

# Corporate taxes

## More money

New York State collected almost \$7.3 billion in Article 9-A corporation franchise taxes in fiscal year 2023. This was an increase of nearly \$1.5 billion from the prior fiscal year.

### Corporate tax collections

Fiscal year	2019	2020	2021	2022	2023
Corporation franchise tax collections (in millions of dollars)	\$3,391.84	\$3,771.83	\$3,879.66	\$5,793.20	\$7,260.83

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## Effective tax reform

New York State's corporate tax reform was implemented in 2015 to ease the compliance burden on businesses operating in the state. The number of corporations and their franchise tax liabilities have grown since.

### Liability for Article 9-A corporations: tax years 2015–2020

Tax liability year	2015	2016	2017	2018	2019	2020
Number of taxpayers	281,374	284,605	293,302	302,909	311,233	311,147
Liability (in millions of dollars)	\$3,238.5	\$2,836.5	\$2,710.4	\$4,037.5	\$4,052.0	\$4,127.9

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## Corporation franchise tax distribution

The corporation franchise tax burden is primarily carried by less than 1% of taxpayers. Their share of the total tax has risen from 65% to almost 74%. More than 80% of corporation franchise taxpayers pay less than \$1,000 in tax.

### Article 9-A corporation franchise tax: share of taxpayer base

Tax year	Tax amount	Number of taxpayers	Percent of total taxpayers	Tax (in millions of dollars)	Percent of total tax
2015	less than or equal to \$999	219,150	77.89%	\$33.4	1.03%

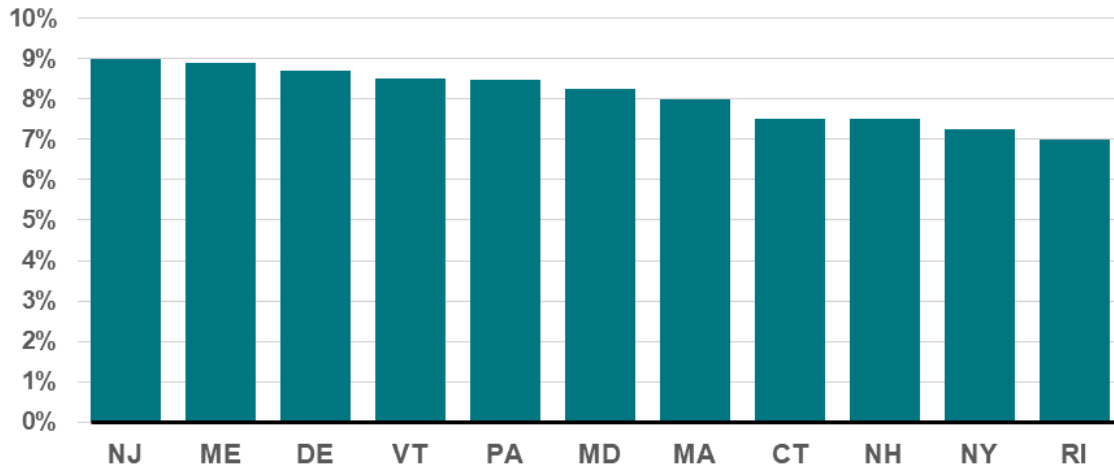
	greater than or equal to \$1 million	478	0.17%	\$2,152.3	66.46%
<b>2016</b>	less than or equal to \$999	224,212	78.78%	\$37.6	1.33%
	greater than or equal to \$1 million	406	0.14%	\$1,869.5	65.91%
<b>2017</b>	less than or equal to \$999	232,406	79.24%	\$37.1	1.37%
	greater than or equal to \$1 million	394	0.13%	\$1,757.8	64.86%
<b>2018</b>	less than or equal to \$999	240,874	79.52%	\$37.7	0.93%
	greater than or equal to \$1 million	494	0.16%	\$2,965.1	73.44%
<b>2019</b>	less than or equal to \$999	249,720	80.24%	\$38.8	0.96%
	greater than or equal to \$1 million	474	0.15%	\$2,988.5	73.75%
<b>2020</b>	less than or equal to \$999	254,532	81.80%	\$35.2	0.85%
	greater than or equal to \$1 million	484	0.16%	\$3,052.6	73.95%

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## Competitive corporate tax rates

New York's top corporate franchise tax rate is the 16th highest corporate rate in the country—and one of the lowest rates in the Northeast.

## Top State Corporate Income Tax Rates for Northeastern States as of January 1, 2024



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## Tax year filing and data timing

The combination of filing extensions and fiscal-year filing periods results in a lag between when returns are filed and when complete tax year data are available.

**Example:** *A fiscal year filer with a December 2022–November 2023 liability period would be required to file its return by March 15, 2024. If the entity uses the full one-year extension, the 2022 return would not be submitted to the department until March 15, 2025.*

### Extensions of time to file

Article 9-A taxpayers are required to file tax returns by the 15th day of the 4th month following the close of the tax year (April 15th for calendar-year filers). In addition, filers may extend the statutory due date for up to one year through the use of one six-month extension and two additional three-month extensions.

Over half of the corporate franchise taxpayers file by the statutory deadline, but those entities make up less than 10% of the total tax. Meanwhile, more than 60% of the overall Article 9-A tax comes from the less than 2% of taxpayers that use either a nine-month or one-year extension.

## Taxpayers who filed extensions for tax year 2020

Extension status	Percent of taxpayers	Percent of total tax
No extension	58.8%	8.02%
Six-month extension	39.7%	28.53%
Nine-month extension	1.4%	50.54%
One-year extension	0.1%	12.91%
<b>Total</b>	<b>100.0%</b>	<b>100.00%</b>

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## Tax years: Calendar year vs. fiscal year

Corporate franchise taxpayers file either on a calendar year (January–December) or a fiscal year (the liability period begins in a month other than January). Two-thirds of Article 9-A taxpayers use a calendar year, reporting over 70% of the total Article 9-A liability.

## Counts and amounts by liability period start date for tax year 2020

Liability period begin month	Number of taxpayers	Percent of taxpayers	Tax (\$)	Percent of total tax
January	205,246	65.96%	2,953,626,057	71.55%
February	7,752	2.49%	215,404,360	5.22%
March	8,564	2.75%	19,606,537	0.47%
April	12,043	3.87%	172,021,512	4.17%
May	8,535	2.74%	32,839,370	0.80%
June	8,984	2.89%	43,405,711	1.05%
July	13,582	4.37%	195,910,753	4.75%
August	8,774	2.82%	63,807,174	1.55%
September	8,972	2.88%	40,800,342	0.99%
October	12,527	4.03%	237,759,940	5.76%
November	8,758	2.81%	106,836,509	2.59%
December	7,410	2.38%	45,848,833	1.11%
<b>2020 tax year total</b>	<b>311,147</b>	<b>100.00%</b>	<b>4,127,867,098</b>	<b>100.00%</b>

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## Article 9-A taxpayers by tax base

Article 9-A filers are subject to the highest of three bases—business income base, business capital base, or the fixed dollar minimum tax based on New York receipts.

While almost three-quarters of Article 9-A filers pay on the fixed dollar minimum base, over 95% of the tax comes from the income base.

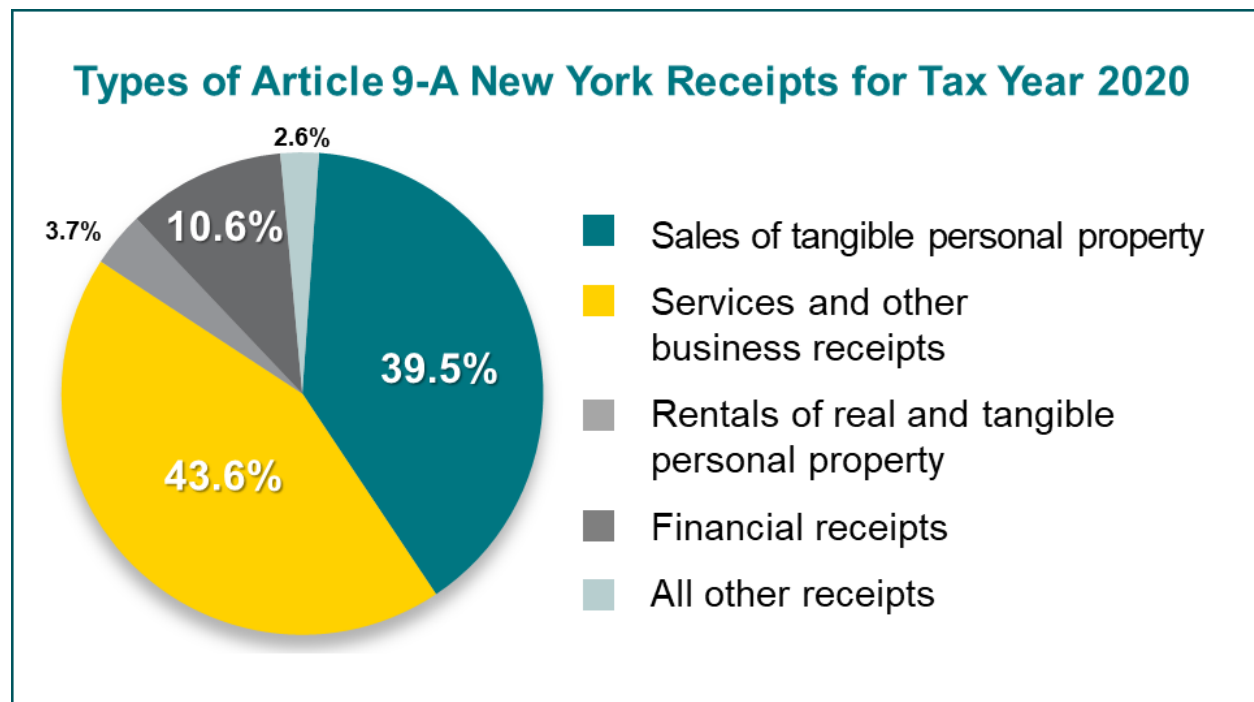
### Composition of Article 9-A taxpayers for tax year 2020

Tax base	Number of taxpayers	Percent of taxpayers	Tax (\$)	Percent of total tax
Entire net income	58,021	18.6%	3,944,057,062	95.5%
Fixed dollar minimum	227,538	73.1%	83,178,134	2.0%
Capital	25,588	8.2%	100,631,902	2.4%
<b>Total</b>	<b>311,147</b>	<b>100.0%</b>	<b>4,127,867,098</b>	<b>100.0%</b>

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## Article 9-A New York receipts by type

Article 9-A taxpayers reported more than \$20 trillion dollars across more than 50 different types of enumerated receipts, with more than \$1 trillion of that amount sourced to New York State in 2020.



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## S corporations

Over 450,000 S corporations are required to pay an entity-level franchise tax under Article 9-A, ranging from \$19 to \$4,500 depending on the type of business and the amount of New York receipts. Shareholders of New York S corporations report the flow-through income from these corporations on their personal income tax returns.

### Number of and tax from S corps by year

Tax year	Count	Article 9-A franchise tax liability (in millions of dollars)
2015	421,107	\$126.8
2016	427,341	\$123.3
2017	435,409	\$126.8
2018	443,855	\$138.5
2019	450,685	\$129.9
2020	450,926	\$120.1

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## Other corporate tax collections

Approximately 1,400 utility, telecommunications, and transportation companies and 1,300 insurance companies also pay corporate franchise taxes.

### Other corporate tax collections (in millions of dollars)

Fiscal year	2019	2020	2021	2022	2023
Article 9 tax collections	\$805.06	\$832.63	\$715.15	\$735.75	\$720.21
Insurance tax collections	\$1,489.60	\$1,918.50	\$1,799.30	\$1,991.20	\$2,157.00

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