

---

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

---

**BUSINESS INCOME TAXES**

**BANKING CORPORATION TAX  
GENERAL CORPORATION TAX  
UNINCORPORATED BUSINESS TAX  
TAX YEAR 2000**

---

---

**BUSINESS INCOME TAXES**  
**BANKING CORPORATION TAX**  
**GENERAL CORPORATION TAX**  
**UNINCORPORATED BUSINESS TAX**  
**TAX YEAR 2000**

---



**FINANCE**  
**NEW • YORK**  
THE CITY OF NEW YORK  
DEPARTMENT OF FINANCE

**MICHAEL R. BLOOMBERG**  
**MAYOR**

**MARTHA E. STARK**  
**COMMISSIONER**

**REPORT PREPARED BY THE**  
**OFFICE OF TAX POLICY**  
**DECEMBER 2003**

## Table of Contents

<b>Highlights</b> .....	i-ii
<b>2000 Business Income Tax Tables</b> .....	1-5
Table 1: Distribution of Taxpayers by Industry .....	2
Table 2: Distribution of Liability by Industry .....	3
Table 3: Distribution by Industry .....	4
Table 4: Distribution by Liability Range .....	5
<b>2000 Banking Corporation Tax Tables</b> .....	6-13
Table 5: Distribution of Taxpayers by Bank Type.....	7
Table 6: Distribution of Liability by Bank Type.....	8
Table 7: Distribution by Bank Type .....	9
Table 8: Distribution by Liability Range .....	10
Table 9: Top Ten Percent of Taxpayers by Bank Type .....	10
Table 10: Distribution by Tax Base.....	11
Table 11: Distribution by Tax Base and Bank Type.....	11
Table 12: Distribution by Form Type.....	12
Table 13: Distribution by Allocation Status and Bank Type.....	13
<b>2000 General Corporation Tax Tables</b> .....	14-22
Table 14: Distribution of Taxpayers by Industry .....	15
Table 15: Distribution of Liability by Industry .....	16
Table 16: Distribution by Industry .....	17
Table 17: Distribution by Liability Range .....	18
Table 18: Top Ten Percent and Top One Percent of Taxpayers by Industry .....	18
Table 19: Distribution by Tax Base.....	19
Table 20: Distribution by Tax Base and Industry .....	19
Table 21: Distribution by Form Type.....	20
Table 22: Distribution by Form Type and Liability Range .....	20
Table 23: Distribution by Allocation Status and Industry .....	21
Table 24: Distribution by State S Corporation Status .....	22
Table 25: Distribution of State S Corporations by Industry .....	22
Table 26: Distribution of State S Corporations by Tax Base .....	22
<b>2000 Unincorporated Business Tax Partnership Tables</b> .....	23-29
Table 27: Distribution of Taxpayers by Industry .....	24
Table 28: Distribution of Liability by Industry .....	25
Table 29: Distribution by Industry .....	26
Table 30: Distribution by Liability Range .....	27
Table 31: Top Ten Percent and Top One Percent of Taxpayers by Industry .....	27
Table 32: Distribution by Allocation Method .....	28
Table 33: Distribution by State Limited Liability Company Status .....	29
Table 34: Distribution of State Limited Liability Companies by Industry .....	29
<b>2000 Unincorporated Business Tax Proprietorship Tables</b> .....	30-35
Table 35: Distribution of Taxpayers by Industry .....	31
Table 36: Distribution of Liability by Industry .....	32

Table 37: Distribution by Industry .....	33
Table 38: Distribution by Liability Range .....	34
Table 39: Top Ten Percent and Top One Percent of Taxpayers by Industry .....	34
Table 40: Distribution by Allocation Method.....	35

**Appendices**

A. Description of the New York City Banking Corporation Tax .....	A-1
B. Description of the New York City General Corporation Tax .....	B-1
C. Description of the New York City Unincorporated Business Tax .....	C-1
D. Methodology .....	D-1
E. Glossary of Sectors .....	E-1

**New York City's Business Income Taxes:  
The Banking Corporation Tax, General Corporation Tax, and  
Unincorporated Business Tax  
Tax Year 2000**

This report presents statistical information for tax year 2000 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).

Almost 281,000 firms and individuals pay the GCT, the UBT, or the BCT. For tax year 2000, these taxpayers generated \$2.953 billion in liability.

**Banking Corporation Tax**

In 2000, the Banking Corporation Tax generated \$389 million from 567 taxpayers, an increase in tax liability of 3 percent from tax year 1999. The data show the following characteristics of the BCT population in 2000:

- Foreign banks generated 46 percent of total BCT liability, followed by clearing house banks at 24 percent.
- The top 10 percent of taxpayers in terms of liability generated \$312 million, or 80 percent of total liability.
- More than 83 percent of BCT liability was incurred under the entire net income base. More than 46 percent of taxpayers paid on this base. Another 17 percent of taxpayers paid the \$125 minimum tax.

**General Corporation Tax**

The General Corporation Tax generated \$1.7 billion in tax year 2000 liability, an increase of 8 percent from tax year 1999. The number of taxpayers increased to 253,202, 2 percent more than in 1999. The data show the following characteristics of the GCT population in 2000:

- Services-sector firms owed 28 percent of total liability, followed by finance and insurance-sector firms, which owed 23 percent. Firms in the trade and manufacturing sectors owed 15 percent and 7 percent of total liability, respectively.
- The top 10 percent of taxpayers in terms of liability generated \$1.5 billion, or 88 percent of total liability. The top 1 percent of taxpayers accounted for \$1.1 billion, or 63 percent of total liability.
- More than half of GCT taxpayers owed only the \$300 minimum tax. The remaining taxpayers incurred liability under one of the following tax bases: entire net income, income plus compensation and capital. About 80 percent of total GCT liability was incurred under the entire net income base.
- Approximately 110,500 GCT taxpayers were recognized as S corporations for federal and New York State tax purposes. At the Federal level, S corporations are permitted to pass

through their income to shareholders and are not subject to entity-level taxation. S corporations owed \$707 million in GCT liability in 2000.

### **Unincorporated Business Tax**

The Unincorporated Business Tax produced \$848 million in 2000 tax liability, an increase of 14 percent over the previous year. Partnerships generated \$721 million, an increase of 14 percent from 1999. Proprietorships generated \$127 million in liability, up 12 percent from 1999. There were 6,852 partnership taxpayers and 20,180 proprietorship taxpayers, an increase of 5 and 3 percent, respectively, over 1999.

Other characteristics of the UBT population are as follows:

- Among UBT partnerships, legal, finance & insurance, and professional services firms generated \$581 million in tax liability, or 81 percent of total partnership liability. Among proprietorships, services-sector firms accounted for 59 percent of total liability, while legal-sector firms generated 13 percent.
- The top 10 percent of partnership taxpayers, or 685 firms, accounted for 85 percent of total partnership liability, and the top 1 percent accounted for 52 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 22 percent of liability.
- Under the UBT, limited liability companies (LLCs) are generally treated as partnerships for tax purposes. In 2000, firms identified as LLCs accounted for 36 percent of UBT partnership liability and 26 percent of partnership taxpayers.

### **Introduction to Statistical Tables and Appendices**

The report is divided into the following five sections: Total Business Income Taxes, Banking Corporation Tax, General Corporation Tax, Unincorporated Business Tax - Partnerships and Unincorporated Business Tax - Proprietorships. Each section provides a distribution by sector (bank type for the BCT), liability range and allocation method or status. The GCT and BCT sections supplement this information with data on tax base and form type. The GCT section also includes S corporation statistics. The UBT partnership section also provides information on limited liability companies. BCT and GCT data is as of June 2003; UBT data is as of April 2003.

The report contains five appendices. Appendices A, B, and C describe the BCT, GCT, and UBT, respectively. Appendix D describes the methodologies used to compile the data. Appendix E contains a glossary of industry sectors.

# **BUSINESS INCOME TAX TABLES**

Table 1  
**2000 BUSINESS INCOME TAXES**

**Total Taxpayers: 280,801**

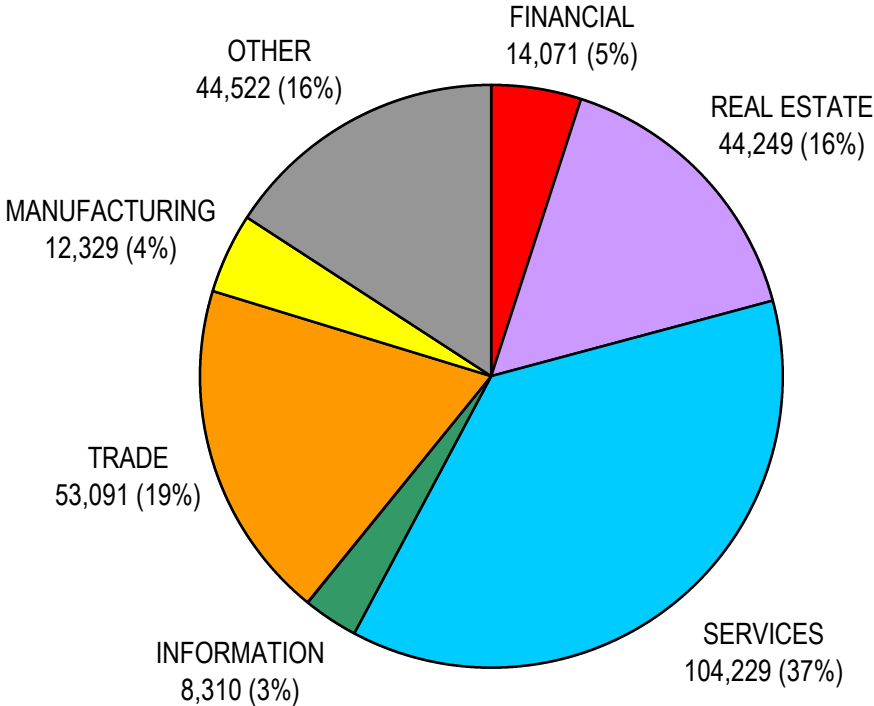
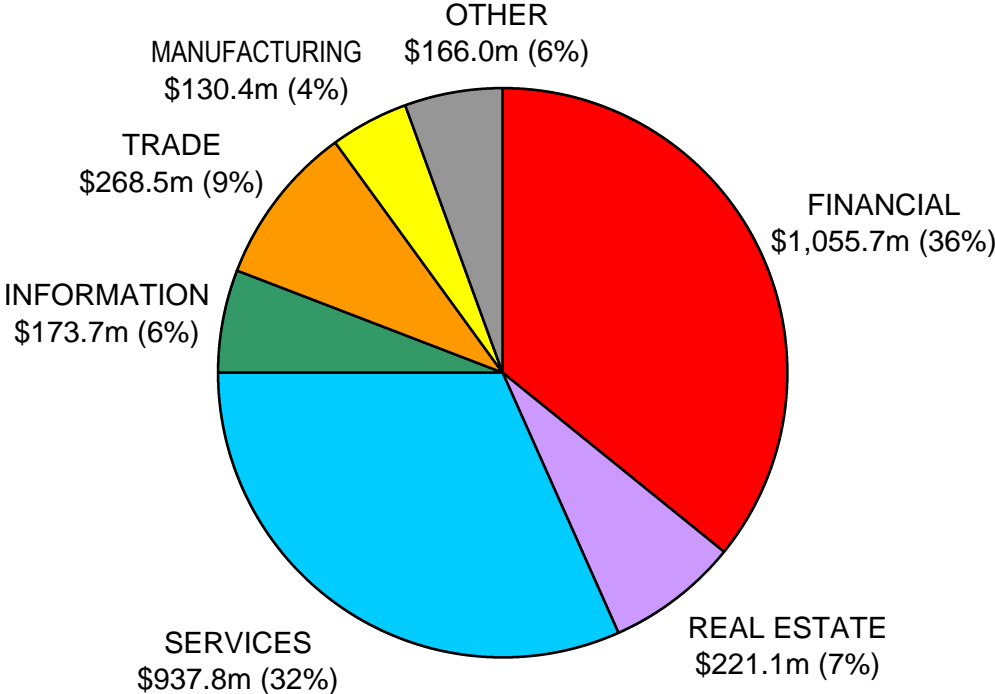




Table 2  
**2000 BUSINESS INCOME TAXES**

**Total Liability: \$2,953.2m**



**BUSINESS INCOME TAXES  
TAX YEAR 2000**

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

<b>INDUSTRY</b>	<b>Number</b>	<b>% of Total</b>	<b>Liability</b>	<b>% of Total</b>
<b>FINANCIAL</b>	14,071	5.0 %	\$1,055,702	35.7 %
<b>REAL ESTATE</b>	44,249	15.8	221,067	7.5
<b>SERVICES</b>	104,229	37.1	937,761	31.8
<b>INFORMATION</b>	8,310	3.0	173,716	5.9
<b>TRADE</b>	53,091	18.9	268,496	9.1
<b>MANUFACTURING</b>	12,329	4.4	130,448	4.4
<b>OTHER</b>	44,522	15.9	165,971	5.6
<b>TOTAL</b>	<b>280,801</b>	<b>100.0 %</b>	<b>\$2,953,161</b>	<b>100.0 %</b>

**BUSINESS INCOME TAXES  
TAX YEAR 2000**

**Table 4  
DISTRIBUTION BY LIABILITY RANGE  
(\$ THOUSANDS)**

<b>LIABILITY PER RETURN (Actual \$)</b>	<b>Number</b>	<b>% of Total</b>	<b>Total Liability</b>	<b>% of Total</b>
<b>\$300.00 OR LESS</b>	146,489	52.2 %	\$43,627	1.5 %
<b>\$300.01-\$1,000</b>	37,602	13.4	22,318	0.8
<b>\$1,000.01-\$5,000</b>	53,726	19.1	137,179	4.6
<b>\$5,000.01-\$10,000</b>	18,860	6.7	132,691	4.5
<b>\$10,000.01-\$50,000</b>	18,462	6.6	380,230	12.9
<b>\$50,000.01-\$500,000</b>	4,984	1.8	666,355	22.6
<b>\$500,000.01 - \$1,000,000</b>	331	0.1	231,778	7.8
<b>MORE THAN \$1,000,000</b>	347	0.1	1,338,983	45.3
<b>TOTAL</b>	<b>280,801</b>	<b>100.0 %</b>	<b>\$2,953,161</b>	<b>100.0 %</b>

# **BANKING CORPORATION TAX TABLES**

Table 5  
**2000 BANK TAX  
TAXPAYERS BY BANK TYPE**

**Total Taxpayers: 567**

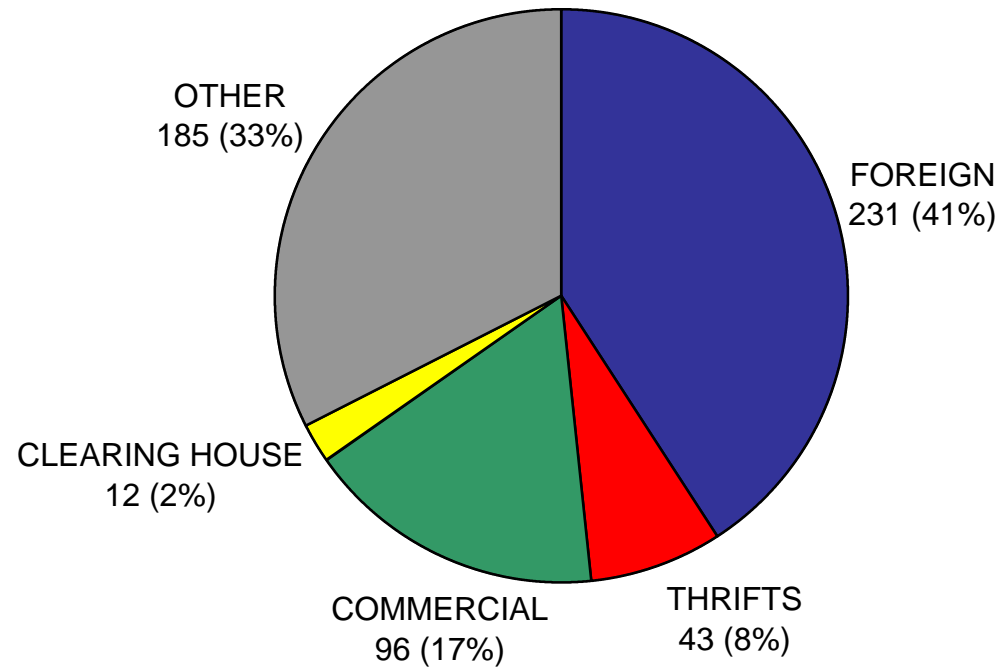
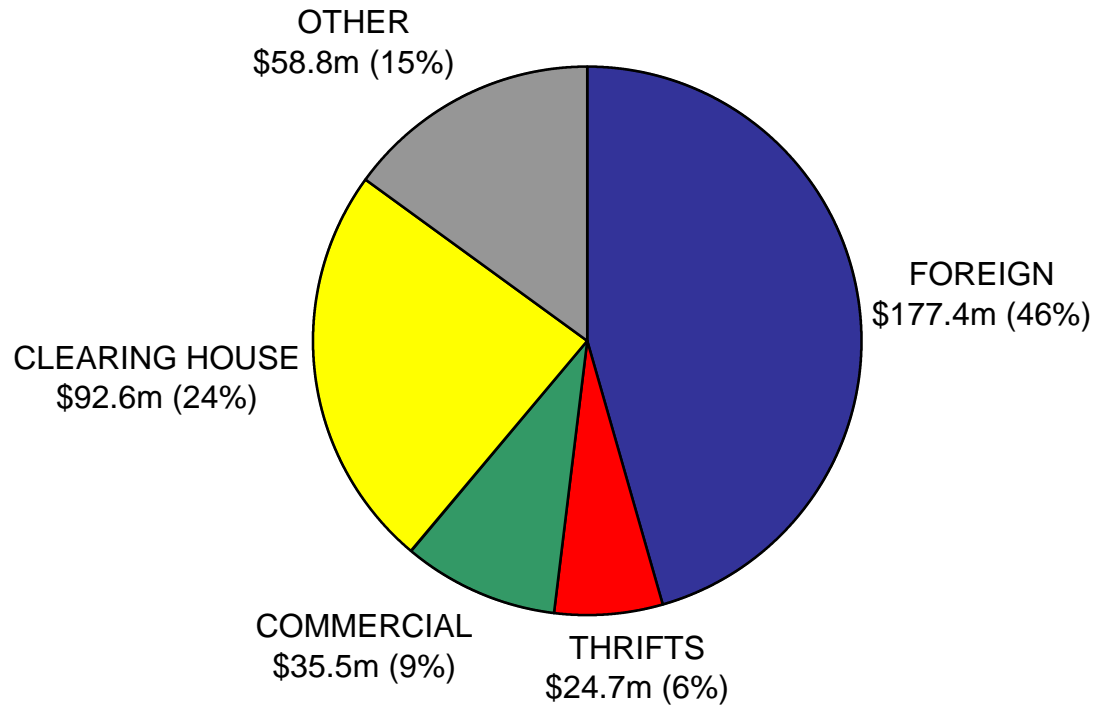


Table 6  
**2000 BANK TAX  
LIABILITY BY BANK TYPE**

**Total Liability: \$388.9m**



**BANK TAX  
TAX YEAR 2000**

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

INDUSTRY	Number	% of Total	Liability	% of Total
COMMERCIAL	96	16.9 %	\$35,450	9.1 %
CLEARING HOUSE	12	2.1	92,606	23.8
FOREIGN	231	40.7	177,370	45.6
THRIFTS	43	7.6	24,659	6.3
OTHER	185	32.6	58,816	15.1
<b>TOTAL</b>	<b>567</b>	<b>100.0 %</b>	<b>\$388,901</b>	<b>100.0 %</b>

**BANK TAX  
TAX YEAR 2000**

**Table 8  
DISTRIBUTION BY LIABILITY RANGE  
(\$ THOUSANDS)**

<b>LIABILITY PER RETURN (Actual \$)</b>	<b>Number</b>	<b>% of Total</b>	<b>Total Liability</b>	<b>% of Total</b>
<b>\$125 OR LESS</b>	97	17.1 %	\$12	0.0 %
<b>\$125.01 - \$1,000</b>	29	5.1	16	0.0
<b>\$1,000.01 - \$5,000</b>	44	7.8	115	0.0
<b>\$5,000.01 - \$10,000</b>	28	4.9	201	0.1
<b>\$10,000.01 - \$50,000</b>	85	15.0	2,269	0.6
<b>\$50,000.01 - \$500,000</b>	179	31.6	36,438	9.4
<b>\$500,000.01 - \$1,000,000</b>	41	7.2	28,083	7.2
<b>MORE THAN \$1,000,000</b>	64	11.3	321,767	82.7
<b>TOTAL</b>	<b>567</b>	<b>100.0 %</b>	<b>\$388,901</b>	<b>100.0 %</b>

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

<b>BANK TYPE</b>	<b>Number</b>	<b>Liability</b>
<b>COMMERCIAL / CLEARING HOUSE</b>	12	\$109,876
<b>FOREIGN</b>	25	146,850
<b>OTHER</b>	19	55,391
<b>TOTAL</b>	<b>56</b>	<b>\$312,117</b>



**BANK TAX  
TAX YEAR 2000**

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

TAX BASE	Number	% of Total	Liability	% of Total
ENTIRE NET INCOME	262	46.2 %	\$323,995	83.3 %
ALTERNATIVE NET INCOME	24	4.2	21,283	5.5
ASSET BASE	78	13.8	29,603	7.6
CAPITAL	95	16.8	12,020	3.1
MINIMUM TAX	100	17.6	14	0.0
NOT AVAILABLE / EXTENSION	8	1.4	1,986	0.5
<b>TOTAL</b>	<b>567</b>	<b>100.0 %</b>	<b>\$388,901</b>	<b>100.0 %</b>

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

TAX BASE	COMMERCIAL / CLEARINGHOUSE		FOREIGN		OTHER	
	Number	Liability	Number	Liability	Number	Liability
ENTIRE NET INCOME	61	\$91,776	97	\$163,981	104	\$68,239
ALT. NET INCOME	*	*	*	*	*	*
ASSET OR CAPITAL BASE	36	23,625	95	12,019	42	5,978
MINIMUM TAX	*	*	*	*	64	10
NOT AVAILABLE / EXTENSION	*	*	*	*	*	*
<b>TOTAL</b>	<b>108</b>	<b>\$128,056</b>	<b>231</b>	<b>\$177,370</b>	<b>228</b>	<b>\$83,475</b>

\* Number cannot be provided due to confidentiality restrictions.

**BANK TAX  
TAX YEAR 2000**

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

<b>FORM TYPE</b>	<b>Number</b>	<b>% of Total</b>	<b>Liability</b>	<b>% of Total</b>
<b>NYC-1</b>	446	78.7 %	\$204,979	52.7 %
<b>NYC-1A (COMBINED FORM)</b>	110	19.4	181,936	46.8
<b>NOT AVAILABLE / EXTENSION</b>	11	1.9	1,986	0.5
<b>TOTAL</b>	<b>567</b>	<b>100.0 %</b>	<b>\$388,901</b>	<b>100.0 %</b>

**BANK TAX  
TAX YEAR 2000**

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

ALLOCATION STATUS AND BANK TYPE	Number	% of Total	Liability	% of Total
<b>MULTI-JURISDICTIONAL</b>	<b>330</b>	<b>58.2 %</b>	<b>\$346,795</b>	<b>89.2 %</b>
Commercial / Clearing House	73	12.9	124,455	32.0
Foreign	168	29.6	163,948	42.2
Other	89	15.7	58,392	15.0
<b>100% N.Y.C.</b>	<b>226</b>	<b>39.9</b>	<b>40,121</b>	<b>10.3</b>
Commercial / Clearing House	33	5.8	3,531	0.9
Foreign	62	10.9	13,423	3.5
Other	131	23.1	23,167	6.0
<b>NOT AVAILABLE</b>	<b>11</b>	<b>1.9</b>	<b>1,986</b>	<b>0.5</b>
Commercial / Clearing House	*	*	*	*
Foreign	*	*	*	*
Other	*	*	*	*
<b>TOTAL</b>	<b>567</b>	<b>100.0 %</b>	<b>\$388,901</b>	<b>100.0 %</b>

See Appendix A for definition of allocation status.

\* Numbers cannot be provided due to confidentiality restrictions.

# **GENERAL CORPORATION TAX TABLES**

Table 14  
**2000 GENERAL CORPORATION TAXPAYERS  
BY INDUSTRY**

**Total Taxpayers: 253,202**

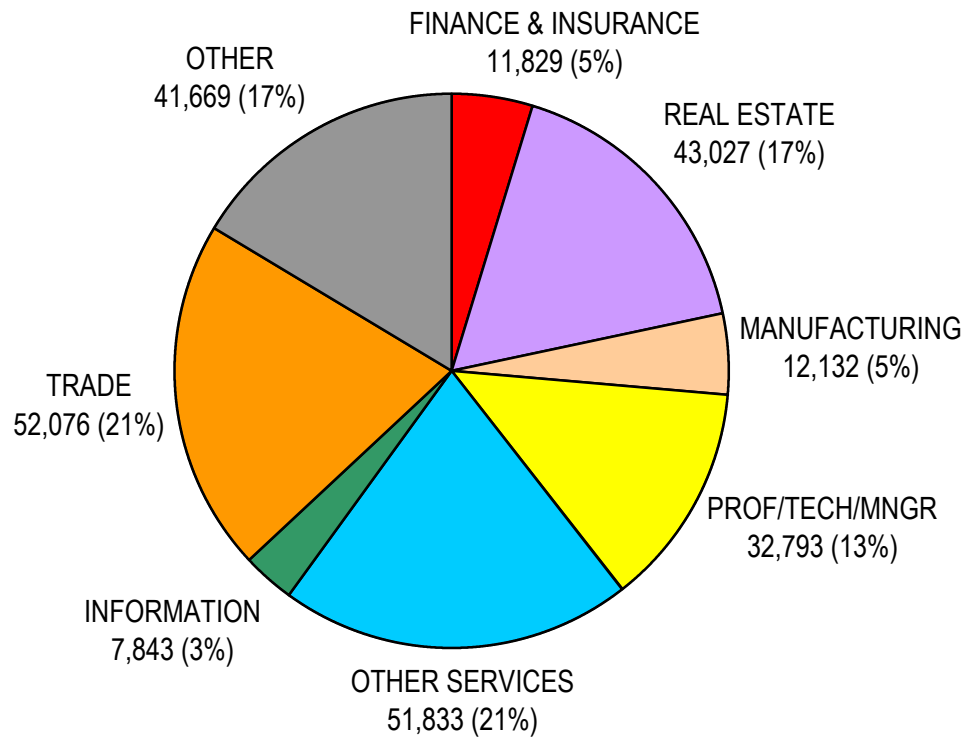
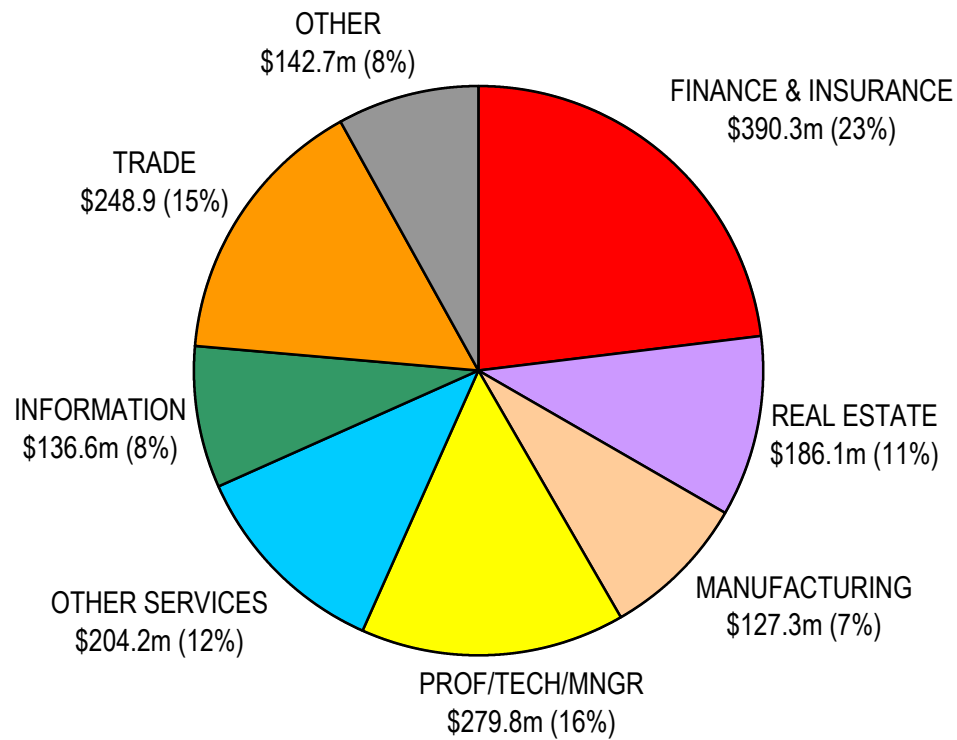


Table 15  
**2000 GENERAL CORPORATION TAX  
LIABILITY BY INDUSTRY**

**Total Liability: \$1,715.9m**



**GENERAL CORPORATION TAX  
TAX YEAR 2000**

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

INDUSTRY	Number	% of Total	Liability	% of Total
<b>FINANCE &amp; INSURANCE</b>	<b>11,829</b>	<b>4.7 %</b>	<b>\$390,261</b>	<b>22.7 %</b>
Credit Agencies	917	0.4	10,855	0.6
Funds & Trusts	2,801	1.1	5,081	0.3
Insurance	2,542	1.0	25,909	1.5
Securities & Commodities	5,481	2.2	345,814	20.2
Other Finance	88	0.0	2,602	0.2
<b>REAL ESTATE</b>	<b>43,027</b>	<b>17.0</b>	<b>186,058</b>	<b>10.8</b>
<b>MANUFACTURING</b>	<b>12,132</b>	<b>4.8</b>	<b>127,333</b>	<b>7.4</b>
Textiles, Apparel & Leather	4,106	1.6	23,253	1.4
Food & Beverage	937	0.4	19,658	1.1
Printing	1,528	0.6	8,160	0.5
Wood/Paper	368	0.1	2,017	0.1
Other Manufacturing	5,193	2.1	74,245	4.3
<b>PROF / TECH / MANAGERIAL</b>	<b>32,793</b>	<b>13.0</b>	<b>279,793</b>	<b>16.3</b>
Holding Companies	1,564	0.6	48,951	2.9
Managerial	754	0.3	39,223	2.3
Professional/Technical	30,475	12.0	191,619	11.2
<b>OTHER SERVICES</b>	<b>51,833</b>	<b>20.5</b>	<b>204,215</b>	<b>11.9</b>
Accommodations and Food	9,727	3.8	37,308	2.2
Administration/Support	5,442	2.1	27,055	1.6
Arts & Entertainment	6,559	2.6	30,784	1.8
Education	1,187	0.5	4,697	0.3
Health Care	8,967	3.5	54,987	3.2
Personal Services	10,029	4.0	20,957	1.2
Private Households	320	0.1	615	0.0
Public Administration	20	0.0	204	0.0
Religious	202	0.1	283	0.0
Rental & Leasing	1,381	0.5	8,898	0.5
Repair/Maintenance	4,386	1.7	8,875	0.5
Social Services	336	0.1	388	0.0
Waste Management	289	0.1	1,003	0.1
Miscellaneous Other Services	2,988	1.2	8,161	0.5
<b>INFORMATION</b>	<b>7,843</b>	<b>3.1</b>	<b>136,613</b>	<b>8.0</b>
Broadcasting/Telecomm	1,466	0.6	25,763	1.5
Information Services/Data	1,455	0.6	16,844	1.0
Movies/Video/Sound	3,008	1.2	23,560	1.4
Publishing	1,835	0.7	69,942	4.1
Other Information	79	0.0	504	0.0
<b>TRADE</b>	<b>52,076</b>	<b>20.6</b>	<b>248,931</b>	<b>14.5</b>
Durable Wholesale	11,953	4.7	70,345	4.1
Non-Durable Wholesale	12,436	4.9	75,052	4.4
Retail	27,495	10.9	102,992	6.0
Other Trade	192	0.1	542	0.0
<b>OTHER</b>	<b>41,669</b>	<b>16.5</b>	<b>142,717</b>	<b>8.3</b>
Construction	15,402	6.1	81,024	4.7
Transportation	10,336	4.1	37,756	2.2
Utilities	126	0.0	8,467	0.5
Not Available	15,805	6.2	15,470	0.9
<b>TOTAL</b>	<b>253,202</b>	<b>100.0 %</b>	<b>\$1,715,921</b>	<b>100.0 %</b>

**GENERAL CORPORATION TAX  
TAX YEAR 2000**

**Table 17  
DISTRIBUTION BY LIABILITY RANGE  
(\$ THOUSANDS)**

<b>LIABILITY PER RETURN (Actual \$)</b>	<b>Number</b>	<b>% of Total</b>	<b>Total Liability</b>	<b>% of Total</b>
<b>\$300.00 OR LESS</b>	144,328	57.0 %	\$43,327	2.5 %
<b>\$300.01-\$1,000</b>	34,417	13.6	20,338	1.2
<b>\$1,000.01-\$5,000</b>	43,837	17.3	106,729	6.2
<b>\$5,000.01-\$10,000</b>	12,979	5.1	91,501	5.3
<b>\$10,000.01-\$50,000</b>	13,693	5.4	284,375	16.6
<b>\$50,000.01-\$500,000</b>	3,587	1.4	460,491	26.8
<b>\$500,000.01 - \$1,000,000</b>	183	0.1	126,442	7.4
<b>MORE THAN \$1,000,000</b>	178	0.1	582,718	34.0
<b>TOTAL</b>	<b>253,202</b>	<b>100.0 %</b>	<b>\$1,715,921</b>	<b>100.0 %</b>

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

<b>INDUSTRY</b>	<b>TOP TEN PERCENT</b>		<b>TOP ONE PERCENT</b>	
	<b>Number</b>	<b>Liability</b>	<b>Number</b>	<b>Liability</b>
<b>FINANCE &amp; INSURANCE</b>	1,850	\$382,204	424	\$350,000
<b>REAL ESTATE</b>	4,070	149,409	305	83,171
<b>MANUFACTURING</b>	1,818	117,049	206	83,663
<b>PROF/TECH/MANAGERIAL</b>	4,486	249,240	448	170,660
<b>OTHER SERVICES</b>	4,904	163,772	315	81,401
<b>INFORMATION</b>	928	130,608	162	115,066
<b>TRADE</b>	4,696	208,026	425	126,402
<b>OTHER</b>	2,568	115,156	247	71,070
<b>TOTAL</b>	<b>25,320</b>	<b>\$1,515,464</b>	<b>2,532</b>	<b>\$1,081,433</b>



**GENERAL CORPORATION TAX  
TAX YEAR 2000**

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

<b>TAX BASE</b>	<b>Number</b>	<b>% of Total</b>	<b>Liability</b>	<b>% of Total</b>
<b>ENTIRE NET INCOME</b>	66,072	26.1 %	\$1,380,182	80.4 %
<b>INCOME PLUS COMPENSATION</b>	25,815	10.2	194,574	11.3
<b>CAPITAL</b>	14,501	5.7	76,413	4.5
<b>MINIMUM TAX</b>	144,544	57.1	44,973	2.6
<b>NOT AVAILABLE</b>	2,270	0.9	19,779	1.2
<b>TOTAL</b>	<b>253,202</b>	<b>100.0 %</b>	<b>\$1,715,921</b>	<b>100.0 %</b>

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

<b>INDUSTRY</b>	<b>ENTIRE NET INCOME</b>		<b>INCOME + COMP</b>		<b>CAPITAL</b>		<b>MINIMUM TAX</b>	
	<b>Number</b>	<b>Liability</b>	<b>Number</b>	<b>Liability</b>	<b>Number</b>	<b>Liability</b>	<b>Number</b>	<b>Liability</b>
<b>FINANCE &amp; INSURANCE</b>	2,730	\$347,756	1,119	\$27,902	819	\$10,483	7,097	\$2,345
<b>REAL ESTATE</b>	12,683	157,164	943	5,930	7,010	15,357	22,118	6,721
<b>MANUFACTURING</b>	3,525	109,531	1,585	9,357	823	4,088	6,073	2,026
<b>PROF/TECH/MANAGERIAL</b>	8,948	196,313	6,023	51,594	1502	23,742	16,065	5,424
<b>OTHER SERVICES</b>	12,200	133,920	7,494	53,515	944	4,699	30,818	9,416
<b>INFORMATION</b>	1,644	119,567	833	6,733	617	8,318	4,684	1,541
<b>TRADE</b>	14,996	208,778	4,877	23,060	1,894	6,179	29,879	9,077
<b>OTHER</b>	9,346	107,153	2,941	16,483	892	3,547	27,810	8,423
<b>TOTAL</b>	<b>66,072</b>	<b>\$1,380,182</b>	<b>25,815</b>	<b>\$194,574</b>	<b>14,501</b>	<b>\$76,413</b>	<b>144,544</b>	<b>\$44,973</b>

**GENERAL CORPORATION TAX  
TAX YEAR 2000**

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

FORM TYPE	Number	% of Total	Liability	% of Total
SHORT FORM	127,828	50.5 %	\$260,480	15.2 %
LONG FORM	113,022	44.6	1,094,147	63.8
COMBINED FORM	1,461	0.6	338,925	19.8
NOT AVAILABLE / EXTENSION	10,891	4.3	22,370	1.3
<b>TOTAL</b>	<b>253,202</b>	<b>100.0 %</b>	<b>\$1,715,921</b>	<b>100.0 %</b>

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

LIABILITY PER RETURN (Actual \$)	SHORT FORM		LONG FORM		COMBINED FORM		NOT AVAILABLE	
	Number	Liability	Number	Liability	Number	Liability	Number	Liability
<b>\$300.00 OR LESS</b>	79,579	\$23,927	56,092	\$16,802	36	\$8	8,621	\$2,590
<b>\$300.01-\$1,000</b>	18,211	10,575	14,866	8,914	193	144	1,147	706
<b>\$1,000.01-\$5,000</b>	20,236	48,140	22,479	55,813	341	858	781	1,917
<b>\$5,000.01-\$10,000</b>	5,070	35,225	7,568	53,745	158	1,180	183	1,352
<b>\$10,000.01-\$50,000</b>	4,216	80,653	9,052	193,902	301	7,205	124	2,616
<b>\$50,000.01-\$500,000</b>	506	52,097	2,736	347,986	317	57,234	28	3,175
<b>\$500,000.01-\$1,000,000</b>	*	*	124	84,303	49	34,876	*	*
<b>MORE THAN \$1,000,000</b>	*	*	105	332,682	66	237,420	*	*
<b>TOTAL</b>	<b>127,828</b>	<b>\$260,480</b>	<b>113,022</b>	<b>\$1,094,147</b>	<b>1,461</b>	<b>\$338,925</b>	<b>10,891</b>	<b>\$22,370</b>

\* Numbers cannot be provided due to confidentiality restrictions.

**GENERAL CORPORATION TAX  
TAX YEAR 2000**

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

ALLOCATION STATUS AND INDUSTRY	Number	% of Total	Liability	% of Total
<b>MULTI-JURISDICTIONAL</b>	<b>29,447</b>	<b>11.6 %</b>	<b>\$1,009,643</b>	<b>58.8 %</b>
Finance & Insurance	1,594	0.6	298,279	17.4
Real Estate	1,185	0.5	33,396	1.9
Manufacturing	3,654	1.4	95,630	5.6
Prof/Tech/Managerial	6,594	2.6	175,224	10.2
Other Services	4,122	1.6	64,559	3.8
Information	1,849	0.7	122,638	7.1
Trade	7,196	2.8	158,419	9.2
Other	3,253	1.3	61,498	3.6
<b>100% N.Y.C.</b>	<b>212,331</b>	<b>83.9</b>	<b>673,964</b>	<b>39.3</b>
Finance & Insurance	9,942	3.9	88,362	5.1
Real Estate	40,820	16.1	151,369	8.8
Manufacturing	7,933	3.1	26,582	1.5
Prof/Tech/Managerial	25,247	10.0	101,040	5.9
Other Services	45,967	18.2	135,618	7.9
Information	5,676	2.2	13,323	0.8
Trade	42,943	17.0	85,038	5.0
Other	33,803	13.4	72,632	4.2
<b>NOT AVAILABLE</b>	<b>11,424</b>	<b>4.5</b>	<b>32,314</b>	<b>1.9</b>
Finance & Insurance	293	0.1	3,621	0.2
Real Estate	1,022	0.4	1,294	0.1
Manufacturing	545	0.2	5,120	0.3
Prof/Tech/Managerial	952	0.4	3,530	0.2
Other Services	1,744	0.7	4,038	0.2
Information	318	0.1	651	0.0
Trade	1,937	0.8	5,473	0.3
Other	4,613	1.8	8,587	0.5
<b>TOTAL</b>	<b>253,202</b>	<b>100.0 %</b>	<b>\$1,715,921</b>	<b>100.0 %</b>

See Appendix A for definition of allocation status.

**GENERAL CORPORATION TAX  
TAX YEAR 2000  
STATE S CORPORATIONS**

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

<b>S CORPORATION STATUS</b>	<b>Number</b>	<b>% of Total</b>	<b>Liability</b>	<b>% of Total</b>
STATE S CORPORATION	110,504	43.6 %	\$706,565	41.2 %
STATE C CORPORATION	142,698	56.4	1,009,356	58.8
<b>TOTAL</b>	<b>253,202</b>	<b>100.0 %</b>	<b>\$1,715,921</b>	<b>100.0 %</b>

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

<b>INDUSTRY</b>	<b>Number</b>	<b>% of Total</b>	<b>Liability</b>	<b>% of Total</b>
FINANCE & INSURANCE	4,121	3.7 %	\$100,663	14.2 %
REAL ESTATE	19,816	17.9	99,629	14.1
MANUFACTURING	4,844	4.4	42,921	6.1
PROF/TECH/MANAGERIAL	15,942	14.4	122,425	17.3
OTHER SERVICES	24,785	22.4	122,160	17.3
INFORMATION	3,215	2.9	22,919	3.2
TRADE	21,841	19.8	126,013	17.8
OTHER	15,940	14.4	69,835	9.9
<b>TOTAL</b>	<b>110,504</b>	<b>100.0 %</b>	<b>\$706,565</b>	<b>100.0 %</b>

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

<b>TAX BASE</b>	<b>Number</b>	<b>% of Total</b>	<b>Liability</b>	<b>% of Total</b>
ENTIRE NET INCOME	42,120	38.1 %	\$558,968	79.1 %
INCOME PLUS COMPENSATION	13,594	12.3	124,797	17.7
CAPITAL	3,094	2.8	4,719	0.7
MINIMUM TAX	51,534	46.6	15,496	2.2
NOT AVAILABLE	162	0.1	2,585	0.4
<b>TOTAL</b>	<b>110,504</b>	<b>100.0 %</b>	<b>\$706,565</b>	<b>100.0 %</b>

**UNINCORPORATED BUSINESS TAX  
PARTNERSHIP TABLES**

Table 27  
**2000 UNINCORPORATED BUSINESS TAX  
PARTNERSHIP TAXPAYERS BY INDUSTRY**

**Total Taxpayers: 6,852**

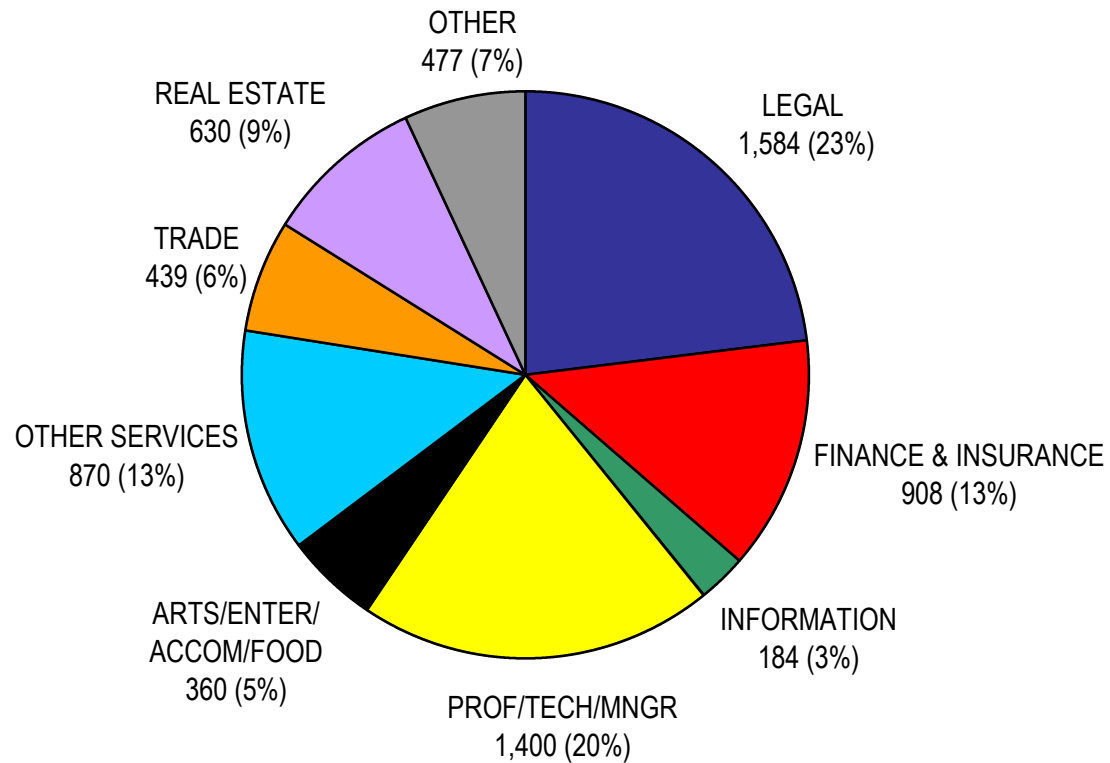
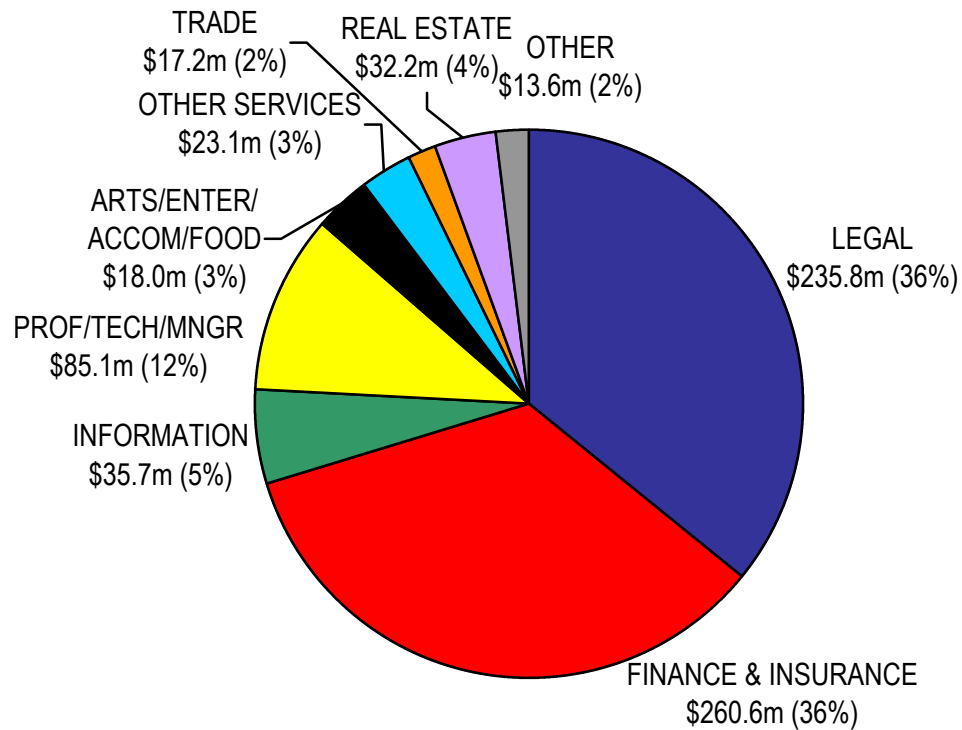


Table 28  
**2000 UNINCORPORATED BUSINESS TAX  
PARTNERSHIP LIABILITY BY INDUSTRY**

**Total Liability: \$721.2m**



**UNINCORPORATED BUSINESS TAX  
PARTNERSHIP TAXPAYERS  
TAX YEAR 2000**

**Table 29  
DISTRIBUTION BY INDUSTRY  
(\$ THOUSANDS)**

INDUSTRY	Number	% of Total	Liability	% of Total
<b>LEGAL</b>	<b>1,584</b>	<b>23.1 %</b>	<b>\$235,779</b>	<b>32.7 %</b>
<b>FINANCE &amp; INSURANCE</b>	<b>908</b>	<b>13.3</b>	<b>260,608</b>	<b>36.1</b>
Credit Agencies	28	0.4	3,321	0.5
Funds & Trusts	46	0.7	2,492	0.3
Insurance and Other Finance	41	0.6	3,524	0.5
Securities & Commodities	793	11.6	251,271	34.8
<b>INFORMATION</b>	<b>184</b>	<b>2.7</b>	<b>35,680</b>	<b>4.9</b>
Broadcasting/Telecomm	41	0.6	18,203	2.5
Information Services/Data	32	0.5	10,443	1.4
Movies/Video/Sound	59	0.9	5,667	0.8
Publishing	52	0.8	1,367	0.2
<b>PROF / TECH / MANAGERIAL</b>	<b>1,400</b>	<b>20.4</b>	<b>85,057</b>	<b>11.8</b>
Accounting	356	5.2	39,859	5.5
Holding Companies	45	0.7	1,399	0.2
Managerial	13	0.2	1,044	0.1
Professional/Technical	961	14.0	39,785	5.5
Other Prof/Tech/Managerial	25	0.4	2,970	0.4
<b>ARTS / ENTER / ACCOM / FOOD</b>	<b>360</b>	<b>5.3</b>	<b>17,957</b>	<b>2.5</b>
Accommodations	71	1.0	11,151	1.5
Amusement	28	0.4	1,021	0.1
Food Services	143	2.1	3,197	0.4
Performing Arts	118	1.7	2,588	0.4
<b>OTHER SERVICES</b>	<b>870</b>	<b>12.7</b>	<b>23,087</b>	<b>3.2</b>
Administration/Support	114	1.7	4,637	0.6
Education	20	0.3	235	0.0
Health Care	523	7.6	14,028	1.9
Personal Service	121	1.8	2,337	0.3
Rental & Leasing	35	0.5	1,020	0.1
Repair/Maintenance	27	0.4	343	0.0
Miscellaneous Other Services	30	0.4	487	0.1
<b>TRADE</b>	<b>439</b>	<b>6.4</b>	<b>17,197</b>	<b>2.4</b>
Durable Wholesale	104	1.5	3,158	0.4
Non-Durable Wholesale	121	1.8	4,735	0.7
Retail	204	3.0	4,313	0.6
Other Trade	10	0.1	4,991	0.7
<b>REAL ESTATE</b>	<b>630</b>	<b>9.2</b>	<b>32,247</b>	<b>4.5</b>
<b>OTHER</b>	<b>477</b>	<b>7.0</b>	<b>13,553</b>	<b>1.9</b>
Construction	140	2.0	5,416	0.8
Manufacturing	116	1.7	2,698	0.4
Transportation & Utilities	37	0.5	3,066	0.4
Miscellaneous Other	35	0.5	884	0.1
Not Available	149	2.2	1,489	0.2
<b>TOTAL</b>	<b>6,852</b>	<b>100.0 %</b>	<b>\$721,167</b>	<b>100.0 %</b>



**UNINCORPORATED BUSINESS TAX  
PARTNERSHIP TAXPAYERS  
TAX YEAR 2000**

**Table 30  
DISTRIBUTION BY LIABILITY RANGE  
(\$ THOUSANDS)**

<b>LIABILITY RANGE</b>	<b>Number</b>	<b>% of Total</b>	<b>Total Liability</b>	<b>% of Total</b>
<b>\$300 OR LESS</b>	336	4.9 %	\$36	0.0 %
<b>\$300.01 - \$1,000</b>	356	5.2	218	0.0
<b>\$1,000.01 - \$5,000</b>	1,377	20.1	4,435	0.6
<b>\$5,000.01 - \$10,000</b>	1,249	18.2	8,969	1.2
<b>\$10,000.01 - \$50,000</b>	2,250	32.8	51,516	7.1
<b>\$50,000.01 - \$500,000</b>	1,075	15.7	155,473	21.6
<b>\$500,000.01 - \$1,000,000</b>	106	1.5	76,689	10.6
<b>MORE THAN \$1,000,000</b>	103	1.5	423,830	58.8
<b>TOTAL</b>	<b>6,852</b>	<b>100.0 %</b>	<b>\$721,167</b>	<b>100.0 %</b>

**Table 31  
TOP TEN PERCENT AND TOP ONE PERCENT  
(\$ THOUSANDS)**

<b>INDUSTRY</b>	<b>TOP TEN PERCENT</b>		<b>TOP ONE PERCENT</b>	
	<b>Number</b>	<b>Liability</b>	<b>Number</b>	<b>Liability</b>
<b>LEGAL</b>	217	\$204,888	26	\$117,649
<b>FINANCE &amp; INSURANCE</b>	205	243,678	24	176,220
<b>INFORMATION</b>	22	33,174	*	*
<b>PROF / TECH / MANAGERIAL</b>	96	63,451	*	*
<b>ARTS / ENTER / ACCOM / FOOD</b>	32	12,253	0	0
<b>OTHER SERVICES</b>	36	9,579	0	0
<b>TRADE</b>	17	11,732	*	*
<b>REAL ESTATE</b>	40	25,138	*	*
<b>OTHER</b>	20	7,797	*	*
<b>TOTAL</b>	<b>685</b>	<b>\$611,690</b>	<b>68</b>	<b>\$377,554</b>

\* Numbers cannot be provided due to confidentiality restrictions.

**UNINCORPORATED BUSINESS TAX  
PARTNERSHIP TAXPAYERS  
TAX YEAR 2000**

**Table 32  
DISTRIBUTION BY ALLOCATION METHOD  
(\$ THOUSANDS)**

<b>ALLOCATION METHOD</b>	<b>Number</b>	<b>% of Total</b>	<b>Liability</b>	<b>% of Total</b>
<b>NOT AVAILABLE</b>	86	1.3 %	\$1,630	0.2 %
<b>FORMULA</b>	1,033	15.1	264,499	36.7
<b>100% N.Y.C.</b>	5,462	79.7	225,499	31.3
<b>SEPARATE BOOKS</b>	271	4.0	229,539	31.8
<b>TOTAL</b>	<b>6,852</b>	<b>100.0 %</b>	<b>\$721,167</b>	<b>100.0 %</b>

See Appendix A for definition of allocation status.

**UNINCORPORATED BUSINESS TAX  
PARTNERSHIP TAXPAYERS  
TAX YEAR 2000**

**STATE LIMITED LIABILITY COMPANIES**

**Table 33  
DISTRIBUTION OF TAXPAYERS BY STATE LIMITED LIABILITY COMPANY STATUS  
(\$ THOUSANDS)**

LLC STATUS	Number	% of Total	Liability	% of Total
STATE LLC COMPANY	1,771	25.8 %	\$259,189	35.9 %
STATE NON-LLC COMPANY	5,081	74.2	461,978	64.1
<b>TOTAL</b>	<b>6,852</b>	<b>100.0 %</b>	<b>\$721,167</b>	<b>100.0 %</b>

**Table 34  
DISTRIBUTION OF STATE LIMITED LIABILITY COMPANIES BY INDUSTRY  
(\$ THOUSANDS)**

INDUSTRY	Number	% of Total	Liability	% of Total
LEGAL	514	29.0 %	\$115,510	44.6 %
FINANCE & INSURANCE	285	16.1	59,911	23.1
INFORMATION	37	2.1	10,782	4.2
PROF / TECH / MANAGERIAL	417	23.5	54,321	21.0
ARTS / ENTER / ACCOM / FOOD	61	3.4	2,540	1.0
OTHER SERVICES	190	10.7	6,985	2.7
TRADE	89	5.0	2,718	1.0
REAL ESTATE	96	5.4	4,533	1.7
OTHER	82	4.6	1,889	0.7
<b>TOTAL</b>	<b>1,771</b>	<b>100.0 %</b>	<b>\$259,189</b>	<b>100.0 %</b>

**UNINCORPORATED BUSINESS TAX  
PROPRIETORSHIP TABLES**

Table 35  
**2000 UNINCORPORATED BUSINESS TAX  
PROPRIETORSHIP TAXPAYERS BY INDUSTRY**

**Total Taxpayers: 20,180**

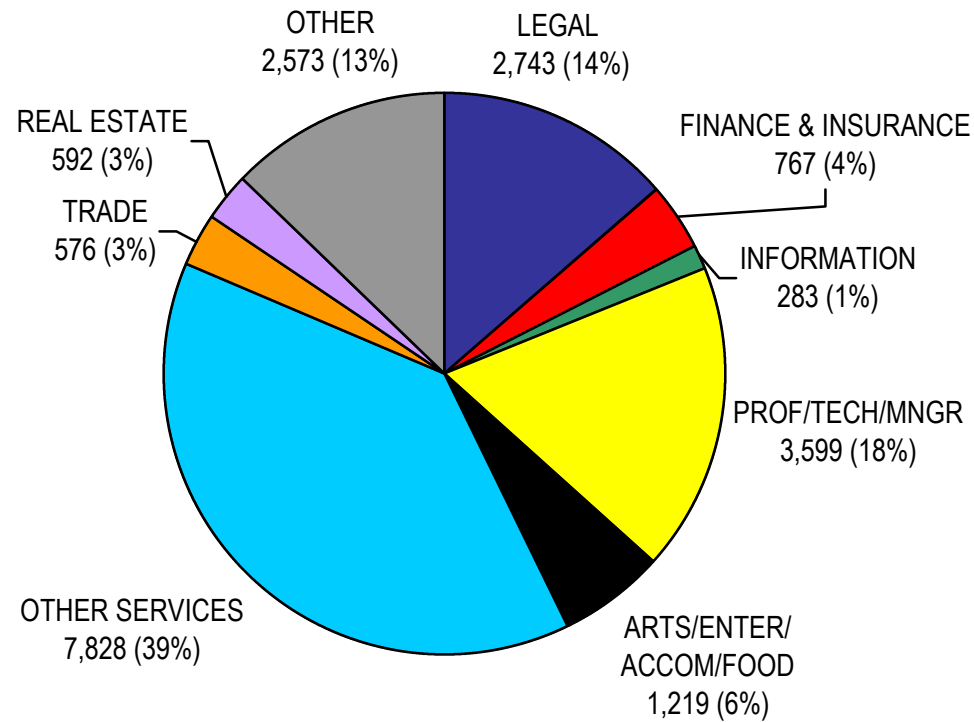
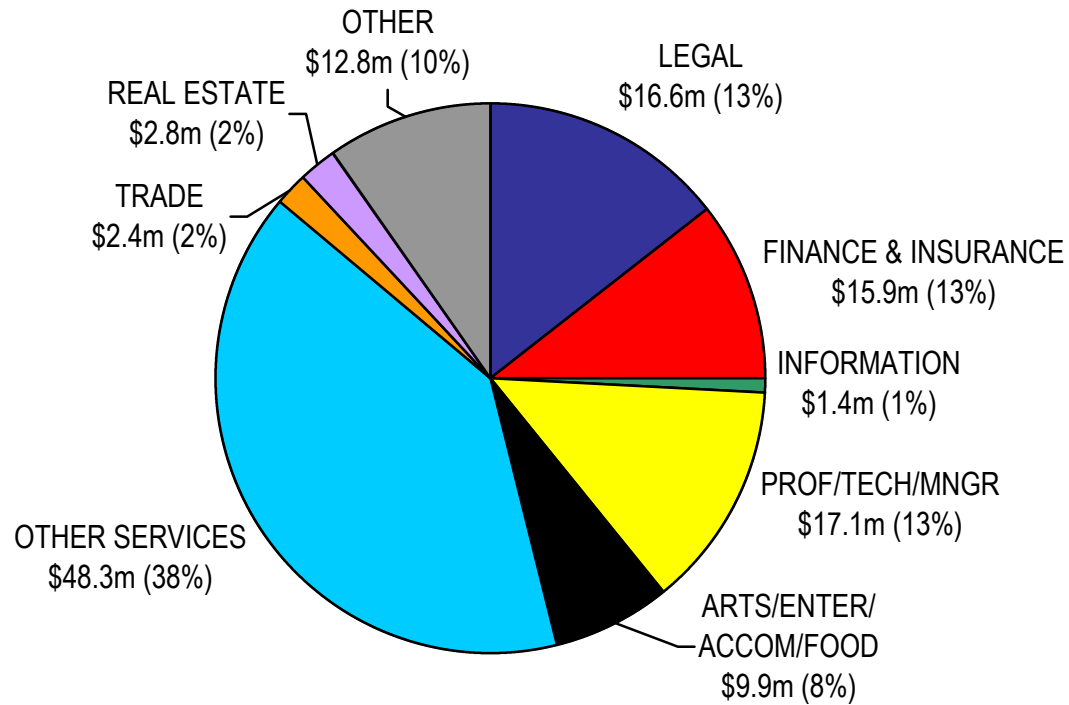


Table 36  
**2000 UNINCORPORATED BUSINESS TAX  
PROPRIETORSHIP LIABILITY BY INDUSTRY**

**Total Liability: \$127.2m**



**UNINCORPORATED BUSINESS TAX  
PROPRIETORSHIP TAXPAYERS  
TAX YEAR 2000**

**Table 37  
DISTRIBUTION BY INDUSTRY  
(\$ THOUSANDS)**

INDUSTRY	Number	% of Total	Liability	% of Total
<b>LEGAL</b>	<b>2,743</b>	<b>13.6 %</b>	<b>\$16,592</b>	<b>13.0 %</b>
<b>FINANCE &amp; INSURANCE</b>	<b>767</b>	<b>3.8</b>	<b>15,932</b>	<b>12.5</b>
Credit Agencies	12	0.1	52	0.0
Insurance	246	1.2	1,376	1.1
Securities & Commodities	469	2.3	14,257	11.2
Other Finance	40	0.2	247	0.2
<b>INFORMATION</b>	<b>283</b>	<b>1.4</b>	<b>1,425</b>	<b>1.1</b>
Broadcasting/Telecomm	37	0.2	172	0.1
Information Services/Data	75	0.4	488	0.4
Movies/Video/Sound	97	0.5	402	0.3
Publishing	74	0.4	363	0.3
<b>PROF / TECH / MANAGERIAL</b>	<b>3,599</b>	<b>17.8</b>	<b>17,139</b>	<b>13.5</b>
Accounting	450	2.2	1,567	1.2
Managerial	13	0.1	55	0.0
Professional/Technical	3,136	15.5	15,517	12.2
<b>ARTS / ENTER / ACCOM / FOOD</b>	<b>1,219</b>	<b>6.0</b>	<b>9,861</b>	<b>7.8</b>
Accommodations	14	0.1	167	0.1
Amusement	43	0.2	260	0.2
Food Services	31	0.2	97	0.1
Performing Arts	1,108	5.5	9,222	7.3
Other Arts/Enter/Accom/Food	23	0.1	115	0.1
<b>OTHER SERVICES</b>	<b>7,828</b>	<b>38.8</b>	<b>48,279</b>	<b>38.0</b>
Administration/Support	230	1.1	1,303	1.0
Education	93	0.5	442	0.3
Health Care	6,576	32.6	42,177	33.2
Personal Service	425	2.1	1,781	1.4
Public Administration	46	0.2	289	0.2
Rental & Leasing	14	0.1	90	0.1
Repair/Maintenance	58	0.3	121	0.1
Social Services	73	0.4	177	0.1
Religious	17	0.1	59	0.0
Miscellaneous Other Services	296	1.5	1,840	1.4
<b>TRADE</b>	<b>576</b>	<b>2.9</b>	<b>2,368</b>	<b>1.9</b>
Durable Wholesale	178	0.9	661	0.5
Non-Durable Wholesale	113	0.6	414	0.3
Retail	285	1.4	1,293	1.0
<b>REAL ESTATE</b>	<b>592</b>	<b>2.9</b>	<b>2,762</b>	<b>2.2</b>
<b>OTHER</b>	<b>2,573</b>	<b>12.8</b>	<b>12,813</b>	<b>10.1</b>
Construction	198	1.0	694	0.5
Manufacturing	81	0.4	417	0.3
Transportation & Utilities	184	0.9	1,075	0.8
Miscellaneous Other	366	1.8	1,421	1.1
Not Available	1,744	8.6	9,206	7.2
<b>TOTAL</b>	<b>20,180</b>	<b>100.0 %</b>	<b>\$127,172</b>	<b>100.0 %</b>

**UNINCORPORATED BUSINESS TAX  
PROPRIETORSHIP TAXPAYERS  
TAX YEAR 2000**

**Table 38  
DISTRIBUTION BY LIABILITY RANGE  
(\$ THOUSANDS)**

<b>LIABILITY RANGE</b>	<b>Number</b>	<b>% of Total</b>	<b>Total Liability</b>	<b>% of Total</b>
<b>\$300 OR LESS</b>	1,721	8.5 %	\$249	0.2 %
<b>\$300.01 - \$1,000</b>	2,807	13.9	1,748	1.4
<b>\$1,000.01 - \$5,000</b>	8,468	42.0	25,900	20.4
<b>\$5,000.01 - \$10,000</b>	4,604	22.8	32,020	25.2
<b>\$10,000.01 - \$50,000</b>	2,434	12.1	42,070	33.1
<b>MORE THAN \$50,000</b>	146	0.7	25,185	19.8
<b>TOTAL</b>	<b>20,180</b>	<b>100.0 %</b>	<b>\$127,172</b>	<b>100.0 %</b>

**Table 39  
TOP TEN PERCENT AND TOP ONE PERCENT  
BY INDUSTRY  
(\$ THOUSANDS)**

<b>INDUSTRY</b>	<b>TOP TEN PERCENT</b>		<b>TOP ONE PERCENT</b>	
	<b>Number</b>	<b>Liability</b>	<b>Number</b>	<b>Liability</b>
<b>LEGAL</b>	297	\$6,902	23	\$1,907
<b>FINANCE &amp; INSURANCE</b>	154	13,650	23	11,112
<b>INFORMATION</b>	20	636	*	*
<b>PROF / TECH / MANAGERIAL</b>	231	6,108	24	2,515
<b>ARTS / ENTER / ACCOM / FOOD</b>	134	6,177	25	3,963
<b>OTHER SERVICES</b>	903	20,718	68	5,516
<b>TRADE</b>	32	777	*	*
<b>REAL ESTATE</b>	46	1,006	*	*
<b>OTHER</b>	201	5,238	23	1,749
<b>TOTAL</b>	<b>2,018</b>	<b>\$61,212</b>	<b>201</b>	<b>\$27,732</b>

\* Numbers cannot be provided due to confidentiality restrictions.



# **APPENDICES**

## APPENDIX A

### DESCRIPTION OF THE NEW YORK CITY BANKING CORPORATION TAX FOR TAX YEAR 2000

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;
- For non-alien banks only, taxable assets allocated to the City and taxed at 0.01 percent;
- For alien banks only, issued capital stock allocated to the City and taxed at 0.26 percent;
- 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. Among other modifications, entire net income must be computed without any deduction for federally allowable net operating losses, but deductions are allowed for 17 percent of interest income from subsidiary capital, 60 percent of dividend income and net gains from subsidiary capital, and 22 1/2 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).

“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.

“Issued capital stock” is included in the tax calculation at its face value, but if the stock is without par value, its actual or market value (but not less than \$5 per share) must be used. If the taxpayer does not have issued capital stock, it must use, instead, the amount by which its average total assets exceeds its average total liabilities.

Beginning in tax year 2000, firms that are still on extension with a tax liability of \$125 or less are classified as minimum taxpayers rather than as extensions.

### **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. 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 (IBF’s)**

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 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 relocated employment opportunities to targeted areas within the City. Credits were also allowed for the year covered in this report for certain industrial and commercial users of electricity and suppliers of fuel services. As part of legislation effective November 1, 2000 that revamped the City's energy cost reduction program, these credits have been repealed.

### **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 because of intercorporate transactions or some other agreement, understanding, arrangement or transaction that produces an improper or inaccurate reflection of its income or assets. 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. 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 intercorporate transactions and intercorporate stockholdings and indebtedness.

### **Filing Period**

The 2000 tax year includes all reported activity and income for tax periods beginning between January 1, 2000 and December 31, 2000. In 2000, 75 percent of all BCT filers reported on a full-year calendar-year basis. Among the remaining firms, the reporting period was either a full or partial beginning after January 1, 2000 but before January 1, 2001, or a partial year beginning January 1, 2000. 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 2000

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 30 percent and taxed at 8.85 percent (the "income plus compensation" base);
- Business and investment capital allocated to the City and taxed at 0.15 percent up to a maximum of \$350,000; or
- A fixed minimum tax of \$300.

In addition, there is a tax of .075 percent on subsidiary capital allocated to the City, as well as a \$300 minimum tax for each taxable subsidiary filing as part of a combined group.

"Entire net income" means the taxpayer's federal taxable income, computed without regard to an S corporation election, subject to certain modifications. Real estate investment trusts and regulated investment companies are subject to tax on "real estate investment trust taxable income" or "investment company taxable income," respectively, as defined in the Internal Revenue Code, with certain modifications.

The income plus compensation base was modified in tax year 1996 in order to phase out the add-back of officers' salaries. For tax year 1998, taxpayers with fiscal years beginning before July 1 add 75 percent of officers' salaries to entire net income, while taxpayers with fiscal years beginning July 1 or later add 50 percent of officers' salaries to entire net income. For tax years beginning on or after July 1, 1999, the officers' salaries add-back is fully eliminated. (The add-back elimination does not apply to officers who are also greater-than-5-percent shareholders.) Also, the standard per-firm exclusion was increased from \$30K to \$40K, effective for tax years beginning on or after July 1, 1998.

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

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

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

Beginning in tax year 2000, firms that are still on extension with a tax liability of \$300 or less are classified as minimum taxpayers rather than as extensions.

### **Allocation**

A corporation is taxed on the City-allocated portions 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 is based upon the traditional three-factor formula (property, payroll and receipts). Manufacturers have the option of double-weighting their receipts factor. 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**

In order 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 relocated employment opportunities to targeted areas within the City. Credits were also allowed for the years covered in this report for sales tax paid on the purchase of electricity used in production, and for certain industrial and commercial users of electricity and suppliers of fuel services. As part of legislation effective November 1, 2000 that revamped the City's energy cost reduction program, these credits have been repealed.

### **Combined Reporting**

Groups of corporations that are closely linked may be permitted or required to file a combined return. The statutory 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. When filing a combined return, the group's tax liability is computed by summing information for all members of the group and subtracting intercorporate transactions.

### **Filing Period**

The 2000 tax year includes all reported activity and income for tax periods beginning between January 1, 2000 and December 31, 2000. In 2000, 68 percent of all GCT filers reported on a full-year calendar-year basis. Among the remaining firms, the reporting period was either a full or partial beginning after January 1, 2000 but before January 1, 2001, or a partial year beginning January 1, 2000. 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 2000

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. For partnerships, a tax return must be filed if gross income exceeds \$25,000 or taxable income exceeds \$15,000. All other unincorporated entities must file if they have more than \$75,000 of gross income or \$35,000 of taxable income.

#### **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.<sup>1</sup> The "self-trading exemption" was expanded effective for tax years beginning on or after January 1, 1996, in order to better reflect the types of investment vehicles utilized in today's markets. The exemption now covers a wider array of financial instruments, such as notional principal contracts and other types of derivative financial instruments. Investment partnerships and proprietorships may engage in limited business activity and still retain the 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.

#### **Allocation**

An unincorporated business is taxed on the City-allocated portions of its business income and business capital. UBT taxpayers may allocate net income to the City based upon books and records if such records fairly and equitably reflect income from the City. If New York City income cannot be determined from the taxpayer's books and records, total net income must be

---

<sup>1</sup> An individual or entity will not be disqualified from this exemption if it receives \$25,000 or less from other activities.



apportioned in accordance with the traditional three-factor formula based on property, payroll, and receipts. Manufacturers have the option of double-weighting their receipts factor. Investment income is allocated to the City according to the extent of activity within the City of the issuer of the investment.<sup>2</sup>

### **Exemptions and Credits**

Through a combination of exemptions and credits, no tax is levied on proprietorships with allocated net income of less than \$55,000 and on partnerships with allocated net income of less than the sum of \$50,000 plus \$5,000 times the number of active partners. A proprietorship is allowed one exemption of \$5,000 and another exemption of up to \$5,000 as an allowance for proprietor services. A partnership is allowed one \$5,000 exemption and another exemption of up to \$5,000 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 \$1,800 or less (e.g., income after exemptions not greater than \$45,000) receive a full credit and owe no tax. Entities with tax after exemptions ranging from \$1,800 to \$3,200 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.<sup>3</sup>

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 relocated employment opportunities to targeted areas within the City. Credits were also allowed for the years covered in this report for sales tax paid on the purchase of electricity used in production, and for certain industrial and commercial users of electricity and suppliers of fuel services. As part of legislation effective November 1, 2000 that revamped the City's energy cost reduction program, these credits have been repealed.

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. This credit is effective beginning in tax year 1997.

### **Filing Period**

The 2000 tax year includes all reported activity and income for tax periods beginning between January 1, 2000 and December 31, 2000. In 2000, 97 percent of all UBT

---

<sup>2</sup> Prior to tax year 1996, investment income was allocated under the same rules as business income for the UBT.

<sup>3</sup> Prior to tax year 1997, the mechanism for providing this relief from double taxation was an exemption at the distributing partnership level.

filers reported on a full-year calendar-year basis. Among the remaining firms, the reporting period was either a full or partial beginning after January 1, 2000 but before January 1, 2001, or a partial year beginning January 1, 2000. The tax period used under the UBT must conform to the federal tax year.

## **APPENDIX D**

### **METHODOLOGY**

The General Corporation Tax (GCT), Unincorporated Business Tax (UBT), and Banking Corporation Tax (BCT) 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 Office of Tax Policy's Statistics Unit 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 is as complete as possible. For tax year 2000, 98 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 annuals. For both BCT and UBT, annual returns accounted for almost 100 percent of 2000 liability. For GCT, annual returns accounted for 99 percent of liability. Due to rounding, some rows or columns in the preceding tables may not sum to the totals shown.

#### **Liability**

The Finance Department's master files contain BCT, GCT, and UBT transactions, including declarations of estimated liability, quarterly estimated payments, applications for extensions, annual returns, adjustments to liability, penalties, and interest charges. 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.

#### **Industry**

The GCT and UBT distributions by industry sector are based upon the NAICS (North American Industry Classification System) code, as reported by taxpayers. This system for classifying taxpayers by sector was implemented by the Federal government beginning in tax year 1998. 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, 99 percent of the City's corporate, 100 percent of City's partnership liability and 92 percent of the City's proprietorship liability were ultimately identified by industry sector.

For UBT taxpayers, the sector groups differ from those commonly employed, in order to highlight the industries most significant to the UBT. Thus, the legal profession, which contributes over one-third of all UBT liability, is treated as a distinct sector. The Arts/Entertainment/Accommodation/Food sector is also isolated for the same reason.

In order to facilitate comparison of the 2000 industry data with data for years prior to 1998, the industry definitions contained in Appendix E highlight differences between the current and previous classifications.

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 three types of annual returns. The most commonly used is the NYC-3L return, or the "long form." Firms that allocate income outside the City, own investment or subsidiary capital, or use certain deductions or special credits, must use the long form. The "short form," the NYC-4S, is the simplest to complete. Only 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 use certain deductions or special credits, may use the short 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 also use one of three types of annual returns. The NYC-204 is used by partnerships, including syndicates, groups, pools, or other unincorporated organizations.<sup>4</sup> The NYC-202 is used by individuals, estates, and trusts. The NYC-202 EZ form can be used by individuals who have no New York City modifications, allocate all business income to New York City, and have total income from business that does not exceed \$55,000.

### **Allocation Status**

Taxpayers were classified as multi-jurisdictional if their business allocation percentage (BAP) was less than 100. For BCT, the percentage used is the combined entire net income allocation percentage; if this is not available, the issuer's allocation percentage was used. For GCT combined payers, the stock allocation percentage was used as a proxy, since the BAP was not available. For UBT payers, the latest available data was from 1995. The 1995 data was adjusted to reflect the 2000 population.

### **New York State S Corporation Status (GCT only)**

Data from the New York State Department of Taxation and Finance was used to identify New York City corporations who made the S corporation election at the State level. Computer files from New York State were matched with the GCT population by employer identification number to determine which firms had elected S status at the State level.

---

<sup>4</sup> Limited liability companies doing business in New York City are generally taxed as partnerships under the UBT.

### **New York State LLC Status (UBT only)**

Data from the New York State Department of Taxation and Finance was used to identify New York City partnerships that identified themselves as limited liability companies (LLCs). Computer files from New York State were matched with the UBT partnership population by employer identification number to determine which firms were LLCs.

## **APPENDIX E**

### **GLOSSARY OF SECTORS**

#### **BANKING CORPORATION BANK TYPES**

- 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.
- CLEARING HOUSE BANKS - large commercial banks that are members of the New York Clearing House Association.
- THRIFT BANKS - both savings and loans associations and savings banks.
- COMMERCIAL BANKS - U.S. incorporated banks that specialize in accepting corporate demand and time deposits and make commercial loans to businesses.
- 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 which 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
  - Banking institutions whose bank types cannot be determined

#### **GENERAL CORPORATION TAX INDUSTRIES**

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

- **PROFESSIONAL/TECHNICAL/MANAGERIAL SERVICES** - legal, accounting, consulting, architectural, engineering, advertising, veterinary services, and holding companies. Holding companies were classified under FIRE in reports prior to 1998. The remainder of this sector was formerly in SERVICES.

- **OTHER SERVICES** - administrative and support services, education, social assistance, entertainment, amusement and recreation, lodging, personal services, repair services, food services and drinking places, non-realty rental and leasing services, and medical care. Food services and drinking places were classified under TRADE in reports prior to 1998, while the remainder of this sector was formerly in SERVICES.

- **INFORMATION** - publishing, motion picture, broadcasting, telecommunications, information services, and data processing. Publishing was listed under manufacturing in previous reports. Motion pictures, information services, and data processing were previously included in SERVICES in reports prior to 1998, and broadcasting and telecommunications were formerly classified under OTHER.

- **TRADE** - retail and wholesale.

- **OTHER** - construction, transportation, unregulated utilities, and unknown.

## **UNINCORPORATED BUSINESS TAX INDUSTRIES**

- **LEGAL**

- **FINANCE and INSURANCE** - credit agencies, firms engaged in banking or lending activities, funds, trusts, securities and commodities brokers and dealers, exchanges, insurance agents and brokers, and related firms.

- **INFORMATION** - publishing, motion picture, broadcasting, telecommunications, information, and data processing. Publishing, broadcasting, and telecommunications were listed under OTHER in reports prior to 1998. Motion pictures was previously classified under PERSONAL AND BUSINESS SERVICES. Information services and data processing was listed under PROFESSIONAL SERVICES in previous reports.

- **PROFESSIONAL/TECHNICAL/MANAGERIAL SERVICES** - accounting, consulting, architectural, engineering, advertising, veterinary services, and holding companies. Holding companies were classified under FIRE in reports prior to 1998. The remainder of this sector was listed under PROFESSIONAL SERVICES in previous reports.

- **ARTS/ENTERTAINMENT/ACCOMMODATIONS/ FOOD SERVICES** - performing arts, amusements and recreation, museums, accommodations, and food services and drinking places. Food services and drinking places were classified under TRADE in reports prior to 1998. The remainder of this sector was listed under PERSONAL AND BUSINESS SERVICES in previous reports.

- OTHER SERVICES - administrative and support services, education, social assistance, personal services, repair services, non-realty rental and leasing services, and medical care. Medical care was listed under professional services in previous reports, while the remainder of this sector was reported under PERSONAL and BUSINESS SERVICES for reports prior to 1998.

- TRADE - retail and wholesale.

- REAL ESTATE – lessors of real estate, property management, real estate brokers, and related real estate activity.

- OTHER - manufacturing, construction, transportation, and unknown.