

24-2 March 15, 2024

FINANCE MEMORANDUM

2024 Business Corporation Tax Deriving Receipts Threshold

The Commissioner of Finance is required to annually review the thresholds at which a corporation is deemed to be deriving receipts from activity in New York City for purposes of imposing the Business Corporation Tax. The Commissioner is required to adjust these thresholds if the Consumer Price Index (CPI) ¹has changed by 10% or more since January 1, 2022, or since the date that the thresholds were last adjusted by the Commissioner.²

The Commissioner of Finance has determined that the CPI has changed by 10% or more since January 1, 2022. Therefore, the thresholds at which a corporation and a unitary group are deemed to be deriving receipts from activity in New York City for purposes of imposing the Business Corporation Tax have increased to \$1,128,000 for tax years beginning on or after January 1, 2024.³

Additionally, in the case of corporations that are members of a unitary group that meets the ownership requirements under Administrative Code section 11-654.3, the receipts threshold for determining if such corporations are deriving receipts from activity within New York City has increased to \$11,000.⁴ Members of the group meeting such threshold must, in the aggregate, meet the increased threshold of \$1,128,000 in order for any members of the group to be treated as deriving receipts from activity in New York City.⁵

These thresholds will remain the same until the Commissioner next reviews the cumulative percentage change in the CPI and is required to adjust the receipts thresholds.

1. CPI means the consumer price index for all urban consumers (CPI-U) available from the Labor Statistics Bureau of the United States Department of Labor.

2. See NYC Admin. Code §11-653(1)(e).

3. See NYC Admin. Code §11-653(1)(b).

4. See NYC Admin. Code §11-653(1)(b).

5 Id.