



**FOR IMMEDIATE RELEASE**

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**NYC-2 FORMS NOW AVAILABLE FOR CORPORATIONS  
TO FILE BUSINESS TAXES ELECTRONICALLY**

The New York City Department of Finance (DOF) is pleased to announce that the NYC-2 tax form and related schedules, used by most C-corporations subject to the City's new business corporation tax, are now available to be filed electronically. They can be submitted through the IRS's Modernized e-File program, where corporations can file their Federal, State and City returns together, using software certified by New York City. A list of New York City certified tax software vendors can be found at <http://www1.nyc.gov/site/finance/taxes/tax-prof-bus-tax-efile-services-taxpayer-2015.page>. (This table is updated as new vendors are certified.) A copy of the NYC tax forms can be found here: <http://www1.nyc.gov/site/finance/taxes/business-forms/business-forms-current.page>.

These are new forms – the result of major changes to New York City's corporate income tax law, enacted in April 2015. This package adopted many of the changes made to New York State's corporate tax law in 2014. As a result, the DOF has been working closely with the New York State Department of Taxation and Finance and following its lead in the development of new forms to ensure that businesses receive consistent guidance and filing information for their 2015 tax returns in areas where New York State and City laws are the same.

Because of the enormity of this reform and its impact on preparing forms and information for the business community, last month the DOF recommended that business taxpayers file extensions, which is still an option. But for those who are prepared to file by the March 15, 2016 deadline, forms are now available.

Approximately 90,000 New York City businesses, including 45,000 small businesses, will use these new forms that are available online.

**Background on New York City's Corporate Tax Reform Package**

Enacted in April 2015, the new business tax law modernizes and streamlines the City's corporate tax system providing benefits to NYC businesses, particularly small businesses with the following provisions:

- Reducing the tax rate from 8.85% for 6.5% for non-manufacturers with NYC income less than \$1 million
- Reducing the tax rate from 8.85% to 4.425% for manufacturers with NYC net income of less than \$10 million
- Excluding the first \$10,000 of tax from the capital tax base, which eliminates the tax base for more than 90% of current capital base payers

The new law also...

- Merges the City's Banking Corporation Tax into the City's General Corporation tax so that large financial services companies (C-corporations) engaged in similar activities are subject to the same tax rules.
- Adopts a new method for computing net income that eliminates preferential treatment for certain categories of income. Most income will be treated as business income.
- Adopts a new method for determining how corporations attribute net income to NYC (known as market sourcing). This treatment attributes taxable income based on where a firm's markets are located, rather than the location of business operations.
- Adopts unitary combined reporting rules: economically-related business entities that are commonly owned are required to file as one taxpayer in order to prevent the shifting of income and expenses among related entities in a manner that reduces taxes inappropriately.
- Preserves the alternative tax base on capital (and increases the base's cap to \$10 million) in order to protect the City fiscally. The capital base helps stabilize revenues in years of low profits for large corporations.
- Imposes a 9% tax rate (rather than 8.85%) on large financial services companies (> \$100 billion in assets) to help fund the legislation.

There is more information on New York City's Corporate Tax Reform online:  
<http://www1.nyc.gov/site/finance/taxes/corporate-tax-reform.page>