



**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
Second Quarter**

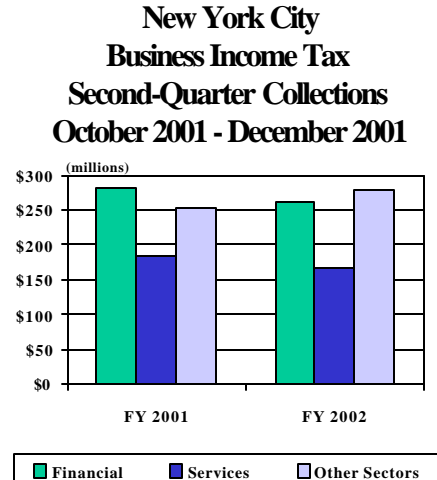
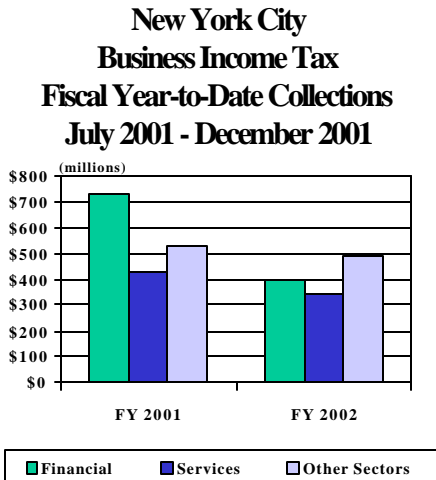
**October 2001 –
December 2001**

New York City's three business income taxes generated \$1,234 million in the first half of fiscal year 2002, a decline of \$453 million, or 27 percent, from the same period last year. The decline was due to the economic slowdown and the September 11, 2001 attacks. Second-quarter collections totaled \$710 million, a decline of \$7 million, or 1 percent, from the second quarter of FY 2001. Because firms affected by the disaster were allowed to defer business income tax payments from the previous quarter to the current quarter, collections from the first and second quarters should be analyzed in the aggregate.

Collections declined most dramatically in the Financial sector, with fiscal year-to-date payments falling \$326 million, or 45 percent, from the same period in FY 2001. However, part of the decrease is attributable to processing delays in FY 2000, which overstated FY 2001 collections. Securities and commodities firms and banking corporations accounted for almost all of the Financial sector's year-to-date decline.

Collections from the Services sector also declined in the first half of FY 2002. Fiscal year-to-date collections dropped \$88 million, or 20 percent, from the same period last year. Payments from holding companies, professional/technical firms, and managerial companies all fell significantly, accounting for 73 percent of the Services sector's year-to-date decline.

Fiscal year-to-date collections from other major sectors decreased by a total of \$39 million, or 7 percent from last year. Collections from the Information, Real Estate and Trade sectors declined by 14, 11, and 14 percent, respectively, while payments from the Manufacturing and Other sectors increased by 2 and 9 percent, respectively.



NEW YORK CITY BUSINESS INCOME TAX

SECOND-QUARTER COLLECTIONS

FROM OCTOBER 1 TO DECEMBER 31

(\$ millions)

Sector	FY 99		FY 00		FY 01		FY 02		FY02-FY01	
	% of Total		% of Total		% of Total		% of Total		\$ Change	% Change
Financial	234	37%	227	35%	283	39%	261	37%	-21	-8%
Real Estate	47	7%	46	7%	54	7%	55	8%	2	3%
Services	187	29%	175	27%	183	25%	168	24%	-14	-8%
Information	46	7%	57	9%	45	6%	55	8%	10	22%
Trade	58	9%	63	10%	70	10%	67	9%	-3	-4%
Manufacturing	28	4%	40	6%	45	6%	53	7%	8	18%
Other	35	6%	36	6%	39	5%	51	7%	11	29%
Total	634	100%	644	100%	718	100%	710	100%	-7	-1%

FISCAL YEAR-TO-DATE COLLECTIONS

FROM JULY 1 TO DECEMBER 31

(\$ millions)

Sector	FY 99		FY 00		FY 01		FY 02		FY02-FY01	
	% of Total		% of Total		% of Total		% of Total		\$ Change	% Change
Financial	469	37%	449	35%	727	43%	400	32%	-326	-45%
Real Estate	85	7%	86	7%	107	6%	95	8%	-11	-11%
Services	380	30%	378	30%	430	25%	342	28%	-88	-20%
Information	84	7%	98	8%	111	7%	95	8%	-16	-14%
Trade	113	9%	121	10%	142	8%	122	10%	-20	-14%
Manufacturing	59	5%	69	5%	88	5%	90	7%	1	2%
Other	72	6%	71	6%	83	5%	90	7%	7	9%
Total	1,263	100%	1,272	100%	1,687	100%	1,234	100%	-453	-27%

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 General Corporation Tax, Unincorporated Business Tax, and Banking Corporation Tax 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.