



**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
Annual Results**

July 2002 – June 2003

New York City's three business income taxes generated a total of \$2,952 million in Fiscal Year 2003, a decrease of \$66 million, or 2 percent, from FY 2002. Collections rebounded in the fourth quarter of the year, but not enough to offset prior-quarter declines.

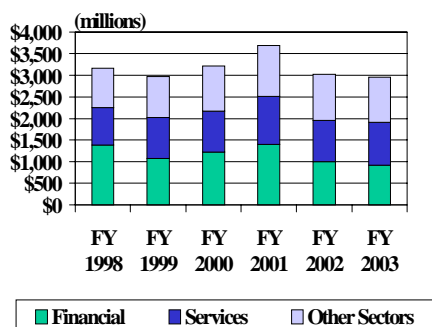
Growth in annual collections varied by economic sector. Payments by the Financial, Real Estate, Information and Manufacturing sectors declined, while receipts from Services, Trade and Other sectors increased.

Annual collections from the Financial sector declined by \$82 million, or 8 percent, compared to FY 2002 revenues. Increased collections from commercial banks and savings and loans were more than offset by reduced payments by securities and commodities firms and foreign banks.

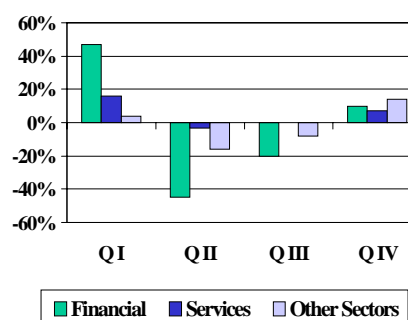
Annual collections from the Services sector increased by \$44 million, or 5 percent. The health care, legal, and managerial sub-sectors accounted for almost 90 percent of the increase.

Collections from the Real Estate, Information and Manufacturing sectors decreased by 6 percent, 9 percent and 12 percent, respectively. Payments by the Trade and Other sectors increased by 3 percent and 8 percent, respectively.

**New York City
Business Income Tax
Fiscal Year Collections
July 1 - June 30**



**New York City
Business Income Tax
Percentage Change in
FY 2003 Quarterly Collections**



NEW YORK CITY BUSINESS INCOME TAX

FOURTH-QUARTER COLLECTIONS

FROM APRIL 1 TO JUNE 30

(\$ millions)

Sector	FY 00		FY 01		FY 02		FY 03		FY03-FY02	
		% of Total		% of Total		% of Total		% of Total	\$ Change	% Change
Financial	449	44%	390	38%	304	36%	333	36%	29	10%
Real Estate	57	6%	61	6%	60	7%	55	6%	-4	-7%
Services	293	29%	332	33%	295	35%	317	34%	22	7%
Information	49	5%	62	6%	45	5%	60	6%	15	32%
Trade	79	8%	73	7%	64	8%	72	8%	7	12%
Manufacturing	43	4%	37	4%	29	3%	33	4%	4	15%
Other	50	5%	61	6%	47	6%	60	6%	12	26%
Total	1,021	100%	1,015	100%	844	100%	930	100%	86	10%

FISCAL YEAR COLLECTIONS

FROM JULY 1 TO JUNE 30

(\$ millions)

Sector	FY 00		FY 01		FY 02		FY 03		FY03-FY02	
		% of Total		% of Total		% of Total		% of Total	\$ Change	% Change
Financial	1,225	38%	1,395	38%	998	33%	916	31%	-82	-8%
Real Estate	209	7%	250	7%	251	8%	237	8%	-14	-6%
Services	949	30%	1,114	30%	956	32%	1,000	34%	44	5%
Information	207	6%	224	6%	196	6%	178	6%	-18	-9%
Trade	291	9%	322	9%	276	9%	283	10%	7	3%
Manufacturing	155	5%	176	5%	157	5%	138	5%	-19	-12%
Other	174	5%	209	6%	184	6%	200	7%	15	8%
Total	3,210	100%	3,691	100%	3,019	100%	2,952	100%	-66	-2%

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.