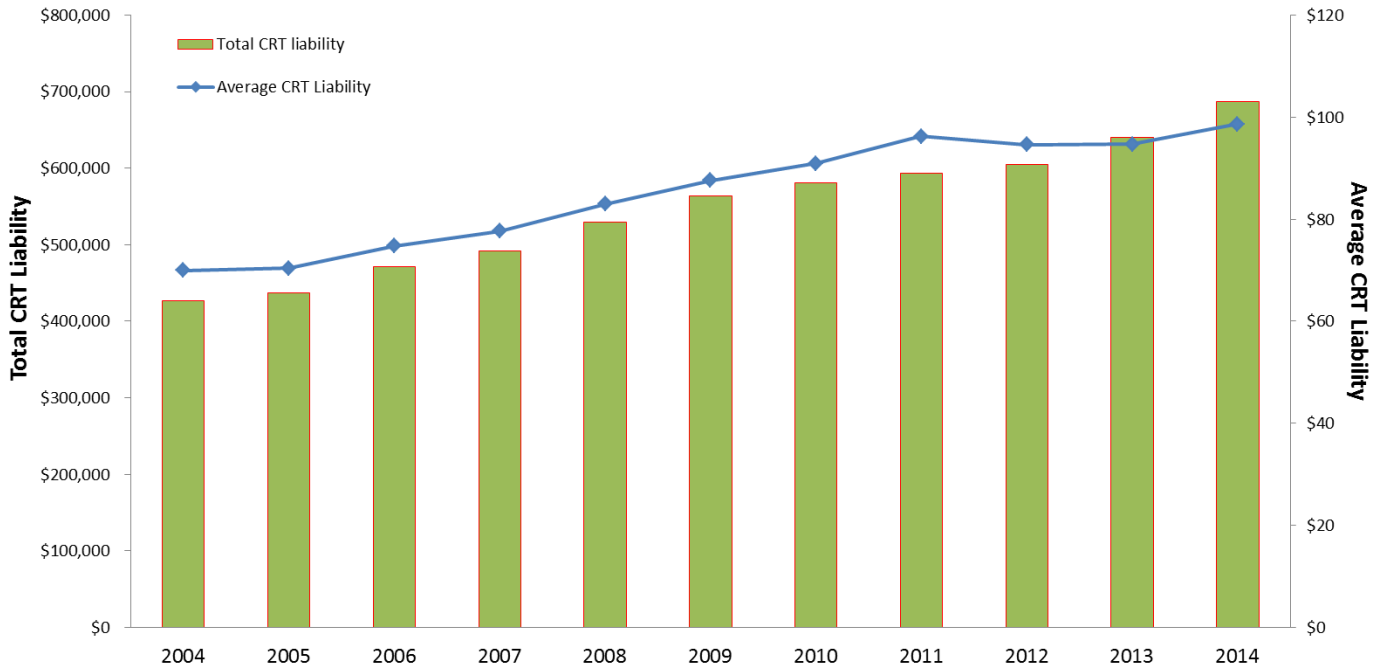
COMMERCIAL RENT TAX TAX YEAR 2014

Table 2
DISTRIBUTION BY INDUSTRY
(\$ THOUSANDS)

INDUSTRY	Number	% of Total	Liability	% of Total
FINANCE & INSURANCE	1,271	18.2 %	\$182,553	26.6 %
Commercial Banks	39	0.6	30,420	4.4
Foreign Banks	90	1.3	15,962	2.3
Thrift Banks	5	0.1	344	0.1
Other Banks	34	0.5	5,861	0.9
Credit Agencies	43	0.6	15,354	2.2
Funds and Trusts	39	0.6	2,412	0.4
Insurance	110	1.6	14,423	2.1
Securities/Commodities	911	13.1	97,778	14.2
REAL ESTATE	190	2.7	15,228	2.2
SERVICES	2,704	38.8	225,927	32.9
Legal Services	472	6.8	78,621	11.4
Accounting	72	1.0	12,109	1.8
Holding Companies	78	1.1	14,604	2.1
Professional/Technical/Managerial	817	11.7	72,081	10.5
Accommodations	10	0.1	637	0.1
Amusement	71	1.0	4,231	0.6
Food Services	538	7.7	13,835	2.0
Performing Arts/Museums	69	1.0	5,053	0.7
Administrative Support	137	2.0	6,110	0.9
Education	50	0.7	4,357	0.6
Health Care	87	1.2	2,839	0.4
Personal Services	249	3.6	8,145	1.2
Civic Organizations	6	0.1	543	0.1
Rental/Leasing	20	0.3	1,296	0.2
Repair/Maintenance	5	0.1	65	0.0
Social Services	5	0.1	100	0.0
Miscellaneous Other	18	0.3	1,297	0.2
INFORMATION	371	5.3	62,428	9.1
Broadcasting/Telecom	99	1.4	20,977	3.1
Information Services/Data	89	1.3	4,804	0.7
Movies/Video/Sound	60	0.9	14,618	2.1
Publishing	123	1.8	22,029	3.2
TRADE	1,369	19.6	141,048	20.5
Durable Wholesale	238	3.4	10,539	1.5
Non-Durable Wholesale	273	3.9	17,740	2.6
Retail	858	12.3	112,769	16.4
MANUFACTURING	252	3.6	29,244	4.3
Textiles/Apparel/Leather	107	1.5	11,064	1.6
Food/Beverage	6	0.1	600	0.1
Printing	21	0.3	1,358	0.2
Other Manufacturing	118	1.7	16,221	2.4
OTHER	811	11.6	30,668	4.5
Construction	34	0.5	1,135	0.2
Transportation	40	0.6	2,314	0.3
Utilities	5	0.1	301	0.0
Not Available	732	10.5	26,918	3.9
TOTAL	6,968	100.0 %	\$687,096	100.0 %

COMMERCIAL RENT TAX TAX YEAR 2014

Figure 1 LIABILITY TAX YEAR 2004 – 2014 (\$ THOUSANDS)



COMMERCIAL RENT TAX TAX YEAR 2014

Figure 2 CRT LIABILITY COMPARED TO MANHATTAN CLASS 4 MARKET VALUE AND TAXABLE BILLABLE ASSESSED VALUE TAX YEAR 2005 – 2014

