



Legislation Details (With Text)

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Type: Introduction **Status:** Enacted
In control: Committee on Finance

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Title: A Local Law to amend the administrative code of the city of New York, in relation to the commercial rent tax

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Attachments: 1. Summary of Int. No. 799-B, 2. Summary of Int. No. 799-A, 3. Summary of Int. No. 799, 4. Int. No. 799 - 5/27/16, 5. May 27, 2015 - Stated Meeting Agenda with Links to Files, 6. Committee Report 2/13/17, 7. Hearing Testimony 2/13/17, 8. Hearing Transcript 2/13/17, 9. Proposed Int. No. 799-A - 7/10/17, 10. Proposed Int. No. 799-B - 11/27/17, 11. Committee Report 11/30/17, 12. Hearing Transcript 11/30/17, 13. November 30, 2017 - Stated Meeting Agenda with Links to Files, 14. Hearing Transcript - Stated Meeting 11-30-17, 15. Int. No. 799-B (FINAL), 16. Fiscal Impact Statement, 17. Mayor's Letter, 18. Local Law 254, 19. Minutes of the Stated Meeting - November 30, 2017

Date	Ver.	Action By	Action	Result
5/27/2015	*	City Council	Introduced by Council	
5/27/2015	*	City Council	Referred to Comm by Council	
2/13/2017	*	Committee on Finance	Hearing Held by Committee	
2/13/2017	*	Committee on Finance	Amendment Proposed by Comm	
2/13/2017	*	Committee on Finance	Laid Over by Committee	
11/30/2017	*	Committee on Finance	Hearing Held by Committee	
11/30/2017	*	Committee on Finance	Amendment Proposed by Comm	
11/30/2017	*	Committee on Finance	Amended by Committee	
11/30/2017	B	Committee on Finance	Approved by Committee	Pass
11/30/2017	B	City Council	Approved by Council	Pass
11/30/2017	B	City Council	Sent to Mayor by Council	
12/18/2017	B	Mayor	Hearing Held by Mayor	
12/22/2017	B	Mayor	Signed Into Law by Mayor	
12/22/2017	B	City Council	Recvd from Mayor by Council	

Int. No. 799-B

By Council Members Garodnick, Rosenthal, Chin, Mendez, Johnson, Kallos, Levine, Ferreras-Copeland, Cornegy, Rodriguez, Constantinides, Koo, Koslowitz, Mealy, Rose, Cabrera, Cumbo, Deutsch, Espinal, Gentile, Greenfield, Grodenchik, King, Lancman, Maisel, Miller, Salamanca, Torres, Treyger, Vallone, Van Bramer, Williams, Menchaca, Dromm, Levin, Richards, Perkins, Reynoso, Lander, Gibson, Borelli, Ulrich and Matteo

A Local Law to amend the administrative code of the city of New York, in relation to the commercial rent tax

Be it enacted by the Council as follows:

Section 1. The administrative code of the city of New York is amended by adding a new section 11-704.4 to read as follows:

11-704.4. Small business tax credit. a. Definitions. As used in this section, the following terms have the following meanings:

Base rent. The term “base rent” shall mean the base rent calculated without regard to any reduction in base rent allowed by paragraph two of subdivision h of section 11-704.

Income factor. The term “income factor” shall mean:

1. for a tenant with total income of not more than five million dollars, one;
2. for a tenant with total income of more than five million dollars but not more than ten million dollars, a fraction the numerator of which is ten million dollars minus the amount of total income and the denominator of which is five million dollars; and
3. for a tenant with total income of more than ten million dollars, zero.

Rent factor. The term “rent factor” shall mean:

1. for a tenant whose base rent is less than five hundred thousand dollars, one; and
2. for a tenant whose base rent is at least five hundred thousand dollars but not more than five hundred and fifty thousand dollars, a fraction the numerator of which is five hundred and fifty thousand dollars minus the amount of base rent and the denominator of which is fifty thousand dollars.

Total income. The term “total income” shall mean the amount reported by a person, as defined by section 7701 of the internal revenue code, to the internal revenue service for the purpose of the federal income

tax in the tax year immediately preceding the period for which the tenant is applying for the credit set forth in subdivision b that is equal to the gross receipts or sales of the person minus any returns and allowances, minus the cost of goods plus the amount of any dividends, interest, gross rents, gross royalties, capital gain net income, net gain or loss from the sale of business property, net farm profit or loss, ordinary income or loss from other partnerships, estates or trusts or other income or loss.

b. Beginning on July 1, 2018 and for each tax year beginning thereafter, a credit shall be allowed against the tax imposed by this chapter as follows: a tenant whose base rent is at least two hundred and fifty thousand dollars but not more than five hundred and fifty thousand dollars shall be allowed a credit in the amount determined by multiplying the tax imposed on the tenant pursuant to section 11-702 minus any allowable credits or exemptions set forth outside this section by the income factor and by the rent factor. If the tenant's base rent is over five hundred and fifty thousand dollars, no credit shall be allowed under this section.

c. The department of finance may promulgate any rules necessary to implement the provisions of this section, including, but not limited to, rules that prevent abuse of this section by related parties.

§ 2. This local law takes effect immediately.

RKC 05-21-15 11:15am, amended 03-25-16 9:58am, amended 11-22-17 5:48pm
LS #3355