



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

OFFICE OF TAX POLICY

**NEW YORK CITY
BUSINESS
INCOME
TAX
COLLECTIONS
UPDATE**

**Fiscal Year 2002
First Quarter**

July 2001 – September 2001

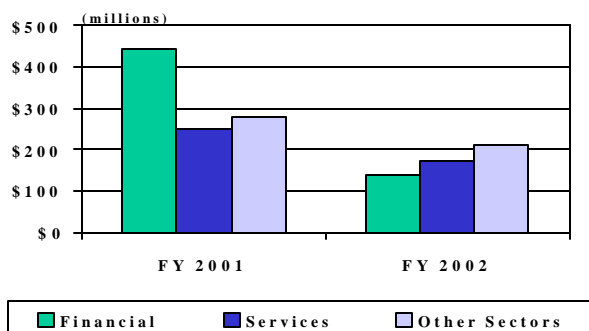
New York City's three business income taxes generated \$524 million in the first quarter of Fiscal Year 2002, a decline of \$445 million, or 46 percent, from FY 2001. Payments from all major industries decreased due to the business slowdown, which was exacerbated by the September 11 attacks. In addition, a three-month filing extension granted to businesses that were impacted by the disaster allowed many taxpayers to defer payment of business income taxes from this quarter until December. Also, the drop is somewhat overstated due to processing delays in FY 2000, which inflated FY 2001 collections.

First-quarter collections from the Financial sector were just \$139 million, a decline of \$305 million, or 69 percent. Payments from securities and commodities firms declined by \$216 million, or 80 percent, and collections from banking corporations decreased by \$88 million, or 55 percent.

Services-sector collections dropped \$74 million, or 30 percent, from the same period last year. Payments from holding companies decreased by \$28 million, or 80 percent, while collections from professional/technical firms fell by \$14 million, or 21 percent. Receipts from the legal, accommodation/food, and managerial subsectors also dropped substantially, by a total of \$20 million.

Collections from the other major industry sectors decreased by a total of \$67 million, or 24 percent. The Information, Real Estate and Trade sectors exhibited declines of 39 percent, 25 percent and 24 percent, respectively.

**New York City
Business Income Tax
First-Quarter Collections
July 2001 - September 2001**



NEW YORK CITY BUSINESS INCOME TAX

FIRST-QUARTER COLLECTIONS FROM JULY 1 TO SEPTEMBER 30 (\$ millions)

Sector	FY 99		FY 00		FY 01		FY 02		FY02-FY01	
	Amount	% of Total	Amount	% of Total	Amount	% of Total	Amount	% of Total	\$ Change	% Change
Financial	235	37%	224	36%	444	46%	139	27%	-305	-69%
Real Estate	39	6%	40	6%	53	5%	40	8%	-13	-25%
Services	193	31%	203	32%	247	25%	173	33%	-74	-30%
Information	38	6%	40	6%	66	7%	40	8%	-26	-39%
Trade	55	9%	57	9%	73	7%	55	11%	-17	-24%
Manufacturing	32	5%	30	5%	43	4%	37	7%	-6	-15%
Other	37	6%	34	5%	43	4%	39	7%	-4	-9%
Total	629	100%	629	100%	969	100%	524	100%	-445	-46%

Note:

Financial includes credit agencies, funds and trusts, insurance agents, securities and commodities brokers, dealers and exchanges, banking corporations, and other finance-related firms. **Services** includes legal, professional, technical, and managerial services (including holding companies), arts, entertainment, accommodation, and food services, and other services, such as personal services. **Information** includes broadcasting and telecommunication, information and data services, movies, video, and sound, and publishing. **Trade** includes retailers and durable and non-durable wholesalers. **Manufacturing** includes food/beverage, printing, textiles/apparel/leather, wood/paper and other manufacturing. **Other** includes construction, transportation, utilities, and firms that have missing industry codes.

Collections reported are gross revenues; refunds are not subtracted. This report covers collections for the three most recent tax years. A tax year is the taxpayer's liability year to which payment is attributable, based upon the form filed by the taxpayer. Collections for prior years, which are usually audit monies, are excluded from this analysis. Numbers may not add due to rounding.