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**\*\*FOR IMMEDIATE RELEASE\*\***

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***RALLY TO PROTECT SMALL BUSINESSES,  
AFFORDABLE FOOD MARKETS  
FROM COMMERCIAL RENT TAX***

*Council Member Chin co-sponsor of legislation to provide immediate relief to stores burdened by antiquated and unfair tax*

CITY HALL – Today, Council Member Margaret S. Chin joined her Council colleagues from Manhattan and small business owners to rally on the steps of City Hall in support of legislation to bring long-overdue reform to the Commercial Rent Tax (CRT).



The first bill, introduced by Council Member Dan Garodnick and Council Member Helen Rosenthal, would raise from \$250,000 to \$500,000 the minimum rent at which commercial tenants are exempt from paying CRT.

A second bill, sponsored by Council Member Garodnick and Council Member Corey Johnson, would extend the CRT exemption for theaters to also include the cost of space used for advertising.

“Our small businesses deserve relief from this antiquated and unfair commercial rent tax,” said **Council Member Margaret S. Chin**. “These business are not only an essential source of income for owners and their workers, they also provide vital services to our neighborhoods. Unfortunately, in part due to this burdensome tax, these businesses are being forced out – taking fresh and affordable food options, convenient services, and local character with them. With rents and other costs continuing to rise, we must act to protect these small businesses before more stores are forced to close their doors.”

陳倩雯市議員(Margaret S. Chin) 認為小型商業應該免除交納不公平、陳舊過時的商業租金稅 (Commercial Rent Tax) 。

「這些小型商業不僅是小商家和工人養家活口的主要收入來源，這些小商業還包括餐飲、蔬菜水果、海鮮肉食、日用品、美容、保健、理髮、禮品店等各具特色的便利服務。不幸的是，部分小商家不能負擔昂貴的租金，被迫結束小本生意，更無奈地是，他們也將長久以來為居民供應的服務和地區特色都一一帶走。隨著店鋪租金上漲的同時，辦公成本等其他成本也在不斷上升，我們必須積極採取適當行動，竭力保護這些小型商業，不致更多的商店被迫關閉。」

“New York City is nothing without its neighborhood small businesses,” said **Council Member Dan Garodnick**. “These stores are anchors of communities and engines of employment -- as policymakers, we must ensure that they can thrive. Our legislation will bring direct relief to thousands of New York City small business owners and lift the significant burden of this tax. We cannot let another fiscal year pass without enacting this long-overdue reform.”

In addition, Council Member Chin lent her support to a bill by Borough President Brewer and Council Member Johnson that would exempt affordable foodmarkets from the commercial rent tax. That bill will be formally introduced on Tuesday.

“While the commercial rent tax is unfair for all small businesses, affordable grocery stores and the neighborhoods they serve have been particularly hard hit by the double whammy of rising rents and this antiquated and burdensome tax,” said **Council Member Chin**. “When the Met Foodmarket in Little Italy closed just before the holidays, the owner cited the commercial rent tax as a contributing factor to the loss of this much needed fresh and affordable food option for our community. I am proud to join Borough President Brewer and Council Member Johnson to provide meaningful relief to keep more of these vital neighborhood businesses open.”

Currently, CRT applies to all businesses paying over \$250,000 a year in rent, and is a 3.9 percent surcharge on their base rent, paid to the city. The proposal would remove that tax entirely for businesses paying less than \$500,000 in rent, and provide a credit to businesses with rents between \$500,000 and \$550,000. Analyses have determined that approximately 4,000 businesses would benefit.

When CRT was first introduced in 1963, it only affected large businesses. Yet today’s real estate situation is a far cry from that of the 1960s. Numbers from the Independent Budget Office (IBO) show that the number of Manhattan businesses paying CRT increased by more than 62% from 2013 to 2015. At the same time, the average CRT bill actually decreased from \$96,589 to \$68,536. These two figures demonstrates a troubling trend: more and more businesses are paying just above \$250,000 in rent annually. Because the growth has been on the lower end, the businesses stuck with CRT bills are often independently owned stores and Manhattan mom-and-pops.

Our beloved neighborhood institutions are already being pinched by market forces. From 2012-2015 alone, commercial rents jumped 42%. Government should do all in its power to support our small businesses. Yet with CRT, government gets in the way, adds an additional, costly burden, and takes businesses one step closer to shutting their doors for good.

CRT is unwise public policy. It is a double tax, forcing tenant businesses to pay CRT and landlords to pay income tax on the revenue they receive from their tenant. It’s also unfair

because it is not only inapplicable in any other borough, but it is also inconsistent even within Manhattan. Businesses on the north side of 96th Street haven't been obligated to pay CRT since the 1990s, and certain areas in lower Manhattan received a post-9/11 exemption, which is still on the books to this day.

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