



THE COUNCIL OF THE CITY OF NEW YORK

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CM CHIN JOINS CITY LEADERS & SMALL BUSINESS ADVOCATES TO CELEBRATE PASSAGE OF COMMERCIAL RENT TAX REFORM

CITY HALL – Today, Council Member Margaret S. Chin joined Mayor Bill de Blasio, Speaker Melissa Mark-Viverito, Council Member Dan Garodnick and fellow City leaders and small business advocates to celebrate long-awaited reforms to the antiquated Commercial Rent Tax.

"Small businesses drive the unique character and vitality of neighborhoods in Lower Manhattan and across the City, and today, we are taking decisive action to protect them," said **Council Member Chin**. "For far too long, mom and pop businesses have had to pay the costly Commercial Rent Tax while footing hundreds of thousands of dollars in rent – becoming steps closer to closing their doors for good. Today's legislation would provide desperately-needed relief for small business owners and a real shot for their businesses to not just survive, but to succeed and thrive. I thank Speaker Melissa Mark-Viverito, Council Member Dan Garodnick and all the small businesses owners and advocates who have worked to bring reform to this antiquated tax."



Since 1963, small businesses south of 96th Street and pay more than \$250,000 in annual rent have been subject to the Commercial Rent Tax. Although rents have soared exponentially in the past few decades, the CRT has remained in place – forcing mom and pop businesses across the City in a continuous struggle to balance the books.

The legislation, led by Council Member Garodnick, would effectively eliminate the CRT for businesses with incomes of \$5 million or less, and pay less than \$500,000 per year in base rent. The income limit was introduced to ensure that small businesses are protected. The bill also introduces a sliding scale credit to businesses with incomes of \$5 million or less, and pay between \$500,000 and \$550,000 in rent.

“As a native New Yorker, I know that small businesses are the lifeblood of our city, shaping its character and strengthening its economy,” said **Jessica Lappin, President of the Alliance for Downtown New York**. “I commend Council Member Garodnick, Council Member Chin and the entire City Council for doing their part to protect these businesses. This was an early present for stores across our city this holiday season.”

"We are so pleased to see the passage of this legislation as it will provide a more level playing field for the small businesses in our community," said **Wellington Chen, Executive Director of the Chinatown Partnership**. "We want to thank everyone involved for taking this important step in the right direction."

Last year, Council Member Chin joined Council Member Helen Rosenthal to co-sponsor a bill that would shed further light on the CRT's impact on small businesses by requiring the Department of Finance to issue an annual report with details on the type of small businesses paying the tax, and the amount paid by base rent range and industry.

The Small Business Tax Credit will be available on July 2018.

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