

**LOCAL LAWS
OF
THE CITY OF NEW YORK
FOR THE YEAR 1987**

No. 51

Introduced by the Vice-Chairman (Council Member Vallone) and Council Member DeMarco (by request of the Mayor); also Council Members Dryfoos, Gerges, Messinger and O'Donovan. (Passed under a message of necessity from the Mayor).

A LOCAL LAW

Int 883-A

To amend the administrative code of the city of New York, in relation to a credit against the tax on unincorporated businesses imposed by chapter five of title eleven of such code and the requirements for filing returns and declarations of estimated tax with respect to such tax; and in relation to decreasing the rate of the tax on general corporations imposed by subchapter two of chapter six of title eleven of such code.

Be it enacted by the Council as follows:

Section 1. Subdivision (b) of section 11-503 of the administrative code of the city of New York is amended to read as follows:

(b) Credit against tax. If the tax computed under subdivision (a) of this section is six hundred dollars or less, a credit shall be allowed for the entire amount of such tax. If the tax computed under subdivision (a) of this section exceeds six hundred dollars but is less than eight hundred dollars, a credit shall be allowed in the amount determined by multiplying such tax by a fraction the numerator of which is eight hundred dollars minus the amount of such tax and the denominator of which is two hundred dollars. If the tax computed under subdivision (a) of this section is eight hundred dollars or more, no credit shall be allowed. If separate partnerships, joint ventures or other unincorporated entities have substantially the same partners or members, each of such partners or members has substantially the same interest in each of such partnerships, joint ventures or other unincorporated entities, and such partnerships, joint ventures or other unincorporated entities are engaged in substantially the same business or businesses or in substantially related businesses, all of such partnerships, joint ventures or other unincorporated entities shall be treated as one unincorporated business for purposes of this subdivision. The preceding sentence shall not be construed to limit or affect the meaning or application of any other provision of this chapter.

§2. Subdivision (a) of section 11-511 of such code is amended to read as follows:

(a) Requirement of declaration. Except as provided in subdivision (j) of this section, every unincorporated business shall make a declaration of its estimated tax for the taxable year, containing such information as the commissioner of finance may prescribe by regulations or instruction, if its unincorporated business taxable income can reasonably be expected to exceed fifteen thousand dollars.

§3. Subdivision (a) of section 11-514 of such code is amended to read as follows:

(a) General. On or before the fifteenth day of the fourth month following the close of a taxable year, an unincorporated business income tax return shall be made and filed, and the balance of any tax shown on the face of such return, not previously paid as installments of estimated tax,

shall be paid, by or for every unincorporated business having unincorporated business gross income, determined for purposes of this subdivision without any deduction for the cost of goods sold or services performed, of more than ten thousand dollars, or having any amount of unincorporated business taxable income.

§4. Paragraph E of subdivision one of section 11-604 of such code, as amended by chapter two hundred twenty-two of the laws of nineteen hundred eighty-six, is amended to read as follows:

E. For taxable years beginning on or after January first, nineteen hundred seventy-eight but before the taxable year beginning on January first, nineteen hundred eighty-nine, the tax imposed by subdivision one of section 11-603 of this subchapter shall be, in the case of each taxpayer: (a) a tax (1) computed, for taxable years beginning before nineteen hundred eighty-seven, at the rate of nine *per centum*, and for taxable years beginning after nineteen hundred eighty-six, at the rate of eight and eighty-five one-hundredths *per centum*, of its entire net income or the portion of such entire net income allocated within the city as hereinafter provided, subject to any modification required by paragraphs (d) and (e) of subdivision three of this section, or (2) computed at one and one-half mills for each dollar of its total business and investment capital, or the portion thereof allocated within the city, as hereinafter provided, except that in the case of a cooperative housing corporation as defined in the internal revenue code, the applicable rate shall be four-tenths of one mil, or (3) computed, for taxable years beginning before nineteen hundred eighty-seven, at the rate of nine *per centum*, and for taxable years beginning after nineteen hundred eighty-six, at the rate of eight and eighty-five one-hundredths *per centum*, on thirty *per centum* of the taxpayer's entire net income plus salaries and other compensation paid to the taxpayer's elected or appointed officers and to every stockholder owning in excess of five per centum of its issued capital stock minus fifteen thousand dollars (except as hereinafter provided) and any net loss for the reported year, or on the portion of any such sum allocated within the city as hereinafter provided for the allocation of entire net income, subject to any modification required by paragraphs (d) and (e) of subdivision three of this section, or (4) one hundred twenty-five dollars, whichever is greatest, plus (b) a tax computed at the rate of three-quarters of a mil for each dollar of the portion of its subsidiary capital allocated within the city as hereinafter provided. In the case of a taxpayer which is not subject to tax for an entire year, the exemption allowed in clause three of paragraph (a) shall be prorated according to the period such taxpayer was subject to tax. Provided, however, that the rates specified in this paragraph E shall not apply to taxable years ending after December thirty-first, nineteen hundred eighty-eight. For the taxable years specified in the preceding sentence, the tax imposed by subdivision one of section 11-603 of this subchapter shall be, in the case of each taxpayer, at the rates specified in paragraph A of this subdivision.

§5. This local law shall take effect immediately, but in no event sooner than the effective date of a chapter of the laws of nineteen hundred eighty-seven entitled "AN ACT to amend chapter seven hundred seventy-two of the laws of nineteen hundred sixty-six, relating to enabling any city having a population of one million or more to raise tax revenue by imposing taxes on general, financial and transportation corporations and unincorporated businesses, in relation to a decrease in the rate of tax on general corporations; and in relation to a credit against the tax on unincorporated businesses and the requirements for filing returns and declarations of estimated tax with respect to such tax," provided that sections one, two and three of this local law shall apply to taxable years beginning on or after January first, nineteen hundred eighty-seven.

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 July 14, 1987, and approved by the Mayor on July 29 1987.

CARLOS CUEVAS, City Clerk, Clerk of 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 51 of 1987, Council Int. No. 883) contains the correct text and:

Received the following vote at the meeting of the New York City Council on July 14, 1987: 34 for, 0 against.

Was approved by the Mayor on July 29, 1987.

Was returned to the City Clerk on July 30, 1987.

JEFFREY D. FRIEDLANDER, Acting Corporation Counsel.

