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

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

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

TAX YEAR 2014

BILL DE BLASIO, MAYOR

JACQUES JIHA, PH.D., COMMISSIONER

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**REPORT PREPARED BY THE
DIVISION OF TAX POLICY
MARCH 2018**

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Highlights

This report presents statistical information for tax year 2014 for the three New York City business income taxes: the Banking Corporation Tax (BCT), the General Corporation Tax (GCT), and the Unincorporated Business Tax (UBT).

The BCT, GCT, and UBT generated \$6.2 billion in tax year 2014 liability, an increase of 8 percent from tax year 2013. The number of taxpayers increased 3 percent from 2013, to 352,032. The data show that in 2014:

- The finance & insurance sector accounted for 42 percent of all tax liability, followed by the service sector, which generated 27 percent.
- More than half of NYC business income taxpayers reported liability of \$300 or less. Three percent of taxpayers — those with liabilities of \$50,000 or more — were responsible for 86 percent of total taxpayer liability.

Banking Corporation Tax

In 2014, the Banking Corporation Tax generated \$1.4 billion from 475 taxpayers, an increase in tax liability of 10 percent from tax year 2013. The data show that in 2014:

- Commercial and clearinghouse banks generated 43 percent of total BCT liability, while foreign banks generated 39 percent.
- The top 10 percent of taxpayers in terms of liability generated \$1.2 billion, or 84 percent of total liability.
- Ninety-three percent of BCT liability was incurred under the entire net income or alternative net income bases, and 56 percent of taxpayers paid on one of these bases.

General Corporation Tax

The General Corporation Tax generated \$2.9 billion in tax year 2014 liability, 8 percent more than in tax year 2013. The number of taxpayers increased 2 percent from 2013 to 323,262. The data show that in 2014:

- The service sector generated 25 percent of total liability, followed by finance & insurance, with 18 percent, and real estate and trade, each with 16 percent. The information sector generated 11 percent.
- The top 10 percent of taxpayers in terms of liability generated \$2.7 billion, or 93 percent of total liability. The top 1 percent of taxpayers accounted for \$2.1 billion, or 73 percent of total liability.

- Fifty-six percent of GCT taxpayers paid the minimum tax, while the remaining taxpayers incurred liability under one of the following tax bases: entire net income, income plus compensation, and capital. Ninety percent of total GCT liability was incurred under the entire net income base.
- Approximately 155,000 GCT taxpayers were recognized as S corporations for New York State tax purposes. S corporations accounted for \$1.0 billion, or 36 percent, of GCT liability in 2014.

Unincorporated Business Tax

The Unincorporated Business Tax produced \$1.9 billion in 2014 tax liability, a 9 percent increase from the previous year. Partnerships generated \$1.8 billion, an increase of 9 percent from 2013. Proprietorships generated \$178 million in liability, an increase of 7 percent from 2013. There were 12,844 partnership taxpayers and 15,451 proprietorship taxpayers, an increase of 7 percent for partnerships and 3 percent for proprietorships compared to 2013.

Other characteristics of the UBT population are as follows:

- Among UBT partnerships, legal, finance & insurance, and professional services firms generated \$1.4 billion in tax liability, or 77 percent of total partnership liability. Among proprietorships, service-sector firms (arts/entertainment/accommodation/food service, professional services, and other service firms) accounted for 64 percent of total liability, while legal-sector firms generated 11 percent.
- The top 10 percent of partnership taxpayers, or 1,284 firms, accounted for 84 percent of total partnership liability, and the top 1 percent accounted for 47 percent. The proprietorship liability distribution was far less skewed, with the top 10 percent generating 48 percent of proprietorship liability, while the top 1 percent generated 20 percent of liability.

BUSINESS INCOME TAXES

Table 1
2014 BUSINESS INCOME TAXES
TAXPAYERS BY INDUSTRY

Total Taxpayers: 352,032

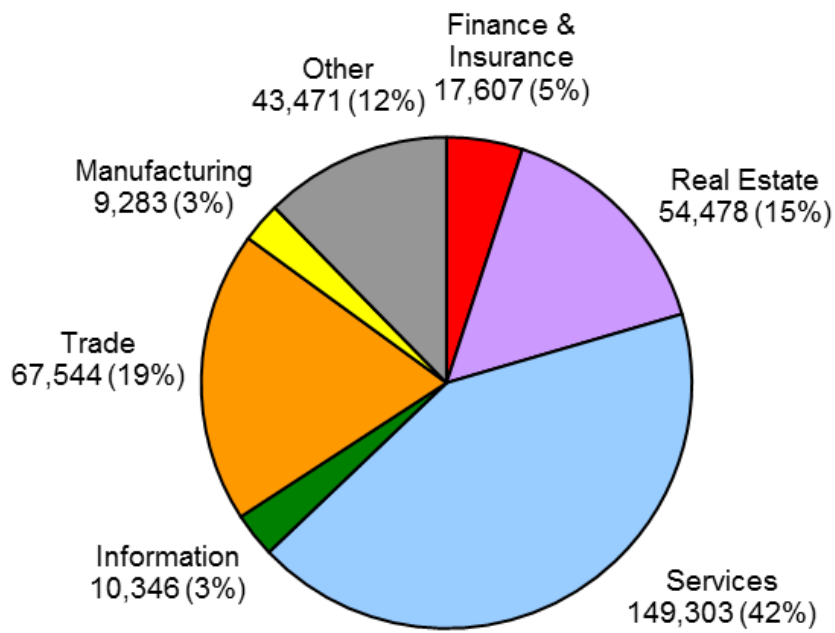
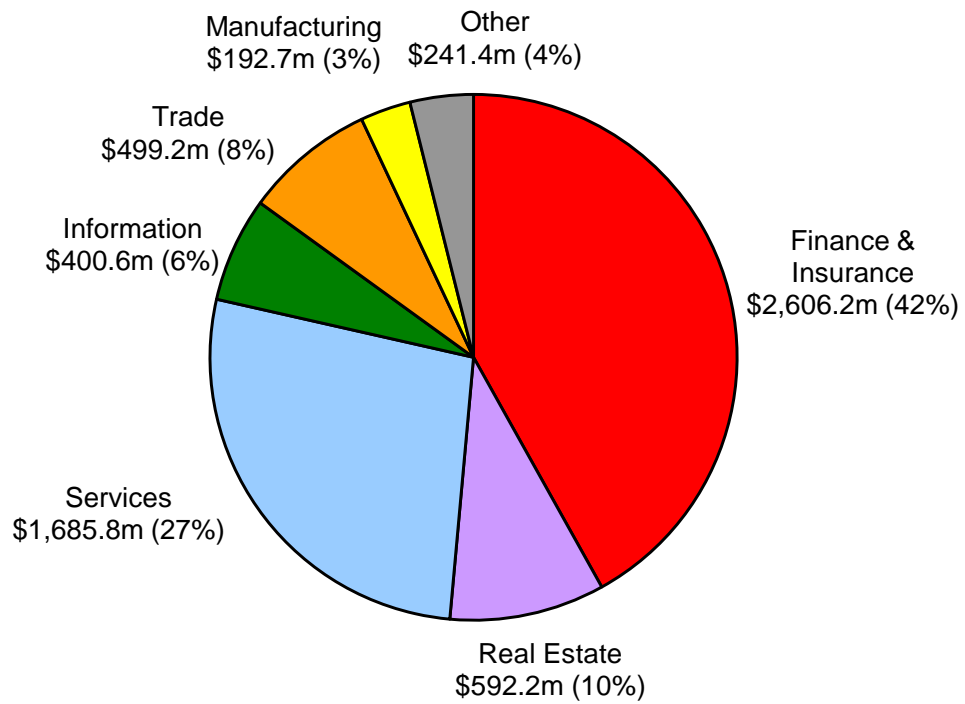


Table 2
2014 BUSINESS INCOME TAXES
LIABILITY BY INDUSTRY

Total Liability: \$6,218.1m



**BUSINESS INCOME TAXES
TAX YEAR 2014**

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

Industry	Number	% of Total	Liability	% of Total
Finance & Insurance	17,607	5.0 %	\$2,606,164	41.9 %
Real Estate	54,478	15.5	592,234	9.5
Services	149,303	42.4	1,685,779	27.1
Information	10,346	2.9	400,597	6.4
Trade	67,544	19.2	499,248	8.0
Manufacturing	9,283	2.6	192,652	3.1
Other	43,471	12.3	241,445	3.9
TOTAL	352,032	100.0 %	\$6,218,119	100.0 %

**BUSINESS INCOME TAXES
TAX YEAR 2014**

**Table 4
DISTRIBUTION BY LIABILITY PER RETURN**

Liability per Return	Number	% of Total	Liability (000)	% of Total
\$300 or Less	183,746	52.2 %	\$2,714	0.0 %
\$300 - \$1,000	42,688	12.1	24,772	0.4
\$1,000 - \$5,000	67,814	19.3	161,003	2.6
\$5,000 - \$10,000	23,478	6.7	166,598	2.7
\$10,000 - \$50,000	25,297	7.2	530,478	8.5
\$50,000 - \$500,000	7,594	2.2	1,060,009	17.0
\$500,000 - \$1,000,000	640	0.2	450,183	7.2
More than \$1,000,000	775	0.2	3,822,362	61.5
TOTAL	352,032	100.0 %	\$6,218,119	100.0 %

BANKING CORPORATION TAX

Table 5
**2014 BANKING CORPORATION TAX
TAXPAYERS BY BANK TYPE**

Total Taxpayers: 475

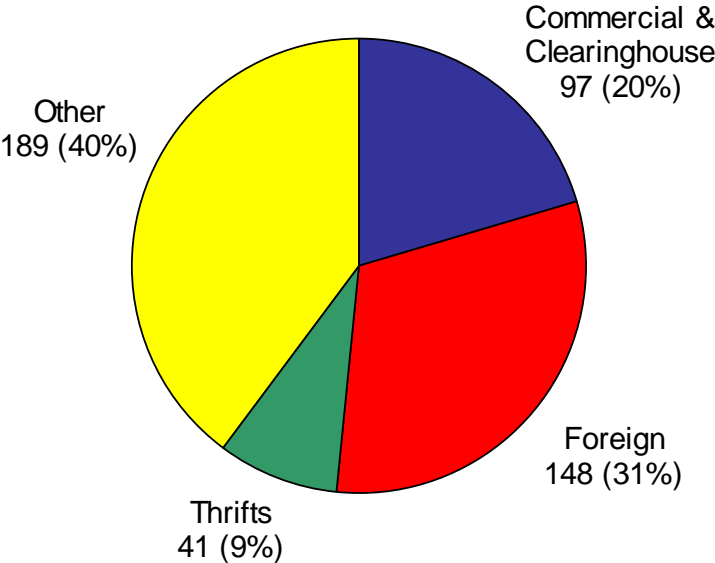
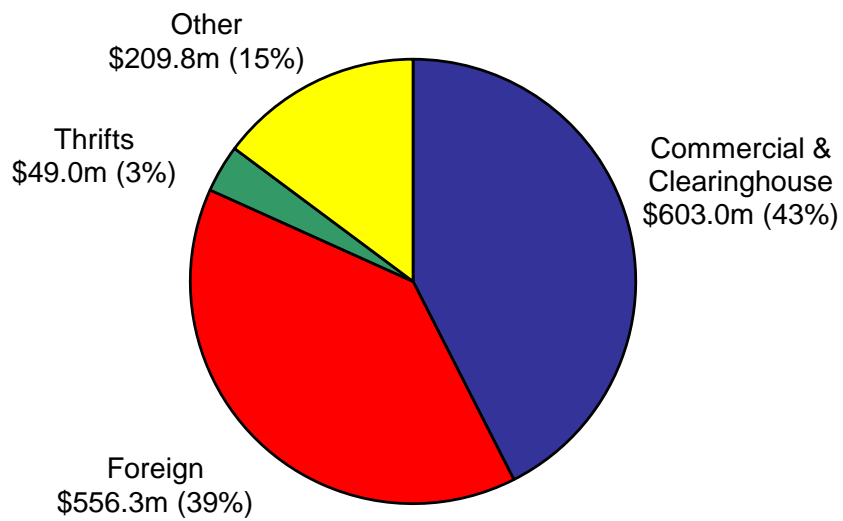


Table 6
**2014 BANKING CORPORATION TAX
LIABILITY BY BANK TYPE**

Total Liability: \$1,418.2m



**BANKING CORPORATION TAX
TAX YEAR 2014**

**Table 7
DISTRIBUTION BY BANK TYPE
(\$ THOUSANDS)**

Bank Type	Number	% of Total	Liability	% of Total
Commercial & Clearinghouse	97	20.4 %	\$603,039	42.5 %
Foreign	148	31.2	556,309	39.2
Thrifts	41	8.6	49,019	3.5
Other	189	39.8	209,835	14.8
TOTAL	475	100.0 %	\$1,418,202	100.0 %

Note: Commercial and clearinghouse bank types are combined due to confidentiality restrictions.

**BANKING CORPORATION TAX
TAX YEAR 2014**

**Table 8
DISTRIBUTION BY LIABILITY PER RETURN**

Liability per Return	Number	% of Total	Liability (000)	% of Total
\$125 or Less	68	14.3 %	-\$219	0.0 %
\$125 - \$1,000	29	6.1	14	0.0
\$1,000 - \$5,000	21	4.4	61	0.0
\$5,000 - \$10,000	26	5.5	199	0.0
\$10,000 - \$50,000	50	10.5	1,240	0.1
\$50,000 - \$500,000	125	26.3	27,499	1.9
\$500,000 - \$1,000,000	38	8.0	26,551	1.9
More than \$1,000,000	118	24.8	1,362,857	96.1
TOTAL	475	100.0 %	\$1,418,202	100.0 %

**Table 9
TOP TEN PERCENT OF TAXPAYERS BY BANK TYPE
(\$ THOUSANDS)**

Bank Type	Number	Liability
Commercial & Clearinghouse	14	\$560,672
Other	33	627,509
TOTAL	47	\$1,188,181

**BANKING CORPORATION TAX
TAX YEAR 2014**

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

Tax Base	Number	% of Total	Liability	% of Total
Net Income or Alternative Net Income	265	55.8 %	\$1,315,814	92.8 %
Asset	133	28.0	101,966	7.2
Minimum Tax or Not Available	77	16.2	422	0.0
TOTAL	475	100.0 %	\$1,418,202	100.0 %

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

Tax Base	Commercial & Clearinghouse		Foreign		Other/Thrfts	
	Number	Liability	Number	Liability	Number	Liability
Net Income or Alternative Net Income	76	\$601,167	64	\$472,586	125	\$242,061
Other	21	1,872	84	83,723	105	16,793
TOTAL	97	\$603,039	148	\$556,309	230	\$258,854

Note: Tax base categories are combined due to confidentiality restrictions.

**BANKING CORPORATION TAX
TAX YEAR 2014**

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

Form Type	Number	% of Total	Liability	% of Total
NYC-1	324	68.2 %	\$465,283	32.8 %
NYC-1A (Combined Form)	151	31.8	952,919	67.2
TOTAL	475	100.0 %	\$1,418,202	100.0 %

**BANKING CORPORATION TAX
TAX YEAR 2014**

**Table 13
DISTRIBUTION BY ALLOCATION STATUS AND BANK TYPE
(\$ THOUSANDS)**

Allocation Status and Bank Type	Number	% of Total	Liability	% of Total
Multi-Jurisdictional	345	72.6 %	\$1,343,534	94.7 %
Commercial & Clearinghouse	90	18.9	601,800	42.4
Foreign	101	21.3	497,094	35.1
Other	154	32.4	244,640	17.3
100% N.Y.C.	119	25.1	74,186	5.2
Commercial & Clearinghouse	*	*	*	*
Foreign	47	9.9	59,215	4.2
Other	*	*	*	*
Not Available	11	2.3	482	0.0
TOTAL	475	100.0 %	\$1,418,202	100.0 %

See Appendix A for definition of allocation status.

* Figures cannot be revealed due to confidentiality restrictions.

GENERAL CORPORATION TAX

Table 14
**2014 GENERAL CORPORATION TAX
TAXPAYERS BY INDUSTRY**

Total Taxpayers: 323,262

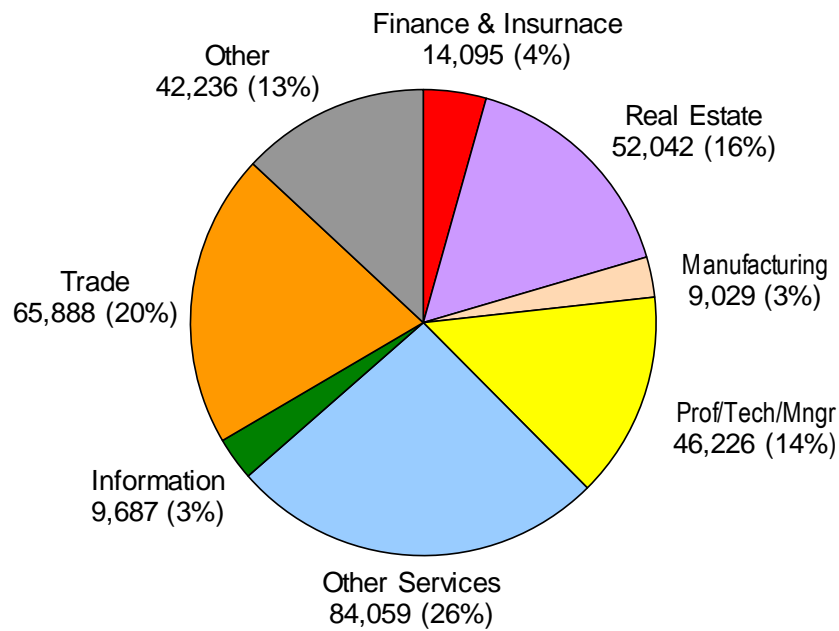
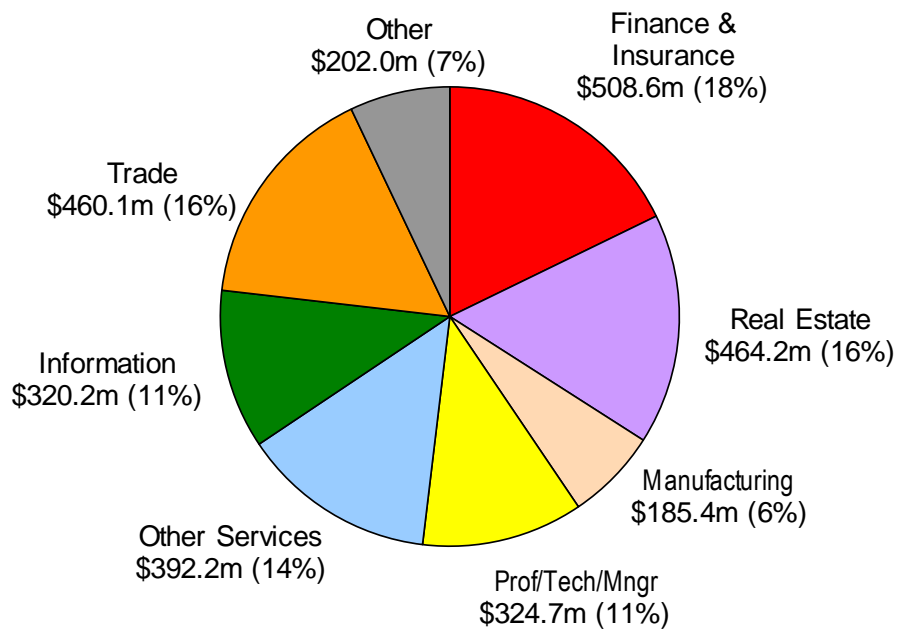


Table 15
**2014 GENERAL CORPORATION TAX
LIABILITY BY INDUSTRY**

Total Liability: \$2,857.3m



**GENERAL CORPORATION TAX
TAX YEAR 2014**

**Table 16
DISTRIBUTION BY INDUSTRY
(\$ THOUSANDS)**

Industry	Number	% of Total	Liability	% of Total
Finance & Insurance	14,095	4.4 %	\$508,604	17.8 %
Credit Agencies	1,130	0.3	22,978	0.8
Funds & Trusts	3,612	1.1	16,089	0.6
Insurance	2,493	0.8	54,250	1.9
Securities & Commodities	6,860	2.1	415,287	14.5
Real Estate	52,042	16.1	464,232	16.2
Lessors of Non-Residential Property	8,819	2.7	158,078	5.5
Lessors of Residential Property	14,965	4.6	112,636	3.9
Lessors of Other Property	2,608	0.8	18,696	0.7
Property Management	5,842	1.8	25,827	0.9
Agents and Brokers	3,426	1.1	11,230	0.4
Other Real Estate	16,382	5.1	137,765	4.8
Manufacturing	9,029	2.8	185,362	6.5
Computer and Electronics	367	0.1	54,807	1.9
Chemical	335	0.1	39,864	1.4
Food/Beverage	1,199	0.4	21,154	0.7
Petroleum and Mining	381	0.1	4,590	0.2
Textiles/Apparel/Leather	2,068	0.6	10,950	0.4
Machinery	643	0.2	18,728	0.7
Fabricated Metal	654	0.2	4,356	0.2
Printing	875	0.3	4,445	0.2
Furniture	436	0.1	4,329	0.2
Other Manufacturing	2,071	0.6	22,139	0.8
Prof/Tech/Managerial	46,226	14.3	324,731	11.4
Holding Companies	2,353	0.7	43,471	1.5
Legal Services	4,492	1.4	27,796	1.0
Managerial	46	0.0	9,486	0.3
Accounting	2,842	0.9	8,848	0.3
Architectural/Engineering/Design	6,068	1.9	29,507	1.0
Computer-Related	7,499	2.3	63,802	2.2
Management/Science/Technical	4,836	1.5	45,831	1.6
Advertising/Public Relations/Marketing	3,079	1.0	27,070	0.9
Other Prof/Tech/Managerial	15,011	4.6	68,920	2.4

(continued)

**GENERAL CORPORATION TAX
TAX YEAR 2014**

**Table 16
DISTRIBUTION BY INDUSTRY
(\$ THOUSANDS)**

Industry	Number	% of Total	Liability	% of Total
Other Services	84,059	26.0 %	\$392,152	13.7 %
Accommodations and Food	15,878	4.9	85,974	3.0
Administration/Support	7,779	2.4	62,141	2.2
Arts & Entertainment	11,365	3.5	78,164	2.7
Education	2,340	0.7	11,243	0.4
Health Care	15,871	4.9	92,736	3.2
Personal Services	19,940	6.2	28,502	1.0
Religious	1,073	0.3	805	0.0
Rental & Leasing	1,930	0.6	18,112	0.6
Repair/Maintenance	5,618	1.7	8,902	0.3
Social Services	1,755	0.5	1,921	0.1
Waste Management	400	0.1	3,331	0.1
Miscellaneous Other Services	110	0.0	320	0.0
Information	9,687	3.0	320,159	11.2
Broadcasting/Telecomm	1,466	0.5	63,815	2.2
Information Services/Data	3,099	1.0	91,851	3.2
Movies/Video/Sound	3,191	1.0	92,860	3.2
Publishing	1,931	0.6	71,633	2.5
Trade	65,888	20.4	460,138	16.1
Durable Wholesale	15,336	4.7	82,287	2.9
Non-Durable Wholesale	11,137	3.4	105,896	3.7
Retail-Clothing and Accessories	5,441	1.7	74,481	2.6
Retail-General Merchandise	1,623	0.5	35,477	1.2
Retail-Food and Beverage	12,078	3.7	34,848	1.2
Retail-Health and Personal Care	3,739	1.2	34,734	1.2
Retail-Building Maintenance and Gardening	1,074	0.3	17,508	0.6
Retail-Electronics	1,293	0.4	8,538	0.3
Retail-Motor Vehicles	1,176	0.4	7,369	0.3
Retail-Furniture and Furnishings	1,390	0.4	7,761	0.3
Retail-Other	11,601	3.6	51,238	1.8
Other	42,236	13.1	201,966	7.1
Construction	24,286	7.5	150,244	5.3
Transportation	14,372	4.4	36,194	1.3
Utilities	161	0.0	11,689	0.4
Miscellaneous Other	380	0.1	1,621	0.1
Not Available	3,037	0.9	2,218	0.1
TOTAL	323,262	100.0 %	\$2,857,344	100.0 %

**GENERAL CORPORATION TAX
TAX YEAR 2014**

**Table 17
DISTRIBUTION BY LIABILITY PER RETURN**

Liability per Return	Number	% of Total	Liability (000)	% of Total
\$300 or Less	182,654	56.5 %	\$3,562	0.1 %
\$300 - \$1,000	40,869	12.6	23,621	0.8
\$1,000 - \$5,000	62,647	19.4	147,108	5.1
\$5,000 - \$10,000	15,539	4.8	109,116	3.8
\$10,000 - \$50,000	16,142	5.0	339,891	11.9
\$50,000 - \$500,000	4,716	1.5	638,280	22.3
\$500,000 - \$1,000,000	349	0.1	245,354	8.6
More than \$1,000,000	346	0.1	1,350,412	47.3
TOTAL	323,262	100.0 %	\$2,857,344	100.0 %

**GENERAL CORPORATION TAX
TAX YEAR 2014**

**Table 18
TOP TEN PERCENT AND TOP ONE PERCENT OF TAXPAYERS BY INDUSTRY
(\$ THOUSANDS)**

Industry	Top Ten Percent		Top One Percent	
	Number	Liability	Number	Liability
Finance & Insurance	1,993	\$502,089	499	\$466,524
Real Estate	6,892	428,933	548	310,482
Manufacturing	1,308	180,316	250	155,796
Prof/Tech/Managerial	5,415	294,457	439	198,029
Other Services	7,245	340,878	493	217,455
Information	1,036	314,934	166	296,900
Trade	5,222	417,575	532	323,597
Other	3,215	177,759	306	120,372
TOTAL	32,326	\$2,656,940	3,233	\$2,089,155

**GENERAL CORPORATION TAX
TAX YEAR 2014**

**Table 19
DISTRIBUTION BY TAX BASE
(\$ THOUSANDS)**

Tax Base	Number	% of Total	Liability	% of Total
Entire Net Income	105,780	32.7 %	\$2,582,314	90.4 %
Income Plus Compensation	13,863	4.3	69,609	2.4
Capital	20,209	6.3	145,782	5.1
Minimum Tax	181,811	56.2	46,876	1.6
Not Available	1,599	0.5	12,764	0.4
TOTAL	323,262	100.0 %	\$2,857,344	100.0 %

**Table 20
DISTRIBUTION BY TAX BASE AND INDUSTRY
(\$ THOUSANDS)**

Industry	Entire Net Income		Income Plus Compensation		Capital		Minimum Tax	
	Number	Liability	Number	Liability	Number	Liability	Number	Liability
Finance & Insurance	3,687	\$464,719	456	\$6,866	1,310	\$34,062	8,593	\$2,068
Real Estate	16,370	411,905	577	2,790	8,982	42,629	25,846	4,190
Manufacturing	3,156	176,340	403	1,488	579	4,717	4,842	1,747
Prof/Tech/Managerial	17,118	281,299	3,454	16,460	1,879	21,173	23,580	4,556
Other Services	28,242	343,301	5,417	27,854	2,997	8,258	47,037	10,027
Information	2,690	303,513	474	2,570	688	12,237	5,786	1,164
Trade	19,351	425,222	1,798	6,690	2,700	9,561	41,675	16,540
Other	15,166	176,014	1,284	4,890	1,074	13,145	24,452	6,585
TOTAL	105,780	\$2,582,314	13,863	\$69,609	20,209	\$145,782	181,811	\$46,876

**GENERAL CORPORATION TAX
TAX YEAR 2014**

**Table 21
DISTRIBUTION BY FORM TYPE
(\$ THOUSANDS)**

Form Type	Number	% of Total	Liability	% of Total
Short Form (NYC-4S EZ)	50,058	15.5 %	\$19,637	0.7 %
Short Form (NYC-4S)	100,830	31.2	346,525	12.1
Long Form (NYC-3L)	157,636	48.8	1,366,737	47.8
Combined Form (NYC-3A)	3,389	1.0	1,110,091	38.9
Not Available/Extension	11,349	3.5	14,354	0.5
TOTAL	323,262	100.0 %	\$2,857,344	100.0 %

**Table 22
DISTRIBUTION BY FORM TYPE AND LIABILITY PER RETURN
(\$ THOUSANDS)**

Liability per Return	Short Form NYC-4S EZ		Short Form NYC-4S		Long Form NYC-3L		Combined Form NYC-3A		Not Available	
	Number	Liability (000)	Number	Liability (000)	Number	Liability (000)	Number	Liability (000)	Number	Liability (000)
\$300 or Less	41,813	\$2,097	51,359	\$3,999	80,265	-\$1,005	435	-\$1,983	8,782	\$454
\$300 - \$1,000	4,508	2,633	16,076	9,150	18,934	11,041	203	120	1,148	677
\$1,000 - \$5,000	2,988	6,819	22,401	51,279	35,491	84,798	652	1,781	1,115	2,431
\$5,000 - \$10,000	588	3,900	5,210	36,590	9,222	64,922	370	2,641	149	1,063
\$10,000 - \$50,000	144	2,107	4,970	100,165	10,188	217,792	725	17,403	115	2,424
\$50,000 - \$500,000	*	*	766	90,174	3,211	423,808	684	116,654	*	*
\$500,000 - \$1,000,000	*	*	28	19,349	188	131,771	131	92,492	*	*
More than \$1,000,000	*	*	20	35,819	137	433,612	189	880,982	*	*
TOTAL	50,058	\$19,637	100,830	\$346,525	157,636	\$1,366,737	3,389	\$1,110,091	11,349	\$14,354

* Numbers cannot be provided due to confidentiality restrictions.

**GENERAL CORPORATION TAX
TAX YEAR 2014**

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

Allocation Status and Industry	Number	% of Total	Liability	% of Total
Multi-jurisdictional	37,815	11.7 %	\$1,848,304	64.7 %
Finance & Insurance	2,445	0.8	400,309	14.0
Real Estate	1,736	0.5	99,346	3.5
Manufacturing	2,814	0.9	169,933	5.9
Prof/Tech/Managerial	9,321	2.9	235,013	8.2
Other Services	6,920	2.1	195,309	6.8
Information	2,419	0.7	305,716	10.7
Trade	8,136	2.5	340,395	11.9
Other	4,024	1.2	102,282	3.6
100% N.Y.C.	274,086	84.8	994,562	34.8
Finance & Insurance	11,289	3.5	107,373	3.8
Real Estate	48,910	15.1	361,909	12.7
Manufacturing	5,929	1.8	14,311	0.5
Prof/Tech/Managerial	35,448	11.0	88,336	3.1
Other Services	74,286	23.0	193,777	6.8
Information	6,910	2.1	13,708	0.5
Trade	55,325	17.1	117,121	4.1
Other	35,989	11.1	98,027	3.4
Not Available	11,361	3.5	14,479	0.5
Finance & Insurance	361	0.1	922	0.0
Real Estate	1,396	0.4	2,977	0.1
Manufacturing	286	0.1	1,118	0.0
Prof/Tech/Managerial	1,457	0.5	1,382	0.0
Other Services	2,853	0.9	3,067	0.1
Information	358	0.1	734	0.0
Trade	2,427	0.8	2,622	0.1
Other	2,223	0.7	1,658	0.1
TOTAL	323,262	100.0 %	\$2,857,344	100.0 %

See Appendix B for definition of allocation status.

**GENERAL CORPORATION TAX
TAX YEAR 2014**

**Table 24
DISTRIBUTION BY STATE CORPORATION STATUS
(\$ THOUSANDS)**

Corporation Status	Number	% of Total	Liability	% of Total
State S Corporation	154,520	47.8 %	\$1,033,765	36.2 %
State C Corporation	168,742	52.2	1,823,579	63.8
TOTAL	323,262	100.0 %	\$2,857,344	100.0 %

**Table 25
DISTRIBUTION OF STATE S CORPORATIONS BY INDUSTRY
(\$ THOUSANDS)**

Industry	Number	% of Total	Liability	% of Total
Finance & Insurance	4,162	2.7 %	\$63,117	6.1 %
Real Estate	24,279	15.7	263,091	25.4
Manufacturing	4,112	2.7	29,654	2.9
Prof/Tech/Managerial	26,212	17.0	112,439	10.9
Other Services	44,006	28.5	227,664	22.0
Information	4,463	2.9	48,472	4.7
Trade	26,955	17.4	159,260	15.4
Other	20,331	13.2	130,069	12.6
TOTAL	154,520	100.0 %	\$1,033,765	100.0 %

**GENERAL CORPORATION TAX
TAX YEAR 2014**

**Table 26
DISTRIBUTION OF STATE S CORPORATIONS BY TAX BASE
(\$ THOUSANDS)**

Tax Base	Number	% of Total	Liability	% of Total
Entire Net Income	69,018	44.7 %	\$952,447	92.1 %
Income Plus Compensation	9,069	5.9	50,473	4.9
Capital	5,078	3.3	12,088	1.2
Minimum Tax	71,194	46.1	17,803	1.7
Not Available	161	0.1	953	0.1
TOTAL	154,520	100.0 %	\$1,033,765	100.0 %

**Table 27
DISTRIBUTION OF STATE S CORPORATIONS BY ALLOCATION STATUS
(\$ THOUSANDS)**

Allocation Status	Number	% of Total	Liability	% of Total
Multi-jurisdictional	17,742	11.5 %	\$367,006	35.5 %
100% N.Y.C.	135,776	87.9	665,638	64.4
Not Available	1,002	0.6	1,121	0.1
TOTAL	154,520	100.0 %	\$1,033,765	100.0 %

See Appendix B for definition of allocation status.

UNINCORPORATED BUSINESS TAX

PARTNERSHIPS

Table 28
**2014 UNINCORPORATED BUSINESS TAX
PARTNERSHIP TAXPAYERS BY INDUSTRY**

Total Taxpayers: 12,844

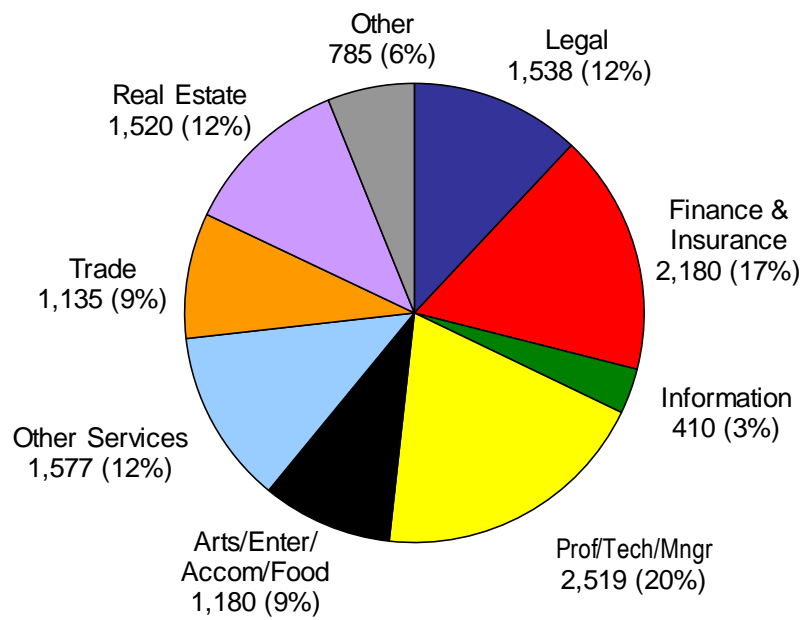
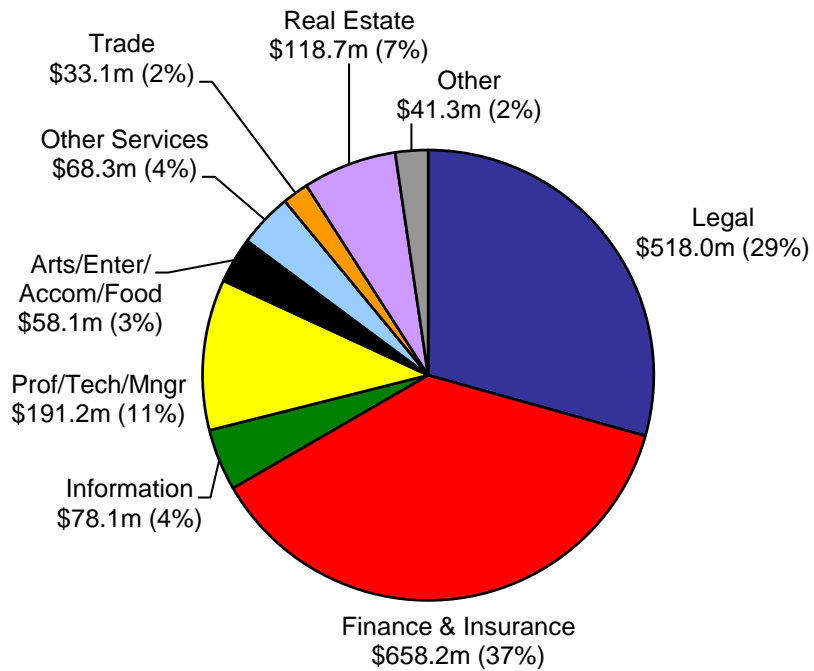


Table 29
**2014 UNINCORPORATED BUSINESS TAX
PARTNERSHIP LIABILITY BY INDUSTRY**

Total Liability: \$1,765.1m



**UNINCORPORATED BUSINESS TAX
PARTNERSHIP TAXPAYERS
TAX YEAR 2014**

**Table 30
DISTRIBUTION BY INDUSTRY
(\$ THOUSANDS)**

Industry	Number	% of Total	Liability	% of Total
Legal	1,538	12.0 %	\$517,973	29.3 %
Finance & Insurance	2,180	17.0	658,193	37.3
Credit Agencies	102	0.8	21,503	1.2
Funds & Trusts	132	1.0	13,360	0.8
Securities & Commodities	71	0.6	4,880	0.3
Insurance and Other Finance	1,875	14.6	618,449	35.0
Information	410	3.2	78,109	4.4
Broadcasting/Telecomm	61	0.5	23,218	1.3
Information Services/Data	137	1.1	44,647	2.5
Movies/Video/Sound	144	1.1	3,889	0.2
Publishing	68	0.5	6,354	0.4
Prof/Tech/Managerial	2,519	19.6	191,174	10.8
Accounting	343	2.7	93,978	5.3
Holding Companies	47	0.4	1,423	0.1
Architectural/Engineering/Design	447	3.5	13,109	0.7
Computer-Related	229	1.8	7,237	0.4
Management/Science/Technical	424	3.3	30,243	1.7
Advertising/Public Relations	372	2.9	16,985	1.0
Other Prof/Tech/Managerial	657	5.1	28,199	1.6
Arts/Enter/Accom/Food	1,180	9.2	58,084	3.3
Accommodations	131	1.0	12,732	0.7
Amusement	58	0.5	1,989	0.1
Food Services	649	5.1	15,244	0.9
Performing Arts	342	2.7	28,118	1.6

(continued)

**UNINCORPORATED BUSINESS TAX
PARTNERSHIP TAXPAYERS
TAX YEAR 2014**

**Table 30
DISTRIBUTION BY INDUSTRY
(\$ THOUSANDS)**

Industry	Number	% of Total	Liability	% of Total
Other Services	1,577	12.3 %	\$68,328	3.9 %
Administration/Support	307	2.4	12,388	0.7
Education	73	0.6	1,095	0.1
Health Care	753	5.9	39,440	2.2
Personal Service	298	2.3	8,480	0.5
Rental & Leasing	93	0.7	6,027	0.3
Repair/Maintenance	21	0.2	184	0.0
Social Services	19	0.1	463	0.0
Miscellaneous Other Services	13	0.1	251	0.0
Trade	1,135	8.8	33,146	1.9
Durable Wholesale	275	2.1	5,809	0.3
Non-Durable Wholesale	266	2.1	10,638	0.6
Retail	594	4.6	16,700	0.9
Real Estate	1,520	11.8	118,730	6.7
Lessors of Real Estate	484	3.8	19,411	1.1
Brokers/Managers	441	3.4	21,244	1.2
Other Real Estate	595	4.6	78,075	4.4
Other	785	6.1	41,321	2.3
Construction	439	3.4	26,508	1.5
Manufacturing	200	1.6	6,856	0.4
Transportation & Utilities	99	0.8	6,518	0.4
Miscellaneous Other & Not Available	47	0.4	1,439	0.1
TOTAL	12,844	100.0 %	\$1,765,057	100.0 %

**UNINCORPORATED BUSINESS TAX
PARTNERSHIP TAXPAYERS
TAX YEAR 2014**

**Table 31
DISTRIBUTION BY LIABILITY PER RETURN**

Liability per Return	Number	% of Total	Liability (000)	% of Total
\$300 or Less	345	2.7 %	-\$729	0.0 %
\$300 - \$1,000	529	4.1	334	0.0
\$1,000 - \$5,000	1,574	12.3	4,211	0.2
\$5,000 - \$10,000	2,596	20.2	18,970	1.1
\$10,000 - \$50,000	4,877	38.0	112,428	6.4
\$50,000 - \$500,000	2,369	18.4	352,714	20.0
\$500,000 - \$1,000,000	248	1.9	174,977	9.9
More than \$1,000,000	306	2.4	1,102,153	62.4
TOTAL	12,844	100.0 %	\$1,765,057	100.0 %

**UNINCORPORATED BUSINESS TAX
PARTNERSHIP TAXPAYERS
TAX YEAR 2014**

**Table 32
TOP TEN PERCENT AND TOP ONE PERCENT OF TAXPAYERS
(\$ THOUSANDS)**

Industry	Top Ten Percent		Top One Percent	
	Number	Liability	Number	Liability
Legal	271	\$480,040	49	\$352,998
Finance & Insurance	524	603,250	55	302,428
Information	26	69,127	*	*
Prof/Tech/Managerial	155	137,499	*	*
Arts/Enter/Accom/Food	46	33,322	*	*
Other Services	82	34,243	*	*
Trade	37	12,527	*	*
Real Estate	95	87,918	*	*
Other	48	24,565	*	*
TOTAL	1,284	\$1,482,491	128	\$837,883

* Numbers cannot be provided due to confidentiality restrictions.

**UNINCORPORATED BUSINESS TAX
PARTNERSHIP TAXPAYERS
TAX YEAR 2014**

**Table 33
DISTRIBUTION BY ALLOCATION STATUS AND INDUSTRY
(\$ THOUSANDS)**

Allocation Status and Industry	Number	% of Total	Liability	% of Total
Multi-jurisdictional	3,867	30.1 %	\$1,180,268	66.9 %
Legal	533	4.1	460,611	26.1
Finance & Insurance	810	6.3	392,755	22.3
Information	180	1.4	73,045	4.1
Prof/Tech/Managerial	933	7.3	144,698	8.2
Arts/Enter/Accom/Food	182	1.4	27,675	1.6
Other Services	307	2.4	22,732	1.3
Trade	479	3.7	20,412	1.2
Real Estate	145	1.1	21,101	1.2
Other	298	2.3	17,238	1.0
100% N.Y.C.	8,824	68.7	580,880	32.9
Legal	997	7.8	57,249	3.2
Finance & Insurance	1,360	10.6	265,218	15.0
Information	226	1.8	5,054	0.3
Prof/Tech/Managerial	1,561	12.2	45,695	2.6
Arts/Enter/Accom/Food	988	7.7	30,062	1.7
Other Services	1,252	9.7	45,060	2.6
Trade	636	5.0	12,464	0.7
Real Estate	1,349	10.5	97,376	5.5
Other	455	3.5	22,701	1.3
Unknown	153	1.2	3,909	0.2
Legal	*	*	*	*
Finance & Insurance	10	0.1	219	0.0
Information	*	*	*	*
Prof/Tech/Managerial	25	0.2	781	0.0
Arts/Enter/Accom/Food	10	0.1	347	0.0
Other Services	18	0.1	536	0.0
Trade	20	0.2	270	0.0
Real Estate	26	0.2	253	0.0
Other	32	0.2	1,382	0.1
TOTAL	12,844	100.0 %	\$1,765,057	100.0 %

See Appendix C for definition of allocation status.

* Numbers cannot be provided due to confidentiality restrictions.

UNINCORPORATED BUSINESS TAX

PROPRIETORSHIPS

Table 34
**2014 UNINCORPORATED BUSINESS TAX
PROPRIETORSHIP TAXPAYERS
BY INDUSTRY**

Total Taxpayers: 15,451

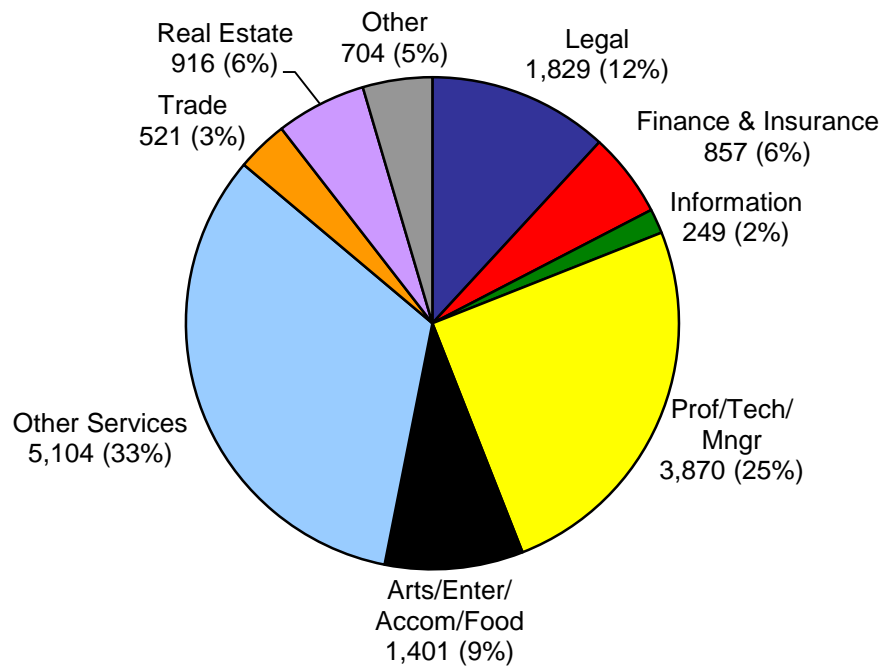
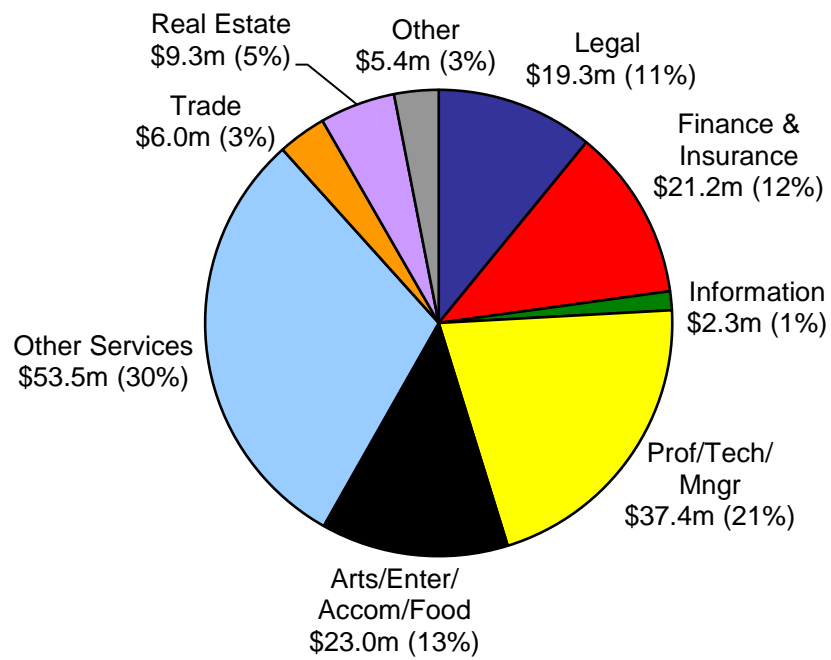


Table 35
**2014 UNINCORPORATED BUSINESS TAX
PROPRIETORSHIP LIABILITY
BY INDUSTRY**

Total Liability: \$177.5m



**UNINCORPORATED BUSINESS TAX
PROPRIETORSHIP TAXPAYERS
TAX YEAR 2014**

**Table 36
DISTRIBUTION BY INDUSTRY
(\$ THOUSANDS)**

Industry	Number	% of Total	Liability	% of Total
Legal	1,829	11.8 %	\$19,338	10.9 %
Finance & Insurance	857	5.5	21,165	11.9
Insurance	200	1.3	2,302	1.3
Securities & Commodities	633	4.1	18,501	10.4
Other Finance	24	0.2	362	0.2
Information	249	1.6	2,329	1.3
Broadcasting/Telecomm	35	0.2	222	0.1
Information Services/Data	78	0.5	614	0.3
Movies/Video/Sound	95	0.6	1,019	0.6
Publishing	41	0.3	474	0.3
Prof/Tech/Managerial	3,870	25.0	37,446	21.1
Accounting	322	2.1	2,103	1.2
Architectural/Engineering/Desig	683	4.4	6,317	3.6
Computer-Related	272	1.8	2,226	1.3
Management/Science/Technica	798	5.2	10,309	5.8
Advertising/Public Relations	310	2.0	2,859	1.6
Other Prof/Tech/Managerial	1,485	9.6	13,632	7.7
Arts/Enter/Accom/Food	1,401	9.1	23,026	13.0
Accommodations & Food Services	77	0.5	910	0.5
Amusement	32	0.2	315	0.2
Performing Arts	1,292	8.4	21,801	12.3

(continued)

**UNINCORPORATED BUSINESS TAX
PROPRIETORSHIP TAXPAYERS
TAX YEAR 2014**

**Table 36
DISTRIBUTION BY INDUSTRY
(\$ THOUSANDS)**

Industry	Number	% of Total	Liability	% of Total
Other Services	5,104	33.0 %	\$53,529	30.2 %
Administration/Support	229	1.5	2,367	1.3
Education	126	0.8	1,209	0.7
Health Practitioners	4,168	27.0	45,092	25.4
Other Health Care	84	0.5	1,049	0.6
Personal Service	363	2.3	2,916	1.6
Religious & Civic Organizations	13	0.1	135	0.1
Repair/Maintenance	30	0.2	177	0.1
Social Services	75	0.5	314	0.2
Other Services	16	0.1	269	0.2
Trade	521	3.4	5,964	3.4
Durable Wholesale	141	0.9	1,439	0.8
Non-Durable Wholesale	80	0.5	1,008	0.6
Retail	300	1.9	3,517	2.0
Real Estate	916	5.9	9,271	5.2
Lessors of Real Estate	18	0.1	143	0.1
Brokers/Managers	592	3.8	6,069	3.4
Other Real Estate	306	2.0	3,060	1.7
Other	704	4.6	5,447	3.1
Construction	173	1.1	1,896	1.1
Manufacturing	54	0.3	434	0.2
Transportation & Utilities	37	0.2	434	0.2
Miscellaneous Other & Not Available	440	2.8	2,683	1.5
TOTAL	15,451	100.0 %	\$177,516	100.0 %

**UNINCORPORATED BUSINESS TAX
PROPRIETORSHIP TAXPAYERS
TAX YEAR 2014**

**Table 37
DISTRIBUTION BY LIABILITY PER RETURN**

Liability per Return	Number	% of Total	Liability (000)	% of Total
\$300 or Less	668	4.3 %	\$97	0.1 %
\$300 - \$1,000	1,272	8.2	806	0.5
\$1,000 - \$5,000	3,572	23.1	9,623	5.4
\$5,000 - \$10,000	5,317	34.4	38,314	21.6
\$10,000 - \$50,000	4,228	27.4	76,920	43.3
More than \$50,000	394	2.5	51,756	29.2
TOTAL	15,451	100.0 %	\$177,516	100.0 %

**UNINCORPORATED BUSINESS TAX
PROPRIETORSHIP TAXPAYERS
TAX YEAR 2014**

**Table 38
TOP TEN PERCENT AND TOP ONE PERCENT OF TAXPAYERS
(\$ THOUSANDS)**

Industry	Top Ten Percent		Top One Percent	
	Number	Liability	Number	Liability
Legal	162	\$7,347	12	\$2,082
Finance & Insurance	150	15,910	28	11,419
Information	19	1,029	*	*
Prof/Tech/Managerial	324	15,655	30	4,970
Arts/Enter/Accom/Food	187	15,028	36	9,075
Other Services	511	22,372	30	5,065
Trade	59	3,044	*	*
Real Estate	93	3,943	*	*
Other	40	1,693	*	*
TOTAL	1,545	\$86,021	154	\$35,460

* Numbers cannot be provided due to confidentiality restrictions.

**UNINCORPORATED BUSINESS TAX
PROPRIETORSHIP TAXPAYERS
TAX YEAR 2014**

**Table 39
DISTRIBUTION BY ALLOCATION STATUS AND INDUSTRY
(\$ THOUSANDS)**

Allocation Status and Industry	Number	% of Total	Liability	% of Total
Multi-jurisdictional	1,349	8.7 %	\$21,960	12.4 %
Legal	128	0.8	1,412	0.8
Finance & Insurance	93	0.6	3,023	1.7
Information	20	0.1	153	0.1
Prof/Tech/Managerial	364	2.4	3,657	2.1
Arts/Enter/Accom/Food	304	2.0	8,416	4.7
Other Services	293	1.9	2,950	1.7
Trade	51	0.3	1,319	0.7
Real Estate	31	0.2	239	0.1
Other	65	0.4	792	0.4
100% N.Y.C.	13,781	89.2	151,719	85.5
Legal	1,664	10.8	17,557	9.9
Finance & Insurance	747	4.8	17,774	10.0
Information	226	1.5	2,168	1.2
Prof/Tech/Managerial	3,450	22.3	33,298	18.8
Arts/Enter/Accom/Food	1,071	6.9	13,189	7.4
Other Services	4,736	30.7	50,033	28.2
Trade	454	2.9	4,543	2.6
Real Estate	860	5.6	8,838	5.0
Other	573	3.7	4,319	2.4
Not Available	321	2.1	3,837	2.2
TOTAL	15,451	100.0 %	\$177,516	100.0 %

See Appendix C for definition of allocation status.

APPENDICES

APPENDIX A

Description of the New York City Banking Corporation Tax For Tax Year 2014¹

The New York City Banking Corporation Tax (BCT) is imposed on all banking corporations, wherever organized, for the privilege of doing business in New York City. The term “banking corporation” includes any corporation organized under the laws of the United States, New York State, or any other state or country, which is doing a banking business. The term also includes any corporation at least 65 percent of whose stock is directly or indirectly owned by a bank or bank holding company, provided it is principally engaged in a business that a bank could conduct or that is so closely related to banking as to be a proper incident thereto within the meaning of the Federal Bank Holding Company Act of 1956.

Basis and Rate of Tax

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

- Entire net income allocated to the City and taxed at 9 percent;
- Alternative entire net income allocated to the City and taxed at 3 percent;
- Taxable assets allocated to the City and taxed at 0.01 percent;²
- A fixed minimum tax of \$125.

“Entire net income” means the taxpayer's federal taxable income, computed without regard to an S corporation election, and subject to certain modifications. A net operating loss carry-forward deduction is allowed for losses sustained in tax years beginning after 2008. Deductions are also allowed for 17 percent of interest income from subsidiary capital, 60 percent of dividend income and net gains from subsidiary capital, and 22½ percent of interest income on obligations of the United States or of New York State or its political subdivisions (other than those held for resale in connection with regular trading activities).

¹ Under New York State legislation enacted in 2015 (Chapter 60, Part D, NYS Laws of 2015), the city's Banking Corporation Tax and General Corporation Tax have been significantly reformed in order to bring them into closer conformity with New York State's corporate income taxes, which were significantly revised in 2014. Both the state and the city reforms apply to taxable years beginning on or after January 1, 2015. A summary of the city changes appears in Appendix E. For further details, please refer to the Department of Finance's website at http://www1.nyc.gov/assets/finance/downloads/pdf/corp_tax_reform/corp_tax_reform_outline.pdf

² The taxable assets tax rate is reduced for certain banks with low net worth ratios.

“Alternative entire net income” means entire net income as described above, except that the above-described percentage deductions with regard to income from subsidiary capital and governmental obligations are not allowed.

“Taxable assets” means the average value of the taxpayer’s total assets less certain sums received from the Federal Deposit Insurance Corporation or the Federal Savings and Loan Insurance Corporation.

Allocation

If a taxpayer’s entire net income, alternative entire net income, or taxable assets are derived from business carried on within and outside the City, it can allocate each tax base by use of a three-factor formula employing payroll, receipts, and deposits factors. In calculating the entire net income allocation percentage, the numerator of the payroll factor includes only 80 percent of compensation paid to employees in the City, and the receipts and deposits factors are double-weighted. (Beginning in tax year 2009, a 10-year phase-in of a single receipts factor formula applies in the case of a corporation subject to the BCT that is substantially engaged in providing management, administrative, or distribution services to a regulated investment company, i.e., a mutual fund.) In allocating alternative entire net income, the numerator of the payroll factor is recalculated by including 100 percent of in-city compensation, and the receipts and deposits factors are not double-weighted. In allocating taxable assets, the entire net income allocation percentage is used but it is adjusted to reflect the inclusion of in-city wages, receipts, and deposits of an international banking facility (IBF) maintained by the taxpayer.

International Banking Facilities (IBFs)

The Federal Reserve Board authorizes banks to establish units, known as International Banking Facilities, through which they can conduct certain exclusively international banking activities without being subject to certain reserve and deposit insurance requirements. The establishing bank must maintain separate IBF accounts that comply with Federal Reserve reporting requirements and the tax requirements of states that provide an IBF exemption. Under the BCT, a bank that has established a New York IBF can exclude the IBF’s net income—the excess of income over expenses from qualifying foreign banking transactions—from the calculation of its entire net income; the IBF’s payroll, receipts, and deposits are also excluded from the numerator and denominator of the bank’s allocation formula. In the alternative, the bank can make an election to include the IBF’s net income in its entire net income; however, in allocating such entire net income, the IBF’s payroll, receipts, and deposits are included in the denominator, but excluded from the numerator, of the bank’s allocation formula.

Credits

In order to eliminate multiple taxation of the same income, the BCT allows a credit for banking corporations that are partners in firms subject to the UBT. The credit is based upon the distributing partnership’s UBT liability, and is applied against the bank partner’s tax liability.

Other credits against the tax are allowed for employment opportunities relocated to targeted areas within the City.

Combined Reporting

Corporations that are closely linked may be required or permitted to file a combined return. Generally, a banking corporation or bank holding company doing business in the city is required to file a combined return with any other banking corporation or bank holding company doing business in the city where an 80-percent-stock-ownership requirement is met. However, a corporation can be excluded from a combined return if it can be shown that its inclusion fails to properly reflect its tax liability. Certain banking corporations or bank holding companies that meet a 65 percent stock ownership requirement may be permitted or required to file a combined return if the Department of Finance determines that such filing is necessary to properly reflect the tax liability of such corporations because they are engaged in a unitary business and have other interrelationships. (A “captive” regulated investment company or real estate investment trust must be included in a combined return where a greater-than-50-percent ownership test is satisfied.) The tax on a combined return is measured by the combined entire net income, combined alternative entire net income, or combined assets of all the corporations included in the return, after the elimination of inter-corporate transactions and inter-corporate stockholdings and indebtedness.

Filing Period

The 2014 tax year includes all reported activity and income over a twelve-month period beginning between January 1, 2014 and December 31, 2014. In 2014, 85 percent of all BCT filers reported on a calendar-year basis. Of these, all but 3 percent were full-year filers. The tax period used under the BCT must conform to the federal tax year.

APPENDIX B

Description of the New York City General Corporation Tax For Tax Year 2014³

The New York City General Corporation Tax (GCT) is imposed on all corporations, wherever organized, for the privilege of doing business, employing capital, owning or leasing property, or maintaining an office in New York City. Corporations that are subject to other special taxes, namely banking institutions and regulated utilities, are not subject to this tax. Insurance corporations pay no City business income taxes.

Basis and Rate of Tax

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

- Entire net income allocated to the City and taxed at 8.85 percent;
- Entire net income, increased by compensation paid to certain shareholders, reduced by a \$40,000 allowance, allocated to the City, multiplied by 15 percent and taxed at 8.85 percent (the “income-plus-compensation” base);⁴
- Business and investment capital allocated to the City and taxed at 0.15 percent up to a maximum of \$1 million;⁵
- A fixed minimum tax, which is a graduated amount ranging from \$25 where the taxpayer’s City receipts are not over \$100,000 to \$5,000 where City receipts exceed \$25 million.⁶

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

“Entire net income” means the taxpayer's federal taxable income, computed without regard to an S corporation election, subject to certain modifications. Real estate investment trusts and regulated investment companies are subject to tax on “real estate investment trust

³ Under New York State legislation enacted in 2015 (Chapter 60, Part D, NYS Laws of 2015), the city’s Banking Corporation Tax and General Corporation Tax have been significantly reformed in order to bring them into closer conformity with New York State’s corporate income taxes, which were significantly revised in 2014. Both the state and the city reforms apply to taxable years beginning on or after January 1, 2015. A summary of the city changes appears in Appendix E. For further details, please refer to the Department of Finance’s website at http://www1.nyc.gov/assets/finance/downloads/pdf/corp_tax_reform/corp_tax_reform_outline.pdf

⁴ A taxpayer is exempt from these calculations if its Federal gross income is less than \$250,000, its business allocation percentage is 100 percent, and it has no investment or subsidiary capital.

⁵ A taxpayer is exempt from these calculations if its Federal gross income is less than \$250,000, its business allocation percentage is 100 percent, and it has no investment or subsidiary capital.

⁶ Where a combined return is filed, each taxable subsidiary included in the return must pay the fixed minimum tax.

taxable income” or “investment company taxable income,” respectively, as defined in the Internal Revenue Code, with certain modifications.

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

“Business capital” means all assets, other than subsidiary capital, investment capital, and stock issued by the taxpayer, minus short- and long-term liabilities not deducted from subsidiary or investment capital.

“Investment capital” means investments in corporate and governmental stocks, bonds, and other securities, other than subsidiary capital and stock issued by the taxpayer, minus total liabilities directly or indirectly attributable to investment capital.

“Subsidiary capital” means investments in the stock of subsidiaries and any indebtedness from subsidiaries (other than accounts receivable) on which interest is not claimed and deducted by the subsidiary on a GCT or BCT return, minus total liabilities directly or indirectly attributable to subsidiary capital. A subsidiary is a corporation whose stock is more than 50 percent owned by the taxpayer.

Allocation

A corporation is taxed on the City-allocated portion of its business income and business capital. The City's taxable share of total business income and capital is allocated using the business allocation percentage (BAP), which, before 2009, was based upon the traditional three-factor formula (property, payroll, receipts), with manufacturers having the option of double-weighting their receipts factor. Beginning in tax year 2009, the GCT business allocation formula is revised by phasing in, over a 10-year period, a transition from the three-factor formula to a single-factor formula utilizing only receipts. Investment income and investment capital are allocated to the City according to the extent of activity within the City of the issuer of the investment; subsidiary capital is allocated based on the extent of the subsidiary's activity within the City. (Income from subsidiary capital is not taxable.)

Credits

To eliminate multiple taxation of the same income, the GCT allows a credit for corporations that are partners in firms subject to the UBT. The credit is based upon the distributing partnership's UBT liability, and is applied against the corporate partner's tax liability.

Other credits against the tax are allowed for certain expenses (including real estate tax escalation payments) of taxpayers relocating into the City from outside New York State and creating employment opportunities, and for employment opportunities relocated to targeted areas within the City. Certain biotechnology firms are allowed a credit for qualifying expenditures related to research and development activities. Due to credits, some taxpayers may have liabilities below the fixed minimum tax.

Combined Reporting

Groups of corporations that are closely linked may be permitted or required to file a combined return. The general requirements for combined filing are as follows: the group must form a “unitary business,” for example, one in which the goods or services produced or acquired by one member of the group are acquired, used, or sold by other members of the group; 80 percent or more of the stock of the members of the combined group must be directly or indirectly owned by other members of the group, by the parent corporation, or by the same interests; and, filing on a separate basis would distort a corporation’s New York City activities, business, income, or capital. The filing of a combined return is mandatory where there are substantial inter-corporate transactions among the related corporations, regardless of the transfer prices charged in those inter-corporate transactions. In addition, a “captive” regulated investment company or real estate investment trust is required to be included in a combined return where a greater-than-50-percent ownership test is satisfied. When filing a combined return, the group’s tax liability is computed by summing information for all members of the group and subtracting inter-corporate transactions.

Filing Period

The 2014 tax year includes all reported activity and income over a twelve-month period beginning between January 1, 2014 and December 31, 2014. In 2014, 75 percent of all GCT filers reported on a calendar-year basis. Of these, all but 1 percent were full-year filers. The tax period used under the GCT must conform to the federal tax year.

APPENDIX C

Description of the New York City Unincorporated Business Tax For Tax Year 2014

The New York City Unincorporated Business Tax (UBT) is imposed on partnerships, individuals, trusts, and estates that carry on or liquidate unincorporated businesses or professions wholly or partly within New York City. The tax also applies to corporations in liquidation. A tax return is required to be filed if the taxpayer's gross income, before any deduction for cost of goods sold or services performed, is greater than \$95,000.

Basis and Rate of Tax

The UBT is imposed at the rate of 4 percent on New York City taxable income. For proprietors, taxable income is based upon net profit from federal form 1040, Schedule C. For partnerships, taxable income is based upon net income from the partnership's federal form 1065. Taxpayers are required to make certain New York City modifications to this income, and the resulting amount is then allocated to New York City if the business is carried on both in and out of the City.

Individuals or unincorporated entities, other than dealers, are not considered to be unincorporated businesses subject to the UBT solely by reason of the purchase or sale of property or stock option contracts for their own account.⁷ Investment partnerships and proprietorships may engage in limited business activity and still retain this self-trading exemption.

Owners, lessees, or fiduciaries that solely hold, lease, or manage real property are also not considered to be engaged in an unincorporated business. By contrast, dealers who hold real property primarily for sale to customers in the ordinary course of business are subject to the tax. Special rules apply to otherwise exempt taxpayers that operate a garage or other incidental business at the property for the benefit of the property's tenants.

Allocation

An unincorporated business is taxed on the City-allocated portion of its business income. Before 2009, total business net income was apportioned in accordance with the traditional three-factor formula based on property, payroll, and receipts, with manufacturers having the option of double-weighting their receipts factor. Beginning in tax year 2009, the formula is revised by phasing in, over a 10-year period, a transition from the three-factor formula to a single-factor formula utilizing only receipts. Investment income is allocated to the City according to the extent of activity within the City of the issuer of the investment.

⁷ An individual or entity is not disqualified from this exemption if it receives \$25,000 or less from other activities.

Exemptions and Credits

Through a combination of exemptions and credits, no tax is levied on proprietorships with allocated net income of not more than \$100,000 and on partnerships with allocated net income of not more than the sum of \$90,000 plus \$10,000 times the number of active partners. A proprietorship is allowed one exemption of \$5,000 and another exemption of up to \$10,000 as an allowance for proprietor services. A partnership is allowed one \$5,000 exemption and another exemption of up to \$10,000 for each active partner's services. The allowance for services is in lieu of any other deduction for payments to a proprietor or partner for services or use of capital. Both partnerships and proprietorships with tax (after exemptions) of \$3,400 or less (e.g., income after exemptions not greater than \$85,000) receive a full credit and owe no tax. Entities with tax (after exemptions) of more than \$3,400 but less than \$5,400 receive a partial credit.

In order to eliminate multiple taxation of the same income, the UBT allows a credit for partnerships that are themselves partners in firms subject to the UBT. The partner receiving the distribution may take a UBT credit that is based upon the distributing partnership's UBT liability, and is applied against the partner's UBT liability.

Other credits against the tax are allowed for certain expenses (including real estate tax escalation payments) of taxpayers relocating into the City from outside New York State and creating employment opportunities, and for employment opportunities relocated to targeted areas within the City. Certain biotechnology firms are allowed a credit for qualifying expenditures related to research and development activities.

In addition, in order to address the double taxation of income under both the PIT and the UBT, partners and proprietors may take a credit against the New York City Personal Income Tax for a portion of their share of UBT paid.

Filing Period

The 2014 tax year includes all reported activity and income over a twelve-month period that began between January 1, 2014 and December 31, 2014. In 2014, 95 percent of UBT filers reported on a calendar-year basis. The tax period used under the UBT must conform to the federal tax year.

APPENDIX D

Methodology

The Banking Corporation Tax (BCT), General Corporation Tax (GCT), and Unincorporated Business Tax (UBT) data are obtained from tax data files maintained by the Department of Finance for purposes of processing, recording, and monitoring the payment history of individual taxpayers. The Division of Tax Policy converted these tax files into an aggregate database in order to analyze various characteristics of the BCT, GCT, and UBT. The distributions presented in this report reflect data that are as complete as possible. For tax year 2014, 99 percent of all BCT taxpayers had filed annual returns, 96 percent of GCT taxpayers had filed annual returns, and 98 percent of UBT taxpayers had filed annual returns.

Liability and Number

The Finance Department's files contain BCT, GCT, and UBT transactions, including declarations of estimated liability, quarterly estimated payments, applications for extensions, and annual returns. Liability was estimated based on either the tax reported on the annual return, or, if no annual return was filed, on the application for an extension. Liability excludes penalty and interest charges and is net of all refundable credits. The number of GCT and BCT taxpayers refers to the number of annual returns received, or, if no annual return was filed, the number of applications for an extension received. The number of UBT taxpayers refers to the number of annual returns with liability before credits greater than zero, or, if no annual return was filed, the number of applications for an extension with liability greater than zero.

Industry

The GCT and UBT distributions by industry sector are based upon the NAICS (North American Industry Classification System) code, as reported by taxpayers. Since firms select the one code that best describes their national activity, some multi-jurisdictional firms may use a NAICS code that does not accurately reflect their New York City activity.

In cases where the codes were missing or incorrect, various procedures were employed to identify the correct values. Computer programs assigned codes based upon name and data from other tax years. Unidentified large taxpayers were assigned codes manually. By these means, almost 100 percent of corporate and partnership liability and 98 percent of proprietorship liability were ultimately identified by industry sector.

The report reflects additional verification of firms reporting as holding companies. Because under the NAICS system the definition of holding company is very broad, some taxpayers reported a holding company code when that code did not best describe the taxpayer's activity.

For UBT taxpayers, the sector groups differ from those commonly employed, in order to highlight the industries that are most significant to the UBT.

For banks, the sector reporting is by type of bank, as reported by the taxpayer on the City return.

Form Type

BCT taxpayers use one of two types of annual returns. The most commonly used is the NYC-1 return. The NYC-1A is used by combined groups of banking corporations.

GCT taxpayers use one of four types of annual returns. The NYC-4S return, or the “short form,” may be used by firms that do not own investment or subsidiary capital, do not have any income that could be allocated outside New York City, and do not take certain deductions or special credits. Taxpayers whose federal gross income is less than \$250,000, whose business allocation percentage is 100 percent, and that have no investment or subsidiary capital, may use the simplified version of the short form, NYC-4S EZ. Corporations eligible to use NYC-4S EZ compute their taxes using only the entire net income base or fixed dollar minimum, whichever is greater, and are not subject to the alternative bases measured by business or investment capital or by entire net income plus compensation paid to certain shareholders. Firms that allocate income outside the City, own investment or subsidiary capital, or use certain deductions or special credits, must use the NYC-3L, or the “long form.” Some firms that are eligible to use the NYC-4S choose to report on the NYC-3L. The NYC-3A is used by combined groups of corporations.

UBT taxpayers use one of five types of annual returns. The NYC-204 is used by partnerships, including syndicates, groups, pools, or other unincorporated organizations.⁸ The NYC-204 EZ can be used by partnerships that are required to file an unincorporated business tax return but have: no tax liability; no New York City modifications; all business income allocated to New York City; no credit for unincorporated business tax paid; no partial exemption for investment activities; no investment income; no net operating loss; and unincorporated business gross income, after the allowance for active partners, that is not more than \$90,000. This form may also be used by partnerships that are not required to file but wish to disclaim any liability for tax because they are engaged solely in activities exempt from the tax. The NYC-202 is used by individuals, while the NYC-202EIN is used by estates and trusts. The NYC-202S is a simplified version of the NYC-202 and may be used by individuals who do not allocate business income, have no New York City modifications and have total income that is more than \$100,000.

Allocation

Taxpayers were classified as multi-jurisdictional if their business allocation percentage (BAP) was less than 100. For BCT, the percentage used was the combined entire net income allocation percentage; if this was not available, the issuer’s allocation percentage was used.

⁸ Limited liability companies doing business in New York City are generally taxed as partnerships under the UBT.

New York State S Corporation Status (GCT only)

Data from the New York State Department of Taxation and Finance were used to identify New York City corporations that made the S corporation election at the State level.

APPENDIX E

Corporate Tax Reform of 2015

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

APPENDIX F

Glossary of Industry Sectors

Banking Corporation Tax Bank Types

- COMMERCIAL BANKS - U.S. incorporated banks that specialize in accepting corporate demand and time deposits and make commercial loans to businesses.
- CLEARINGHOUSE BANKS - large commercial banks that are members of the New York Clearing House Association.
- FOREIGN BANKS - non-U.S. incorporated commercial banks with branches and offices in the United States. Domestic banks majority-owned by foreign banks and subsidiaries of foreign banks that provide limited banking services are classified elsewhere.
- THRIFT BANKS - both savings and loan associations and savings banks.
- OTHER BANKS
 - Edge Act Banks - banks formed under the Edge Act banking legislation that allows national banks to conduct foreign lending operations through federal- or state-chartered subsidiaries.
 - Trust Companies - banks specializing in the administration of trust funds, estates, custodial arrangements, stock transfers and registration, and other related services.
 - Subsidiaries of domestic and foreign banks that file separately from their parents as individual entities (and whose activities do not fall into the above categories).
 - Non-bank banks - limited-service banks, which include certain leasing corporations, mortgage, and loan production offices.
 - Captive REIT/RIC
 - Credit Card Banks
 - Banking institutions whose bank types cannot be determined.

General Corporation Tax Industries

- FINANCE AND INSURANCE - credit agencies; firms engaged in banking, lending or financing activities; funds and trusts; securities and commodities brokers and dealers, exchanges; insurance agents and brokers; related industries.
- REAL ESTATE – lessors of real estate; property management; real estate brokers; related real estate activity.
- MANUFACTURING - apparel and textile; food and beverages; printing; machinery; computers and electronics; furniture; chemicals; other manufacturing.

- PROFESSIONAL/TECHNICAL/MANAGERIAL SERVICES – computer-related services; architectural, design and engineering services; management, scientific and technical; legal services; advertising, public relations and marketing; accounting; consulting; veterinary services; holding companies; other professional, technical, and managerial services.
- OTHER SERVICES - personal services; accommodations and food services; health care; entertainment, amusement and recreation; administrative and support services; repair services; education and social assistance; non-realty rental and leasing; miscellaneous other services.
- INFORMATION - motion pictures; information services and data processing; publishing; telecommunications; broadcasting.
- TRADE - retail and wholesale.
- OTHER – construction; transportation; unregulated utilities; agriculture; mining; unknown.

Unincorporated Business Tax Industries

- LEGAL
- FINANCE AND INSURANCE - credit agencies; firms engaged in banking, lending or financing activities; funds and trusts; securities and commodities brokers and dealers, exchanges; insurance agents and brokers; related industries.
- INFORMATION - motion pictures; information services and data processing; publishing; telecommunications; broadcasting.
- PROFESSIONAL/TECHNICAL/MANAGERIAL SERVICES - computer-related services; architectural, design and engineering services; management, scientific and technical; advertising, public relations and marketing; accounting; consulting; veterinary services; holding companies (partnerships only); other professional, technical, and managerial services.
- ARTS/ENTERTAINMENT/ACCOMMODATIONS/FOOD SERVICES - performing arts; amusements and recreation (includes museums); accommodations; food services and drinking places.
- OTHER SERVICES – health care; administrative and support services; personal services; non-realty rental and leasing services; education and social assistance; repair services; miscellaneous other services.
- TRADE - retail and wholesale.
- REAL ESTATE – lessors of real estate; property management; real estate brokers and related real estate activity.

- OTHER – construction; manufacturing; transportation and utilities; miscellaneous other and unknown.