



2022 Deriving Receipts Thresholds

The Commissioner of Taxation and Finance is required to annually review the thresholds at which a corporation is deemed to be deriving receipts from activity in New York State and in the Metropolitan Commuter Transportation District (MCTD) for purposes of imposing the 9-A franchise tax and MTA surcharge. The Commissioner is required to adjust these thresholds if the Consumer Price Index (CPI)¹ has changed by 10% or more since January 1, 2015, or since the date that the thresholds were last adjusted by the Commissioner.²

The Acting Commissioner of Taxation and Finance has determined that the CPI has changed by 10% or more since January 1, 2015. Therefore, the thresholds at which a corporation and a unitary group are deemed to be deriving receipts from activity in New York State and in the MCTD for purposes of imposing the Article 9-A franchise tax and MTA surcharge have increased to \$1,138,000 for tax years beginning on or after January 1, 2022 and before January 1, 2023.³

Additionally, when determining whether the deriving receipts thresholds are met for a unitary group, only receipts from corporations conducting a unitary business that meet the ownership requirements under Tax Law section 210-C—except corporations that may not be included in a combined report due to the exclusions in section 210-C.2(c)—with at least \$11,000 in New York receipts, for the franchise tax, and at least \$11,000 in MCTD receipts, for the MTA surcharge are aggregated.⁴

These thresholds will remain the same until the Commissioner next reviews the cumulative percentage change in the CPI and is required to adjust the receipts thresholds.

Note: A TSB-M is an informational statement of existing department policies or of changes to the law, regulations, or department policies. It is accurate on the date issued. Subsequent changes in the law or regulations, judicial decisions, Tax Appeals Tribunal decisions, or changes in department policies could affect the validity of the information presented in a TSB-M.

¹CPI means the consumer price index for all urban consumers (CPI-U) available from the Labor Statistics Bureau of the United States Department of Labor.

² See Tax Law §§ 209(1)(e) and 209-B(1)(e).

³ See Tax Law §§ 209(1)(b) and 209-B(1)(b).

⁴ See Tax Law §§ 209(1)(d)(i) and 209-B(1)(d)(i).