

**LOCAL LAWS
OF
THE CITY OF NEW YORK
FOR THE YEAR 1993**

No. 57

Introduced by Council Member Berman (by the request of the Mayor)--read and referred to the Committee on Finance. (Passed under a Message of Necessity from the Mayor).

A LOCAL LAW

In relation to allowing a credit against the commercial rent or occupancy tax imposed by chapter 7 of title 11 of such code in certain cases and exempting certain tenants from such tax.

Be it enacted by the Council as follows:

Section 1. Paragraph (i) of subdivision 7 of section 11-701 of the administrative code of the city of New York, as amended by local law number 42 for the year 1988, is amended to read as follows:

(i) as rent for premises which constitute taxable premises of such tenant except where such tenant is exempt from tax thereon pursuant to subdivision b or paragraph six of subdivision c of section 11-704 of this chapter; provided, however, that for tax periods beginning on and after June [1, 1985] *first, nineteen hundred eighty-five*, rent received or due from a tenant exempt from tax thereon pursuant to paragraph [(2)] *two* of subdivision [(b)] *b* of section 11-704 of this chapter, *as such paragraph two was in effect immediately prior to its amendment by a local law for the year nineteen hundred ninety-three*, may be deducted if such tenant occupies or uses the premises pursuant to a written agreement made prior to June [1, 1984] *first, nineteen hundred eighty-four*, the terms and conditions of which have not been changed or amended; and provided, further, that for tax periods beginning on and after June [1, 1985] *first, nineteen hundred eighty-five*, with respect to a tenant exempt from tax pursuant to paragraph [(2)] *two* of subdivision [(b)] *b* of section 11-704 of this chapter, *as such paragraph two was in effect immediately prior to its amendment by a local law for the year nineteen hundred ninety-three*, because of the reduction in base rent provided for in subdivision h of section 11-704 of this chapter, rent received or due from such tenant may be deducted if such tenant occupies or uses the premises pursuant to a written agreement made prior to June [1, 1985] *first, nineteen hundred eighty-five*, the terms and conditions of which have not been changed or amended; *and provided, further, that for tax periods beginning on and after June first, nineteen hundred ninety-four, with respect to a tenant exempt from tax pursuant to paragraph two of subdivision b of section 11-704 of this chapter as a result of the*

amendment of such paragraph two by a local law for the year nineteen hundred ninety-three, whether or not such exemption is due to the reduction in base rent provided for in subdivision h of section 11-704 of this chapter, rent received or due from such tenant may be deducted if such tenant occupies or uses the premises pursuant to a written agreement made prior to June first, nineteen hundred ninety-three, the terms and conditions of which have not been changed or amended; and provided, further that for tax periods beginning on and after July [29, 1987] twenty-ninth, nineteen hundred eighty-seven, with respect to a tenant exempt from tax pursuant to [(2)] two of subdivision [(b)]b of section 11-704 of this chapter because of the reduction in base rent provided for in subdivision f of section 11-704 of this chapter, rent received or due from such tenant may be deducted;

§2. Paragraph 2 of subdivision b section 11-704 of the administrative code of the city of New York is amended to read as follows:

(2) A tenant whose base rent, (i) for tax years beginning on or after June first, nineteen hundred eighty-one and ending on or before May thirty-first nineteen hundred eighty-four, is not in excess of four thousand nine hundred ninety-nine dollars per year, (ii) for the tax year beginning June first, nineteen hundred eighty-four and ending May thirty-first, nineteen hundred eighty-five, is not in excess of seven thousand nine hundred ninety-nine dollars per year, [and] (iii) for the tax years beginning on or after June first, nineteen hundred eighty-five and ending on or before May thirty-first, nineteen hundred ninety-four, is not in excess of ten thousand nine hundred ninety-nine dollars per year, and (iv) for tax years beginning on or after June first, nineteen hundred ninety-four, is not in excess of twenty thousand nine hundred ninety-nine dollars per year, shall be exempt from the payment of the tax imposed by this chapter in respect to such rent, provided, however, that where the base rent of such tenant is for a period of less than one year, such base rent shall, for purposes of this paragraph, be determined as if it had been on an equivalent basis for the entire year. Notwithstanding the preceding sentence, a tenant whose base rent for the tax year beginning June first, nineteen hundred eighty-four and ending May thirty-first, nineteen hundred eighty-five, is at least eight thousand dollars per year, but not in excess of ten thousand nine hundred ninety-nine dollars per year, shall be exempt from the payment of the tax imposed by this chapter in respect to such rent for the period beginning December first, nineteen hundred eighty-four and ending May thirty-first, nineteen hundred eighty-five.

§3. Chapter 7 of title 11 of the administrative code of the city of New York is amended by adding a new section of 11-704.2 to read as follows:

§11-704.2 Special credit. A tenant whose base rent for the tax year beginning June first, nineteen hundred ninety-three and ending May thirty-first, nineteen hundred ninety-four is at least eleven thousand dollars per year but not in excess of thirteen thousand nine hundred ninety-nine dollars per year shall be allowed a credit against the tax imposed by this chapter for such tax year, such credit shall be equal to twenty-five percent of the tax imposed on such base rent for such tax year. Where the base rent of a tenant is for a period of less than one year, such base rent shall, for the purposes of this section, be determined as if it had been on an equivalent basis for the entire year. The credit allowed under this section shall be deducted prior to the deduction of any credit allowable under section 11-704 .1 of this chapter.

§4. If any credit, exemption from tax or reduction in base rent provided by this local law is held to be invalid or unconstitutional, or would render any portion of chapter 7 of title 11 of the administrative code of the city of New York, as amended by this local law,

invalid or unconstitutional for any reason whatsoever, there shall be no such credit, exemption from tax or reduction in base rent, and such chapter 7 shall continue in effect without such exemption or reduction in base rent held to be invalid.

§5. This local law shall take effect immediately.

THE CITY OF NEW YORK, OFFICE OF THE CITY CLERK, s.s.:

I hereby certify that the foregoing is a true copy of a local law of the City of New York, passed by the Council on June 13, 1993, and approved by the Mayor on June 30, 1993.

CARLOS CUEVAS, City Clerk, Clerk of the Council

CERTIFICATION PURSUANT TO MUNICIPAL HOME RULE LAW §27

Pursuant to the provisions of Municipal Home Rule Law §27, I hereby certify that the enclosed Local Law (Local Law 57 of 1993, Council Int. No. 752) contains the correct text and:

Received the following vote at the meeting of the New York City Council on June 13, 1993: 51 for, 0 against.

Was approved by the Mayor on June 30, 1993.

Was returned to the City Clerk on June 30, 1993.

JEFFREY D. FRIEDLANDER, Acting Corporation Counsel