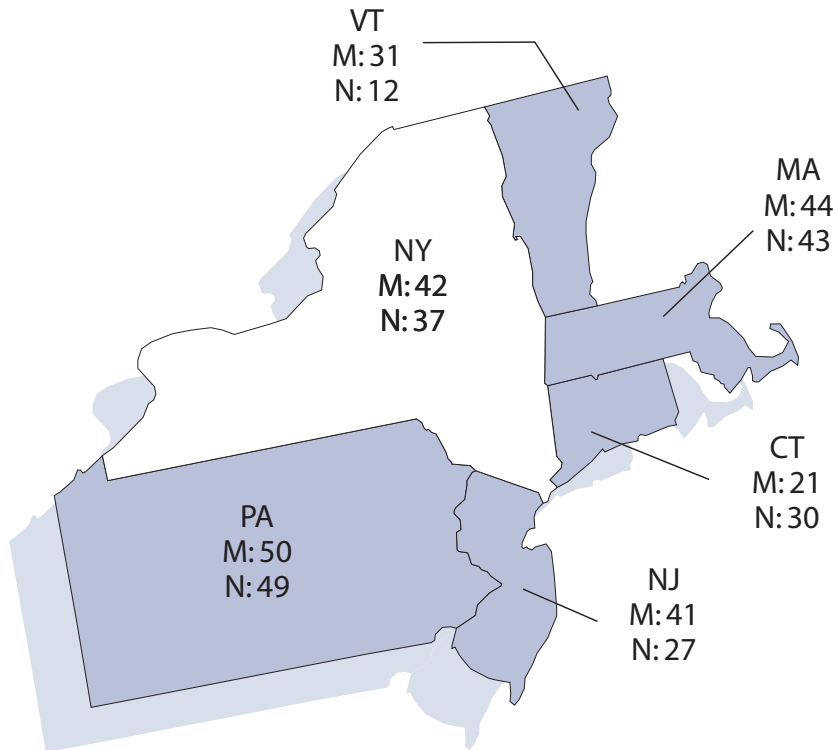


M = Rank for mature firms
N = Rank for new firms



New York ranks 42nd overall for mature operations and 37th overall for newly established operations. Specifically:

- New York ranks third for mature capital-intensive manufacturing operations, with a tax burden roughly 58 percent below the national average. This firm benefits from the state's single-sales factor apportionment, a special 6.5 percent income tax rate for manufacturing (the normal rate is 7.1 percent), and one of the lowest property tax burdens for this type of operation.
- The state ranks 49th in two mature categories: the corporate headquarters, with a tax burden 59 percent above the national average, and the R&D facility, with a total tax burden 87 percent above the national average. The operation's location in New York City gives it

the highest income tax burden of its type and it has among the highest sales tax costs of its type.

- New York ranks 10th for new capital-intensive manufacturing, with a tax burden roughly 45 percent below the national average. This firm enjoys one of the lowest property tax burdens of its type (it receives a small property tax abatement), as well as no income tax burden due to a generous investment tax credit and preferential income tax rate for manufacturers.
- The state ranks 48th in two new categories: the corporate headquarters and the R&D facility. As with the mature operations, the same factors plague these new operations: extremely high income tax and sales tax burdens.

New York

Corporate income tax

Main tax rate	7.100%
Applies to income over	–
Specific adjustments:	
- s.199 deduction disallowed	
- 6.5% tax rate applies to manufacturing	

Apportionment	Property	Payroll	Sales
Standard factors	–	–	100.0%
Optional alternative	n/a	n/a	n/a
Throwback applies to tangible property sales			No
Interstate services income apportionment			IPA

Sales and property tax

Metro areas examined		Sales tax	Property tax			
		Main rate ^a	Land	Buildings	Equipment	Inventory
Tier 1	New York	8.710%	2.750%	2.750%	–	–
Tier 2	Utica	8.500%	2.730%	2.730%	–	–

a. Manufacturing machinery is exempt from sales tax

Other taxes

Unemployment insurance		State capital tax		Gross receipts tax			Local income tax
Rate	Max. pay			Mfg.	Services	Retail	
4.10%	\$8,500	0.150%	Tier 1	n/a	n/a	n/a	8.850%
			Tier 2	n/a	n/a	n/a	n/a

Incentives for newly established operations

Type	Incentive value	MC	ML	CC	DC	CO	RD	RT
Investment	5% of eligible capital investment	✓	✓					
Job creation	1.5-2.5% of new investment based on job growth	✓	✓					
Withholdings	n/a							
R&D	9% of qualified R&D buildings and equipment						✓	
Property tax	20.5% abatement x 1 year + 10-year phase-in	✓	✓		✓			

MC= Capital-Intensive Manufacturing Operation, ML= Labor-Intensive Manufacturing Operation, CC= Call Center, DC= Distribution Center, CO= Corporate Headquarters, RD= Research and Development (R&D) Facility, RT= Retail Store

Results

	Newly established operations								Mature operations									
	Tier 2 operations				Tier 1 operations				AVG	Tier 2 operations				Tier 1 operations				AVG
	MC	ML	CC	DC	CO	RD	RT	MC		ML	CC	DC	CO	RD	RT			
TETR	6.3%	11.8%	32.0%	45.5%	28.3%	25.0%	37.7%		5.3%	8.9%	24.0%	37.5%	25.0%	24.0%	24.9%			
Index	55.7	100.7	128.6	125.7	175.1	169.5	115.6	124.4	41.8	76.7	114.1	122.3	159.2	186.8	147.1	121.1		
Rank	10	26	36	38	48	48	39	37	3	14	37	41	49	49	47	42		

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