

STATEMENT IN LIEU OF A RURAL AREA FLEXIBILITY ANALYSIS

DEPARTMENT OF TAXATION AND FINANCE

A Rural Area Flexibility Analysis is not being submitted with this rule because it will not impose any adverse impact on any rural areas. The purpose of the rule is to add a subdivision (g) to section 9-1.2 of Part 9 of 20 NYCRR, to adjust the rate of the metropolitan transportation business tax surcharge for taxable years beginning on or after January 1, 2021 and before January 1, 2022, pursuant to Tax Law section 209-B(1)(f).

Tax Law section 209-B generally imposes a tax surcharge on every corporation subject to tax pursuant to Tax Law section 209, other than a New York S corporation, for the privilege of exercising the corporation's corporate franchise, or of doing business, or of employing capital, or of owning or leasing property in a corporate or organized capacity, or of maintaining an office, or of deriving receipts from activity in the metropolitan commuter transportation district, for all or any part of the corporation's taxable year.

The Commissioner is required, pursuant to Tax Law section 209-B(1)(f), to annually adjust the rate of the metropolitan transportation business tax surcharge for taxable years beginning on or after January 1, 2016. The rate is to be adjusted as necessary to ensure that the receipts attributable to the surcharge will meet and not exceed the financial projections for each state fiscal year, as reflected in the enacted budget for that fiscal year.

Subdivision (g) of Section 9-1.2 of Part 9 complies with the mandate of Tax Law section 209-B(1)(f), setting forth the rate for taxable years beginning on or after January 1, 2021 and before January 1, 2022 and follows subdivision (f), which set the rate for taxable years beginning on or after January 1, 2020 and before January 1, 2021. As required by section 209-B(1)(f), the Commissioner of Taxation and Finance has determined that the metropolitan transportation business tax surcharge rate will be 30 percent of the tax imposed under Tax Law section 209 for taxable years beginning on or after January 1, 2021 and before January 1, 2022.