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Corporate Tax Will Have Negligible Impact on Large Corporations

In response to New York City's looming $5.4 billion budget gap, State lawmakers proposed a suite of measures authorizing the City to raise additional revenue.[1] Taxes on businesses operating in New York City form the cornerstone of the legislature's funding plan. In response, the heads of some large businesses and business advocacy groups have warned that tax increases will cause some firms to relocate their employees and corporate headquarters.[2] This misleading claim is founded on a misapprehension of business taxation: corporate tax liability in New York is based on where firms derive profit, not where they employ workers. This brief will illustrate this point by discussing the largest payers of corporate tax in New York City.

Major corporate taxpayers' estimated New York City tax liability ($ in millions)

Corporation	Estimated current NYC tax	Added tax	Added tax as a share of total tax[3]
Nvidia	$369	$74	0.3%
Microsoft	$273	$55	0.2%
Google	$259	$52	0.2%
Berkshire Hathaway	$226	$45	0.3%
Apple	$223	$45	0.2%
Amazon	$168	$34	0.2%
JPMorgan	$61	$12	0.1%
Meta	$55	$11	0.0%

[1] Andrew Perry, "The Legislature's Plans to Put New York City on Sound Fiscal Footing," Fiscal Policy Institute, March 19, 2026, https://fiscalpolicy.org/the-legislatures-plans-to-put-new-york-city-on-sound-fiscal-footing.
[2] JPMorgan Chase CEO Jamie Dimon raises the prospect of a "disaster for the city" on the scale of the 1970s fiscal crisis. See Jamie Dimon "Chairman and CEO Letter to Shareholders: Annual Report 2025," JPMorgan Chase, April 6, 2026, 24, https://www.jpmorganchase.com/content/dam/jpmc/jpmorgan-chase-and-co/investor-relations/documents/ceo-letter-to-shareholders-2025.pdf#page=23
[3] Includes federal, state, local, and foreign taxes paid in 2025.

Corporate tax liability is highly concentrated

Corporate tax liability in New York State is mainly borne by a relatively small number of very large, profitable firms. In 2022 (the most recent data available), **799 corporations, representing just 0.2 percent of all corporate taxpayers in the state, paid 75.7 percent of total corporate taxes.**[4]

Even among these large firms, corporate tax liability is likely highly concentrated. The top eight firms, all tech and finance companies, accounted for about one-fifth of total *federal* corporate income tax revenue in 2025 (as will be discussed below, individual state and local tax payments are not publicly available).[5]

Which firms pay the most corporate tax in New York City?

A corporation's New York City tax liability is determined by its total profits and an apportionment factor used to assess how much of the company's overall business was done in New York City. The apportionment factor is based solely on where sales occur, not the location of the business's headquarters or employees. For instance, if Apple makes 5 percent of its sales in New York, then five percent of its profit is attributed to New York and taxed at the state's corporate rate.

Information on individual corporate tax payments to states and localities is not publicly available. However, since New York's corporate tax liability is based on the local share of corporate sales, the top payers to New York City likely mirror the top national payers. To illustrate, FPI assumes New York City's top corporate taxpayers mirror those of the US and that their local income share equals the city's share of national GDP.[6] Under this assumption, major tech firms are by far New York City's largest corporate taxpayers, alongside international finance firms JPMorgan and Berkshire Hathaway.

How would a corporate tax increase affect these corporations?

As part of their one-house budgets, the State Senate and Assembly both proposed increasing New York City's businesses taxes, raising rates for corporations from 8.85 percent to 10.62 percent and from

[4] New York State Department of Taxation and Finance, "Corporate Taxes," page last reviewed or updated April 8, 2026 https://www.tax.ny.gov/data/stats/taxfacts/corporation-tax.htm.
[5] FPI analysis of 10-K filings via US Securities and Exchange Commission's Electronic Data Gathering, Analysis, and Retrieval (EDGAR) system, https://www.sec.gov/search-filings, and Stock Analysis, "Biggest U.S. Companies by Income Taxes," accessed April 22, 2026, https://stockanalysis.com/list/most-taxes-us/.
[6] To best estimate local corporate tax liabilities, FPI accessed 2025 current federal income tax expenses using firms' 10-K filings. We estimate corporate liability by multiplying firms' federal income tax base by New York City's share of US GDP (4.6%). GDP is about 70 percent consumption, and, unlike measures of personal income and consumption, includes business spending, which is core to corporate income (Nvidia, the largest federal taxpayer sells exclusively to businesses). We believe this is the best approach for estimating local tax bases. This approach may be less reliable for geographically specific businesses (regional grocers, for instance). However, because top taxpayers are multinational tech and finance firms, it is likely that consumption patterns in New York are closely related to those of the US as a whole.

9 percent to 10.8 percent for finance corporations. These changes, together with a modest increase in the unincorporated business tax rate, would generate $1.75 billion in new annual revenue.

Because the corporate tax is based on the sales firms make in New York City, fears of corporate tax flight are misplaced. Businesses cannot avoid such taxes by shifting the location of their workforce or headquarters. For Nvidia or Microsoft to reduce their state corporate tax liability, they would have to sell fewer semiconductors and computers to New York businesses. This would be obviously counterproductive because these businesses would have to forgo $8.40 of after-tax profit to avoid each $1 in local tax. Whether or not they employ New Yorkers is simply not a factor in their tax liability. In the scheme of these businesses' global operations, New York City's tax increase would average 0.2 percent of the corporate tax they already pay (see note 3 and the table above).