



**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 2005  
Second Quarter**

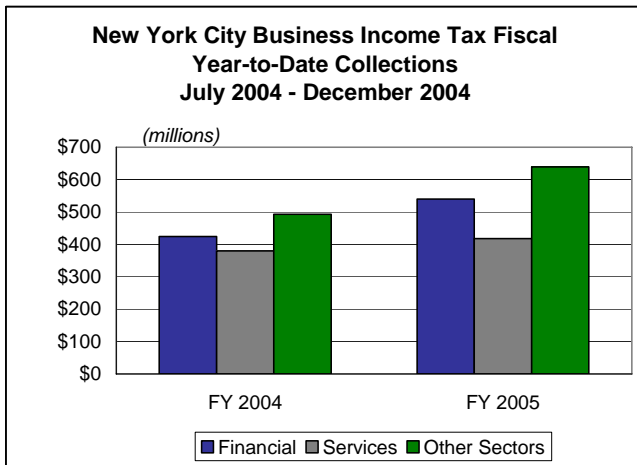
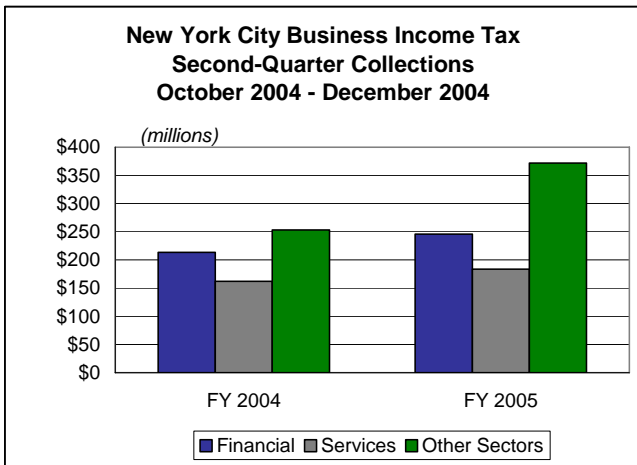
**October 2004 –  
December 2004**

New York City's three business income taxes generated \$1.597 billion in the first half of fiscal year 2005, an increase of \$300 million, or 23 percent, from the same period last year. Second-quarter collections totaled \$802 million, an increase of \$173 million, or 28 percent, from the second quarter of FY 2004.

Fiscal year-to-date collections from the Financial sector were \$540 million, an increase of \$116 million, or 27 percent, from the first half of FY 2004. The increase was primarily attributable to growth in payments from clearing house and foreign banks.

Fiscal year-to-date collections from the Services sector were \$418 million, up \$38 million, or 10 percent, from a year ago. Payments by law, professional/technical, and administrative support firms increased by \$11 million, \$10 million, and \$9 million, respectively, while collections from accounting firms decreased by \$7 million.

Fiscal year-to-date collections from other major sectors increased a total of \$146 million, or 30 percent, from last year. Collections from all sectors grew, led by payments from Manufacturing and Real Estate firms, which increased \$49 million and \$45 million, respectively.



## NEW YORK CITY BUSINESS INCOME TAX

### SECOND-QUARTER COLLECTIONS FROM OCTOBER 1 TO DECEMBER 31 (\$ millions)

| Sector        | FY 2002    |             | FY 2003    |             | FY 2004    |             | FY 2005    |             | FY05/FY04 Change |            |
|---------------|------------|-------------|------------|-------------|------------|-------------|------------|-------------|------------------|------------|
|               | \$         | % of Total  | \$         | % of Total  | \$         | % of Total  | \$         | % of Total  | \$               | %          |
| Financial     | 263        | 37%         | 145        | 27%         | 214        | 34%         | 246        | 31%         | 32               | 15%        |
| Real Estate   | 54         | 8%          | 51         | 9%          | 64         | 10%         | 96         | 12%         | 32               | 49%        |
| Services      | 173        | 24%         | 170        | 31%         | 162        | 26%         | 184        | 23%         | 22               | 13%        |
| Information   | 55         | 8%          | 42         | 8%          | 64         | 10%         | 76         | 9%          | 12               | 18%        |
| Trade         | 68         | 10%         | 66         | 12%         | 65         | 10%         | 78         | 10%         | 13               | 19%        |
| Manufacturing | 53         | 7%          | 36         | 7%          | 31         | 5%          | 83         | 10%         | 52               | 171%       |
| Other         | 44         | 6%          | 34         | 6%          | 29         | 5%          | 40         | 5%          | 11               | 38%        |
| <b>Total</b>  | <b>710</b> | <b>100%</b> | <b>544</b> | <b>100%</b> | <b>629</b> | <b>100%</b> | <b>802</b> | <b>100%</b> | <b>173</b>       | <b>28%</b> |

### FISCAL YEAR-TO-DATE COLLECTIONS FROM JULY 1 TO DECEMBER 31 (\$ millions)

| Sector        | FY 2002      |             | FY 2003      |             | FY 2004      |             | FY 2005      |             | FY05/FY04 Change |            |
|---------------|--------------|-------------|--------------|-------------|--------------|-------------|--------------|-------------|------------------|------------|
|               | \$           | % of Total  | \$           | % of Total  | \$           | % of Total  | \$           | % of Total  | \$               | %          |
| Financial     | 405          | 33%         | 354          | 30%         | 424          | 33%         | 540          | 34%         | 116              | 27%        |
| Real Estate   | 94           | 8%          | 100          | 9%          | 122          | 9%          | 166          | 10%         | 45               | 37%        |
| Services      | 346          | 28%         | 374          | 32%         | 379          | 29%         | 418          | 26%         | 38               | 10%        |
| Information   | 96           | 8%          | 83           | 7%          | 114          | 9%          | 136          | 9%          | 22               | 19%        |
| Trade         | 124          | 10%         | 125          | 11%         | 132          | 10%         | 147          | 9%          | 14               | 11%        |
| Manufacturing | 90           | 7%          | 62           | 5%          | 62           | 5%          | 112          | 7%          | 49               | 79%        |
| Other         | 80           | 6%          | 74           | 6%          | 62           | 5%          | 79           | 5%          | 16               | 26%        |
| <b>Total</b>  | <b>1,235</b> | <b>100%</b> | <b>1,171</b> | <b>100%</b> | <b>1,297</b> | <b>100%</b> | <b>1,597</b> | <b>100%</b> | <b>300</b>       | <b>23%</b> |

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 telecommunications, information and data services, movies, video, 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.