



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

OFFICE OF TAX POLICY

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

**Fiscal Year 2006
Second Quarter**

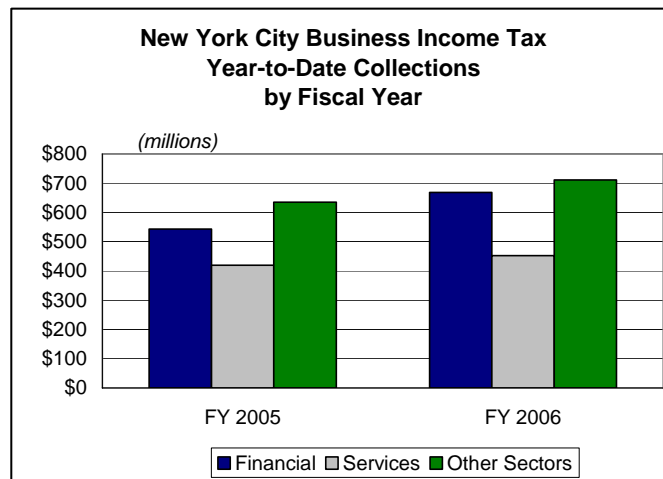
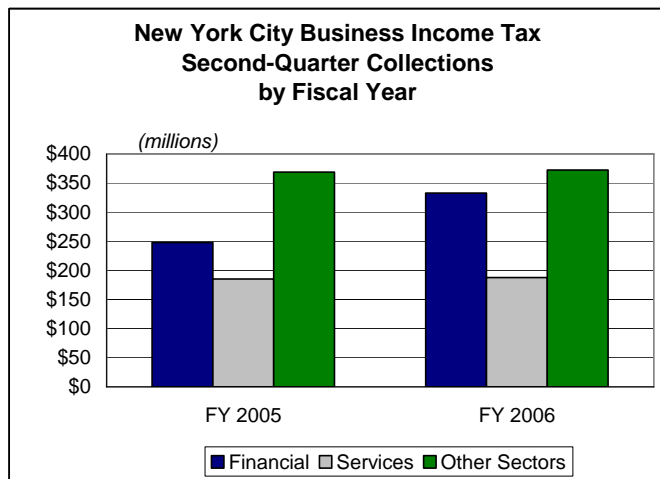
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**October 2005 –
December 2005**

New York City's three business income taxes generated \$892 million in the second quarter of Fiscal Year 2006, an increase of \$91 million, or 11 percent, from the second quarter of FY 2005. Payments increased for all major business sectors except Manufacturing.

Second-quarter collections from the Financial sector were \$333 million, an increase of \$85 million, or 34 percent, from FY 2005. Payments by the banking sub-sector increased by \$73 million, or 50 percent, while payments by the securities & commodities subsector increased by \$14 million, or 17 percent.

Services-sector collections were \$187 million, an increase of only one percent from the same period last year. Most subsectors showed only slight changes. Those subsectors with the greatest change were professional/technical services and holding companies, for which payments grew by \$5 million each, and administrative/support services, for which payments declined by \$5 million.

Second-quarter payments by the other major business sectors totaled \$372 million, an increase of only one percent from last year. Collections from the Information and Real Estate sectors increased by \$19 million and \$9 million, respectively, while collections from the Manufacturing sector declined by \$41 million.



NEW YORK CITY BUSINESS INCOME TAX

SECOND-QUARTER COLLECTIONS

FROM OCTOBER 1 to DECEMBER 31

(\$ millions)

Sector	FY 2003		FY 2004		FY 2005		FY 2006		FY06/FY05 Change	
	\$	% of Total	\$	% of Total	\$	% of Total	\$	% of Total	\$	%
Financial	145	27%	214	34%	248	31%	333	37%	85	34%
Services	170	31%	162	26%	185	23%	187	21%	2	1%
Other Sectors	229	42%	253	40%	369	46%	372	42%	4	1%
<i>Real Estate</i>	51	9%	64	10%	96	12%	105	12%	9	10%
<i>Information</i>	42	8%	64	10%	77	10%	96	11%	19	25%
<i>Trade</i>	66	12%	65	10%	79	10%	80	9%	2	2%
<i>Manufacturing</i>	36	7%	31	5%	83	10%	42	5%	-41	-50%
<i>Other</i>	34	6%	29	5%	34	4%	49	5%	14	42%
Total	\$544	100%	\$629	100%	\$802	100%	\$892	100%	\$91	11%

FISCAL YEAR-TO-DATE COLLECTIONS

FROM JULY 1 to DECEMBER 31

(\$ millions)

Sector	FY 2003		FY 2004		FY 2005		FY 2006		FY06/FY05 Change	
	\$	% of Total	\$	% of Total	\$	% of Total	\$	% of Total	\$	%
Financial	354	30%	424	33%	543	34%	668	36%	125	23%
Services	374	32%	379	29%	419	26%	453	25%	34	8%
Other Sectors	443	38%	493	38%	635	40%	711	39%	76	12%
<i>Real Estate</i>	100	9%	122	9%	167	10%	188	10%	21	13%
<i>Information</i>	83	7%	114	9%	137	9%	175	10%	38	28%
<i>Trade</i>	125	11%	132	10%	148	9%	169	9%	20	14%
<i>Manufacturing</i>	62	5%	62	5%	112	7%	77	4%	-34	-31%
<i>Other</i>	74	6%	62	5%	71	4%	102	6%	31	43%
Total	\$1,171	100%	\$1,297	100%	\$1,597	100%	\$1,832	100%	\$235	15%

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.