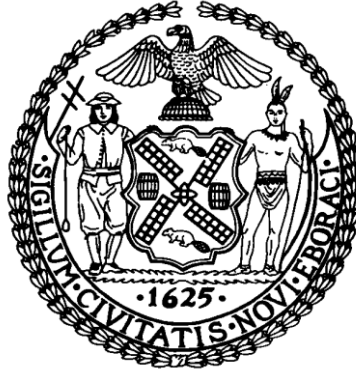


Staff:  
Malcom M. Butehorn, Senior Counsel



**THE COUNCIL OF THE CITY OF NEW YORK**

**COMMITTEE REPORT OF THE FINANCE DIVISION**

Tanisha S. Edwards, *Chief Financial Officer and Deputy Chief of Staff to the Speaker*

**COMMITTEE ON FINANCE**

Honorable Justin Brannan, Chair

**June 13, 2022**

**INT. NO. 347:**

By Council Members Powers, Brannan, Yeger and Abreu (by request of the Mayor) Passed Under a Message of Necessity from the Mayor

**TITLE:**

A Local Law to amend the administrative code of the city of New York, in relation to suspending the tax imposed by chapter 24 of title 11 of such code for the tax year beginning on June 1, 2022

**ADMINISTRATIVE CODE:**

Amends Administrative Code §11-2402.1

## **Introduction**

Today, the Committee on Finance will conduct a hearing on Int. No. 347 *a Local Law to amend the administrative code of the city of New York, in relation to suspending the tax imposed by chapter 24 of title 11 of such code for the tax year beginning on June 1, 2022*. This bill would suspend the annual tax on State licensed retailers selling liquor, wine or beer at retail, for on or off premises consumption, within the city of New York for the tax year beginning in June 2022. It is paid by all establishments in the City that are required to have on-premise and off-premise liquor license, including restaurants, pubs, hotels, grocery stores, liquor and wine stores, entertainment venues, etc. The surcharge is imposed on the license fees paid to the State, at a rate of 25 percent. The surcharge is expected to generate \$5.5 million in Fiscal 2022.

## **Analysis of Int. No. 347**

OMB projects that suspending the surcharge would cost the City \$6 million in tax revenues in Fiscal 2023. The Finance Division estimates that the suspension would save establishments anywhere between \$28 and \$490 a year depending on the type of license they require. The suspension of the surcharge is only for one fiscal year.

By Council Members Powers, Brannan, Yeger and Abreu (by request of the Mayor)

A LOCAL LAW

To amend the administrative code of the city of New York, in relation to suspending the tax imposed by chapter 24 of title 11 of such code for the tax year beginning on June 1, 2022

Be it enacted by the Council as follows:

1                   Section 1. Chapter 24 of title 11 of the administrative code of the city of New York  
2 is amended by adding a new section 11-2402.1 to read as follows:

3                   § 11-2402.1 Suspension of tax for the tax year beginning in 2022. Notwithstanding  
4 any other provision to the contrary, the tax authorized by this chapter shall not be imposed for the  
5 tax year beginning on June 1, 2022.

6                   § 2. This local law takes effect immediately.

## Plain Language Summary

### Current Introduction Number:

Int. No. 347

### Prime Sponsors:

By Council Members Powers, Brannan, Yeger and Abreu (by request of the Mayor) Passed Under a Message of Necessity from the Mayor

### Bill Title:

A Local Law to amend the administrative code of the city of New York, in relation to suspending the tax imposed by chapter 24 of title 11 of such code for the tax year beginning on June 1, 2022

### Bill Summary:

**This plain language summary is for informational purposes only and does not substitute for legal counsel. For more information, you should review the full text of the bill, which is available online at [legistar.council.nyc.gov](http://legistar.council.nyc.gov).**

This bill would suspend the annual tax on State licensed retailers selling liquor, wine or beer at retail, for on or off premises consumption, within the city of New York for the tax year beginning in 2022.

### Effective Date:

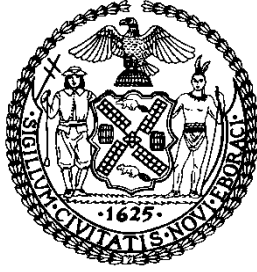
Immediately

### Legislative Impact:

- Agency Rulemaking Required:** Is City agency rulemaking required?
- Report Required:** Is a report due to Council required?
- Sunset Date Included:** Does the legislation have a sunset date?
- Council Appointment Required:** Is an appointment by the Council required?
- Other Appointment Required:** Are other appointments not by the Council required?

**Note:** In the full bill text online at [legistar.council.nyc.gov](http://legistar.council.nyc.gov), language in proposed consolidated laws that is enclosed by [brackets] would be deleted, and language that is underlined would be new. Language in proposed unconsolidated laws, in contrast, will not have brackets or underlining because it would be entirely new. Consolidation means that the law would be placed in the New York City Charter or Administrative Code.

MMB  
5/3/22



**THE COUNCIL OF THE CITY OF NEW YORK  
FINANCE DIVISION**

TANISHA EDWARDS, ESQ., CHIEF FINANCIAL  
OFFICER AND DEPUTY CHIEF OF STAFF TO THE  
SPEAKER

**FISCAL IMPACT STATEMENT**

**INT. NO. 347**

**COMMITTEE:** Finance

**TITLE:** A Local Law to amend the administrative code of the city of New York, in relation to suspending the tax imposed by chapter 24 of title 11 of such code for the tax year beginning on June 1, 2022

**SPONSOR:** Council Members Powers, Brannan, Yeger and Abreu (by request of the Mayor) Passed Under a Message of Necessity from the Mayor

**SUMMARY OF LEGISLATION:** The liquor license surcharge is paid by establishments in the City that require State-issued licenses to sell liquor, wine or beer at retail, for on or off premises consumption. The tax, which is levied at a rate of 25 percent, is imposed on the fees paid for the State license. Int. No. 347 would suspend the tax for one year beginning in June 2022.

**EFFECTIVE DATE:** This local law would take effect immediately.

**FISCAL YEAR IN WHICH FULL FISCAL IMPACT ANTICIPATED:** Fiscal 2023.

**FISCAL IMPACT STATEMENT:**

	<b>Effective FY22</b>	<b>FY Succeeding Effective FY23</b>	<b>Full Fiscal Impact FY23</b>
<b>Revenues (+)</b>	\$0	\$0	\$0
<b>Expenditures (-)</b>	\$0	\$0	\$0
<b>Net</b>	\$0	\$0	\$0

**IMPACT ON REVENUES:** It is projected that the enactment of this legislation would result in \$6 million in foregone tax revenues for Fiscal 2023. However, the estimated revenue reduction has already been assumed in the Fiscal 2023 Financial Plan. Consequently, the passage of this legislation would have no further impact on revenue projection; it would simply codify the existing assumption therein. Hence, there is no assumed fiscal impact despite the aforementioned revenue reduction.

**IMPACT ON EXPENDITURES:** There is no expenditure attached to this legislation.

**SOURCE OF FUNDS TO COVER ESTIMATED COSTS:** N/A

**SOURCES OF INFORMATION:** New York City Council Finance Division  
Office of Management and Budget

**ESTIMATE PREPARED BY:** William Kyeremateng, Principal Economist

**ESTIMATE REVIEWED BY:** Raymond Majewski, Deputy Director and Chief Economist  
Malcom Butehorn, Senior Counsel

**LEGISLATIVE HISTORY:** This legislation was introduced to the Council as Int. No. 347 on May 5, 2022 and was referred to the Committee on Finance to be heard on June 13, 2022. Upon a successful vote by the Committee, the bill will be submitted to the full Council for a vote on June 13, 2022.

**DATE PREPARED:** June 08, 2022