



August 1999

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# 1995 New York State Corporate Tax Statistical Report

*Franchise Tax on Business Corporations  
Corporation and Utilities Tax*

*Franchise Tax on Banking Corporations*

*Franchise Tax on Insurance Corporations*

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# Overview

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This publication is the fourth in a series of corporate tax statistical reports to be published by the Department of Taxation and Finance's Office of Tax Policy Analysis (OTPA). The reports are intended to provide a summary of corporate tax data to aid interested parties in their analysis of New York's corporate tax structure.

The tables in this report present tax statistics for Article 9-A (the franchise tax on business corporations), Article 9 (the corporation and utilities tax), Article 32 (the franchise tax on banking corporations), and Article 33 (the franchise tax on insurance companies). The report focuses on the franchise taxes imposed under these articles. This enables data users to more easily understand the corporate franchise tax population and liability. By definition, it includes the excise taxes imposed under Article 9, Sections 186-a and 186-e.

The 1995 report incorporates a new format. The report now centers on a two-year comparison of data, rather than a historical trend analysis. Data from 1995 are compared with the previous year for each tax article. The historical statistical tables, beginning with the 1991 tax year, have been moved to an appendix. The tables include all tax articles for the years presented.

The 1995 New York State Corporate Tax Statistical Report and future editions will include special focus sections for some or all of the tax articles presented. The focus sections are new features that will provide insight into changes in statistical data. This year, for Article 9-A, the focus section features a trend analysis for selected industries from 1992 through 1995. Article 32 analyzes special deductions from 1991 through 1995. Article 33 analyzes the distribution of liability among the four alternative bases on the "income base" portion of the tax. Article 9 does not provide a focus section due to the continued restructuring and deregulation of the electric utility sector.

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Selected statistics presented in this publication differ from data provided in last year's report and other published statistical documents. This is due to improvements in data collection and enhancements in data verification procedures.<sup>1</sup>

Again this year, data include the business tax surcharge with one exception. Statistical tables on the Article 33 tax before the limitation (cap on gross premiums) and credits do not include the business tax surcharge. This is because the surcharge is applied after the limitation on gross premiums and credits. These tables are footnoted with this caveat. For Article 9-A, the business tax surcharge is the amount actually reported by taxpayers and verified by OTPA. Last year's liability data reflected the taxpayer-reported base tax supplemented with an OTPA surcharge computation. Article 9 amounts for the tax surcharge are those reported by taxpayers, but unverified by OTPA. For Articles 32 and 33, the surcharge remains taxpayer-computed values.

Including the temporary business tax surcharge in calculating tax liability is important because aggregate liabilities more accurately depict the true tax burden imposed. These total tax burden insights are necessary for understanding the role of taxes in economic development.

In addition to examining total tax burden, it is also important that policymakers view the impact of recent tax law changes on the business population. A number of major legislative initiatives, which allowed the formation of limited liability companies, changed the components of the alternative minimum tax base, and, more recently, enabled truckers to elect to be taxed under Article 9-A instead of Article 9, have had a profound impact on taxpayers. These law changes have changed the size of tax burdens, the distribution of the burden within industries and the share each article represents of total State tax revenues.

To assist policymakers in considering the impact of tax law changes, a separate appendix to the report includes tables describing significant tax law changes from 1991 through 1995 for each article. The discussion of these tax law changes parallels the data presented in this report. Under Governor Pataki's leadership, there have been a number of significant new tax laws subsequent to those enacted in 1995. For highlights of tax actions after 1995, see OTPA's Summary of Tax Provisions, published each year. This report is available on the Department's Web site at: <http://www.tax.state.ny.us/Statistics>. The New York State Tax

Sourcebook (July 1998), also published by OTPA, contains both historical and current information on tax law changes.

Terms and data used in tables and charts, as well as data sources used in this report are explained in Appendix A. Appendix B contains a glossary of terms. Appendix C contains descriptive charts of the calculation of tax liability for Articles 9-A, 32 and 33. Article 9 has not been included due to the number of sections subject to tax and the complexity of the tax itself. (For detailed information on the calculation of tax liability under Article 9, see the Tax Law.) The newly incorporated tables of significant tax law changes are described in Appendix D. The historical statistical tables may be found in Appendix E.

## Tax Articles: Data Summary

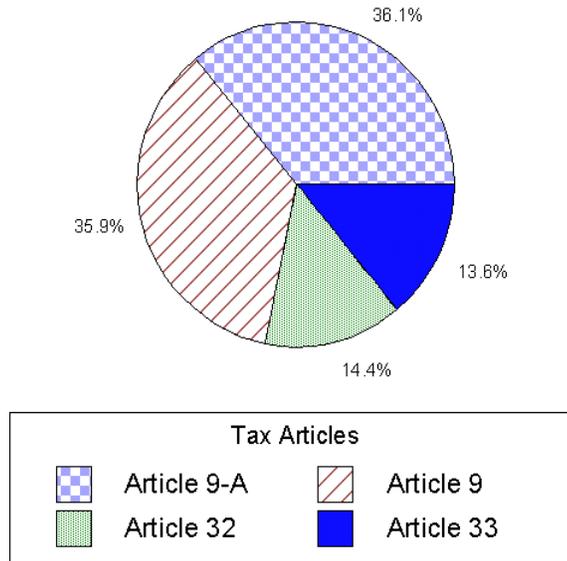
Table 1 provides a summary of the number of taxpayers and tax liability for the selected tax articles presented in this report. The data compare the 1994 and 1995 tax years. Consistent with previous years, Article 9-A represents the greatest number of taxpayers and the largest amount of tax liability. Article 33, the franchise tax on insurance companies, represents the smallest in both categories for 1995.

Table 1: Selected Tax Articles - Total Number of Taxpayers and Tax Liability 1994 and 1995

Tax Article	Number of Taxpayers 1994	Total Tax Liability 1994	Number of Taxpayers 1995	Total Tax Liability 1995
Article 9-A	480,153	\$1,635,106,319	501,424	\$1,544,158,900
Article 9	14,052	1,605,304,211	14,052	1,535,993,587
Article 32	803	425,956,194	839	617,159,009
Article 33	772	481,186,317	796	583,014,693
<b>Total All Articles</b>	<b>495,780</b>	<b>\$4,147,553,041</b>	<b>517,111</b>	<b>\$4,280,326,189</b>

Figure 1 shows the representative shares of tax liability for each article presented in this report.

Figure 1: Selected Corporate Tax Articles - Percent of 1995 Tax Liability



Tables 2 and 3 show detailed profiles of Articles 9-A and 9 for the 1995 tax year.

Tables 2 and 3: Articles 9-A and 9 Detailed Profiles - 1995

Article 9-A	Number of Taxpayers 1995	Tax Liability 1995
C Corporations	257,448	\$1,385,516,072
S Corporations	243,976	158,642,828
<b>Total</b>	<b>501,424</b>	<b>\$1,544,158,900</b>

Article 9	Number of Taxpayers 1995	Tax Liability 1995
Section 183	6,087	\$37,604,144
Section 184	6,061	109,672,614
Section 186	293	204,899,827
Section 186a	801	694,697,376
Section 186e	810	489,119,626
<b>Total</b>	<b>14,052</b>	<b>\$1,535,993,587</b>

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## Tax Articles: 1995 Highlights

### Article 9-A: Franchise Tax on Business Corporations

#### *Highlights*

- Although the number of Article 9-A taxpayers grew by 4.4 percent, total tax liability decreased nearly 6 percent from 1994 to 1995.
- Article 9-A filers were nearly equally split between S and C corporations.
- Although the number of C and S corporation filers were similar, C corporations represented nearly 90 percent of total liability.
- As in previous years, the entire net income (ENI) base continued to contribute the most to total C corporation tax liability. ENI base filers constituted about 19 percent of total C corporation returns. However, this tax base contributed nearly 82 percent of total C corporation tax liability.

### Article 9: Corporation and Utilities Tax

#### *Highlights*

- Although the number of Article 9 taxpayers remained identical from 1994 to 1995, total tax liability decreased by over 4 percent.
- Except for the change in filing for 186-a filers moving to 186-e, the distribution of Article 9 taxpayers remained relatively constant from 1994 to 1995. The greatest number of taxpayers paid under Sections 183 and 184.
- Sections 183 and 184 represented the greatest number of taxpayers, but not the highest liabilities. Section 186-a taxpayers continued to incur the highest tax liability, while Section 186-e taxpayers ranked as the second highest in 1995.
- In 1995, businesses subject to Sections 186-a and 186-e paid over 77 percent of all Article 9 tax liability.

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Article 32: Franchise Tax  
on Banking Corporations

*Highlights*

- Total tax liability increased nearly 45 percent, from \$426 million to \$617.2 million between 1994 and 1995.
- The distribution of bank tax liability by type of bank remained relatively constant between 1994 and 1995.
- Between 1994 and 1995, the amount of positive allocated entire net income reported for all banks increased from \$3.9 billion in 1994 to \$6.1 billion in 1995. In contrast, negative allocated entire net income decreased from \$2.9 billion to \$1.6 billion during this period.

Article 33: Franchise Tax  
on Insurance Corporations

*Highlights*

- Total tax liability, before the limitation of 2.6 percent of gross premiums and before the application of credits, increased by 29 percent between 1994 and 1995.
- Between 1994 and 1995, the value of the limitation on tax liability (2.6 percent of gross premiums) increased from \$117.5 million to \$201.3 million. In 1995, property and casualty insurers received nearly 57 percent of the benefit of the limitation.
- The amount of credits used decreased from \$91 million in 1994 to \$66 million in 1995. This decrease was largely attributable to a \$25 million decrease in the amount of retaliatory tax credits used by life insurers.

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# Endnotes

1. Specifically, for Article 9-A, this report updates the value of the S corporation tax reported last year. Upon further review of the 1994 Article 9-A file, a data entry error was discovered in the S corporation liability file which created a \$33 million overstatement in S corporation liability and, thus, total 9-A liability. The corrected S corporation liability for 1994 equals \$135 million with total Article 9-A liability of \$1.635 billion.

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# Article 9-A: Franchise Tax on Business Corporations

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## Tax Structure: Tax Law as of 1995

Article 9-A imposes a tax on corporations for the privilege of exercising a corporate franchise in the State. All domestic corporations (organized in New York State), and all foreign corporations (organized in another state or country) doing business, or employing capital, or owning or leasing property in a corporate or organized capacity, or maintaining an office in the State, become subject to the corporate franchise tax. Article 9-A applies to any general business corporation except those specifically exempt or those subject to tax under other specified articles of the tax law.

Corporations compute tax under four bases: entire net income (ENI); business and investment capital; alternative minimum taxable income (AMTI); and fixed dollar minimum amounts. The corporation pays the tax computed on the base that yields the highest liability. An additional tax applies, based on the value of the corporation's subsidiary capital allocated to the State, which is taxed at the rate of 0.09 percent.

- A rate of 9 percent applies to the ENI base. A tax rate of 8 percent applies to qualified small business corporations with ENI of \$200,000 or less. A graduated rate of between 8 and 9 percent applies to qualified small business corporations with ENI of more than \$200,000, but not more than \$290,000.
- A rate of 0.178 percent applies to the capital base. Allocated business and investment capital form the capital base. The maximum annual tax equals \$350,000.
- A rate of 3.5 percent applies to the AMT base. The AMT base equals ENI adjusted to reflect certain federal tax preference items and adjustments and state specific net operating loss (NOL) modifications.

- 
- Separate fixed dollar minimum amounts apply, based on a corporation's gross annual payroll, including general executive officers, during the applicable tax period. The amounts range from \$325 to \$1,500. A fixed amount of \$800 applies to corporations whose gross property, receipts and payroll are each less than \$1,000.
  - Corporations allocate ENI, business capital and AMT income using a three factor-formula to proxy their economic presence in the State. Representative factors include owned and rented real and tangible personal property, business receipts and payroll (exclusive of general executive officers). Corporations allocate investment capital and income to New York based on the New York presence of the issuer of the investment instrument.

Corporations that elect S corporation status for federal and New York tax purposes, compute an entity level tax imposed by Article 9-A. The S corporation first computes a franchise tax on its entire net income, determined as if it were a regular "C" corporation. The S corporation then applies a tax rate of 7.875 percent to that same entire net income base. The resulting difference in these two computations equals the differential tax.

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## Significant Tax Law Changes: 1994 and 1995

*1994*

- The AMT was significantly changed in 1994. The law allowed the prospective use of an alternative net operating loss deduction (ANOLD). The ANOLD could reduce AMT income under the minimum tax by 45 percent for taxable years beginning in 1994 and 90 percent thereafter. It also provided a retroactive credit for disallowed NOLs for use against the tax on ENI under a five-year transition rule, ending before 1999. Additional changes to the AMT included the double weighting of receipts in determining the percentage for the allocation of alternative business income.
- The investment tax credit carryforward was extended from 7 to 10 years.
- New York recoupled to federal depreciation rules to provide full conformity to Modified Accelerated Cost Recovery Systems (MACRS) for all property.

- The S corporation differential computation was changed, effectively lowering the entity level tax. (For more detail see Appendix D, page D-4.)
- New York conformed to federal tax law changes relating to valuing inventory of securities dealers and banks that deal in securities. Rather than historical cost or the lower of cost or market value, the law required that securities be marked to market at the end of the tax year.

*1995*

- The AMT tax rate was reduced from 5 percent to 3.5 percent beginning January 1, 1995.

**Statistical Summary:  
Comparison of 1994  
Versus 1995**

The corporate franchise tax represented slightly more than 36 percent of total New York State corporate tax liability in 1995. Slightly more than 500,000 corporate taxpayers (both C corporations and S corporations) filed returns in this year. These taxpayers reported a total tax liability of more than \$1.5 billion.

Table 4 summarizes and compares information from taxable returns filed by Article 9-A corporations in 1994 and 1995. In 1995, total tax liability decreased 5.6 percent from 1994. Table 4 also shows that while liability decreased, the number of taxpayers increased.

**Table 4: Profile of C and S Corporations, Number of Taxpayers and Tax Liability - 1994 and 1995**

Tax Year	1994	1995
Number of Taxpayers		
Number of C Corporations	250,504	257,448
Number of S Corporations	229,649	243,976
Total Number of Corporations	480,153	501,424
Millions of Dollars		
Tax Liability C Corporations	1,500.1	1,385.5
Tax Liability S Corporations	134.9	158.6
Total Tax Liability Corporations	1,635.1	1,544.1

**Distribution of C Corporations and Tax Liability**

Table 5 shows both 1994 and 1995 C and S corporations by basis for the number of taxpayers and tax liability. The most significant feature of the data was the drop in the number of alternative minimum tax filers and tax liability from 1994 to 1995. This reflects tax law changes made to

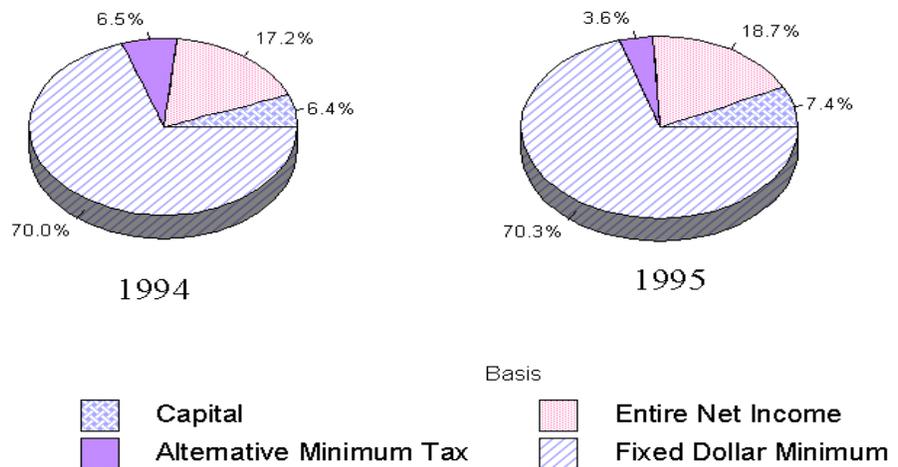
the AMT in 1994 and the reduction of the AMT rate from 5 percent to 3.5 percent in 1995. The decline in total liability may be partly attributed to the reduction in the business tax surcharge. (See Appendix D for applicable surcharge rates.)

**Table 5: C and S Corporations by Bases, Number of Taxpayers and Tax Liability - 1994 and 1995**

Type of Corporation	Base of Primary Tax	Number of Taxpayers			Tax Liability		
		1994	1995	Percent Change	1994	1995	Percent Change
C Corporation	Entire Net Income	43,076	48,191	11.9	\$1,146,057,773	\$1,133,815,548	(1.1)
	Capital	16,002	19,017	18.8	76,169,453	81,344,718	6.8
	Fixed Dollar Minimum Tax	175,238	180,924	3.2	74,573,283	73,759,689	(1.1)
	Alternative Minimum Taxable Income	16,188	9,316	(42.5)	203,348,932	96,596,117	(52.5)
<b>C Corporation Total</b>		<b>250,504</b>	<b>257,448</b>	<b>2.8</b>	<b>\$1,500,149,442</b>	<b>\$1,385,516,072</b>	<b>(7.6)</b>
S Corporation	Entire Net Income & Fixed Dollar Minimum Filers	229,649	243,976	6.2	134,956,877	158,642,828	17.6
<b>Article 9-A Total</b>		<b>480,153</b>	<b>501,424</b>	<b>4.4</b>	<b>\$1,635,106,319</b>	<b>\$1,544,158,900</b>	<b>(5.6)</b>

The data in Figure 2 illustrate that the greatest number of C corporations paid tax on the fixed dollar minimum base for both 1994 and 1995. This was followed by the entire net income base and the capital base. Reflecting tax law changes, the most significant change occurred with the distribution of taxpayers under the alternative minimum tax. The number of taxpayers that paid under this base declined dramatically.

**Figure 2: Distribution of C Corporations by Basis - 1994 and 1995**

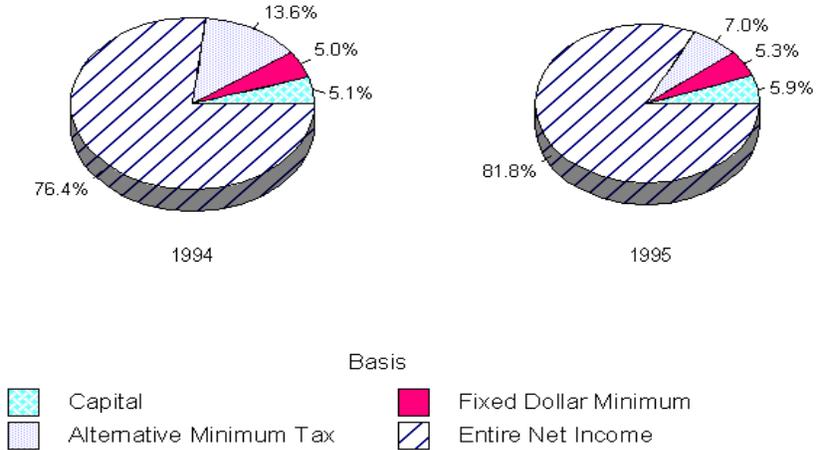


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Figure 3 shows that the greatest share of tax paid was under the entire net income base for both 1994 and 1995. The fixed dollar minimum base and the capital base represented much smaller shares of tax liability in each year. The most significant change in liability occurred under the alternative minimum tax, which declined by almost 50 percent, from 13.6 percent to 7.0 percent.

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Figure 3: C Corporation  
Tax Liability by Basis - 1994  
and 1995



Tax liability for taxpayers subject to the fixed dollar minimum tax varied by size of gross payroll. As Figure 4 shows, the greatest number of taxpayers had payrolls of less than \$1 million and paid under the smallest fixed dollar minimum amount: \$325. This did not change from 1994 to 1995. From 1994 to 1995, the number of taxpayers paying other amounts under the fixed dollar minimum tax increased only slightly with 3,261 corporations paying the \$1,500 minimum.

Figure 4: Number of Fixed Dollar Minimum Taxpayers by Fixed Dollar Minimum Tax - 1994 and 1995

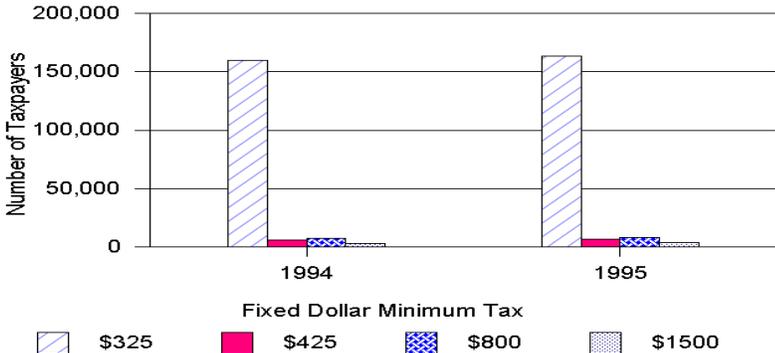
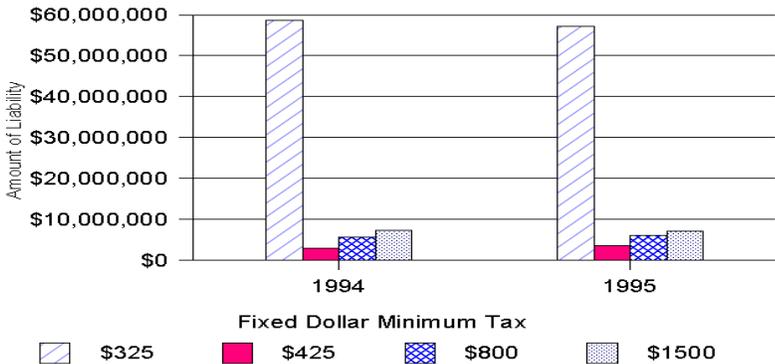


Figure 5 shows the distribution of tax liability within the fixed dollar filing population. The greatest amount of fixed dollar minimum tax liability was paid by those subject to the \$325 fixed amount. This amount declined slightly from 1994 to 1995. The distribution of tax liability did not change significantly for other amounts under the fixed dollar minimum tax.

Figure 5: Liability of Fixed Dollar Minimum Taxpayers by Fixed Dollar Minimum Tax - 1994 and 1995



Industry Profiles: 1994  
Versus 1995

Table 6 profiles the distribution of taxpayers and liability by major industries. It shows that the total number of taxpayers in 1995 increased slightly over 1994. The distribution of tax liability by industry remained fairly constant from 1994 to 1995. Two significant changes occurred in liability shares. The manufacturing sector experienced a 3.4 percentage point decline in share of total liability in 1995. The finance, insurance and real estate (FIRE) sector experienced a 4.7 percentage point increase in its share of total liability in 1995. In effect, these two industries reversed their 1994 rank order with FIRE contributing over 30 percent of all C corporation collections.

Table 6: Percent Change in Distribution of C Corporation Taxpayers and Tax Liability by Industry - 1994 and 1995

Industry	Number of Taxpayers		Tax Liability		Share of Total Tax Liability (%)	
	1994	1995	1994	1995	1994	1995
Agriculture	1,538	1,085	\$2,134,391	\$1,607,530	0.1	0.1
Mining	580	500	5,968,131	4,981,569	0.4	0.4
Contract Construction	15,565	15,570	34,881,625	29,541,701	2.3	2.1
Manufacturing	20,968	19,950	462,302,400	379,766,446	30.8	27.4
Transportation/Communications/Public Utilities	6,720	6,729	76,209,893	69,045,054	5.1	5.0
Wholesale Trade (Durable)	12,973	13,232	79,409,061	78,120,991	5.3	5.6
Wholesale Trade (Nondurable)	11,609	11,989	68,031,944	62,029,735	4.5	4.5
Retail Trade	33,685	32,887	128,985,296	101,749,361	8.6	7.3
Finance Insurance and Real Estate	46,927	47,120	383,941,105	419,526,975	25.6	30.3
Services	65,222	64,927	233,626,053	213,924,379	15.6	15.4
Not Classified	34,717	43,459	24,659,542	25,222,331	1.6	1.8
<b>Total</b>	<b>250,504</b>	<b>257,448</b>	<b>\$1,500,149,442</b>	<b>\$1,385,516,072</b>	<b>100.0</b>	<b>100.0</b>

C Corporations by Filing  
Period 1994 and 1995:  
Number of Taxpayers

Table 7 shows that the greatest number of taxpayers filed as calendar year taxpayers with a fiscal year ending December 31. The next largest number filed for the fiscal year ending June 30. The fewest number of taxpayers filed with a fiscal year ending January 31. This distribution was consistent from year to year.

Table 7: Distribution of C Corporation Taxpayers by Fiscal Period - 1994 and 1995

Fiscal Year Ending	Number of Taxpayers	
	1994	1995
December	124,023	130,685
January	7,748	7,529
February	9,227	9,572
March	16,135	16,078
April	9,697	9,398
May	10,050	10,112
June	19,842	20,076
July	8,723	8,701
August	9,412	9,496
September	17,239	17,443
October	10,432	10,478
November	7,976	7,880
<b>Total</b>	<b>250,504</b>	<b>257,448</b>

C Corporations by Filing Period 1994 and 1995: Tax Liability

As Table 8 shows, December filers overwhelmingly reflected the greatest amount of tax liability for fiscal years ending in both 1994 and 1995. Following tax liability for December 1994 was June, and then September. June was also the second highest month for tax liability paid in 1995, although March was higher than September in 1995. The drop in total tax liability was attributable, in part, to a decline in the business tax surcharge. (See Appendix D for applicable surcharge tax rates.)

Table 8: Distribution of C Corporation Tax Liability by Fiscal Period - 1994 and 1995

Fiscal Year Ending	Tax Liability	
	1994	1995
December	\$978,978,349	\$870,980,239
January	73,282,014	41,612,222
February	32,087,775	46,105,428
March	69,986,187	88,640,461
April	33,534,883	27,879,192
May	30,676,499	27,001,315
June	95,513,977	115,767,481
July	25,021,403	25,300,487
August	26,431,603	23,346,439
September	73,424,017	66,999,329
October	37,100,650	31,600,398
November	24,112,083	20,283,081
<b>Total</b>	<b>\$1,500,149,442</b>	<b>\$1,385,516,072</b>

Note: Tax liability for 1994 reflects tax years ending December 31, 1994 through November 30, 1995. Tax Liability for 1995 reflects tax years ending December 31, 1995 through November 30, 1996.

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# Focus Section: Analysis of Article 9-A Trends by Industry 1992-1995

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## Purpose

The focus section for Article 9-A presents historical data by major industry group. The profiles include the number of taxpayers and tax liability for tax years 1992 through 1995. To examine historical trends, the analysis also highlights data for the number of taxpayers and liability for the manufacturing, FIRE, and services sectors. These three sectors have both a significant number of taxpayers and large liabilities. In addition, certain tax law changes and policy decisions affected these industries.

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## Analysis of Major Industry Trends: 1992-1995

Table 9 on the following page shows the distribution of C corporation taxpayers by industry from 1992 through 1995. Total taxpayers increased moderately from year to year, with the exception of 1993 when there was a slight decline. Although a number of important tax law changes were enacted in 1994 and 1995, these changes did not significantly affect the total number of taxpayers over time.

Allowing the formation of limited liability companies (LLCs) and limited liability partnerships (LLPs) in 1994 did not have a significant effect on the total number of C corporations in 1994 and 1995. From October 24, 1994 (the law's inception), through December 30, 1995, C corporate conversions to LLC or LLP status totaled 240. The number of new corporate formations also did not change significantly. (Each year approximately 60,000 new C corporate formations are formed. At the same time, businesses merge, consolidate, and go out of existence. As a result, the overall increase is small.)

**Table 9: Distribution of C Corporation Taxpayers by Industry - 1992-1995**

Industry	Number of Taxpayers			
	1992	1993	1994	1995
Agriculture	1,414	1,552	1,538	1,085
Mining	583	580	580	500
Contract Construction	16,018	15,289	15,565	15,570
Manufacturing	21,217	20,815	20,968	19,950
Transportation/Communications/Public Utilities	6,533	6,528	6,720	6,729
Wholesale Trade (Durable)	12,902	12,702	12,973	13,232
Wholesale Trade (Nondurable)	11,322	11,320	11,609	11,989
Retail Trade	34,755	33,852	33,685	32,887
Finance, Insurance and Real Estate	44,421	45,125	46,927	47,120
Services	62,642	62,668	65,222	64,927
Not Classified	38,509	37,896	34,717	43,459
<b>Total</b>	<b>250,316</b>	<b>248,327</b>	<b>250,504</b>	<b>257,448</b>

Figure 6 illustrates that there was modest growth in the number of taxpayers over time for two of the three sectors highlighted: the services sector and the FIRE sector. During this period the manufacturing sector experienced a modest decline.

**Figure 6: Number of Selected C Corporation Industries - 1992-1995**

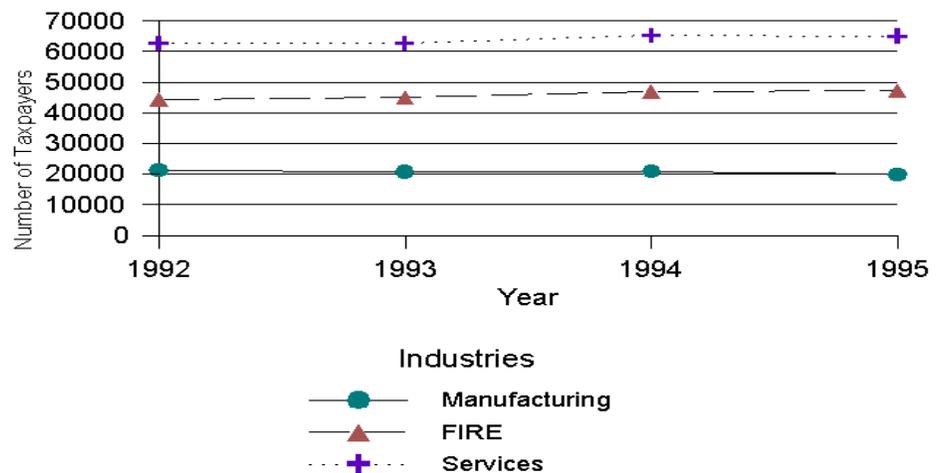


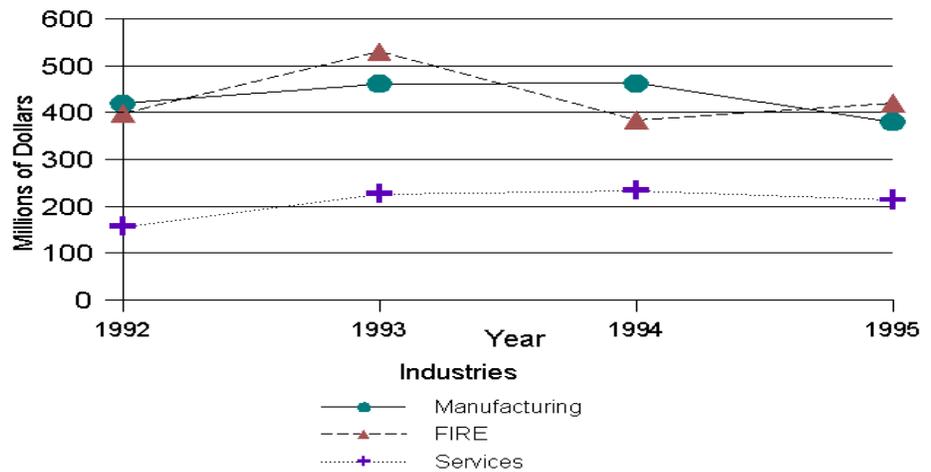
Table 10 shows that total tax liability declined from its peak of \$1.6 billion in 1993 to \$1.4 billion in 1995. This was attributable to the reduction in the business tax surcharge from 15 percent in 1993 to 7.5 percent in 1995. Other factors were increased credit usage, the drop in the AMT tax rate in 1995 and other changes that benefitted corporations.

**Table 10: Distribution of C Corporation Tax Liability by Industry - 1992-1995**

Industry	Tax Liability			
	1992	1993	1994	1995
Agriculture	\$1,749,991	\$2,305,072	\$2,134,391	\$1,607,530
Mining	5,685,712	4,895,074	5,968,131	4,981,569
Contract Construction	33,020,149	32,946,690	34,881,625	29,541,701
Manufacturing	419,082,109	461,835,459	462,302,400	379,766,446
Transportation/Communications/Public Utilities	56,657,760	71,196,853	76,209,893	69,045,054
Wholesale Trade (Durable)	59,684,852	71,268,029	79,409,061	78,120,991
Wholesale Trade (Nondurable)	56,642,961	68,564,064	68,031,944	62,029,735
Retail Trade	117,959,312	111,703,009	128,985,296	101,749,361
Finance, Insurance and Real Estate	398,591,761	529,524,620	383,941,105	419,526,975
Services	156,985,356	226,600,270	233,626,053	213,924,379
Not Classified	41,635,116	26,471,763	24,659,542	25,222,331
<b>Total</b>	<b>\$1,347,695,077</b>	<b>\$1,607,310,903</b>	<b>\$1,500,149,442</b>	<b>\$1,385,516,072</b>

Figure 7 shows tax liability for selected industries from 1992 through 1995. The significant increase in liability for the FIRE sector in 1993 may be attributable, in part, to federal tax law changes relating to valuing securities inventory (marked to market). This tax law change specifically targeted financial services and required that securities held by a dealer must be revalued to the market value at the end of the tax year, with any built-in gain or loss taken into account in computing taxable income. This change resulted in a spin-up in liability in 1993. Previously, securities dealers could determine their inventory on the basis of historical cost or the lower of cost or market. The tax law, applicable to tax years ending on or after December 31, 1993, affected calendar year taxpayers for all of 1993.

Figure 7: Tax Liability for Selected C Corporation Industries - 1992-1995



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# Detailed Article 9-A Summary Tables

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This section contains detailed Article 9-A summary tables for the 1995 tax year. Consistent with the data presented in the main text of this report, the data include the temporary business tax surcharge and the tax on subsidiary capital. In addition, beginning with the 1995 tax year, liability now includes the fixed dollar minimum tax on subsidiaries. The total amount for this was \$4.5 million in 1995. Tax liability excludes the MTA surcharge.

The following tables present data on C corporations only. In certain tables tax law provisions prohibit the disclosure of data. The data are included in the appropriate totals, and are designated by "d."

**Table 11: C Corporation Article 9-A Corporation Franchise Tax by Size of Liability**  
**Corporate Tax Years Ending Between December 1, 1995 and November 30, 1996**

Liability Range*	Bases							
	Entire Net Income Base		Capital Base		Alternative Minimum Taxable Income Base		Total	
	Number	Tax	Number	Tax	Number	Tax	Number	Tax
\$325 - \$499	6,301	\$2,748,887	4,631	\$2,019,577	2,347	\$1,004,980	13,279	\$5,943,322
500 - 999	10,285	7,995,896	5,923	4,670,457	2,793	2,132,393	19,001	14,806,531
1,000 - 1,999	9,202	14,334,898	3,682	5,883,347	1,746	2,643,554	14,630	22,865,060
2,000 - 2,999	4,895	12,829,712	1,479	4,002,625	670	1,758,140	7,044	18,590,477
3,000 - 3,999	3,171	11,823,402	803	3,194,285	326	1,198,471	4,300	16,216,158
4,000 - 4,999	2,182	10,452,754	520	2,615,037	211	1,005,924	2,913	14,073,715
5,000 - 5,999	1,495	8,782,882	353	2,164,857	147	866,310	1,995	11,814,049
6,000 - 6,999	1,176	8,123,737	261	2,369,279	103	720,261	1,540	11,213,277
7,000 - 7,999	896	7,193,879	154	1,306,932	99	795,104	1,149	9,295,915
8,000 - 8,999	751	6,867,831	141	1,310,560	72	670,935	964	8,849,326
9,000 - 9,999	585	5,941,767	100	1,069,619	52	547,817	737	7,559,203
10,000 - 14,999	1,761	23,054,618	324	4,482,850	191	2,559,910	2,276	30,097,378
15,000 - 19,999	989	18,305,140	178	3,459,372	121	2,272,503	1,288	24,037,015
20,000 - 29,999	1,067	28,236,313	153	4,170,390	124	3,707,173	1,344	36,113,876
30,000 - 39,999	680	25,356,840	81	3,887,528	62	2,342,010	823	31,586,378
40,000 - 49,999	463	22,245,627	47	2,337,469	45	2,231,081	555	26,814,177
50,000 - 59,999	283	16,634,315	33	2,139,809	31	1,831,142	347	20,605,266
60,000 - 69,999	229	15,916,570	20	1,443,330	27	1,890,114	276	19,250,014
70,000 - 79,999	192	15,380,357	17	1,375,128	13	1,039,610	222	17,795,095
80,000 - 89,999	150	13,728,328	8	1,026,238	23	2,122,056	181	16,876,622
90,000 - 99,999	122	12,548,264	22	2,277,849	8	848,759	152	15,674,872
100,000 - 249,999	752	126,012,522	55	9,287,948	65	11,013,128	872	146,313,598
250,000 - 499,999	263	97,739,990	32	14,850,232	19	6,502,077	314	119,092,299
500,000 - 999,999	156	117,339,477	0	0	10	8,252,187	166	125,591,664
\$1,000,000 and over	145	504,221,542	0	0	11	36,640,478	156	540,862,020
<b>Total</b>	<b>48,191</b>	<b>\$1,133,815,548</b>	<b>19,017</b>	<b>\$81,344,718</b>	<b>9,316</b>	<b>\$96,596,117</b>	<b>76,524</b>	<b>\$1,311,937,307</b>

1995 Minimum Tax Filers\*

Fixed Dollar Minimum Amt**	Number	Tax
\$ 325	163,503	\$57,124,241
425	6,375	3,564,846
800	7,785	6,066,718
<u>1,500</u>	<u>3,261</u>	<u>7,003,884</u>
Total	180,924	\$73,759,689

\* Includes partial year filers.

\*\* Fixed Dollar Minimum Amounts are based on pre-surgecharge liability.

Table 12: Corporation Franchise Tax Liability by Industry

Corporate Tax Years Ending Between December 1, 1995 and November 30, 1996

SIC/PIA Code	Industry	"C" Corporations		Total Tax			Subsidiary Capital Tax*	
		Number	Share	Amount	Share	Average	Number	Amount
100 -999	Agriculture	1,085	0.42%	\$1,607,530	0.12%	\$1,482	4	\$4,953
1000 -1499	Mining	500	0.19%	\$4,981,569	0.36%	\$9,963	14	\$22,530
	<b>Contract Construction</b>	<b>15,570</b>	<b>6.05%</b>	<b>\$29,541,701</b>	<b>2.13%</b>	<b>\$1,897</b>	<b>82</b>	<b>\$122,715</b>
1500	Building construction	6,210	2.41%	9,319,809	0.67%	1,501	31	48,838
1600	Other construction	751	0.29%	5,432,891	0.39%	7,234	22	51,997
1700	Special trade contractors	8,609	3.34%	14,789,001	1.07%	1,718	29	21,880
	<b>Manufacturing</b>	<b>19,950</b>	<b>7.75%</b>	<b>\$379,766,446</b>	<b>27.41%</b>	<b>\$19,036</b>	<b>696</b>	<b>\$3,848,399</b>
2000	Food and kindred products	1,300	0.50%	39,968,735	2.88%	30,745	52	758,839
2100	Tobacco manufacturers	13	0.01%	23,211,062	1.68%	1,785,466	3	11,117
2200	Textile mill products	526	0.20%	5,313,764	0.38%	10,102	23	34,347
2300	Apparel and finished textile products	3,099	1.20%	15,818,110	1.14%	5,104	46	38,842
2400	Lumber and wood products	461	0.18%	4,660,142	0.34%	10,109	7	18,284
2500	Furniture and fixtures	495	0.19%	3,282,472	0.24%	6,631	5	25,856
2600	Paper and allied products	314	0.12%	11,541,223	0.83%	36,755	26	41,145
2700	Printing, publishing and allied industries	3,189	1.24%	52,145,504	3.76%	16,352	90	554,755
2800	Chemicals and allied products	959	0.37%	53,067,569	3.83%	55,336	60	731,278
2900	Products of petroleum and coal	132	0.05%	11,600,918	0.84%	87,886	9	45,778
3000	Rubber and plastics products	572	0.22%	4,069,088	0.29%	7,114	10	20,164
3100	Leather and leather products	196	0.08%	854,213	0.06%	4,358	7	9,815
3200	Stone, clay and glass products	503	0.20%	6,872,746	0.50%	13,664	17	48,361
3300	Primary metal industries	237	0.09%	3,893,187	0.28%	16,427	17	18,247
3400	Fabricated metal products	2,220	0.86%	15,928,102	1.15%	7,175	68	140,270
3500	Machinery (except electrical)	1,268	0.49%	25,007,535	1.80%	19,722	54	136,929
3600	Electrical and electronic equipment	1,683	0.65%	48,351,385	3.49%	28,729	98	380,309
3700	Transportation equipment	429	0.17%	21,980,884	1.59%	51,237	20	536,656
3800	Professional, scientific instruments	716	0.28%	19,394,287	1.40%	27,087	40	38,442
3900	Miscellaneous manufacturing	1,638	0.64%	12,805,520	0.92%	7,818	44	258,965
4000 -4999	<b>Services incidental to transportation, communications and public utilities</b>	<b>6,729</b>	<b>2.61%</b>	<b>\$69,045,054</b>	<b>4.98%</b>	<b>\$10,261</b>	<b>116</b>	<b>\$2,637,777</b>
	<b>Wholesale Trade (Durable)</b>	<b>13,232</b>	<b>5.14%</b>	<b>\$78,120,991</b>	<b>5.64%</b>	<b>\$5,904</b>	<b>180</b>	<b>\$289,253</b>
5010	Motor vehicle and automotive equipment	924	0.36%	7,068,362	0.51%	7,650	16	62,008
5020	Furniture and home furnishings	590	0.23%	1,512,998	0.11%	2,564	4	7,405
5030	Lumber and construction materials	514	0.20%	2,238,450	0.16%	4,355	7	1,183
5040	Professional and commercial equipment	45	0.02%	659,957	0.05%	14,666	0	0
5050	Metals and minerals	587	0.23%	4,961,518	0.36%	8,452	11	1,254
5060	Electrical goods	1,092	0.42%	14,470,680	1.04%	13,252	28	40,065
5070	Hardware, plumbing and heating supplies	633	0.25%	2,400,622	0.17%	3,792	4	3,403
5080	Machinery, equipment and supplies	2,040	0.79%	9,208,499	0.66%	4,514	23	29,415
5090	Miscellaneous wholesalers (durable)	6,807	2.64%	35,599,905	2.57%	5,230	87	144,520
	<b>Wholesale Trade (Nondurable)</b>	<b>11,989</b>	<b>4.66%</b>	<b>\$62,029,735</b>	<b>4.48%</b>	<b>\$5,174</b>	<b>146</b>	<b>\$231,721</b>
5110	Paper and paper products	575	0.22%	5,012,413	0.36%	8,717	3	3,364
5120	Drugs, proprietaries and sundries	367	0.14%	4,904,726	0.35%	13,364	16	65,882

\* Values represent tax on subsidiary capital prior to the application of credits and the NYS corporate tax surcharge.

Table 12: Corporation Franchise Tax Liability by Industry (Con't)

Corporate Tax Years Ending Between December 1, 1995 and November 30, 1996

SIC/PIA Code	Industry	"C" Corporations		Total Tax			Subsidiary Capital Tax*	
		Number	Share	Amount	Share	Average	Number	Amount
5130	Apparel, piece goods and notions	3,556	1.38%	11,162,734	0.81%	3,139	24	33,160
5140	Groceries and related products	1,661	0.65%	8,985,414	0.65%	5,410	25	44,900
5150	Farm products - raw materials	310	0.12%	1,305,239	0.09%	4,210	5	2,864
5160	Chemicals and allied products	490	0.19%	3,902,386	0.28%	7,964	12	4,789
5170	Petroleum and petroleum products	429	0.17%	3,064,884	0.22%	7,144	16	43,665
5180	Beer, wine and distilled beverages	301	0.12%	4,858,894	0.35%	16,143	4	6,281
5190	Miscellaneous wholesalers (nondurable)	4,300	1.67%	18,833,045	1.36%	4,380	41	26,816
	<b>Retail Trade</b>	<b>32,887</b>	<b>12.77%</b>	<b>\$101,749,361</b>	<b>7.34%</b>	<b>\$3,094</b>	<b>150</b>	<b>\$826,004</b>
5200	Building supplies, hardware, farm equipment	1,436	0.56%	6,580,435	0.47%	4,582	5	2,645
5300	General merchandise, incl. department stores	799	0.31%	17,625,979	1.27%	22,060	11	379,495
5400	Food	4,321	1.68%	13,093,597	0.95%	3,030	10	79,443
5500	Automotive	3,188	1.24%	5,844,966	0.42%	1,833	20	21,387
5600	Apparel	2,893	1.12%	19,064,068	1.38%	6,590	30	144,082
5700	Furniture and furnishings	1,221	0.47%	2,573,219	0.19%	2,107	6	2,982
5800	Eating and drinking places	8,658	3.36%	9,647,650	0.70%	1,114	19	53,661
5900	Miscellaneous retail trade	10,371	4.03%	27,319,447	1.97%	2,634	49	142,309
	<b>Finance, Insurance and Real Estate</b>	<b>47,120</b>	<b>18.30%</b>	<b>\$419,526,975</b>	<b>30.28%</b>	<b>\$8,903</b>	<b>896</b>	<b>\$8,102,480</b>
6000	Special banking services	156	0.06%	1,428,837	0.10%	9,159	6	305,194
6100	Credit agencies (other than banks)	896	0.35%	18,169,440	1.31%	20,278	31	41,049
6200	Security and commodity brokers, dealers	1,777	0.69%	181,295,955	13.09%	102,024	73	333,474
6400	Insurance agents, brokers, services	3,782	1.47%	20,586,534	1.49%	5,443	62	1,778,011
6500	Real estate agents, brokers, management, etc.	33,046	12.84%	73,680,310	5.32%	2,230	203	505,276
6700	Holding and other investment companies	7,463	2.90%	124,365,899	8.98%	16,664	521	5,139,476
	<b>Services</b>	<b>64,927</b>	<b>25.22%</b>	<b>\$213,924,379</b>	<b>15.44%</b>	<b>\$3,295</b>	<b>490</b>	<b>\$1,414,921</b>
7000	Hotels and lodging places	727	0.28%	8,379,583	0.60%	11,526	14	89,154
7200	Personal services	3,213	1.25%	4,675,394	0.34%	1,455	16	19,805
7300	Business services	15,947	6.19%	73,781,390	5.33%	4,627	198	414,011
7500	Auto repair services and garages	2,607	1.01%	3,666,210	0.26%	1,406	8	29,377
7600	Miscellaneous repair services	1,825	0.71%	2,281,932	0.16%	1,250	6	1,076
7800	Motion picture production, distribution, theaters	1,717	0.67%	8,767,642	0.63%	5,106	17	44,555
7900	Other amusement services	3,869	1.50%	12,076,222	0.87%	3,121	40	133,140
8000	Medical services, hospitals, etc.	9,619	3.74%	38,453,973	2.78%	3,998	35	82,256
8100	Legal services	2,219	0.86%	2,632,349	0.19%	1,186	0	0
8200	Educational services	1,091	0.42%	2,078,889	0.15%	1,905	10	7,125
8300	Social services	148	0.06%	180,617	0.01%	1,220	0	0
8400	Museums, art galleries, etc.	d	d	d	0.00%	d	0	0
8600	Membership organizations	706	0.27%	2,178,662	0.16%	3,086	3	85
8700	Engineering & management services	132	0.05%	4,992,303	0.36%	37,820	3	53,573
8800	Private households	d	d	d	0.00%	d	0	0
8900	Miscellaneous services	21,103	8.20%	49,763,858	3.59%	2,358	140	540,764
	Industry code not given	43,459	16.88%	25,222,331	1.82%	\$580	137	\$1,121,101
	<b>GRAND TOTAL, ALL INDUSTRIES</b>	<b>257,448</b>	<b>100.00%</b>	<b>\$1,385,516,072</b>	<b>100.00%</b>	<b>\$5,382</b>	<b>2,911</b>	<b>\$18,621,854</b>

\* Values represent tax on subsidiary capital prior to the application of credits and the NYS corporate tax surcharge.

**Table 13: Corporation Franchise Tax Liability by Industry and Basis of Tax Paid**  
**Corporate Tax Years Ending Between December 1, 1995 and November 30, 1996**

SIC/PIA Code	Industry	Entire Net Income Base			Capital Base	
		Number	Net Income*	Tax	Number	Tax
100 -999	Agriculture	146	\$224,209,623	\$875,069	87	\$114,291
1000 -1499	Mining	74	\$1,640,303,210	\$3,701,862	47	\$179,178
	<b>Contract Construction</b>	<b>3,356</b>	<b>\$1,604,869,265</b>	<b>\$21,994,847</b>	<b>826</b>	<b>\$1,468,555</b>
1500	Building construction	1,228	410,188,593	6,111,430	353	662,543
1600	Other construction	183	602,999,472	4,646,781	85	275,696
1700	Special trade contractors	1,945	591,681,200	11,236,636	388	530,316
	<b>Manufacturing</b>	<b>5,110</b>	<b>\$84,818,640,183</b>	<b>\$297,606,608</b>	<b>1,506</b>	<b>\$9,062,405</b>
2000	Food and kindred products	317	7,312,451,979	32,778,826	104	1,147,424
2100	Tobacco manufacturers	9	5,407,245,578	23,111,422	3	97,683
2200	Textile mill products	154	838,340,371	4,046,532	62	251,360
2300	Apparel and finished textile products	576	1,698,852,761	13,909,481	176	600,861
2400	Lumber and wood products	113	848,385,137	3,246,945	41	129,572
2500	Furniture and fixtures	84	513,981,689	2,195,039	32	70,334
2600	Paper and allied products	92	3,630,788,406	5,678,362	24	200,678
2700	Printing, publishing and allied industries	762	3,842,060,884	47,940,532	177	1,182,018
2800	Chemicals and allied products	324	11,996,980,818	48,212,564	84	824,903
2900	Products of petroleum and coal	40	3,945,091,398	10,590,354	26	850,263
3000	Rubber and plastics products	139	548,841,644	2,713,544	32	153,949
3100	Leather and leather products	49	112,119,072	719,006	16	61,391
3200	Stone, clay and glass products	110	1,481,563,434	4,846,179	44	82,938
3300	Primary metal industries	71	861,277,035	2,313,232	19	103,380
3400	Fabricated metal products	601	2,536,186,009	10,614,101	175	392,880
3500	Machinery (except electrical)	378	3,791,829,555	9,336,398	92	626,085
3600	Electrical and electronic equipment	506	19,879,087,682	39,754,242	170	1,057,581
3700	Transportation equipment	107	8,122,540,686	13,791,673	35	272,324
3800	Professional, scientific instruments	250	4,082,192,923	11,754,835	74	503,266
3900	Miscellaneous manufacturing	428	3,368,823,122	10,053,341	120	453,515
4000 -4999	<b>Services incidental to transportation, communications and public utilities</b>	<b>1,414</b>	<b>\$7,085,106,185</b>	<b>\$55,717,588</b>	<b>456</b>	<b>\$5,377,736</b>
	<b>Wholesale Trade (Durable)</b>	<b>3,948</b>	<b>\$8,005,605,285</b>	<b>\$70,209,883</b>	<b>1,069</b>	<b>\$3,229,035</b>
5010	Motor vehicle and automotive equipment	254	1,105,808,637	5,756,774	84	541,610
5020	Furniture and home furnishings	140	96,342,728	1,296,093	39	40,696
5030	Lumber and construction materials	158	105,897,143	1,877,867	75	178,877
5040	Professional and commercial equipment	21	494,184,999	640,407	5	9,806
5050	Metals and minerals	211	516,238,285	4,594,800	56	134,485
5060	Electrical goods	410	2,284,644,228	13,922,395	74	165,529
5070	Hardware, plumbing and heating supplies	241	149,563,310	2,063,785	83	215,378
5080	Machinery, equipment and supplies	664	989,071,791	8,323,652	131	235,494
5090	Miscellaneous wholesalers (durable)	1,849	2,263,854,164	31,734,110	522	1,707,160

\* Data represent entire net income before allocation to New York State.

**Table 13: Corporation Franchise Tax Liability by Industry and Basis of Tax Paid (Con't)**  
**Corporate Tax Years Ending Between December 1, 1995 and November 30, 1996**

SIC/PIA Code	Industry	Alternative Minimum Taxable Income Base		Fixed Dollar Minimum	
		Number	Tax	Number	Tax
100 -999	Agriculture	121	\$355,650	731	\$262,520
1000 -1499	Mining	47	\$942,805	332	\$157,724
	<b>Contract Construction</b>	<b>783</b>	<b>\$1,955,134</b>	<b>10,605</b>	<b>\$4,123,165</b>
1500	Building construction	305	802,437	4,324	1,743,399
1600	Other construction	65	315,659	418	194,755
1700	Special trade contractors	413	837,038	5,863	2,185,011
	<b>Manufacturing</b>	<b>1,982</b>	<b>\$67,416,788</b>	<b>11,352</b>	<b>\$5,680,645</b>
2000	Food and kindred products	118	5,644,840	761	397,645
2100	Tobacco manufacturers	d	d	d	d
2200	Textile mill products	46	854,472	264	161,400
2300	Apparel and finished textile products	127	448,789	2,220	858,979
2400	Lumber and wood products	56	1,186,565	251	97,060
2500	Furniture and fixtures	32	870,662	347	146,437
2600	Paper and allied products	63	5,575,403	135	86,780
2700	Printing, publishing and allied industries	284	2,098,299	1,966	924,655
2800	Chemicals and allied products	102	3,709,462	449	320,640
2900	Products of petroleum and coal	7	97,238	59	63,063
3000	Rubber and plastics products	83	1,031,953	318	169,642
3100	Leather and leather products	d	d	d	d
3200	Stone, clay and glass products	72	1,813,129	277	130,500
3300	Primary metal industries	41	1,404,422	106	72,153
3400	Fabricated metal products	387	4,435,315	1,057	485,806
3500	Machinery (except electrical)	175	14,688,038	623	357,014
3600	Electrical and electronic equipment	155	7,015,774	852	523,788
3700	Transportation equipment	39	7,754,410	248	162,477
3800	Professional, scientific instruments	39	6,927,217	353	208,969
3900	Miscellaneous manufacturing	148	1,845,659	942	453,005
4000 -4999	<b>Services incidental to transportation, communications and public utilities</b>	<b>277</b>	<b>\$5,756,120</b>	<b>4,582</b>	<b>\$2,193,610</b>
	<b>Wholesale Trade (Durable)</b>	<b>457</b>	<b>\$1,734,295</b>	<b>7,758</b>	<b>\$2,947,778</b>
5010	Motor vehicle and automotive equipment	36	564,217	550	205,761
5020	Furniture and home furnishings	24	29,630	387	146,579
5030	Lumber and construction materials	22	82,361	259	99,345
5040	Professional and commercial equipment	d	d	17	7,782
5050	Metals and minerals	28	121,256	292	110,977
5060	Electrical goods	36	151,454	572	231,302
5070	Hardware, plumbing and heating supplies	d	d	294	107,796
5080	Machinery, equipment and supplies	75	170,480	1,170	478,873
5090	Miscellaneous wholesalers (durable)	219	599,272	4,217	1,559,363

**Table 13: Corporation Franchise Tax Liability by Industry and Basis of Tax Paid (Con't)**  
**Corporate Tax Years Ending Between December 1, 1995 and November 30, 1996**

SIC/PIA Code	Industry	Entire Net Income Base			Capital Base	
		Number	Net Income*	Tax	Number	Tax
	<b>Wholesale Trade (Nondurable)</b>	<b>3,216</b>	<b>\$6,879,898,226</b>	<b>\$55,045,821</b>	<b>805</b>	<b>\$2,430,054</b>
5110	Paper and paper products	201	333,290,827	4,791,992	36	62,215
5120	Drugs, proprietaries and sundries	100	258,227,806	4,314,892	35	149,904
5130	Apparel, piece goods and notions	912	424,334,343	9,543,375	259	515,808
5140	Groceries and related products	423	515,783,638	7,698,057	101	669,339
5150	Farm products - raw materials	95	71,464,633	833,683	27	56,505
5160	Chemicals and allied products	176	1,142,686,614	3,604,718	22	72,029
5170	Petroleum and petroleum products	148	1,303,950,831	2,692,029	65	253,869
5180	Beer, wine and distilled beverages	89	320,139,486	4,618,283	37	136,212
5190	Miscellaneous wholesalers (nondurable)	1,072	2,510,020,048	16,948,792	223	514,173
	<b>Retail Trade</b>	<b>5,625</b>	<b>\$9,980,892,399</b>	<b>\$83,732,103</b>	<b>1,723</b>	<b>\$6,195,844</b>
5200	Building supplies, hardware, farm equipment	347	695,389,697	5,923,858	195	244,914
5300	General merchandise, incl. department stores	120	4,612,654,856	15,839,994	66	1,054,793
5400	Food	588	524,335,690	10,614,978	137	586,378
5500	Automotive	739	207,713,354	4,574,152	285	375,940
5600	Apparel	587	1,462,026,274	16,741,168	154	1,378,970
5700	Furniture and furnishings	265	93,460,078	1,973,380	102	191,976
5800	Eating and drinking places	912	608,961,750	6,187,677	208	506,136
5900	Miscellaneous retail trade	2,067	1,776,350,700	21,876,896	576	1,856,737
	<b>Finance, Insurance and Real Estate</b>	<b>7,759</b>	<b>\$20,573,606,528</b>	<b>\$359,318,056</b>	<b>8,659</b>	<b>\$40,319,336</b>
6000	Special banking services	40	38,669,039	419,933	19	957,991
6100	Credit agencies (other than banks)	207	1,721,397,943	15,792,173	129	1,219,330
6200	Security and commodity brokers, dealers	584	10,176,403,048	175,213,450	256	4,325,790
6400	Insurance agents, brokers, services	1,054	497,140,657	18,138,528	181	1,163,610
6500	Real estate agents, brokers, management, etc.	4,808	1,740,304,711	45,201,338	7,194	19,463,637
6700	Holding and other investment companies	1,066	6,399,691,130	104,552,634	880	13,188,978
	<b>Services</b>	<b>12,494</b>	<b>\$15,952,494,971</b>	<b>\$178,104,786</b>	<b>2,179</b>	<b>\$11,156,169</b>
7000	Hotels and lodging places	116	646,042,363	7,098,077	122	841,393
7200	Personal services	525	210,285,245	3,558,662	86	127,424
7300	Business services	3,723	6,427,902,739	62,087,937	609	5,121,092
7500	Auto repair services and garages	380	248,230,393	2,572,696	71	186,842
7600	Miscellaneous repair services	379	103,423,062	1,692,062	42	58,006
7800	Motion picture production, distribution, theaters	269	707,392,661	7,278,623	67	712,769
7900	Other amusement services	639	1,097,923,431	9,721,506	204	811,386
8000	Medical services, hospitals, etc.	1,684	1,103,208,043	34,345,875	216	777,725
8100	Legal services	411	31,525,891	1,877,923	24	31,832
8200	Educational services	202	194,326,865	1,453,113	36	242,503
8300	Social services	16	20,892,237	133,815	d	d/
8400	Museums, art galleries, etc.	d	d	d	d	d/
8600	Membership organizations	91	91,484,954	1,895,462	38	50,260
8700	Engineering & management services	37	213,158,900	4,734,888	6	63,348
8800	Private households	d	d	d	0	0
8900	Miscellaneous services	4,020	4,856,337,283	39,639,490	656	2,130,564
	Industry code not given	5,049	\$1,597,954,708	\$7,508,925	1,660	\$1,812,115
	<b>GRAND TOTAL, ALL INDUSTRIES</b>	<b>48,191</b>	<b>\$158,363,580,583</b>	<b>\$1,133,815,548</b>	<b>19,017</b>	<b>\$81,344,718</b>

**Table 13: Corporation Franchise Tax Liability by Industry and Basis of Tax Paid (Con't)**  
**Corporate Tax Years Ending Between December 1, 1995 and November 30, 1996**

SIC/PIA Code	Industry	Alternative Minimum Taxable Income Base		Fixed Dollar Minimum	
		Number	Tax	Number	Tax
	<b>Wholesale Trade (Nondurable)</b>	<b>412</b>	<b>\$1,728,957</b>	<b>7,556</b>	<b>\$2,824,903</b>
5110	Paper and paper products	19	35,025	319	123,181
5120	Drugs, proprietaries and sundries	14	315,921	218	124,009
5130	Apparel, piece goods and notions	116	288,690	2,269	814,861
5140	Groceries and related products	71	225,790	1,066	392,228
5150	Farm products - raw materials	22	350,082	166	64,969
5160	Chemicals and allied products	14	118,444	278	107,195
5170	Petroleum and petroleum products	17	26,850	199	92,136
5180	Beer, wine and distilled beverages	10	39,047	165	65,352
5190	Miscellaneous wholesalers (nondurable)	129	329,108	2,876	1,040,972
	<b>Retail Trade</b>	<b>1,081</b>	<b>\$2,867,668</b>	<b>24,458</b>	<b>\$8,953,746</b>
5200	Building supplies, hardware, farm equipment	56	107,873	838	303,790
5300	General merchandise, incl. department stores	19	498,893	594	232,299
5400	Food	131	693,814	3,465	1,198,427
5500	Automotive	121	181,905	2,043	712,969
5600	Apparel	65	115,759	2,087	828,171
5700	Furniture and furnishings	44	119,495	810	288,368
5800	Eating and drinking places	292	329,333	7,246	2,624,504
5900	Miscellaneous retail trade	353	820,596	7,375	2,765,218
	<b>Finance, Insurance and Real Estate</b>	<b>1,175</b>	<b>\$7,195,047</b>	<b>29,527</b>	<b>\$12,694,536</b>
6000	Special banking services	5	9,841	92	41,072
6100	Credit agencies (other than banks)	35	895,544	525	262,393
6200	Security and commodity brokers, dealers	55	1,344,987	882	411,728
6400	Insurance agents, brokers, services	145	303,739	2,402	980,657
6500	Real estate agents, brokers, management, etc.	816	1,550,585	20,228	7,464,750
6700	Holding and other investment companies	119	3,090,351	5,398	3,533,936
	<b>Services</b>	<b>2,166</b>	<b>\$5,851,521</b>	<b>48,088</b>	<b>\$18,811,903</b>
7000	Hotels and lodging places	35	241,167	454	198,946
7200	Personal services	68	67,654	2,534	921,654
7300	Business services	530	1,947,518	11,085	4,624,843
7500	Auto repair services and garages	85	188,727	2,071	717,945
7600	Miscellaneous repair services	56	51,970	1,348	479,894
7800	Motion picture production, distribution, theaters	67	251,380	1,314	524,870
7900	Other amusement services	134	361,442	2,892	1,181,888
8000	Medical services, hospitals, etc.	434	577,182	7,285	2,753,191
8100	Legal services	74	90,245	1,710	632,349
8200	Educational services	28	47,075	825	336,198
8300	Social services	d	d	126	44,204
8400	Museums, art galleries, etc.	d	d	d	d
8600	Membership organizations	17	34,459	560	198,481
8700	Engineering & management services	5	163,904	84	30,163
8800	Private households	0	0	d	d
8900	Miscellaneous services	629	1,827,225	15,798	6,166,579
	Industry code not given	815	\$792,132	35,935	15,109,159
	<b>GRAND TOTAL, ALL INDUSTRIES</b>	<b>9,316</b>	<b>\$96,596,117</b>	<b>180,924</b>	<b>\$73,759,689</b>

Table 14: Corporation Franchise Tax Liability by Fiscal Period and Basis of Tax Paid

Corporate Tax Years Ending Between December 1, 1995 and November 30, 1996

Tax Year Ending	Entire Net Income Base		Capital Base		Alternative Minimum Taxable Income Base		Fixed Dollar Minimum		Total	
	Number	Tax	Number	Tax	Number	Tax	Number	Tax	Number	Tax
December 31, 1995	24,077	\$705,369,584	10,788	\$54,455,550	4,397	\$72,449,769	91,423	\$38,705,336	130,685	\$870,980,239
January 31, 1996	1,341	35,759,421	520	2,356,946	261	1,031,182	5,407	2,464,673	7,529	41,612,222
February 29, 1996	1,592	38,778,322	559	2,848,912	349	1,548,715	7,072	2,929,479	9,572	46,105,428
March 31, 1996	3,289	77,095,457	1,171	4,150,581	699	2,928,763	10,919	4,465,660	16,078	88,640,461
April 30, 1996	1,705	20,947,418	560	1,057,269	344	3,266,173	6,789	2,608,332	9,398	27,879,192
May 31, 1996	1,761	20,573,308	540	1,488,057	370	2,163,957	7,441	2,775,993	10,112	27,001,315
June 30, 1996	4,198	101,964,843	1,475	4,387,531	817	3,994,968	13,586	5,420,139	20,076	115,767,481
July 31, 1996	1,521	20,972,836	486	1,127,449	285	870,398	6,409	2,329,804	8,701	25,300,487
August 31, 1996	1,698	17,732,468	569	1,678,623	341	1,439,260	6,888	2,496,088	9,496	23,346,439
September 30, 1996	3,526	53,293,002	1,228	4,718,668	753	4,383,164	11,936	4,604,495	17,443	66,999,329
October 31, 1996	2,025	25,211,319	663	2,105,900	409	1,463,386	7,381	2,819,793	10,478	31,600,398
November 30, 1996	1,458	16,117,570	458	969,232	291	1,056,382	5,673	2,139,897	7,880	20,283,081
<b>Total</b>	<b>48,191</b>	<b>\$1,133,815,548</b>	<b>19,017</b>	<b>\$81,344,718</b>	<b>9,316</b>	<b>\$96,596,117</b>	<b>180,924</b>	<b>\$73,759,689</b>	<b>257,448</b>	<b>\$1,385,516,072</b>

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# Article 9: Corporation and Utilities Tax

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## Tax Structure: Tax Law as of 1995

Article 9 contains several separate taxes that apply to various general and specialized businesses operating in New York State. These taxes appear in separate sections of Article 9 as follows:

- *Section 180* organization tax on domestic (New York State) corporations;
- *Section 181* license fee on foreign (out-of-state) corporations;
- *Section 183* franchise tax on transportation and transmission companies and associations;
- *Section 184* additional franchise tax on transportation and transmission companies and associations;
- *Section 185* franchise tax on agricultural cooperatives;
- *Section 186* franchise tax on waterworks companies, gas companies, electric or steam heating, lighting and power companies;
- *Section 186-a* gross receipts tax on the furnishing of utility services;
- *Section 186-e* excise tax on telecommunications services; and
- *Section 189* franchise tax on businesses importing natural gas for their own consumption.

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Significant Tax Law  
Changes: 1994 and  
1995

1994

- Section 186-a was amended in 1994 to require any person selling telephony or telegraphy or furnishing telephone or telegraph services, rather than a telephone or telegraph corporation, to include in its determination of gross income the revenue from interstate and foreign transmissions service.

1995

- Extensive changes were made in 1995 to the structure of taxation of telecommunications companies. Beginning on January 1, 1995, the Section 184 additional franchise tax no longer applied to companies primarily engaged in long distance service. Companies primarily engaged in a local telephone business remain subject to Section 184. However, sales from receipts for ultimate consumption from interLATA, interstate, or international services are excluded.<sup>1</sup>
- Beginning on January 1, 1995, the Section 186-a tax on receipts from telecommunications services was shifted from 186-a to a new section 186-e. Companies that provide telecommunications services and are also subject to the supervision of the Public Service Commission remain subject to 186-a for the non-telecommunications portion of their gross income. These companies are also subject to 186-e on their receipts from the sale of telecommunications services. The taxation of telecommunications receipts was altered by:

Replacing the property factor with the *Goldberg* allocation method, approved by the U.S. Supreme Court in *Goldberg v. Sweet*, 488 U.S. 252 (1989), to determine New York taxable receipts. Under the *Goldberg* allocation method, receipts from telecommunications services are allocated to New York if the call originates or terminates in this State and is charged to a services address in this State, regardless of where the charges for such services are billed or ultimately paid.

Eliminating the “sale for resale” deduction to the ultimate seller (retailer) for services purchased in New York. The deduction was replaced with an exclusion to the initial seller (wholesaler) in cases where the ultimate seller is either an interexchange carrier

or a local carrier. Telecommunications companies must include sales for resale to companies other than an interexchange carrier or a local carrier in their Section 186-e tax base. However, a credit is allowed to purchasers that resell these services.

**Statistical Summary:  
Comparison of 1994  
Versus 1995**

The corporation and utilities tax represented nearly 36 percent of total New York State corporate tax liability in 1995. This was slightly less than the share of Article 9-A tax liability. The number of Article 9 taxpayers totaled 14,052 in 1995, representing a total tax liability of \$1,535 million.

Table 15 summarizes information from taxable returns filed by Article 9 corporations in 1994 and 1995. The number of taxpayers remained identical from 1994 to 1995, while total tax liability declined by over 4 percent over this period.

**Table 15: Article 9 Number  
of Taxpayers and Tax  
Liability - 1994 and 1995**

Article 9	Tax Year 1994	Tax Year 1995
Total Number of Taxpayers	14,052	14,052
Total Tax Liability	\$1,605,304,211	\$1,535,993,587

**Distribution of Article 9  
Taxpayers and Tax  
Liability**

Table 16 and Figure 8 compare the number and share of taxpayers for tax years 1994 and 1995. The distribution of taxpayers did not change significantly from year to year, with the exception of Section 186-a taxpayers, which declined from 1,595 to 801, or by almost 50 percent. This was due to tax law changes that altered the composition of Section 186-a taxpayers. In 1995, the providing of telephone services was taken out of Section 186-a, and a new section of tax, Section 186-e, was imposed on telecommunications services. As a result, the share of taxpayers paying under Section 186-a in 1994 was nearly even split between Section 186-a and Section 186-e in 1995.

Table 16: Total Article 9 Taxpayers by Section - 1994 and 1995

Article 9 Tax Law Sections	Total Number of Taxpayers 1994	Total Number of Taxpayers 1995
Section 183	6,076	6,087
Section 184	6,121	6,061
Section 186	260	293
Section 186-a	1,595	801
Section 186-e	*	810
<b>Total</b>	<b>14,052</b>	<b>14,052</b>

\* The provisions of Section 186-e were effective beginning in 1995.

Figure 8: Share of Number of Article 9 Taxpayers by Section

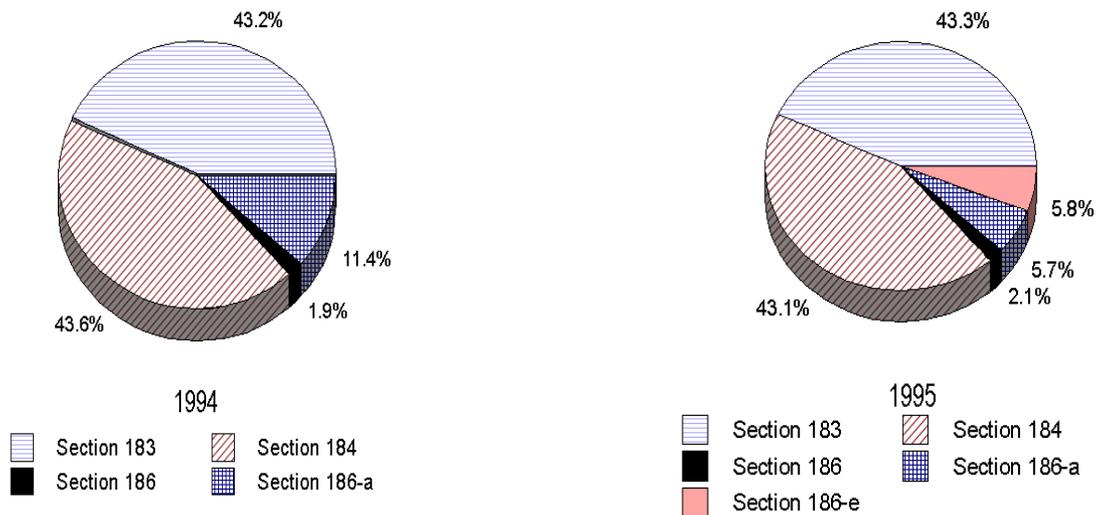


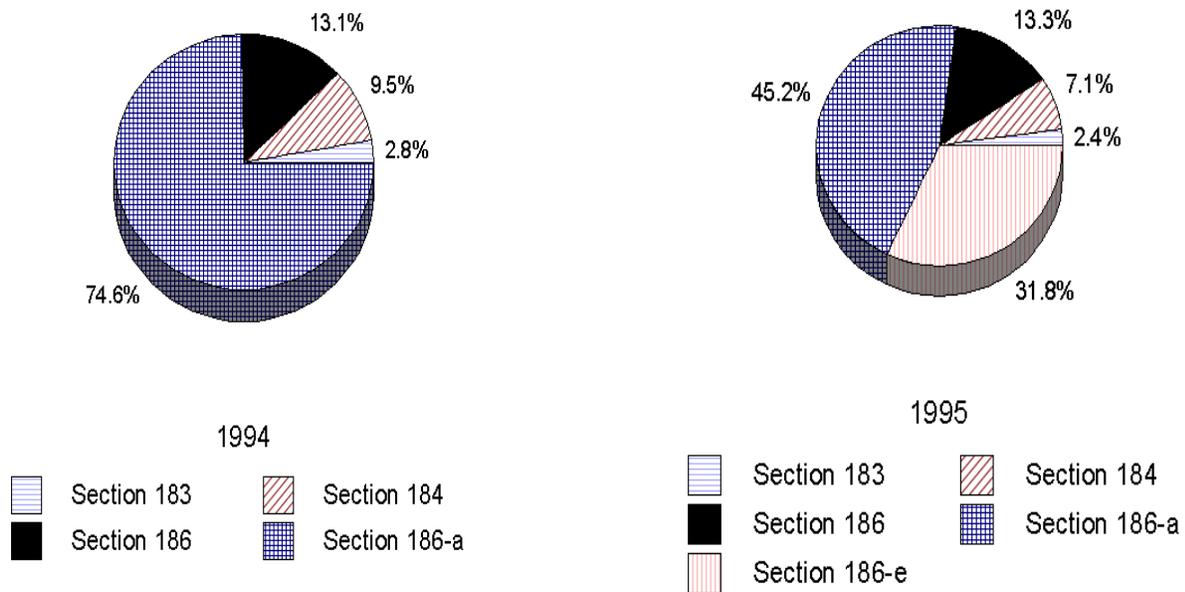
Table 17 and Figure 9 compare tax liability and share of liability for 1994 and 1995. Tax liability declined for each section from year to year. Part of the decline was due to the reduction in the business tax surcharge. The most significant change in liability occurred within Section 186-a. Certain taxpayers that were subject to Section 186-a in 1994, became subject to Section 186-e, which was enacted in 1995. This resulted in a split in tax liability between Section 186-a and 186-e taxpayers, with a slightly larger share of liability attributable to Section 186-a.

Table 17: Total Article 9 Tax Liability by Section - 1994 and 1995

Article 9 Tax Law Sections	Total Tax Liability 1994	Total Tax Liability 1995
Section 183	\$45,099,399	\$37,604,144
Section 184	152,300,590	109,672,614
Section 186	211,071,716	204,899,827
Section 186-a	1,196,832,506	694,697,376
Section 186-e	*	489,119,626
<b>Total</b>	<b>\$1,605,304,211</b>	<b>\$1,535,993,587</b>

\* The provisions of Section 186-e were effective beginning in 1995, when the excise tax on the provision of telecommunication services was transferred from Section 186-a to the new Section 186-e.

Figure 9: Share of Article 9 Tax Liability by Section



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## Endnotes

1. A LATA is a local access and transport area as established on July 1, 1994, pursuant to the modification of final judgement in U.S. vs. Western Electric Company. InterLATA services consist of telephone calls and other telecommunication services which do not originate and terminate within the same LATA.

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# Article 32: Corporate Franchise Tax on Banking Corporations

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## Tax Structure: Tax Law as of 1995

Article 32 levies a franchise tax on banking corporations doing business in the State. The bank tax is computed on the highest of four alternative bases:

- 9 percent of allocated entire net income (ENI); or
- 3 percent of alternative income (ENI without regard to specified exclusions); or
- \$250; or
- one-tenth, one twenty-fifth or one-fiftieth of a mill of taxable assets allocated to New York (depending on net-worth-to-asset ratio and percentage of assets secured by mortgages).

Calculation of the tax based on allocated ENI begins with federal taxable income, to which certain exclusions and deductions are applied.

Taxpayers then make several other modifications, and allocate their income to arrive at New York taxable income. These modifications include, for example, a bad debt deduction for large commercial banks, a deduction for the eligible net income of international banking facilities (IBFs), deductions for a portion of interest income from government obligations, and interest and dividend income from subsidiary capital.<sup>1</sup> Banks conducting business both inside and outside New York allocate their income and assets by applying a three-factor allocation formula consisting of payroll, deposits, and receipts. The receipts and deposits factors are double-weighted and only a fraction of the payroll factor is used.

Alternative entire net income differs from ENI in that it does not include deductions for portions of subsidiary interest and interest on government

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obligations. In addition, the factors of the alternative income allocation formula are single weighted.

The tax on allocated taxable assets starts with the taxpayer's total assets. Taxable assets equal total assets less assets attributable to the Federal Deposit Insurance Corporation and the Federal Savings and Loan Insurance Corporation. Taxpayers then apply an allocation percentage, equivalent to the percentage used for allocating ENI. The tax rate imposed on allocated taxable assets equals:

Net Worth Ratio:*	Mortgage as a Percent of Total Assets:	Tax Rate:
Less than 4%	33% or more	0.00002
At least 4% but less than 5%	33% or more	0.00004
5% or more	Any percentage	0.0001

\* The net worth ratio equals the taxpayer's net worth on the last day of the tax year divided by total assets on the last day of the tax year.

Taxpayers may take credits against the highest tax liability, with the exception of the \$250 minimum tax, to determine their after-credit liability. These credits include, for example, the mortgage servicing credit and the special additional mortgage recording tax credit.

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### Significant Tax Law Changes: 1994 and 1995

There were no significant tax law changes in either 1994 or 1995 that affected the data or analysis presented in this report.

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### Statistical Summary: Comparison of 1994 Versus 1995

This section summarizes tax liability data for tax years 1994 and 1995. Tables 18 through 21 reflect summary data for five separate categories of banks and total amounts for all banks. The five categories are foreign banks, clearinghouse banks, commercial banks, savings banks, and savings and loan associations. However, to protect taxpayer confidentiality, the clearinghouse and commercial bank categories were grouped together, as were savings banks and savings and loan associations. Thus, each table provides statistics profiling three groups of taxpayers for the tax years 1994 and 1995.

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Number of Taxpayers and  
Total Tax Liability

*Number of Taxpayers*

Table 18 reports data on the number of taxpayers in each category, the amount of their total tax liability and the percent of the bank tax paid by each category. This table shows that between 1994 and 1995, the total number of banks increased from 803 to 839. Foreign banks and the clearinghouse/commercial bank category were the largest groups of Article 32 taxpayers during this period. The number of banks classified as foreign banks decreased from 350 in 1994 to 349 in 1995. The number of clearinghouse/commercial banks, however, increased during this period, from 355 to 392. The number of savings banks and savings and loan associations remained the same in 1994 and 1995.

*Total Tax Liability*

Total tax liability increased nearly 45 percent, from \$426 million to \$617.2 million, between 1994 and 1995. There were no significant tax law changes that affected the banking industry in 1994 or 1995. Improved economic conditions, mainly from lower interest rates and a wider margin between interest income from loans and the cost of deposits, raised the profitability of banks. A large portion of this change was attributable to an increase in clearinghouse and commercial bank liability, which rose by 47 percent from over \$276.5 million in 1994 to \$405.1 million in 1995. Similarly, the total tax liability of foreign banks grew by 52 percent, from \$116.7 million in 1994 to \$177.6 million in 1995. During this period, the tax liability of savings banks and savings and loan associations increased by a modest 5 percent, from \$32.8 million to \$34.5 million.

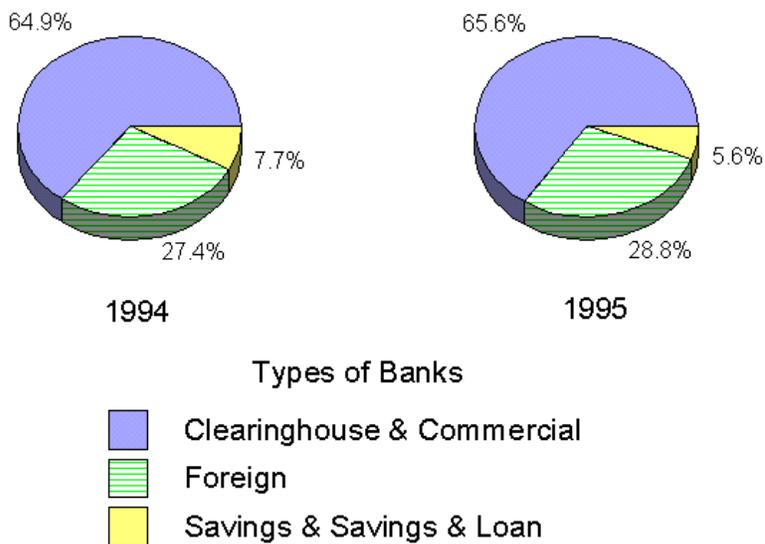
**Table 18: Number and Total Tax Liability of Article 32 Taxpayers - 1994 and 1995**

Tax Year	Type of Bank	Number of Taxpayers	Total Tax Liability	Percent of Bank Tax
1994	Clearinghouse & Commercial	355	\$276,447,538	64.9
	Foreign	350	116,698,645	27.4
	Savings & Savings & Loans	98	32,810,011	7.7
	<b>Total</b>	<b>803</b>	<b>\$425,956,194</b>	<b>100.0</b>
1995	Clearinghouse & Commercial	392	\$405,069,421	65.6
	Foreign	349	177,608,033	28.8
	Savings & Savings & Loans	98	34,481,555	5.6
	<b>Total</b>	<b>839</b>	<b>\$617,159,009</b>	<b>100.0</b>

*Shares of Total Tax*

Figure 10 shows that the distribution of bank tax liability by type of bank remained relatively constant between 1994 and 1995. Clearinghouse and commercial banks continued to represent nearly two-thirds of total bank tax liability, followed by foreign banks, savings banks and savings and loan associations.

Figure 10: Distribution of Article 32 Tax Liability by Bank Type - 1994 and 1995



Distribution of Tax Liability  
by Basis of Tax

Table 19 includes statistics regarding the distribution of tax liability by base of tax. The table lists the number of taxpayers paying on the income base, alternative bases (asset or alternative entire net income bases), and the minimum tax base, and the amount of tax liability paid under each base.

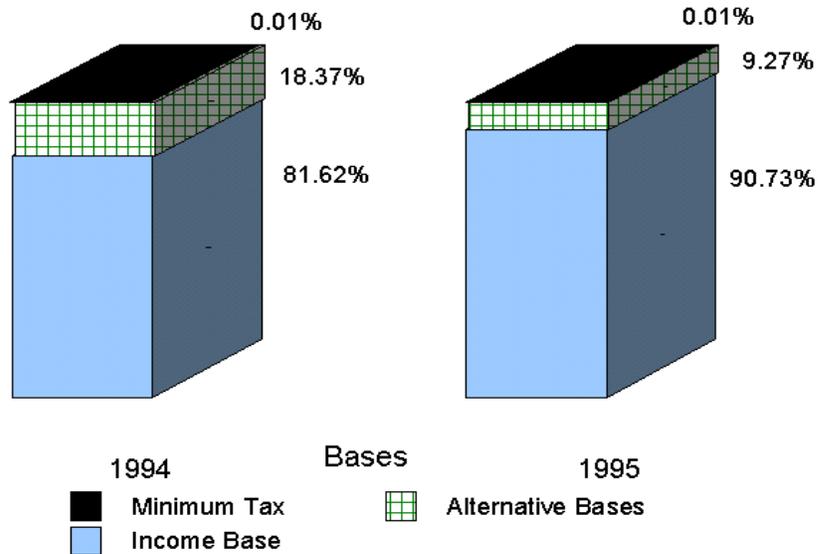
*Basis of Tax*

Table 19 and Figure 11 show the distribution of Article 32 tax liability by type of bank and basis of tax in 1994 and 1995. During these two years, the portion of total tax liability attributable to the income base increased from 81.6 percent to 90.7 percent. In contrast, the portion of total tax liability attributable to the alternative bases decreased from 18.4 percent to 9.3 percent. This shift applied to all three categories of banks. The increase in the income base is attributable to base switching which resulted from increased income because of continued economic growth with lower inflation. Minimum tax filer liability and population remained fairly constant.

Table 19: Distribution of Article 32 Tax Liability by Basis of Tax - 1994 and 1995

Tax Year	Type of Bank	Income Base		Alternative Bases		Minimum Tax	
		Number of Taxpayers	Liability	Number of Taxpayers	Liability	Number of Taxpayers	Liability
1994	Clearinghouse & Commercial	228	\$250,983,808	70	\$25,447,762	57	\$15,969
	Foreign	89	65,135,917	195	51,544,203	66	18,525
	Savings & Savings & Loans	76	31,536,894	3	1,267,774	19	5,344
	<b>Total</b>	<b>393</b>	<b>\$347,656,618</b>	<b>268</b>	<b>\$78,259,739</b>	<b>142</b>	<b>\$39,838</b>
1995	Clearinghouse & Commercial	244	\$387,976,504	76	\$17,073,642	72	\$19,275
	Foreign	103	137,818,444	183	39,772,683	63	16,906
	Savings & Savings & Loans	72	34,131,698	3	343,688	23	6,169
	<b>Total</b>	<b>419</b>	<b>\$559,926,646</b>	<b>262</b>	<b>\$57,190,013</b>	<b>158</b>	<b>\$42,350</b>

Figure 11: Distribution of Article 32 Tax Liability by Basis of Tax - 1994 and 1995



Allocated Entire Net Income

Table 20 provides data regarding the number of taxpayers with positive and negative allocated entire net income and the amount of total positive and negative allocated entire net income. These statistics indicate the number and types of banks that reported income or losses and the amount of the income and losses during the 1994 and 1995 tax years. The number of banks reporting positive allocated entire net income increased by 27 year over year even though the bank population grew by 36.

Table 20: Allocated Entire Net Income Under Article 32 - 1994 and 1995

Tax Year	Type of Bank	Positive Allocated ENI			Negative Allocated ENI		
		Number of Taxpayers	Total (\$ Thousands)	Average (\$ Thousands)	Number of Taxpayers	Total (\$ Thousands)	Average (\$ Thousands)
1994	Clearinghouse & Commercial	284	\$2,828,244	\$9,959	71	(\$607,291)	(\$8,553)
	Foreign	174	699,805	4,022	176	(1,866,435)	(10,605)
	Savings & Savings & Loans	87	356,454	4,097	11	(419,056)	(38,096)
	<b>Total</b>	<b>545</b>	<b>\$3,884,503</b>	<b>\$7,128</b>	<b>258</b>	<b>(\$2,892,782)</b>	<b>(\$11,212)</b>
1995	Clearinghouse & Commercial	302	4,228,870	14,003	90	(499,569)	(5,551)
	Foreign	186	1,480,001	7,957	163	(965,359)	(5,922)
	Savings & Savings & Loans	84	436,069	5,191	14	(131,952)	(9,425)
	<b>Total</b>	<b>572</b>	<b>\$6,144,940</b>	<b>\$10,743</b>	<b>267</b>	<b>(\$1,596,880)</b>	<b>(\$5,981)</b>

As shown in Figure 12, the amount of positive allocated entire net

income reported for all banks increased from \$3.9 billion in 1994 to \$6.1 billion in 1995. In contrast, negative allocated entire net income decreased from \$2.9 billion to \$1.6 billion during this period. This shift applied to all bank categories in 1994 and 1995.

Figure 12: Allocated Entire Net Income by Bank Type - 1994 and 1995

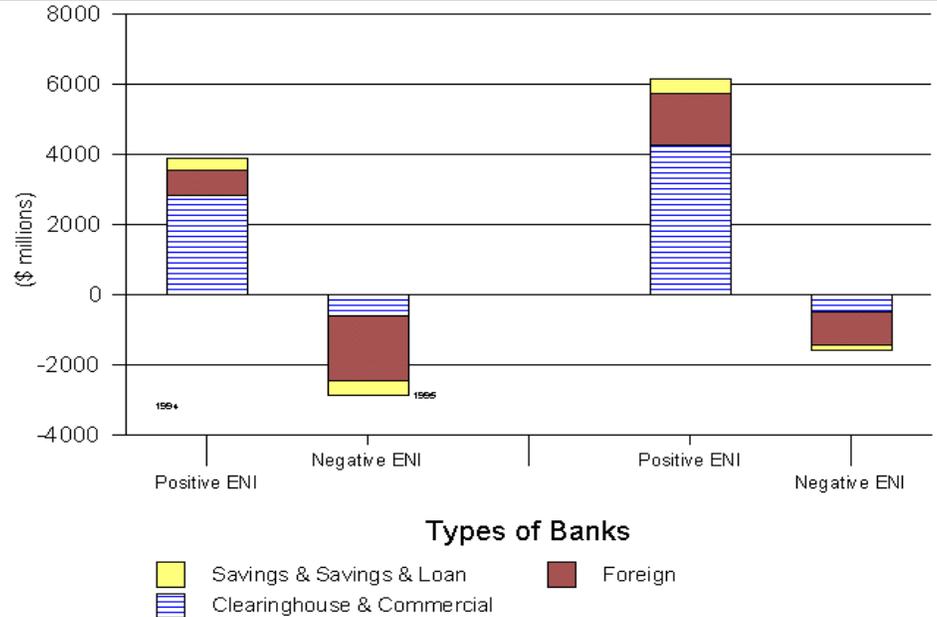


Table 21 provides statistics on the total number of banks that used the special additional mortgage recording tax credit and the mortgage servicing credit for 1994 and 1995. This table also shows the value of the credits used during this time period. Data regarding the job incentive credit for the 1994 and 1995 tax years are not disclosable. In addition, no Article 32 taxpayers used an Economic Development Zone or a Zone Equivalent Area wage tax credit during 1994 and 1995.

Tax Credits Used

As displayed in Table 21, during 1994 and 1995, the special additional mortgage recording tax credit was used by the greatest number of taxpayers. In 1994, the value of the credit used by 123 taxpayers equaled \$15.6 million. In 1995, 122 taxpayers used this credit which totaled \$11.3 million.

The mortgage servicing credit was used by the next largest number of taxpayers during this period. In 1994, the value of the credit used by 67 taxpayers equaled \$8 million. In 1995, the value of the credit used by 65 taxpayers equaled \$8.6 million.

Table 21: Credits Used by Article 32 Taxpayers - 1994 and 1995

Tax Year	Tax Credits Used			
	Mortgage Recording Tax Credit		Mortgage Servicing Credit	
	Number of Taxpayers	Amount of Credit Used	Number of Taxpayers	Amount of Credit Used
1994	123	\$15,562,973	67	\$7,983,677
1995	122	\$11,267,354	65	\$8,569,945

Note: If, for example, a taxpayer used the mortgage recording tax credit and the mortgage servicing credit, it would be counted separately in each category by year.

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## Endnotes

1. For an analysis of how these deductions impact tax liability, please see “State of New York Tax Expenditure Report 1998-1999,” prepared by the New York State Department of Taxation and Finance in conjunction with the New York State Division of the Budget.

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# Focus Section: Analysis of Special Deductions Claimed by Banking Corporations Between 1991 and 1995

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## Purpose

The focus section for Article 32 presents historical data analyzing three special deductions claimed by banking corporations. The profiles include the number of taxpayers and the amount of the deductions claimed between 1991 and 1995. To protect taxpayer confidentiality, this section aggregates types of bank categories. The aggregations are explained as footnotes in Table 22.

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## Description of Special Deductions

The New York State franchise tax on banking corporations was restructured in 1985. This legislation was intended to: tax banks more like general business corporations; make the treatment among and between thrifts and commercial banks similar; make the calculation of the tax more predictable and less likely to be adjusted upon audit; and maintain New York City as a financial center.<sup>1</sup>

Reform provisions intended to preserve New York State's position as a headquarter's location for banks included a deduction for 60 percent of dividend income and excess gains over losses from subsidiary capital, and a deduction for 17 percent of interest income from subsidiary capital. The legislation also included a deduction for 22.5 percent of interest income from government obligations.<sup>2</sup>

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## Analysis of Special Deductions: 1991-1995

Table 22 and Figure 13 show that between 1991 and 1995, the total value of the special deductions ranged from \$2.5 billion to \$6.6 billion. Between 57 percent and 81 percent of this total was attributable to the deduction for 60 percent of dividend income and gains or losses from subsidiary capital. The total amount claimed for this deduction jumped from \$1.6 billion in 1991 to \$5.4 billion in 1994, and then dropped to \$4.2 billion in 1995.

Of the three special deductions, the deduction for 22.5 percent of interest income from government obligations was claimed by the greatest number of banks between 1991 and 1995. Over 400 banks claimed the deduction in each year. During this period, the amount of the deduction ranged from \$691 million to \$1,087 million.

The fewest number of banks claimed the deduction for 17 percent of interest income from subsidiary capital. This deduction ranged in value from \$198 million to \$353 million, representing the smallest dollar value among the three special deductions.

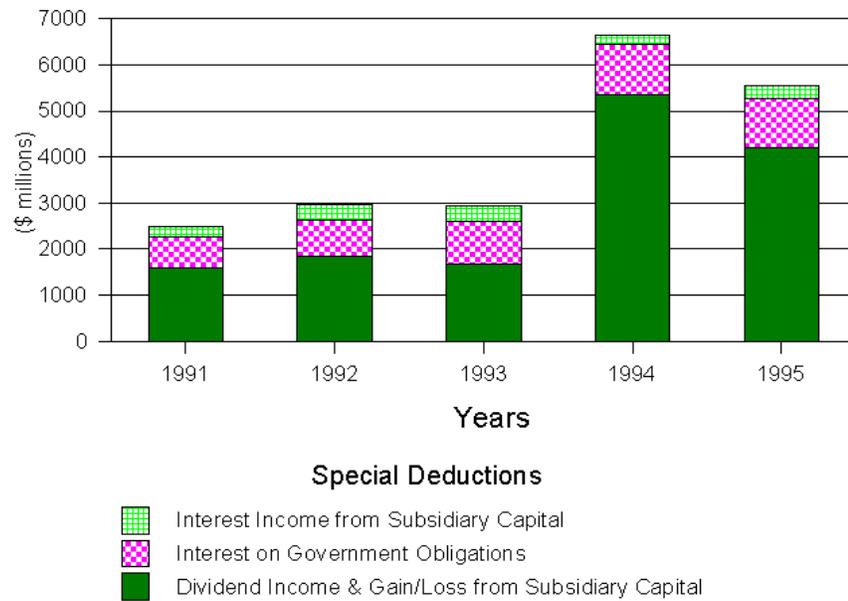
**Table 22: Number of Taxpayers and Amount of Special Deductions for Article 32 Taxpayers - 1991-1995**

Tax Year	Type of Bank	Interest Income from Subsidiary Capital		Dividend Income & Gain/Loss from Subsidiary Capital		Interest on Government Obligations		Total Special Deductions
		Number of Taxpayers	Amount (\$ Thousands)	Number of Taxpayers	Amount (\$ Thousands)	Number of Taxpayers	Amount (\$ Thousands)	Amount (\$ Thousands)
1991	Clearinghouse & Commercial	17	\$202,564	33	\$1,578,787	208	\$523,154	\$2,304,505
	Other Banks*	7	19,217	3	5,307	216	167,547	192,071
	<b>Total</b>	<b>24</b>	<b>\$221,781</b>	<b>36</b>	<b>\$1,584,094</b>	<b>424</b>	<b>\$690,701</b>	<b>\$2,496,576</b>
1992	Clearinghouse & Commercial	18	\$329,417	32	\$1,847,446	197	\$538,891	\$2,715,754
	Other Banks	6	6,092	3	1,665	211	243,173	250,930
	<b>Total</b>	<b>24</b>	<b>\$335,509</b>	<b>35</b>	<b>\$1,849,111</b>	<b>408</b>	<b>\$782,064</b>	<b>\$2,966,684</b>
1993	<b>All Banks**</b>	<b>24</b>	<b>\$352,566</b>	<b>30</b>	<b>\$1,685,520</b>	<b>412</b>	<b>\$913,640</b>	<b>\$2,951,726</b>
1994	Clearinghouse & Commercial	18	\$191,438	32	\$5,348,465	225	\$817,858	\$6,357,761
	Other Banks	8	6,386	3	2,424	211	269,424	278,234
	<b>Total</b>	<b>26</b>	<b>\$197,824</b>	<b>35</b>	<b>\$5,350,889</b>	<b>436</b>	<b>\$1,087,282</b>	<b>\$6,635,995</b>
1995	Clearinghouse & Commercial	19	\$281,813	35	\$4,190,234	211	\$775,711	\$5,247,758
	Other Banks	7	6,381	12	14,314	210	276,868	297,563
	<b>Total</b>	<b>26</b>	<b>\$288,194</b>	<b>47</b>	<b>\$4,204,548</b>	<b>421</b>	<b>\$1,052,579</b>	<b>\$5,545,321</b>

\* "Other" banks include foreign banks, savings banks and savings and loan associations.

\*\* To maintain confidentiality, all bank categories were aggregated in the 1993 tax year.

Figure 13: Special Deductions for Article 32 Taxpayers - Amount Claimed: 1991-1995



Figures 14 and 15 show the portion of the total amount of special deductions claimed by type of deduction for clearinghouse and commercial banks and other banks from 1991 through 1995. In 1991 and 1995, the deduction for dividend income and gains/losses from subsidiary capital represented 68.5 percent and 79.9 percent, respectively, of the total amount of special deductions for the clearinghouse and commercial banks category. In contrast, the deduction for interest on government obligations represented 87.2 percent in 1991 and 93.0 percent in 1995 of the total amount of special deductions claimed for other banks.

Figure 14: Special Deductions by Bank Type - Amount Claimed: 1991

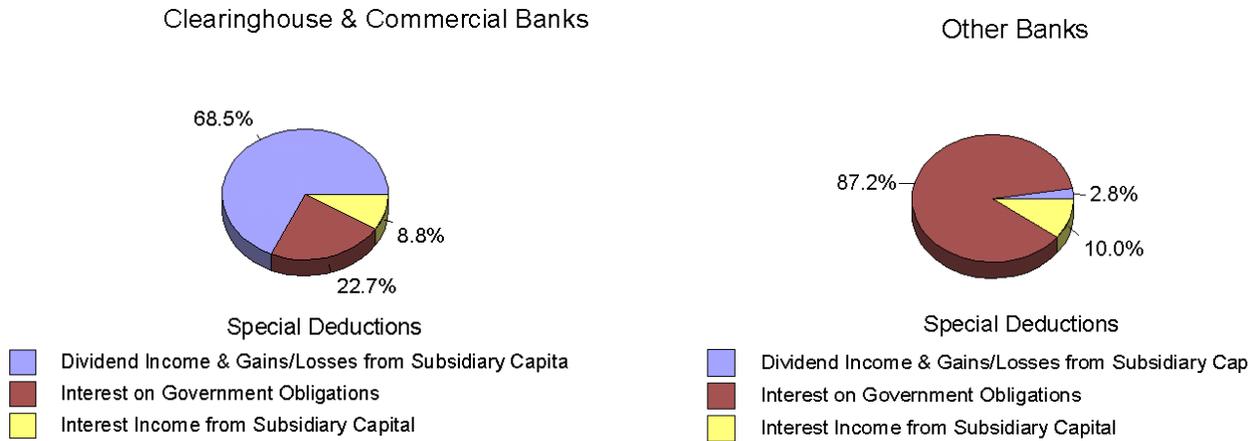
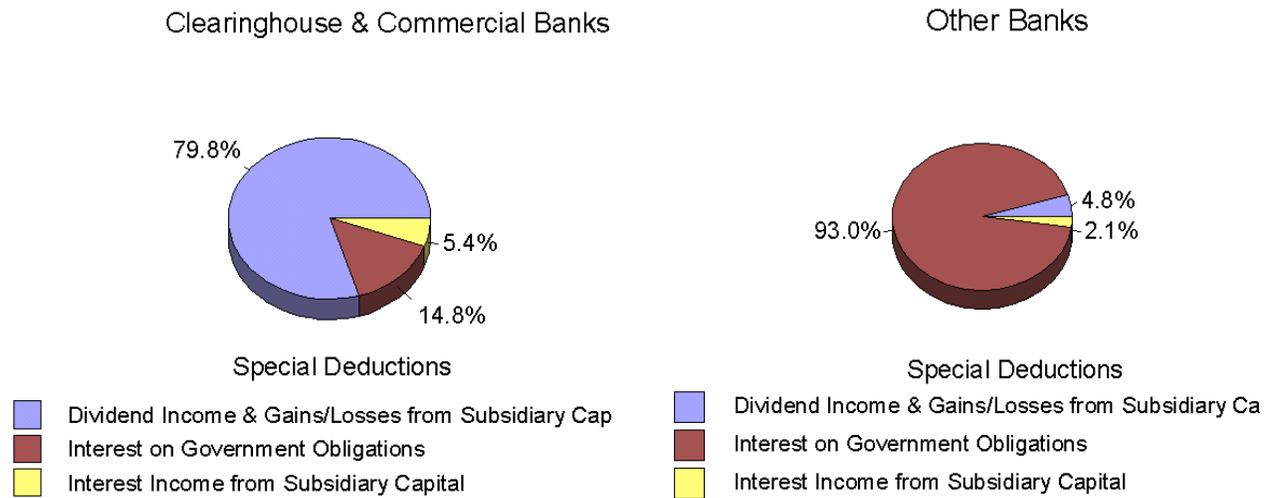


Figure 15: Special Deductions by Bank Type - Amount Claimed: 1995



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## Endnotes

1. For more information regarding trends in bank tax liability before and after the 1985 bank tax reform, see Franchise Tax on Banking Corporations: Analysis of Tax Return and Audit Data, Office of Tax Policy Analysis, New York State Department of Taxation and Finance, April 1995.
2. Article 32 does not require banks to add back expenses related to exempt income.

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# Article 33: Corporate Franchise Tax on Insurance Companies

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## Tax Structure: Tax Law as of 1995

New York imposes a franchise tax on insurance companies under Article 33 of the Tax Law. The tax has two components. The first component is based on the higher of four alternative bases, plus a .08 percent tax rate applied to allocated subsidiary capital. The four bases and applicable tax rates include:

- 9 percent of allocated entire net income; or
- 0.16 percent of allocated business and investment capital; or
- 9 percent of allocated income and officers' salaries; or
- a minimum tax of \$250.

The second component is a tax on gross premiums, less return premiums thereon, written on risks located or resident in New York. Different tax rates apply to premiums written by life insurers and property and casualty insurers. Premiums received by corporations licensed as life insurers, including premiums on accident and health contracts, are taxed at a rate of 0.8 percent. Premiums written by corporations licensed as property and casualty insurers are taxed at the rate of 1.3 percent. However, premiums received by property and casualty insurers on accident and health contracts are taxed at the rate of 1.0 percent.

For corporations doing business within and without the State, the bases in the first component of the tax are allocated to New York, with the exception of the fixed dollar minimum. The apportionment formula uses weighted ratios of premiums (with a weight of nine) and wages (with a weight of one), earned or paid in New York to those earned or paid everywhere.

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In computing the Article 33 tax, insurance corporations add the tax on gross premiums to the highest of the four alternative taxes. The total tax liability of the two components less economic development zone (EDZ) and zone equivalent area (ZEA) credits cannot exceed 2.6 percent of taxable premiums. The limitation equals 2 percent for life insurers. Taxpayers may then claim other credits against the total tax liability.<sup>1</sup>

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Significant Tax Law Changes: 1994 and 1995

There were no significant tax law changes either in 1994 or 1995 that would affect the data or analysis presented.

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Statistical Summary: Comparison of 1994 Versus 1995

This section provides tax return data for tax years 1994 and 1995. Tables 23 through 26 provide statistics for four separate categories of insurance companies and for all insurance companies. The four categories include life insurance companies, property and casualty insurance companies, other insurance companies (accident and health, title, mortgage and financial guaranty and reciprocal insurers), and savings banks.

Tax Liability Before Limitation and Credits

*Number of Taxpayers*

As shown in Table 23, the number of insurance companies subject to Article 33 increased from 772 in 1994 to 796 in 1995. In 1994 and 1995, property and casualty insurers represented 70 percent of total Article 33 taxpayers. This group of taxpayers increased overall in number from 540 in 1994 to 552 in 1995. This increase was primarily in the domestic property and casualty insurers category, which increased from 137 to 151 (see Table 24).

Table 23 also shows that life insurers were the second largest group of Article 33 taxpayers. The number of life insurers increased from 144 in 1994 to 149 in 1995, but continued to represent 19 percent of all Article 33 taxpayers. During the same period, the two remaining categories of Article 33 taxpayers, others and savings banks, together accounted for 11 percent of the total in 1994 and 12 percent in 1995.

### *Tax Liability Before Limitation and Credits*

Table 23 shows that the tax, before the 2.6 percent of gross premiums limitation and credits, increased from \$626.8 million to \$810 million between 1994 and 1995. This represented an increase of \$183 million or 29 percent during this period.

Between 1994 and 1995, the share of tax liability of property and casualty insurers dropped from 61 percent to 57.2 percent. During this period, the percentage of tax liability of life insurers increased from 33.7 percent to 36.7 percent. The tax liability of the remaining categories of insurers represented between 5 and 6 percent of total liability.

**Table 23: Article 33 Tax Liability Before Limitation and Credits - 1994 and 1995**

Tax Year	Insurance Category	Number of Taxpayers	Tax Liability Before Limitation & Credits	Share of Total Insurance Tax Liability (%)
1994	Life	144	\$211,065,858	33.7
	Property & Casualty	540	382,139,312	61.0
	Others	58	32,277,328	5.1
	Savings Bank	30	1,327,092	0.2
	<b>Total</b>	<b>772</b>	<b>\$626,809,590</b>	<b>100.0</b>
1995	Life	149	\$297,337,557	36.7
	Property & Casualty	552	463,615,055	57.2
	Others	68	47,902,088	5.9
	Savings Bank	27	1,113,899	0.1
	<b>Total</b>	<b>796</b>	<b>\$809,968,599</b>	<b>100.0</b>

Note: The business tax surcharge does *not* apply to tax liability before limitation and credits.

Table 24 shows that foreign insurers accounted for about two thirds of the Article 33 population in 1994 and 1995. Property and casualty insurers had the greatest ratio of foreign to domestic insurers. In 1994 and 1995, domestic insurers exceeded foreign insurers in the life and savings bank categories.

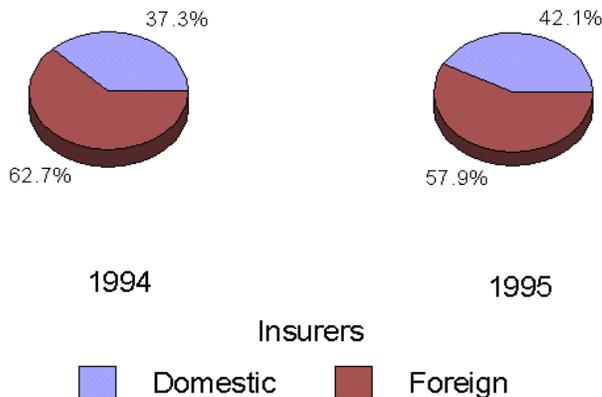
Figure 16 shows that foreign insurers represented 62.7 percent and 57.9 percent of total Article 33 tax liability in 1994 and 1995, respectively. Table 24 indicates that this distribution is attributable to foreign property and casualty insurers, which represented 75 and 65 percent respectively, of foreign insurers' liability in 1994 and 1995.

**Table 24: Article 33 Tax Liability of Domestic and Foreign Insurers Before Limitation and Credits - 1994 and 1995**

Tax Year	Insurance Category	Number of Domestic Companies	Liability of Domestic Companies	Number of Foreign Companies	Liability of Foreign Companies
1994	Life	81	\$118,592,861	63	\$92,472,997
	Property & Casualty	137	92,543,236	403	289,596,076
	Others	25	21,170,346	33	11,106,982
	Savings Bank	30	1,327,092	0	0
	<b>Total</b>	<b>273</b>	<b>\$233,633,535</b>	<b>499</b>	<b>\$393,176,055</b>
1995	Life	85	\$151,673,178	64	\$145,664,379
	Property & Casualty	151	154,500,764	401	309,114,291
	Others	29	33,862,531	39	14,039,557
	Savings Bank	27	1,113,899	0	0
	<b>Total</b>	<b>292</b>	<b>\$341,150,372</b>	<b>504</b>	<b>\$468,818,227</b>

Note: The business tax surcharge does *not* apply to tax liability before limitation and credits.

**Figure 16: Distribution of Article 33 Tax Liability Between Domestic and Foreign Insurers - 1994 and 1995**



**Tax Liability by Basis of Tax**

*Percentage of Tax from Premiums and "Income" Bases*

While both bases grew year over year, \$174 million of the \$183 million aggregate increase in liability was attributable to the income base.

As illustrated in Table 25, the premiums base, as a percent of total Article 33 tax liability before application of the tax limitation and credits, decreased from 55.6 percent in 1994 to 44.2 percent in 1995.

Between 1994 and 1995, the premiums base, as a percentage of total tax liability, decreased from 61.5 percent to 51 percent for property and casualty insurers. For life insurers, this share dropped from 47 percent in 1994 to 35 percent in 1995.

**Table 25: Article 33 Tax Liability by Base of Tax Before Limitation and Credits - 1994 and 1995**

Tax Year	Insurance Category	Amount of Premiums Based Tax	Percent of Tax from Premiums Base	Amount of Income Based Tax	Percent of Tax from Income Base
1994	Life	\$99,187,850	47.0	\$111,878,009	53.0
	Property & Casualty	234,952,746	61.5	147,186,566	38.5
	Others	13,426,895	41.6	18,850,433	58.4
	Savings Bank	737,099	55.5	589,993	44.5
	<b>Total</b>	<b>\$348,304,590</b>	<b>55.6</b>	<b>\$278,505,000</b>	<b>44.4</b>
1995	Life	\$104,187,706	35.0	\$193,149,851	65.0
	Property & Casualty	236,338,309	51.0	227,276,746	49.0
	Others	16,475,535	34.4	31,426,553	65.6
	Savings Bank	777,174	69.8	336,725	30.2
	<b>Total</b>	<b>\$357,778,724</b>	<b>44.2</b>	<b>\$452,189,875</b>	<b>55.8</b>

Note: The business tax surcharge does *not* apply to tax liability before limitation and credits.

## Tax Liability After Limitation and Credits

### *Tax Limitation*

As shown in Table 26, the number of taxpayers whose tax liability was “capped” at 2.6 percent of gross premiums increased from 277 in 1994 to 328 in 1995. During this period the value of the cap, or the limitation on tax liability, for all Article 33 taxpayers increased from \$117.5 million in 1994 to \$201.3 million in 1995. In 1995, property and casualty insurers received nearly 57 percent of the benefit of the limitation.

### *Tax Credits*

The number of taxpayers using credits increased from 296 in 1994 to 303 in 1995. The amount of credits used by taxpayers equaled nearly \$91 million in the 1994 tax year and decreased to nearly \$66 million in the 1995 tax year. As illustrated in subtable 26, this decrease was entirely attributable to a \$25 million decrease in the amount of the retaliatory tax

credit used by life insurers, and a \$3 million decrease by property and casualty insurers.

The retaliatory tax credit, which may be used only by domestic taxpayers, represented the largest portion of total credits used by life insurers in 1994 and 1995. In contrast, the retaliatory tax credit represented a smaller portion of total credits used by property and casualty insurers for the same years. This may be attributable to the high proportion of foreign to domestic property and casualty insurers.

*Tax Liability After Tax Limitation and Credits*

Table 26 and Figure 17 also show that tax liability after limitation and credits equaled \$481.2 million and \$583 million in the 1994 and 1995 tax years respectively.

**Table 26: Article 33 Tax Liability After Limitation and Credits - 1994 and 1995**

Tax Year	Insurance Category	Tax Limitation		Total Tax Credits 1/		Limitation & Tax Credits	After Limitation & Tax Credits
		Number of Taxpayers	Amount of Limitation	Number of Taxpayers 2/	Amount of Tax Credits		
1994	Life	56	\$31,864,662	26	\$48,700,245	\$80,564,907	\$150,076,094
	Property & Casualty	194	75,513,083	263	40,971,466	116,484,549	305,502,977
	Others 3/	27	10,100,486	7	1,236,764	11,337,250	25,607,246
	<b>Total</b>	<b>277</b>	<b>\$117,478,231</b>	<b>296</b>	<b>\$90,908,475</b>	<b>\$208,386,706</b>	<b>\$481,186,317</b>
1995	Life	71	\$67,807,449	31	\$23,705,603	\$91,513,052	\$221,261,343
	Property & Casualty	221	114,570,869	263	39,970,569	154,541,438	332,254,138
	Others 3/	36	18,967,704	9	2,607,155	21,574,859	29,499,212
	<b>Total</b>	<b>328</b>	<b>\$201,346,022</b>	<b>303</b>	<b>\$66,283,327</b>	<b>\$267,629,349</b>	<b>\$583,014,693</b>

1/ Total credits includes the retaliatory tax credit, job incentive credit, EDZ wage and capital credits, ZEA credits, fire premiums credit and the mortgage recording tax credit.

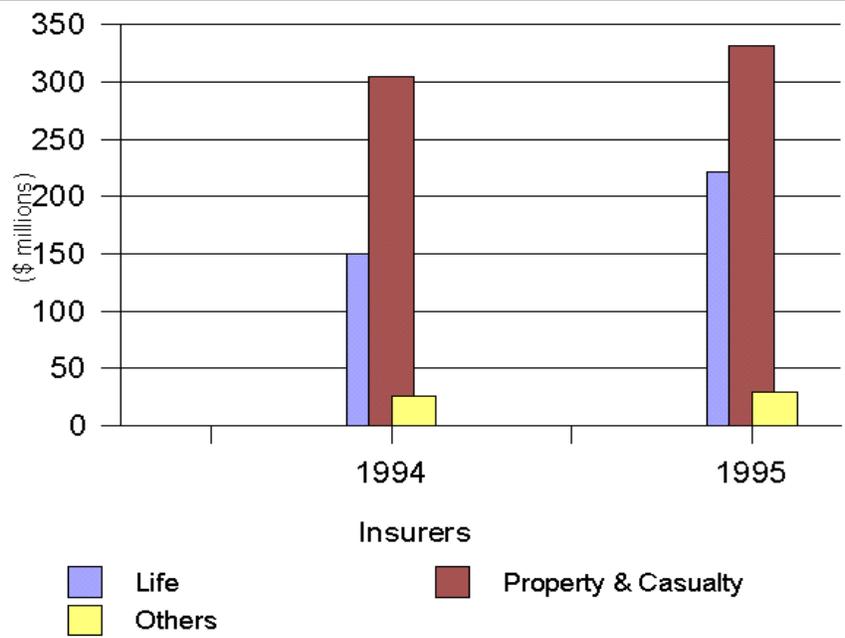
2/ The number of taxpayers displayed in the "Total Credits" column reflects the number of taxpayers taking individual credits. Because taxpayers may use multiple credits, the same taxpayer may be included in this column more than once.

3/ In order to maintain confidentiality, savings banks were included in the "others" category.

The number of life and property and casualty insurers using the retaliatory credit and the amount used equaled:

Tax Year	Retaliatory Tax Credit: Number of Taxpayers and Amount of Credit Used - 1994 and 1995			
	Life Insurers		Property & Casualty	
	Number of Taxpayers	Amount of Credit Used	Number of Taxpayers	Amount of Credit Used
1994	23	\$46.9 m	56	\$15.2 m
1995	29	\$21.8 m	46	\$12.1 m

Figure 17: Distribution of Article 33 Tax Liability After Limitation and Credits - 1994 and 1995



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# Endnotes

1. Insurance companies may claim the following credits under Article 33: economic development zone wage and capital credits and zone equivalent area wage credits (Tax Law Sections 1511(g)(h)); life insurance company guarantee fund assessment credit (Tax Law Section 1511(f)); special additional mortgage recording tax credit (Tax Law Section 1511(e)); eligible business facilities credit (Tax Law Section 1511(d)); retaliatory tax credit (Tax Law Section 1511 (c)); and fire insurance tax credit (Tax Law Section 1511(a)).

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# Focus Section: Income Base Analysis by Type of Insurer - 1994 and 1995

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## Purpose

The focus section for Article 33 presents a base analysis of insurers for 1994 and 1995. These include life insurance companies, property and casualty insurers, and others. For each insurer category, the profiles include the number of taxpayers and the total liability attributable to the highest of four alternative income bases, plus subsidiary capital. To protect taxpayer confidentiality, data presented for both 1994 and 1995 aggregate two categories - others and savings banks. In addition, data presented for 1995 combine the life insurers with the “others” category.

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## Description of Alternative Bases (Income Bases)

An insurance corporation’s tax liability under the income bases is determined by the alternative that results in the highest tax, plus a tax on subsidiary capital. The four bases and the applicable tax rates include:

- 9 percent of allocated entire net income (ENI);
- 0.16 percent of allocated business and investment capital; or
- 9 percent of allocated income and officers’ salaries; or
- a \$250 minimum tax; plus
- 0.08 percent of allocated subsidiary capital.

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## Base Analysis: 1994 and 1995

For 1994 and 1995, Table 27 displays tax liability by type of insurer and by basis of tax. The amounts reported under the basis categories equal the highest of the four alternative bases, plus the tax on subsidiary capital. The table shows that total liability for all bases equaled \$278.5 million in 1994 and \$452.2 million in 1995.

Figure 18 shows that, of the four alternatives, the ENI base was the highest for over two thirds of taxpayers in 1994 and 1995. For these same two tax years, the capital base was the highest of the four bases for

Figure 18 shows that, of the four alternatives, the ENI base was the highest for over two thirds of taxpayers in 1994 and 1995. For these same two tax years, the capital base was the highest of the four bases for about 20 percent of taxpayers. Finally, the income and officers salaries base and the minimum tax base together represented the highest base for only about 10 percent of Article 33 taxpayers.

Table 27: Distribution of Article 33 Liability Before Limitation and Credits by Basis - 1994 and 1995

Tax Year	Type of Insurer	Basis									
		Number	ENI	Number	Capital	Number	Officers' Salaries	Number	Min. Tax	Number	Total 3/
1994	Life	106	\$107,183,497	31	\$4,601,175	3	\$92,337	4	\$1,000	144	\$111,878,009
	Property and Casualty	353	140,540,540	130	6,394,761	6	230,175	51	21,080	540	147,186,556
	Others 1/	56	18,991,691	20	418,216	4	28,476	8	2,043	88	19,440,426
	<b>Total</b>	<b>515</b>	<b>\$266,715,728</b>	<b>181</b>	<b>\$11,414,152</b>	<b>13</b>	<b>\$350,988</b>	<b>63</b>	<b>\$24,123</b>	<b>772</b>	<b>\$278,504,991</b>
1995	Life & Others 2/	167	\$219,511,740	59	\$5,238,466	7	\$159,938	11	\$2,987	244	\$224,913,131
	Property and Casualty	378	222,775,255	104	4,343,168	7	47,797	63	110,526	552	227,276,746
	<b>Total</b>	<b>545</b>	<b>\$442,286,995</b>	<b>163</b>	<b>\$9,581,634</b>	<b>14</b>	<b>\$207,735</b>	<b>74</b>	<b>\$113,513</b>	<b>796</b>	<b>\$452,189,877</b>

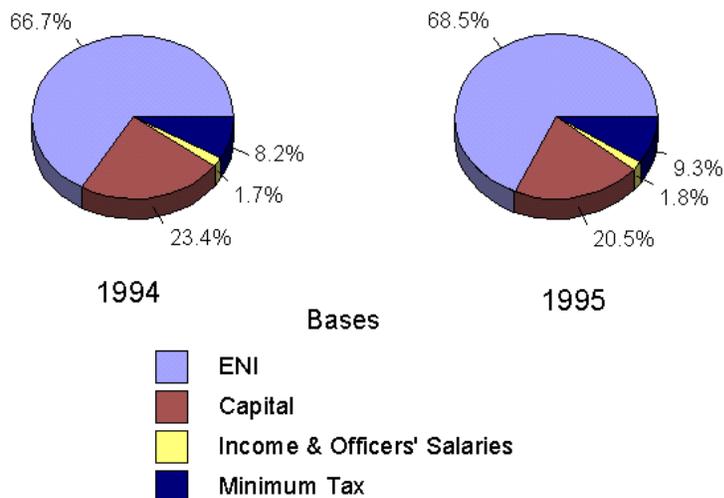
1/ The "Others" Category includes accident and health, title, guarantee and reciprocal insurers, and savings banks.

2/ Others and life insurers were combined to protect taxpayer confidentiality.

3/ Numbers presented in this column may not be the same as those presented in Table 25 due to rounding.

Note: The business tax surcharge does not apply to tax liability before limitation and credits.

Figure 18: Distribution of Article 33 Taxpayers by Basis - 1994 and 1995

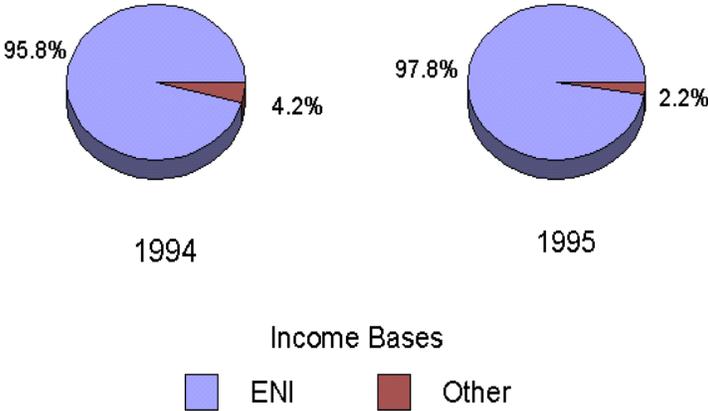


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Figure 19 shows that ENI liability accounted for nearly 96 percent of base liability in 1994 and almost 98 percent in 1995. The other bases (capital, income and officers salaries, and minimum tax) represented the remaining portion of this liability for each year.

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Figure 19: Distribution of Article 33 Income Base Liability - 1994 and 1995



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# Appendix A: Description of Terms and Data and Data Sources

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Appendix A describes the terms and data used in the tables and charts by tax law section, as well as the data sources used in this report.

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## Description of Terms and Data

To assist readers in interpreting the tables and charts, the terms used are discussed below. In some tables, total dollar amounts may not equal 100 percent due to rounding.

### *Article 9-A*

## Table Terms

### Finance, Insurance and Real Estate

This industry designation excludes banks taxable under Article 32 and insurance companies taxable under Article 33.

### Not Classified

The term “Not Classified” that appears in tables profiling corporations by industry, represents those corporations whose returns did not indicate an industry code and an appropriate code could not be assigned based upon the information submitted with the returns.

### Transportation/Communications/Public Utilities

This industry designation excludes transportation, communications and public utility companies taxable under Article 9 of the Tax Law.

## Data Terms/Descriptions

### Primary Tax Basis

The tax basis on which the taxpayer paid, after the application of all available credits. The law includes four bases: entire net income, capital, fixed dollar minimum and alternative minimum taxable income.

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Tax Liability

Tax liability data include the business tax surcharge and the tax on subsidiary capital. It does not include the MTA surcharge.

*Article 9*

Table Terms

Liability Data

This represents the sum of the post-credit liability for each separate taxpayer filing a return. These data are shown in the aggregate, and for each sector of industry, for the selected tax sections of Article 9. The data also include the respective shares that each sector of industry represents in relation to all taxpayers.

Number of Taxpayers

This represents the actual number of tax returns filed for each tax year, although these data may not include some late filed returns. Data are compiled in the aggregate, by sector of industry. The data also include the respective shares that each sector of industry represents in relation to the total number of taxpayers.

Data Terms/Descriptions

Data Aggregation

Some data (both number of taxpayers and tax liability) have been aggregated based on the product sold which is subject to Article 9. For example, the real estate industry has been combined with the electric and gas industry under Section 186-a. This is because the real estate industry, which includes large New York City apartment complexes, resembles the electric and gas industry in providing metered heat and other services to tenants and other customers. Similarly, the hotel industry has been combined with the telephone and telegraph industry because it charges customers for placing telephone calls.<sup>1</sup> Other categories have been combined for confidentiality reasons. The pipeline sales category has been combined with the miscellaneous/unidentified category. In addition, for 186-e taxpayers, the stock exchange category has been combined with "other."

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### Data Classification

Taxpayers are classified according to Principal Industry Activity (PIA)<sup>2</sup> and Standard Industrial Classification (SIC) codes appropriate for their industry groups. Taxpayers self-report appropriate PIA or SIC codes on their tax returns. These codes identify the general type of business activity in which the entity is engaged (e.g., pipelines, telephone and telegraph, railroads, or electricity and gas). However, taxpayers often fail to provide this information.

In addition, these codes were revised several times in the last two decades. As a result, taxpayers frequently report outdated codes. For tax years 1991-1992, an initial attempt to place taxpayers into selected industry groups was performed by reviewing taxpayer names. Even then, a large number of taxpayers remained unidentified. These taxpayers were grouped with miscellaneous taxpayers in presenting these data. Beginning in tax year 1993, data collection techniques and methodologies improved significantly, especially in the area of classifying taxpayers with missing codes. Some taxpayers remain unidentified. As previously noted, these taxpayers were grouped with miscellaneous taxpayers.

The associated liability is quite small for those taxpayers who cannot be identified by industry group. Because some of the taxpayer universe remains unidentified, only general comparisons can be made between industry sectors for each particular tax. This caveat applies to both the number of taxpayers and liability data.

### 186-e Data

This report includes 186-e data for 1995 only. Section 186-e became effective on January 1995. Prior to 1995, telecommunications services were taxable under Section 186-a. Caution should be exercised in making comparisons. Changes in the law altered the tax base and the apportionment methodology. These issues will diminish in future reports.

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*Article 32*

Table Terms

Clearinghouse Banks

Clearinghouse banks are financial institutions that are members of the New York Clearing House Association. As members of this Association, their functions include handling daily fund exchanges from other clearinghouse banks and settling exchanges.

Commercial Banks

Commercial banks are institutions that are not classified as clearinghouse banks, foreign banks, savings banks or savings and loan associations. Banks included in this category are domiciled in the United States.

Foreign Banks

Foreign banks are commercial banks headquartered outside the United States or its possessions with nexus in New York State.

Savings Banks

Savings banks are depository financial institutions that primarily accept consumer deposits and make home mortgage loans.

Savings and Loan Associations

Savings and loan associations are depository financial institutions that receive deposits primarily from consumers and hold most of their assets as home mortgage loans.

Data Terms/Descriptions

Alternative Bases

For confidentiality reasons, the taxable assets and alternative entire net income bases are aggregated in the tables. They are referred to in the tables as alternative bases.

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### Allocated Entire Net Income (ENI)

Allocated ENI refers to the New York portion of ENI. Taxpayers determine the amount of ENI attributable to New York using formula apportionment.

### Number of Banks

This count refers to each filing entity as a single bank, regardless of whether the bank files a separate return or as part of a combined/consolidated group.

### Tax Credits Used

The credit data are limited to credits used on the taxpayer's return. They do not reflect credits earned but not used, or balances of unused credits.

## Tax Credits

### Economic Development Zone and Zone Equivalent Area Credits

Taxpayers may qualify for credits for making certain investments and creating jobs in Economic Development Zones and Zone Equivalent Areas. Unused credits may be carried forward indefinitely.

### Job Incentive Credit

A credit is allowed to the owner or operator of a business establishment which has been certified for eligibility by the New York State Job Incentive Board (prior to April 1, 1983) or the State Tax Commission (subsequent to April 1, 1983). An eligible business facility is a facility which is located in an eligible area and creates or retains at least five jobs. This credit may not be carried forward to future taxable years. The credit expires for tax years beginning on or after January 1, 2000.

### Mortgage Servicing Tax Credit

A credit is allowed for servicing mortgages acquired by the State of New York Mortgage Agency (SONYMA). The credit value varies by dwelling size and the amount of the mortgage.

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### Special Additional Mortgage Recording Tax Credit

A corporation may claim a credit for the New York special additional mortgage recording tax paid on mortgages recorded on or after January 1, 1979. Taxpayers may carry forward the unused mortgage recording tax credit to future tax years. Mortgages on certain property, such as property in the Metropolitan Commuter Transportation District and Erie County, are ineligible for the credit.

### *Article 33*

#### Table Terms

### Domestic Companies

Domestic insurance companies are companies incorporated or organized in New York State.

### Foreign Companies

Foreign insurance companies are companies incorporated or organized in any other state, U.S. possession, nation, territory, or province.

### Life Insurance Companies

Life insurance companies include companies authorized by the Superintendent of Insurance to do an insurance business consisting of either insuring the lives of human beings or providing annuity contracts.

### Others

This category includes insurance companies authorized by the Superintendent of Insurance to write accident and health insurance, title insurance, mortgage and financial guaranty insurance, or reciprocal insurance.

### Property and Casualty Insurance Companies

Property and casualty insurance companies include companies authorized by the Superintendent of Insurance to write insurance against the loss of, or damage to, property.

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Savings Banks

Officers and employees of savings banks may be authorized by the Superintendent of Insurance to negotiate, order, solicit, or procure applications or orders for life insurance or annuity contracts.

Data Terms/Descriptions

Income Base Tax

The “Income Base Tax” category in applicable tables is defined as the higher of four alternative bases, plus a tax on subsidiary capital.

Fixed Dollar Minimum Taxpayers

All tables exclude “true” fixed dollar minimum taxpayers. These taxpayers were liable only for the fixed dollar minimum tax of \$250, without subsidiary capital or premiums based taxes. In the 1994 and 1995 tax years, 138 and 148 taxpayers paid the fixed dollar minimum tax, respectively. This represented total tax liability of \$34,500 in 1994 and \$37,000 in 1995.

Number of Taxpayers

This count refers to each filing entity as a single insurance company, regardless of whether the company files a separate return or as part of a combined/consolidated group.

Tax Credits

Economic Development Zone Credits

Taxpayers may qualify for credits for making certain investments and creating jobs in Economic Development Zones and Zone Equivalent Areas. Unused credits may be carried forward indefinitely.

Fire Insurance Tax Credit

Taxpayers may take a credit for additional taxes on premiums written by corporations organized in another state or country for any insurance against loss or damage by fire, paid by foreign fire insurance companies and foreign mutual fire insurance companies. These taxes are imposed under the Insurance Law. Unused credits may not be carried forward.

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### Job Incentive Credit

A credit is allowed to the owner or operator of a business establishment which has been certified for eligibility by the New York State Job Incentive Board (prior to April 1, 1983) or the State Tax Commission (subsequent to April 1, 1983). An eligible business facility is one which is located in an eligible low-income area and creates or retains at least five jobs. The credit sunsets for tax years beginning on or after January 1, 2000.

### Limitation on Tax

Article 33 provides a “cap,” or limitation, on total tax liability of an insurance company which equals 2.6 percent of gross premiums.

### Retaliatory Tax Credit

Taxpayers domiciled or organized in New York may take a credit for up to 90 percent of any retaliatory taxes paid to other states as a result of New York State-imposed taxes on insurers domiciled or organized in those states. Taxpayers may elect to have the unused credit refunded or carried forward to future tax years.

### Special Additional Mortgage Recording Tax Credit

Taxpayers may take a credit equal to special additional mortgage recording tax paid on mortgages recorded on or after January 1, 1979, on property located in New York. Mortgages on certain property, such as property in the Metropolitan Commuter Transportation District and Erie County, are ineligible for the credit. Any unused credit may be carried forward and used in subsequent years.

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## Data Sources

### *Article 9-A*

All tax statistics provided in this section of the report come from the Article 9-A Office of Tax Policy Analysis (OTPA) Study File and Minimum Tax File. These files include data collected from Article 9-A corporate franchise tax returns for the liability year to which the study and minimum tax files pertain. These data files include all timely filed and amended returns available at the time the study file is created. Although the presented data are prior to audit, OTPA staff may adjust

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taxpayer provided information for items failing the Office's verification program.

*Article 9*

The data come from the Department of Taxation and Finance's Corporation Master Files. A contracted processing bank provided the original data. All returns have been subjected to a basic calculations check necessary for verifying tax liability. However, the data are neither manually reviewed nor are missing data computed and added to the file. Therefore, these data are less reliable than that available from OTPA's other tax liability study files. Also, these data are extracted from the Department's Master File, as the file existed at a point in time, and may not include audit adjustments or amended or late filed returns.

*Article 32*

All tax statistics provided in this section of the report come from the Article 32 Office of Tax Policy Analysis (OTPA) Study File. This study file includes data collected from Article 32 banking franchise tax returns for the liability year to which the study file pertains. This data file includes all timely filed and amended returns available at the time the study file is created. Although the presented data are prior to audit, OTPA staff may adjust taxpayer provided information for items failing the Office's verification program.

*Article 33*

All tax statistics provided in this section come from data contained on insurance tax returns. The tables are a tabulation of a database of all insurance returns reviewed by OTPA. The data are collected and verified by OTPA for mathematical accuracy. Missing data are added where information exists. The database includes all timely filed and amended returns available at the time the database is created. Although the presented data are prior to audit, OTPA staff may adjust taxpayer provided information for items failing the Office's verification program.

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## Endnotes

1. Section 186-a constitutes a small portion of tax liability for the real estate and hotel industries. Such businesses are more commonly taxed under other articles of the tax law.
2. The Internal Revenue Service (IRS) asks taxpayers to identify their principal business activity using these codes for federal tax purposes.

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# Appendix B: Glossary

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Appendix B provides a glossary of terms used in this report.

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Liability Year -  
Articles 9A, 32, 33

Liability year corresponds to the corporate franchise tax return filing period. A liability year includes returns filed by taxpayers with business operating years that end between December 31 of the current year, and November 30 of the subsequent year. For example, the 1995 liability year data used in this analysis encompasses tax years for calendar and fiscal year taxpayers with business operating years ending December 1995 through November 1996.

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Liability Year -  
Article 9

All Article 9 taxpayers file on a calendar year basis.

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MTA Surcharge

The report does not include the 17 percent temporary franchise tax surcharge imposed on taxpayers operating in the Metropolitan Commuter Transportation District (MCTD). The MCTD includes the counties of New York, Bronx, Kings, Queens, Richmond, Dutchess, Nassau, Orange, Putnam, Rockland, Suffolk, and Westchester. Data users cannot determine the value of the MCTD surcharge from the statistical tables because tax liability data for business activity conducted in the MCTD is not readily available. Legislation enacted in 1995 extended the MTA surcharge two years, through taxable years ending before December 31, 1997. For gas importers under Article 9, the surcharge was extended through taxable years ending on or before June 30, 1997.

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Temporary Business  
Tax Surcharge

The tax statistics presented in this report include the temporary business tax surcharge. Beginning in 1990, the surcharge rate equaled 15 percent and applied to the post-credit liability of Articles 9-A, 9, 32 and 33 taxpayers. For Articles 9-A, 32 and 33 taxpayers, the surcharge was reduced to 12.5 percent for tax years ending after June 30, 1994 and before July 1, 1995. The surcharge decreased to 7.5 percent for tax years ending after June 30, 1995 and before July 1, 1996. It was further

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reduced to 2.5 percent for tax years ending after June 30, 1996 and before July 1, 1997. The surcharge was reduced to 0 percent after this date. For Article 9 taxpayers, the surcharge was reduced to 12.5 percent beginning in tax year 1994, to 7.5 percent beginning in tax year 1995 and to 2.5 percent beginning in tax year 1996. It fell to 0 percent after 1996.

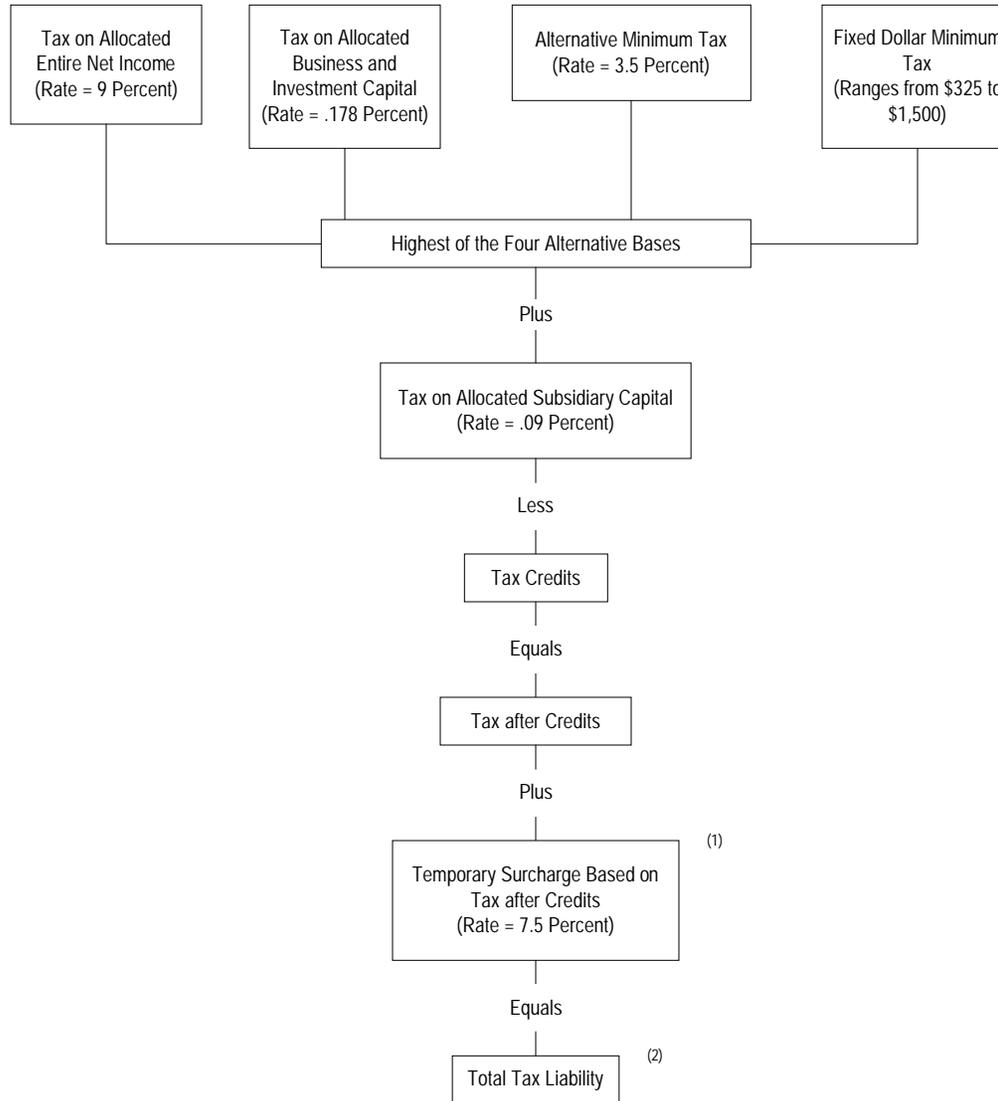
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# Appendix C: Descriptive Charts of the Calculation of Tax Liability for Articles 9-A, 32 and 33

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Appendix C contains descriptive charts of the calculation of tax liability for Articles 9-A, 32 and 33. The charts reflect the 1995 Tax Law. Article 9 has not been included due to its complexity and the taxation of different sections under the Tax Law. For more information on the taxation of these Articles, see New York State Tax Sourcebook issued by the Office of Tax Policy Analysis.

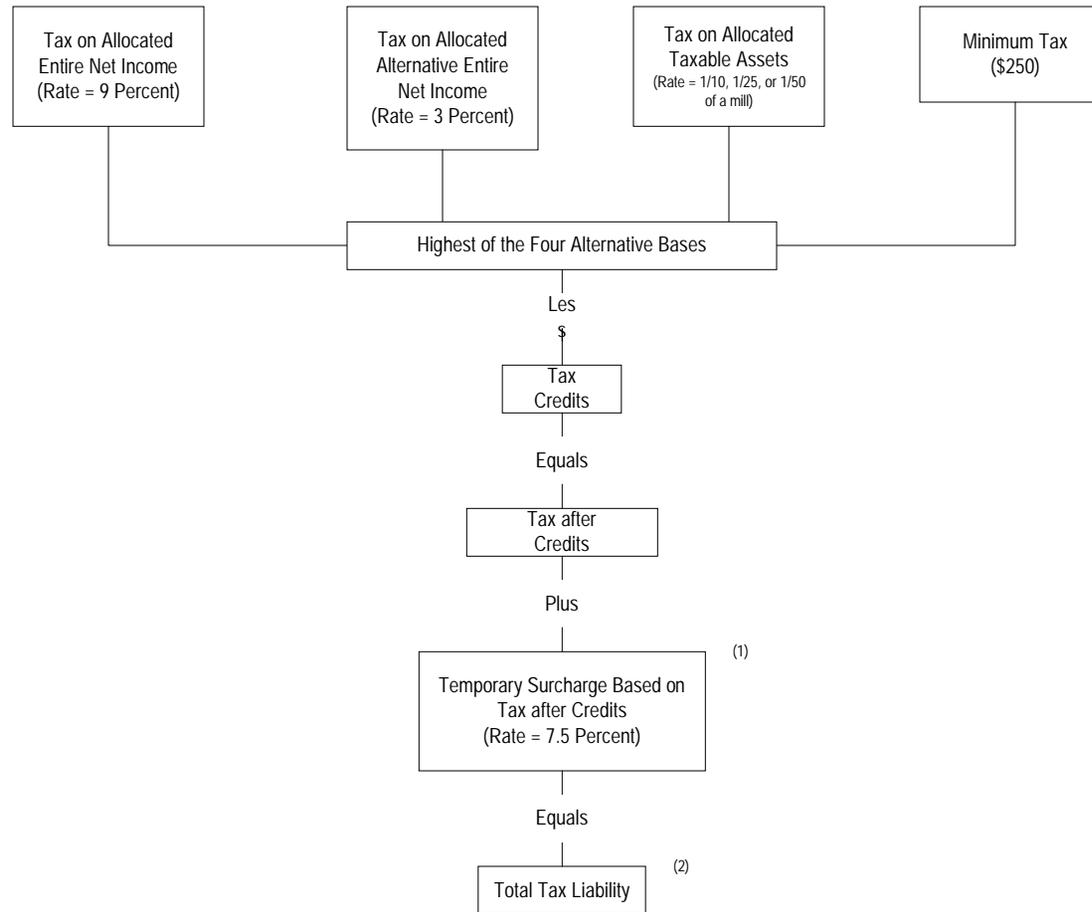
## Corporation Franchise Tax on General Business Corporations Article 9-A 1995



(1) The rate of the surcharge equals 7.5 percent for taxable years ending before July 1, 1996. The surcharge decreased to 2.5 percent for tax years ending after June 30, 1996 and before July 1, 1997.

(2) Corporations doing business in the Metropolitan Commuter Transportation District (MCTD) are subject to a 17 percent surcharge on the portion of total tax liability allocable to activities within the MCTD.

## Corporation Franchise Tax on Banking Corporations Article 32 1995

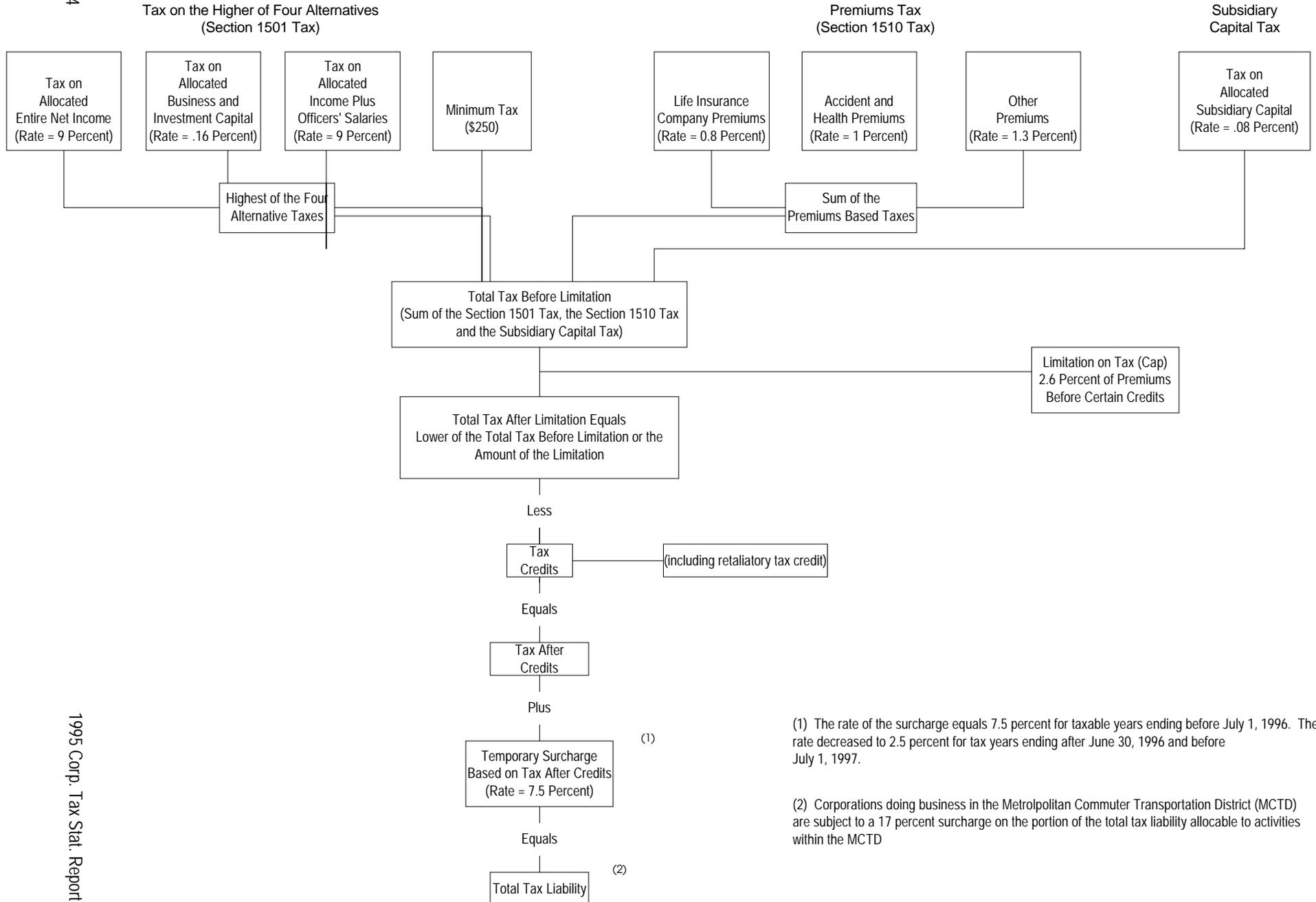


(1) The rate of the surcharge equals 7.5 percent for taxable years ending before July 1, 1996. The surcharge decreased to 2.5 percent for taxable years ending after June 30, 1996 and before July 1, 1997.

(2) Corporations doing business in the Metropolitan Commuter Transportation District (MCTD) are subject to a 17 percent surcharge on the portion of total tax liability allocable to activities within the MCTD.

# Calculation of Corporation Franchise Tax on Insurance Companies

## Article 33 1995



(1) The rate of the surcharge equals 7.5 percent for taxable years ending before July 1, 1996. The rate decreased to 2.5 percent for tax years ending after June 30, 1996 and before July 1, 1997.

(2) Corporations doing business in the Metropolitan Commuter Transportation District (MCTD) are subject to a 17 percent surcharge on the portion of the total tax liability allocable to activities within the MCTD

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# Appendix D: Significant Tax Law Changes

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This appendix provides a history of significant tax law changes for each tax article presented in the report. It covers the period of 1991 through 1995, representing the data analyzed.

## Article 9A: Significant Changes to New York State's Corporate Franchise Tax Structure, 1991-1995

Tax Structure Component	1991	1992	1993	1994	1995
<b>Bases &amp; Rates</b>					
<b>Net Income</b>					
Rate	Tax rate on entire net income equals 9%. A lower tax rate (8%) applies to small businesses with ENI (allocated to NY) of \$200,000 or less.				
Starting Point	Federal taxable income.				
<b>Modifications to Federal Taxable Income</b>					
<i>Additions</i>					
Interest of federal, state, municipal and other obligations.	Required				
Interest paid to stockholders.	Amount deducted in computing FTI for interest on indebtedness paid to a corporate stockholder owning more than 50% of issued and outstanding voting stock.				
Deductions directly and indirectly attributable to subsidiary capital.	Taxpayers required to trace all expenses directly and indirectly attributable to subsidiary capital.				
State franchise tax deducted on federal return.	Includes other state's taxes.				
ACRS/MACRS deduction	Limited to non-NY property			Federal conformity	
<i>Subtractions</i>					
Foreign dividend gross up.	Deductible				
Depreciation	Partial ACRS (in-state property)			Federal conformity	
Investment income	50% of qualified dividends from nonsubsidiary corporations.				
Interest, dividends and gains from subsidiary capital.	100% deductible.				
Net Operating Losses	Carryback limited to \$10,000.				
Allocation	Three factor, receipts double weighted.				
<b>Business &amp; Investment Capital</b>					
Rate	0.178 percent of allocated business and investment capital. Tax on capital limited to \$350,000/year.				

**Article 9A: Significant Changes to New York State's Corporate Franchise Tax Structure, 1991-1995 (Con't)**

Tax Structure Component	1991	1992	1993	1994	1995
<b>Business &amp; Investment Capital (Con't)</b>					
Base	Total capital equals average value of adjusted total assets minus total liabilities.				
Allocation	Investment capital: Product of AFMV of taxpayer's investments multiplied by issuer's allocation percentage. Includes NY and federal obligations in denominator. Business capital: Business and investment capital minus investment capital multiplied by allocation %.				
<b>Alternative Minimum Taxable Income (AMT)</b>					
	Tax rate equals 5%.			Net operating loss deduction allowed. Double weighting of receipts allowed.	Tax rate reduced to 3.5%.
<b>Fixed Dollar Minimum Tax</b>					
	Amounts range from \$325 to \$1,500 measured by gross payroll.				
<b>Subsidiary Capital</b>					
	0.09% tax imposed on investments in stock of subsidiaries, plus advances, less liabilities.				
<b>Credits</b>					
Investment Tax Credit (ITC)	Entire stock of credits limited to 7 year carryover. Rate equals 5% of first \$350 million of investments, plus 4% for investments over that amount.			Carryover period extended to 10 years.	
Employment Incentive	50% allowed for amount of ITC for 3 years after ITC was allowed if employment was 101% of employment in year prior to ITC year. 2 year credit phased in over several years. Credit increases with employment increases.			Carryover period extended to 10 years.	
Eligible Business Facility	Credit could be used for tax years prior to Jan. 1, 2000.				
EDZ	EDZ wage tax credit, EDZ capital corporation credit and EDZ investment tax credit allowed.		Wage tax credit, investment tax credit and capital corporation credit amended.		Two year wage credit allowed for businesses in zone eligible areas.

**Article 9A: Significant Changes to New York State's Corporate Franchise Tax Structure, 1991-1995 (Con't)**

Tax Structure Component	1991	1992	1993	1994	1995
<b>Credits (Con't)</b>					
Rehabilitation Expenditures of a Retail Enterprise	Rehabilitation expenditures calculated by ITC rates and bases.				
Special Additional Mortgage Recording Tax (SAMRT)	Up to 100% of SAMRT paid.			Excess is treated as overpayment for 9-A taxpayers including S corps.	
Alternative Minimum Tax (AMT)	Credit available.				
<b>Temporary Business Tax Surcharge</b>					
	Surcharge equals 15%.			Surcharge reduced to 12.5%.	Surcharge reduced to 7.5%.
<b>MCTD Surcharge</b>					
	Surcharge equals 17%.				
<b>Special Treatment</b>					
Subchapter S Corporations	An S corporation and its shareholders are treated in the same manner as a partnership and its partners. Shareholders calculate the S corporation's items of income, loss and deductions on a pro rata basis.				
<b>Tax Rates</b>					
For shareholders	Top tax rate equals 7.875% on all income.				
For S corporations	S corporations subject to the corporation franchise tax. The tax rate equals the difference between the Article 9-A rate (10.35%, including the 15% surcharge) and the highest effective personal income tax rate (7.875%) or 2.475%.			For taxable years after 7/1/94 and before 7/1/96, the calculation of the entity level tax equals an average of the pre-1994 law differential and application of the corporate tax surcharge after the differential is calculated.	S corporation differential personal income tax rate fixed at 7.875%.

**Article 9: Significant Changes in New York State's Taxation of Utility Corporations & Other Specified Companies, 1991-1995**

Tax Structure Component	1991	1992	1993	1994	1995
Organized Tax, Tax on Changes of Capital of Domestic Corporations (Section 180)	0.05% on the total amount of the par value of stock authorized to be issued and 5 cents per share for shares without par value.				
License and Maintenance Fees on Foreign (out-of-state) Corporations (Section 181)	0.05% on the total amount of the par value of stock authorized to be issued and 5 cents per share for shares without par value.				
Franchise Tax on Transportation and Transmission Corporations and Associations (Section 183)	Tax based on the higher of 1) 1.5 mills on each dollar of net value of issued capital stock in New York State; 2) 0.375 mills per dollar of par value for each one percent of dividends paid in excess of 6%; and 3) a \$75 minimum tax. Companies principally engaged in the conduct of aviation (including air freight forwarders and like indirect air carriers) taxed on net income under Article 9-A.				Exclusion of companies principally engaged in providing telecommunications services for the purposes of air safety and navigation.
Additional Franchise Tax on Transportation and Transmission Corporations and Associations (Section 184)	Applies to all corporations principally engaged in transportation or transmission. Tax rate equals 0.75% on the gross earnings of all transportation and transmission companies. Companies principally engaged in the conduct of aviation (including air freight forwarders and like indirect air carriers) taxed on net income under Article 9-A.				Exclusion of companies principally engaged in providing telecommunications services for the purposes of air safety and navigation. Excludes telecommunication corporations not principally engaged in local telephone services. Excludes all interLATA, interstate, and international telecommunication services.
Franchise Tax on Farmers', Fruit Growers', and Other Like Agricultural Corporations Organized and Operated on a Co-Operative Basis (Section 185)	Tax based on the higher of 1) 1 mill on each dollar of the value of issued capital stock allocated to New York State; 2) 0.25 mills for each percent of dividends paid in excess of 6% on the value of issued capital stock allocated to New York State; or 3) a \$10 minimum tax.				

**Article 9: Significant Changes in New York State's Taxation of Utility Corporations & Other Specified Companies, 1991-1995 (Con't)**

Tax Structure Component	1991	1992	1993	1994	1995
Franchise Tax on Water-Works Companies, Gas Companies, Electric or Steam Heating, Lighting and Power Companies (Section 186)	Applies to corporations principally engaged in the business of supplying water, steam or gas through mains or pipes and electricity. Tax rate is 0.75% on gross earnings.	Certain electric utilities that established a financial resource asset for ratemaking purposes (with PSC permission) may deduct an allowance from gross earnings subject to tax.			
Tax on the Furnishing of Utility Services (Section 186-a)	Applies to any person engaged in the business of providing transportation service on the public highways of the State or who sells gas, electricity, steam, water, refrigerator, telephone or telegraph service through mains, pipes or wires. Tax rate equals 3.5% on the gross income of companies under the supervision of the Department of Public Service and 3.5% on the gross operating income of all other utility service providers.	Certain electric utilities that established a financial resource asset for ratemaking purposes (with PSC permission) may deduct an allowance from gross earnings subject to tax.			Excludes receipts from the sale of telecommunications services.
Treatment of Carrier Access	Local exchange carriers pay tax and interexchange carriers claim access deduction.				
Other Sales for Resale	Original utility pays tax and subsequent resellers claim sale for resale deduction.				
Economic Development Zone (EDZ) Credit	Regulated utilities may apply 97% of the 3% discount on gas, electric, steam or water sales or services rendered in an economic development zone against tax liability.		Credit reduced to 96.5% and limited to years prior to 1994.		
Transportation Business Tax on Utility Services in Erie County (Section 186-d)	Erie county authorized in 1990 to adopt a tax not exceeding 0.75% of gross income or gross operating income of utility service providers.				

**Article 9: Significant Changes in New York State's Taxation of Utility Corporations & Other Specified Companies, 1991-1995 (Con't)**

Tax Structure Component	1991	1992	1993	1994	1995
Tax on the Furnishing of Telecommunications Services (Section 186-e)	N/A	N/A	N/A	N/A	Recodifies the 3.5% excise tax on receipts from telecommunications services. Replaces the property factor with the Goldberg allocation method. Shifts access deduction from interexchange carriers and local carriers who are ultimate sellers to initial sellers.
Privilege Tax on Importation of Gas Services for Consumption (Section 189)	For taxable months after August 1, 1991, tax rate equals 4.25% on the consideration given or contracted to be given by a gas importer for gas services imported or caused to be imported into New York by a gas importer for its own use or consumption in the State.				
Temporary Surcharge (Section 188 and 189-b)	15% on tax due under Sections 183, 184, 186 and 186-a. 15% surcharge also applies on tax due under Section 189 for taxable months after August 1, 1991.			12.5% on tax due under Sections 183, 184, 186 and 186-a in 1994, 7.5% in 1995 and 2.5% in 1996. Surcharge rates for Section 189 tax are 15% (Aug. 1991 - Dec. 1993), 10% (Jan. 1994 - May 1995), 7.5% (June 1995 - May 1996), and 2.5% (June 1996 - May 1997). Surcharge rates for Section 189-e equal 7.5% in 1995 and 2.5% in 1996.	
MCTD Surcharge (Sections 183-a, 184-a, 186-b, 186-c and 189-a)	17% on tax due under Sections 183, 184, 186, and 186-a attributable to the MCTD (Metropolitan Commuter Transportation District). 17% surcharge also applies on tax attributable to MCTD under Section 189 for taxable months after August 1, 1991.				17% surcharge also applies on tax attributable to MCTD under Section 186-e.

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Article 9: Significant Changes in New York State's Taxation of Utility Corporations & Other Specified Companies, 1991-1995 (Con't)

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Tax Structure Component	1991	1992	1993	1994	1995
Credit for Special Additional Mortgage Recording (Section 187)	Credit allowed on all Article 9 taxes (except Sections 180, 181 and 186-a) equal to the amount of special additional mortgage recording taxes paid. Credit against Section 184 tax is the excess of the special additional mortgage recording tax over any credit allowed against the Section 183 tax. Credit not allowed for a mortgage of real property in the MCTD or Erie County principally improved.				

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**Article 32: Significant Changes to New York State's Franchise Tax on Banking Corporations, 1991-1995**

Tax Structure Component	1991	1992	1993	1994	1995
<b>Bases &amp; Rates</b>					
<b>Net Income</b>					
Rate	9% on allocated entire net income.				
Starting Point	Federal taxable income.				
<b>Modifications to Federal Taxable Income</b>					
<i>Additions</i>					
Dividends and interest effectively connected with US business.	Required				
NYS franchise tax, foreign country taxes.	Required				
ACRS/MACRS deduction	Required, limited to non-New York property.			Federal conformity.	
Federal bad debt deduction	Required				
<i>Subtractions</i>					
Foreign dividend gross up.	Deductible				
New York depreciation	Partial ACRS limited to New York property.			Federal conformity.	
Wages not deducted on federal return due to Jobs Credit.	Deductible				
FDIC/FSLIC	Deductible				
Percentage of interest and dividend income, gains, losses from subsidiary capital.	Deductible			Limited to percentage of excess gains over losses.	
International Banking Facility (IBF) Income	Taxpayers can elect to take deduction or exclude IBF income from ENI allocation percentage.				
Percentage of interest income from US/NYS obligations.	Deductible				
NYS bad debt deduction.	Deductible				
Recaptured reserve	Deductible				
Allocation	Three-factor formula-payroll, deposits, receipts (receipts and deposits are double weighted).				
<b>Allocated Taxable Assets</b>					
Base	Average total value of assets minus FDIC/FSLIC and interbank placements.		Repealed exclusion.		
Rate	1/10, 1/25, or 1/50 of a mill (based on net-worth-to-assets ratio).				

**Article 32: Significant Changes to New York State's Franchise Tax on Banking Corporations, 1991-1995 (Con't)**

Tax Structure Component	1991	1992	1993	1994	1995
<b>Allocated Taxable Assets (Con't)</b>					
Allocation	Based on payroll, receipts and deposits.				
<b>Allocated Alternative Entire Net Income</b>					
Rate	3 percent				
Base	Same as ENI but includes income from subsidiary capital.				
<b>Minimum Tax</b>					
	\$250				
<b>Credits</b>					
Eligible Business Facility	Rate equals average of value of eligible property and certain wages. New projects not approved after 3/31/83. Credit could be used for tax years prior to Jan. 1, 2000.				
EDZ	EDZ wage tax credit, EDZ capital corporation credit and EDZ investment tax credit allowed.		Wage tax credit, investment tax credit and capital corporation credit amended.		Two-year wage credit applies to businesses in zone equivalent areas.
Special Additional Mortgage Recording Tax (SAMRT)	Up to 100% of SAMRT paid. Carryforward allowed.				
Mortgage Servicing	Allowed for servicing mortgages acquired by SONYMA.				
<b>Temporary Surcharge</b>					
	Tax rate equals 15%.			Tax rate reduced to 12.5%.	Tax rate reduced to 7.5%.
<b>MCTD Surcharge</b>					
	Tax rate equals 17%.				
<b>Returns</b>					
	Group of affiliated corporations computed on combined basis.				

Article 33: Significant Changes to New York State's Corporate Franchise Tax on Insurance Companies, 1991- 1995

Tax Structure Component	1991	1992	1993	1994	1995
<b>Bases &amp; Rates</b>					
<b>Net Income</b>					
Rate	9% on allocated entire net income.				
Starting Point	Federal taxable income.				
<b>Modifications to Federal Taxable Income</b>					
<i>Additions</i>					
Federal dividends-received deduction.	Required				
Other dividend or interest income not deducted from federal taxable income.	Required				
Interest paid to stockholders.	Interest paid less 10% or \$1,000, whichever is larger.				
Federal net operating loss.	Required				
Deductions attributable to subsidiary capital.	Bad debts, interest expense, capital losses from sales/exchanges of subsidiary capital.				
NYS franchise tax.	Required				
ACRS/MACRS deduction	Required, limited to non-New York property.			Federal conformity.	
Provisions decoupling from federal treatment of unearned premiums and unpaid losses for property and casualty insurers.	Decoupling provisions made permanent.		Decoupled from IRC Section 847.		
<i>Subtractions</i>					
Depreciation	Partial ACRS/MACRS limited to New York property.			Federal conformity.	
Investment Income	50% of all dividends from nonsubsidiary corporations.				
Interest, dividends and gains from subsidiary capital.	100% deductible.				
Net Operating Losses	15 year carryover and 3 year carryback are permitted.				
Provisions decoupling from federal treatment of unearned premiums and unpaid losses for property and casualty insurers.	Decoupled from federal treatment.		Decoupled from IRC Section 847.		
Allocation	Two-factor formula based on premiums and wages.				

**Article 33: Significant Changes to New York State's Corporate Franchise Tax on Insurance Companies, 1991-1995 (Con't)**

Tax Structure Component	1991	1992	1993	1994	1995
<b>Business &amp; Investment Capital</b>					
Rate	0.16 percent of allocated business and investment capital.				
Allocation	Two-factor formula based on premiums and wages.				
<b>Entire Net Income Plus Compensation</b>					
Rate	9%				
Base	ENI plus officers' compensation minus \$30,000 and any net loss multiplied by 30%.				
Allocation	Two-factor formula based on premiums and wages.				
<b>Minimum Tax</b>					
	\$250				
<b>Subsidiary Capital</b>					
	0.08% tax imposed on investments in stock of subsidiaries, plus advances, less liabilities.				
<b>Premiums</b>					
Rate	Life - 0.8%				
	Accident and Health - 1%				
	Property and Casualty - 1.2%	Rate increased to 1.3%.			
Base	Premiums received for insuring New York State risks.				
Allocation	Two-factor formula based on premiums and wages.				
<b>Limitation on Tax (Cap)</b>					
	Equals 2.6% of premiums before certain credits.				
<b>Credits</b>					
Retaliatory Tax Credit	Up to 90% of retaliatory taxes paid to other states by New York domiciled or organized insurers.				
Fire Insurance Tax Credits	Allowed for taxes paid on certain fire insurance premiums.				
Eligible Business Facility	Rate equals average of value of eligible property and certain wages.				

**Article 33: Significant Changes to New York State's Corporate Franchise Tax on Insurance Companies, 1991-1995 (Con't)**

Tax Structure Component	1991	1992	1993	1994	1995
<b>Credits (Con't)</b>					
EDZ	EDZ wage tax credit, EDZ capital corporation credit and EDZ investment tax credit allowed.		Wage tax credit, investment tax credit, and capital corporation credit amended.	Two-year wage tax credit applies to businesses in zone equivalent areas.	
Special Additional Mortgage Recording Tax (SAMRT)	Up to 100% of SAMRT paid. Carryforward allowed.				
<b>Temporary Surcharge</b>					
	Rate equals 15%.			Rate reduced to 12.5%.	Rate reduced to 7.5%.
<b>MCTD Surcharge</b>					
	17%				

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# Appendix E: Historical Tables Accompanying This Report

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This appendix contains four sections of selected historical tables and charts which were presented in this report previously. This year, the Article 9-A section will not present historical tables. A historical analysis is represented in the Article 9-A focus section: “Analysis of Trends by Industry 1992-1995.” The historical tables are presented for tax years 1991-1995 for Articles 9, 32 and 33. [Section 1](#) refers to Article 9-A data, [Section 2](#) displays Article 9 data, [Section 3](#) depicts Article 32 data and [Section 4](#) contains Article 33 data.

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Section 1:  
Article 9-A

A historical trend analysis of significant data from 1992-1995 is represented in the Article 9-A focus section: "Analysis of Trends by Industry 1992-1995."

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Section 2: Article 9

**Table E1: Number of Section 183 Taxpayers**

	1991	1992	1993	1994	1995
Pipeline (Transport)	22	30	38	43	40
Telephone & Telegraph	150	177	221	239	279
Trucking	3,204	3,266	4,073	4,544	4,709
Railroad	32	39	44	44	46
Water Transportation	142	138	157	160	148
Misc./Unidentified	380	416	617	1,046	865
<b>Total</b>	<b>3,930</b>	<b>4,066</b>	<b>5,150</b>	<b>6,076</b>	<b>6,087</b>

**Table E2: Total Tax Liability of Section 183 Taxpayers**

	1991	1992	1993	1994	1995
Pipeline (Transport)	\$500,238	\$726,390	\$808,863	\$973,425	\$1,377,380
Telephone & Telegraph	32,421,952	34,707,233	38,258,649	40,766,159	33,259,965
Trucking	1,429,645	1,561,666	1,586,302	1,718,408	1,509,256
Railroad	847,597	1,256,797	899,623	1,076,955	860,995
Water Transportation	307,597	326,566	274,335	448,567	467,686
Misc./Unidentified	87,747	78,739	87,103	115,885	128,862
<b>Total</b>	<b>\$35,594,776</b>	<b>\$38,657,391</b>	<b>\$41,914,875</b>	<b>\$45,099,399</b>	<b>\$37,604,144</b>

**Table E3: Number of Section 184 Taxpayers**

	1991	1992	1993	1994	1995
Pipeline (Transport)	25	31	36	44	40
Telephone & Telegraph	156	174	222	240	192
Trucking	3,195	3,251	4,103	4,603	4,788
Railroad	36	38	46	45	46
Water Transportation	143	141	157	159	146
Misc./Unidentified	396	424	625	1,030	849
<b>Total</b>	<b>3,951</b>	<b>4,059</b>	<b>5,189</b>	<b>6,121</b>	<b>6,061</b>

**Table E4: Total Tax Liability of Section 184 Taxpayers**

	1991	1992	1993	1994	1995
Pipeline (Transport)	\$452,077	\$806,413	\$1,495,146	\$2,285,719	\$2,722,576
Telephone & Telegraph	115,882,010	115,185,129	119,623,343	119,445,657	77,709,842
Trucking	23,381,341	23,322,719	27,398,868	28,257,042	27,176,463
Railroad	446,931	483,442	414,666	422,996	276,537
Water Transportation	676,739	732,642	840,819	831,249	778,535
Misc./Unidentified	1,219,782	1,302,574	748,776	1,057,927	1,008,661
<b>Total</b>	<b>\$142,058,880</b>	<b>\$141,832,919</b>	<b>\$150,521,618</b>	<b>\$152,300,590</b>	<b>\$109,672,614</b>

**Table E5: Number of Section 186 Taxpayers**

	1991	1992	1993	1994	1995
Electric & Gas	32	38	54	66	73
Gas Only	22	21	22	37	44
Water	99	101	112	116	113
Misc./Unidentified	28	33	31	41	63
<b>Total</b>	<b>181</b>	<b>193</b>	<b>219</b>	<b>260</b>	<b>293</b>

**Table E6: Total Tax Liability of Section 186 Taxpayers**

	1991	1992	1993	1994	1995
Electric & Gas	\$158,829,027	\$170,208,958	\$182,297,399	\$187,526,744	\$182,224,266
Gas Only	22,931,316	23,171,069	20,629,584	19,585,384	6,988,051
Water	1,393,441	978,888	1,909,785	1,938,798	1,339,736
Misc./Unidentified	2,813,308	1,938,319	5,569,765	2,020,790	14,347,774
<b>Total</b>	<b>\$185,967,092</b>	<b>\$196,297,234</b>	<b>\$210,406,533</b>	<b>\$211,071,716</b>	<b>\$204,899,827</b>

**Table E7: Number of Section 186-a Taxpayers**

	1991	1992	1993	1994	1995
Electric & Gas	144	157	231	248	237
Gas Only	18	19	23	34	42
Water	90	86	97	96	95
Telephone & Telegraph	425	448	593	586	32
Misc./Unidentified	654	669	558	631	395
<b>Total</b>	<b>1,331</b>	<b>1,379</b>	<b>1,502</b>	<b>1,595</b>	<b>801</b>

**Table E8: Total Tax Liability of Section 186-a Taxpayers**

	1991	1992	1993	1994	1995
Electric & Gas	\$536,941,707	\$589,089,228	\$629,757,890	\$639,623,259	\$615,486,380
Gas Only	61,561,887	66,903,390	70,731,715	75,991,639	64,590,870
Water	4,974,536	4,785,819	7,475,654	7,315,190	7,148,978
Telephone & Telegraph	414,786,363	421,418,818	463,824,636	467,384,117	289,822
Misc./Unidentified	57,682,744	59,894,775	6,825,913	6,518,301	7,181,326
<b>Total</b>	<b>\$1,075,947,237</b>	<b>\$1,142,092,030</b>	<b>\$1,178,615,808</b>	<b>\$1,196,832,506</b>	<b>\$694,697,376</b>

**Table E9: Number of Section 186-e Taxpayers**

	1991	1992	1993	1994	1995
Telephones	0	0	0	0	271
Hotels	0	0	0	0	235
Other	0	0	0	0	304
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>810</b>

**Table E10: Total Tax Liability of Section 186-e Taxpayers**

	1991	1992	1993	1994	1995
Telephones	\$0	\$0	\$0	\$0	\$418,040,720
Hotels	0	0	0	0	1,230,321
Other	0	0	0	0	69,848,585
<b>Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$489,119,626</b>

Note: Section 186-e became effective for the 1995 liability year.

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Section 3: Article 32

**Table E11: Number and Total Tax Liability of Article 32 Taxpayers - 1991-1995**

Tax Year	Type of Bank	Number of Taxpayers	Total Tax Liability	Percent of Bank Tax
1991	Clearinghouse & Commercial	332	\$168,024,513	42.5
	Foreign	377	167,783,587	42.4
	Savings & Savings & Loans	122	59,665,158	15.1
	<b>Total</b>	<b>831</b>	<b>\$395,473,258</b>	<b>100.0</b>
1992	Clearinghouse & Commercial	328	\$202,522,545	42.8
	Foreign	365	185,957,416	39.3
	Savings & Savings & Loans	121	84,935,847	17.9
	<b>Total</b>	<b>814</b>	<b>\$473,415,808</b>	<b>100.0</b>
1993	Clearinghouse & Commercial	343	\$366,512,724	62.0
	Foreign	355	155,341,567	26.3
	Savings & Savings & Loans	106	69,599,527	11.8
	<b>Total</b>	<b>804</b>	<b>\$591,453,818</b>	<b>100.0</b>
1994	Clearinghouse & Commercial	355	\$276,447,538	64.9
	Foreign	350	116,698,645	27.4
	Savings & Savings & Loans	98	32,810,011	7.7
	<b>Total</b>	<b>803</b>	<b>\$425,956,194</b>	<b>100.0</b>
1995	Clearinghouse & Commercial	392	\$405,069,421	65.6
	Foreign	349	177,608,033	28.8
	Savings & Savings & Loans	98	34,481,555	5.6
	<b>Total</b>	<b>839</b>	<b>\$617,159,009</b>	<b>100.0</b>

**Table E12: Distribution of Article 32 Tax Liability by Basis of Tax - 1991-1995**

Tax Year	Type of Bank	Income Base		Alternative Base		Minimum Tax	
		Number of Taxpayers	Liability	Number of Taxpayers	Liability	Number of Taxpayers	Liability
1991	Clearinghouse & Commercial	199	\$127,935,510	87	\$40,075,777	46	\$13,225
	Foreign	116	140,221,126	181	27,539,461	80	23,000
	Savings & Savings & Loans	94	57,762,400	16	1,899,308	12	3,450
	<b>Total</b>	<b>409</b>	<b>\$325,919,037</b>	<b>284</b>	<b>\$69,514,546</b>	<b>138</b>	<b>\$39,675</b>
1992	Clearinghouse & Commercial	207	\$176,848,058	64	\$25,658,100	57	\$16,387
	Foreign	124	153,807,119	171	32,130,172	70	20,125
	Savings & Savings & Loans	95	83,865,405	8	1,065,267	18	5,175
	<b>Total</b>	<b>426</b>	<b>\$414,520,582</b>	<b>243</b>	<b>\$58,853,538</b>	<b>145</b>	<b>\$41,687</b>
1993	Clearinghouse & Commercial	223	\$348,482,549	68	\$18,015,251	52	\$14,925
	Foreign	100	113,102,399	188	42,219,912	67	19,256
	Savings & Savings & Loans	81	69,076,184	4	517,306	21	6,037
	<b>Total</b>	<b>404</b>	<b>\$530,661,131</b>	<b>260</b>	<b>\$60,752,469</b>	<b>140</b>	<b>\$40,219</b>
1994	Clearinghouse & Commercial	228	\$250,983,808	70	\$25,447,762	57	\$15,969
	Foreign	89	65,135,917	195	51,544,203	66	18,525
	Savings & Savings & Loans	76	31,536,894	3	1,267,774	19	5,344
	<b>Total</b>	<b>393</b>	<b>\$347,656,618</b>	<b>268</b>	<b>\$78,259,739</b>	<b>142</b>	<b>\$39,837</b>
1995	Clearinghouse & Commercial	244	\$387,976,504	76	\$17,073,642	72	\$19,275
	Foreign	103	137,818,444	183	39,772,683	63	16,906
	Savings & Savings & Loans	72	34,131,698	3	343,688	23	6,169
	<b>Total</b>	<b>419</b>	<b>\$559,926,646</b>	<b>262</b>	<b>\$57,190,013</b>	<b>158</b>	<b>\$42,350</b>

Table E13: Allocated Entire Net Income Under Article 32 - 1991-1995

Tax Year	Type of Bank	Positive Allocated ENI			Negative Allocated ENI		
		Number of Taxpayers	Total (\$ Thousands)	Average (\$ Thousands)	Number of Taxpayers	Total (\$ Thousands)	Average (\$ Thousands)
1991	Clearinghouse & Commercial	240	1,415,846	5,899	92	(2,388,632)	(25,963)
	Foreign	215	1,433,865	6,669	162	(698,133)	(4,309)
	Savings & Savings & Loans	102	605,000	5,931	20	(439,332)	(21,967)
	<b>Total</b>	<b>557</b>	<b>3,454,711</b>	<b>6,202</b>	<b>274</b>	<b>(3,526,097)</b>	<b>(12,869)</b>
1992	Clearinghouse & Commercial	251	1,869,436	7,448	77	(802,407)	(10,421)
	Foreign	210	1,565,079	7,453	155	(1,032,724)	(6,663)
	Savings & Savings & Loans	107	867,499	8,107	14	(453,872)	(32,419)
	<b>Total</b>	<b>568</b>	<b>4,302,014</b>	<b>7,574</b>	<b>246</b>	<b>(2,289,003)</b>	<b>(9,305)</b>
1993	Clearinghouse & Commercial	280	3,534,319	12,623	63	(369,671)	(5,868)
	Foreign	183	1,162,501	6,352	172	(1,639,409)	(9,531)
	Savings & Savings & Loans	93	715,384	7,692	13	(205,581)	(15,814)
	<b>Total</b>	<b>556</b>	<b>5,412,204</b>	<b>9,734</b>	<b>248</b>	<b>(2,214,661)</b>	<b>(8,930)</b>
1994	Clearinghouse & Commercial	284	2,828,244	9,959	71	(607,291)	(8,553)
	Foreign	174	699,805	4,022	176	(1,866,435)	(10,605)
	Savings & Savings & Loans	87	356,454	4,097	11	(419,056)	(38,096)
	<b>Total</b>	<b>545</b>	<b>3,884,503</b>	<b>7,128</b>	<b>258</b>	<b>(2,892,782)</b>	<b>(11,212)</b>
1995	Clearinghouse & Commercial	302	4,228,870	14,003	90	(499,569)	(5,551)
	Foreign	186	1,480,001	7,957	163	(965,359)	(5,922)
	Savings & Savings & Loans	84	436,069	5,191	14	(131,952)	(9,425)
	<b>Total</b>	<b>572</b>	<b>6,144,940</b>	<b>10,743</b>	<b>267</b>	<b>(1,596,880)</b>	<b>(5,981)</b>

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Section 4: Article 33

**Table E14: Article 33 Tax Liability Before Limitation and Credits - 1991-1995**

Tax Year	Insurance Category	Number of Taxpayers	Tax Liability Before Limitation & Credits	Share of Total Insurance Tax (%)
1991	Life	157	\$203,626,344	36.3
	Property & Casualty	537	331,124,264	59.1
	Others	60	23,840,194	4.3
	Savings Bank	37	1,600,264	0.3
	<b>Total</b>	<b>791</b>	<b>\$560,191,066</b>	<b>100.0</b>
1992	Life	154	\$275,041,141	41.6
	Property & Casualty	520	351,367,389	53.1
	Others	64	33,691,523	5.1
	Savings Bank	36	1,676,784	0.3
	<b>Total</b>	<b>774</b>	<b>\$661,776,837</b>	<b>100.0</b>
1993	Life	150	\$269,497,443	38.9
	Property & Casualty	518	384,407,430	55.4
	Others	59	38,057,798	5.5
	Savings Bank	31	1,313,798	0.2
	<b>Total</b>	<b>758</b>	<b>\$693,276,469</b>	<b>100.0</b>
1994	Life	144	\$211,065,858	33.7
	Property & Casualty	540	382,139,312	61.0
	Others	58	32,277,328	5.1
	Savings Bank	30	1,327,092	0.2
	<b>Total</b>	<b>772</b>	<b>\$626,809,590</b>	<b>100.0</b>
1995	Life	149	\$297,337,557	36.7
	Property & Casualty	552	463,615,055	57.2
	Others	68	47,902,088	5.9
	Savings Bank	27	1,113,899	0.1
	<b>Total</b>	<b>796</b>	<b>\$809,968,599</b>	<b>100.0</b>

**Table E15: Article 33 Tax Liability of Domestic and Foreign Insurers Before Limitation and Credits - 1991-1995**

Tax Year	Insurance Category	Number of Domestic Companies	Liability of Domestic Companies	Share of Total Liability	Number of Foreign Companies	Liability of Foreign Companies	Share of Total Liability
1991	Life	87	\$119,489,995	21.3	70	\$84,136,349	15.0
	Property & Casualty	128	83,247,048	14.9	409	247,877,216	44.2
	Others	26	15,330,871	2.7	34	8,509,323	1.5
	Savings Bank	37	1,600,264	0.3	0	0	0.0
	<b>Total</b>	<b>278</b>	<b>\$219,668,178</b>	<b>39.2</b>	<b>513</b>	<b>\$340,522,888</b>	<b>60.8</b>
1992	Life	87	\$161,867,817	24.5	67	\$113,173,324	17.1
	Property & Casualty	131	75,214,633	11.4	389	276,152,756	41.7
	Others	28	19,517,740	2.9	36	14,173,783	2.1
	Savings Bank	36	1,676,784	0.3	0	0	0.0
	<b>Total</b>	<b>282</b>	<b>\$258,276,974</b>	<b>39.0</b>	<b>492</b>	<b>\$403,499,863</b>	<b>61.0</b>
1993	Life	86	\$158,841,208	22.9	64	\$110,656,235	16.0
	Property & Casualty	127	81,166,569	11.7	391	303,240,861	43.7
	Others	26	23,543,557	3.4	33	14,514,241	2.1
	Savings Bank	31	1,313,798	0.2	0	0	0.0
	<b>Total</b>	<b>270</b>	<b>\$264,865,132</b>	<b>38.2</b>	<b>488</b>	<b>\$428,411,337</b>	<b>61.8</b>
1994	Life	81	\$118,592,861	18.9	63	\$92,472,997	14.8
	Property & Casualty	137	92,543,236	14.8	403	289,596,076	46.2
	Others	25	21,170,346	3.4	33	11,106,982	1.8
	Savings Bank	30	1,327,092	0.2	0	0	0.0
	<b>Total</b>	<b>273</b>	<b>\$233,633,535</b>	<b>37.3</b>	<b>499</b>	<b>\$393,176,055</b>	<b>62.7</b>
1995	Life	85	\$151,673,178	18.7	64	\$145,664,379	18.0
	Property & Casualty	151	154,500,764	19.1	401	309,114,291	38.2
	Others	29	33,862,531	4.2	39	14,039,557	1.7
	Savings Bank	27	1,113,899	0.1	0	0	0.0
	<b>Total</b>	<b>292</b>	<b>\$341,150,372</b>	<b>42.1</b>	<b>504</b>	<b>\$468,818,227</b>	<b>57.9</b>

**Table E16: Article 33 Tax Liability by Base of Tax Before Limitation and Credits - 1991-1995**

Tax Year	Insurance Category	Amount of Premiums Based Tax	Percent of Tax from Premiums Base	Amount of Income Based Tax	Percent of Tax from Income Base
1991	Life	\$83,027,505	40.8	\$120,598,839	59.2
	Property & Casualty	221,392,973	66.9	109,731,291	33.1
	Others	9,991,475	41.9	13,848,719	58.1
	Savings Bank	612,725	38.3	987,539	61.7
	<b>Total</b>	<b>\$315,024,678</b>	<b>56.2</b>	<b>\$245,166,388</b>	<b>43.8</b>
1992	Life	\$98,717,335	35.9	\$176,323,806	64.1
	Property & Casualty	210,053,187	59.8	141,314,202	40.2
	Others	12,942,382	38.4	20,749,141	61.6
	Savings Bank	687,459	41.0	989,325	59.0
	<b>Total</b>	<b>\$322,400,363</b>	<b>48.7</b>	<b>\$339,376,474</b>	<b>51.3</b>
1993	Life	\$100,052,170	37.1	\$169,445,273	62.9
	Property & Casualty	214,575,614	55.8	169,831,816	44.2
	Others	14,316,649	37.6	23,741,149	62.4
	Savings Bank	691,242	52.6	622,556	47.4
	<b>Total</b>	<b>\$329,635,675</b>	<b>47.6</b>	<b>\$363,640,794</b>	<b>52.5</b>
1994	Life	\$99,187,850	47.0	\$111,878,008	53.0
	Property & Casualty	234,952,746	61.5	147,186,566	38.5
	Others	13,426,895	41.6	18,850,433	58.4
	Savings Bank	737,099	55.5	589,993	44.5
	<b>Total</b>	<b>\$348,304,590</b>	<b>55.6</b>	<b>\$278,505,000</b>	<b>44.4</b>
1995	Life	\$104,187,706	35.0	\$193,149,851	65.0
	Property & Casualty	236,338,309	51.0	227,276,746	49.0
	Others	16,475,535	34.4	31,426,553	65.6
	Savings Bank	777,174	69.8	336,725	30.2
	<b>Total</b>	<b>\$357,778,724</b>	<b>44.2</b>	<b>\$452,189,875</b>	<b>55.8</b>

**Table E17: Article 33 Tax Liability After Limitation and Credits - 1991-1995**

Tax Year	Insurance Category	Tax Limitation 1/		Total Tax Credits 2/		Limitation & Tax Credits	After Limitation & Tax Credits
		Number of Taxpayers	Amount of Limitation	Number of Taxpayers 3/	Amount of Tax Credits		
1991	Life	61	\$25,270,960	23	\$6,148,250	\$31,419,210	\$198,038,204
	Property & Casualty	194	42,791,013	269	33,939,544	76,730,557	292,552,763
	Others 4/	29	9,400,204	11	2,235,577	11,635,781	15,875,379
	<b>Total</b>	<b>284</b>	<b>\$77,462,177</b>	<b>303</b>	<b>\$42,323,371</b>	<b>\$119,785,548</b>	<b>\$506,466,346</b>
1992	Life	63	\$48,685,759	24	\$27,585,992	\$76,271,751	\$228,584,799
	Property & Casualty	187	79,514,960	250	32,235,070	111,750,030	275,559,963
	Others 4/	34	13,321,866	8	2,282,892	15,604,758	22,728,081
	<b>Total</b>	<b>284</b>	<b>\$141,522,585</b>	<b>282</b>	<b>\$62,103,954</b>	<b>\$203,626,539</b>	<b>\$526,872,843</b>
1993	Life	72	\$45,227,172	30	\$54,136,953	\$99,364,125	\$195,653,316
	Property & Casualty	205	84,819,613	246	38,160,387	122,980,000	300,641,545
	Others 4/	21	14,704,852	7	3,133,531	17,838,383	24,763,195
	<b>Total</b>	<b>298</b>	<b>\$144,751,637</b>	<b>283</b>	<b>\$95,430,871</b>	<b>\$240,182,508</b>	<b>\$521,058,055</b>
1994	Life	56	\$31,864,662	26	\$48,700,245	\$80,564,907	\$150,076,094
	Property & Casualty	194	75,513,083	263	40,971,466	116,484,549	305,502,977
	Others 4/	27	10,100,486	7	1,236,764	11,337,250	25,607,246
	<b>Total</b>	<b>277</b>	<b>\$117,478,231</b>	<b>296</b>	<b>\$90,908,475</b>	<b>\$208,386,706</b>	<b>\$481,186,317</b>
1995	Life	71	\$67,807,449	31	\$23,705,603	\$91,513,052	\$221,261,343
	Property & Casualty	221	114,570,869	263	39,970,569	\$154,541,438	332,254,138
	Others 4/	36	18,967,704	9	2,607,155	\$21,574,859	29,499,212
	<b>Total</b>	<b>328</b>	<b>\$201,346,022</b>	<b>303</b>	<b>\$66,283,327</b>	<b>\$267,629,349</b>	<b>\$583,014,693</b>

1/ The amount displayed in the "Tax Limitation" column equals the amount of a taxpayer's total tax liability minus the limitation on the taxpayer's total tax liability (which equals 2.6 percent of the taxpayer's gross premiums).

2/ Total credits includes the retaliatory tax credit, job incentive credit, EDZ wage and capital credits, ZEA credits, fire premiums credit and the mortgage recording tax credit. The number of life and property and casualty insurers using the retaliatory credit and the amount used equaled:

	Life Insurers		Property & Casualty	
	# of Taxpayers	Amount of Credit Used	# of Taxpayers	Amount of Credit Used
1991	23	\$6.2 m	46	\$5.6 m
1992	23	\$25.7m	45	\$8.4 m
1993	29	\$52.5m	52	\$14.3 m
1994	23	\$46.9 m	56	\$15.2 m
1995	29	\$21.8 m	46	\$12.1 m

3/ The number of taxpayers displayed in the "Total Credits" column reflects the number of taxpayers taking individual credits. Because taxpayers may use multiple credits, the same taxpayer may be included in this column more than once. Although the Tax Law provides that EDZ and ZEA credits apply before the limitation on tax, the number of credits claimed was not material between the 1991 and 1994 tax years. Therefore, the credits were included in the Total Credits column.

4/ In order to maintain confidentiality, savings banks were included in the "others" category.