



Legislation Details (With Text)

File #: Int 0674-2000 **Version:** * **Name:** Tax , Excluding the value of certain investments
Type: Introduction **Status:** Filed
In control: Committee on Finance

On agenda: 1/5/2000

Enactment date: **Enactment #:**

Title: A Local Law to amend the administrative code of the city of New York, in relation to excluding the value of certain investments in subsidiaries from the tax on allocated subsidiary capital.

Sponsors: Peter F. Vallone, Herbert E. Berman

Indexes:

Attachments:

| Date | Ver. | Action By | Action | Result |
|------------|------|----------------------------|-----------------------------|--------|
| 1/5/2000 | * | City Council | Introduced by Council | |
| 1/5/2000 | * | City Council | Referred to Comm by Council | |
| 1/5/2000 | * | Legislative Documents Unit | Printed Item Laid on Desk | |
| 12/31/2001 | * | City Council | Filed (End of Session) | |

Int. No. 674

Introduced by The Speaker (Council Member Vallone) and Council Member Berman-read and referred to the Committee on Finance.

A Local Law to amend the administrative code of the city of New York, in relation to excluding the value of certain investments in subsidiaries from the tax on allocated subsidiary capital.

Be it enacted by the Council as follows:

Section 1. Paragraph A of Subdivision 1 of section 11-604 of the administrative code of the city of New York, is amended to read as follows:

A. For taxable years beginning on or after January first, nineteen hundred seventy-one and ending on or before December thirty-first, nineteen hundred seventy four, 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 at the rate of six and seven-tenths 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 mill 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, or in the case of a housing company organized and operating pursuant to the provisions of article four of the private housing finance law, the applicable rates shall be one-quarter of one mill, or (3) computed at the rate of six and seven-tenths 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) twenty-five dollars, whichever is greatest, plus (b) a tax computed at the rate of one-half mill for each dollar of the portion of the subsidiary capital allocated within the city as hereinafter provided; provided, however, that for purposes of this subparagraph, the amount of such subsidiary capital, prior to allocation, shall be reduced by the taxpayer's (i) investment in the stock of, and any indebtedness from, subsidiaries subject to tax under section one hundred eighty-six of the tax law (but only to the extent such indebtedness is included in subsidiary capital), and (ii) investments in the stock of, and any indebtedness from, subsidiaries subject to tax under articles thirty-two or thirty-three of the tax law (but only to the extent such indebtedness is included in subsidiary capital). 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.

§2. Subparagraph b of paragraph E of Subdivision 1 of section 11-604 of the administrative code of the city of New York, is amended to read as follows:

b. (1) an amount computed at the rate of three-quarters of a mill for each dollar of the portion of its subsidiary capital allocated within the city as hereinafter provided.

(2) For purposes of this subparagraph, the amount of such subsidiary capital, prior to allocation, shall be reduced by the applicable percentage of the taxpayer's (i) investment in the stock of, and any indebtedness from, subsidiaries subject to tax under section one hundred eighty-six of the tax law (but only to the extent such indebtedness is included in subsidiary capital), and (ii) investments in the stock of, and any indebtedness from, subsidiaries subject to tax under articles thirty-two or thirty-three of the tax law (but only to the extent such indebtedness is included in subsidiary capital). For purposes of item (i) of this clause, the applicable percentage shall be thirty percent for taxable years beginning in two thousand, and one hundred percent for taxable years beginning after two thousand. For purposes of item (ii) of this clause, the applicable percentage shall be one hundred percent for taxable years beginning after nineteen hundred ninety-nine.

§3. This local law shall take effect immediately, provided, however, that if this local law shall have become a law subsequent to December 31, 1999, it shall be retroactive to and deemed to have been in full force and effect as of January 1, 2000.