



**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 2003
Second Quarter**

**October 2002 –
December 2002**

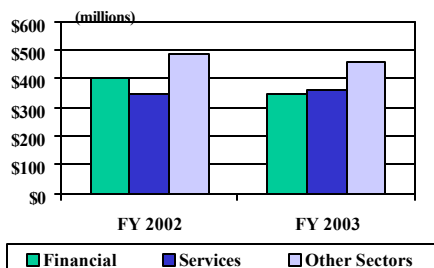
New York City's three business income taxes generated \$1,173 million in the first half of fiscal year 2003, a decline of \$62 million, or 5 percent, from the same period last year. Second-quarter collections totaled \$544 million, a decline of \$166 million, or 23 percent, from the second quarter of FY 2002. Because firms affected by the September 11, 2001 attacks were allowed to defer business income tax payments from the first quarter of FY 2002 to the second quarter of FY 2002, the first and second quarters should be analyzed in aggregate when comparing FY 2003 to FY 2002 collections.

In the Financial sector, fiscal year-to-date collections were \$349 million, a decline of \$55 million, or 14 percent, from the first half of FY 2002. Payments from foreign banks declined by almost \$70 million, or more than half, while collections from thrifts increased by \$27 million. Payments from securities and commodities firms decreased by \$18 million, or 11 percent.

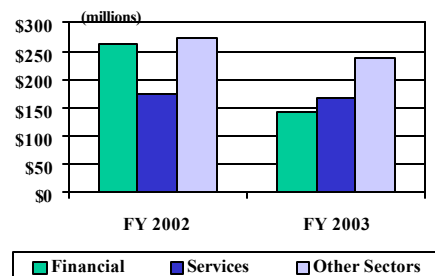
Fiscal year-to-date collections from the Services sector were \$365 million, up \$19 million, or 5 percent, from a year ago. Payments from holding companies, legal firms and health care providers accounted for 92 percent of this sector's increase.

Fiscal year-to-date collections from other major sectors decreased by a total of \$25 million, or 5 percent, from last year. Collections from manufacturing firms alone dropped \$25 million, or 28 percent, in the first half of the fiscal year. Receipts from the Information and Trade sectors decreased by \$13 million and \$3 million, respectively, while payments from the Real Estate and Other sectors increased by \$4 million and \$13 million, respectively.

**New York City
Business Income Tax
Fiscal Year-to-Date Collections
July 2002 - December 2002**



**New York City
Business Income Tax
Second-Quarter Collections
October 2002 - December 2002**



NEW YORK CITY BUSINESS INCOME TAX

SECOND-QUARTER COLLECTIONS

FROM OCTOBER 1 TO DECEMBER 31

(\$ millions)

| Sector | FY 00 | | FY 01 | | FY 02 | | FY 03 | | FY03-FY02 | |
|----------------------|------------|------|------------|------|------------|------|------------|-----------|-----------|------|
| | % of Total | | % of Total | | % of Total | | % of Total | \$ Change | % Change | |
| Financial | 227 | 35% | 283 | 39% | 263 | 37% | 142 | 26% | -121 | -46% |
| Real Estate | 46 | 7% | 54 | 7% | 54 | 8% | 50 | 9% | -4 | -7% |
| Services | 175 | 27% | 183 | 25% | 173 | 24% | 166 | 30% | -7 | -4% |
| Information | 57 | 9% | 45 | 6% | 55 | 8% | 41 | 8% | -14 | -25% |
| Trade | 63 | 10% | 70 | 10% | 68 | 10% | 63 | 11% | -5 | -7% |
| Manufacturing | 40 | 6% | 45 | 6% | 53 | 7% | 38 | 7% | -15 | -28% |
| Other | 36 | 6% | 39 | 5% | 44 | 6% | 44 | 8% | 0 | 0% |
| Total | 644 | 100% | 718 | 100% | 710 | 100% | 544 | 100% | -166 | -23% |

FISCAL YEAR-TO-DATE COLLECTIONS

FROM JULY 1 TO DECEMBER 31

(\$ millions)

| Sector | FY 00 | | FY 01 | | FY 02 | | FY 03 | | FY03-FY02 | |
|----------------------|------------|------|------------|------|------------|------|------------|-----------|-----------|------|
| | % of Total | | % of Total | | % of Total | | % of Total | \$ Change | % Change | |
| Financial | 505 | 38% | 727 | 43% | 405 | 33% | 349 | 30% | -55 | -14% |
| Real Estate | 94 | 7% | 107 | 6% | 94 | 8% | 98 | 8% | 4 | 4% |
| Services | 385 | 29% | 430 | 25% | 346 | 28% | 365 | 31% | 19 | 5% |
| Information | 86 | 6% | 111 | 7% | 96 | 8% | 82 | 7% | -13 | -14% |
| Trade | 128 | 9% | 142 | 8% | 124 | 10% | 120 | 10% | -3 | -3% |
| Manufacturing | 74 | 6% | 88 | 5% | 90 | 7% | 65 | 6% | -25 | -28% |
| Other | 74 | 5% | 83 | 5% | 80 | 6% | 93 | 8% | 13 | 16% |
| Total | 1,346 | 100% | 1,687 | 100% | 1,235 | 100% | 1,173 | 100% | -62 | -5% |

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.