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**New York City Majority Leader Keith Powers, Manhattan Borough President Mark Levine, and Council Member Gale Brewer Introduce Legislation Temporarily Suspending Commercial Rent Tax**

*The bill supports Manhattan's business recovery by temporarily suspending the commercial rent tax*

**New York, NY** – Today, City Council Majority Leader Keith Powers, Manhattan Borough President Mark Levine, and Council Member Gale Brewer announced legislation to suspend the commercial rent tax in full for 3 years. An effective rate of 3.9% of businesses' annual rent, the commercial rent tax is charged only to establishments south of 96th Street in Manhattan. As the borough's economy still struggles to recover from the COVID-19 crisis, this legislation would help thousands currently paying the tax.

"The pandemic devastated our city's small businesses," said **City Council Majority Leader Keith Powers**. "Relieving the commercial rent tax puts money back into the pockets of struggling business owners. Our city's recovery is contingent on Manhattan—we need to be doing everything possible to support these establishments as owners work tirelessly to pay bills, bring back customers, and keep their doors open."

"The sharp decline in office workers and tourists has devastated businesses south of 96<sup>th</sup> Street, so suspending the Commercial Rent Tax will give them some relief as they attempt to keep their doors open," said **Manhattan Borough President Mark Levine**. "A strong recovery for our entire borough requires creative solutions to support small businesses and their employees."

"Lower-wage industries and small businesses have been the hardest hit during the COVID-19 pandemic, and face a difficult recovery. Projections from the Independent Budget Office indicate that the Leisure & Hospitality and Retail Trade industries are not expected to return to pre-pandemic levels until the end of the decade," said **Council Member Gale A. Brewer**. "It is critical the City support vulnerable businesses with sensible legislation that aids in their survival. Reducing the commercial rent tax burden in for business will benefit many and ensure a stronger recovery."

As reported by [THE CITY](#), approximately 26,000 city businesses have shuttered since the outset of the pandemic, and the city has only regained 71 percent of jobs since 2020. In comparison, the rest of the nation has recovered more than 90 percent of job losses. With reports estimating that a return to a pre-pandemic economy will not occur until 2025 and most federal aid sources depleted, this legislation will provide assistance to businesses during the recovery period.

The legislation is co-sponsored by Council Member Kalman Yeger, Council Member Gale Brewer, Council Member Carlina Rivera, Council Member Julie Menin, Council Member Erik Bottcher, Council Member Shaun Abreu, Council Member Chris Marte, and Council Member Diana Ayala.

“The pandemic forced many small business owners to take on record-high levels of debt in order to survive,” said **Jessica Walker, President and CEO of the Manhattan Chamber of Commerce**. “Reducing the cost of doing business -- particularly through exemptions from the unfair Commercial Rent Tax -- is one of the best ways for government to help stabilize these businesses and unleash economic recovery in our city.”

“The Commercial Rent Tax is an unjust and discriminatory fee that applies only to some businesses in Manhattan where rents are often the highest, but not elsewhere in the city, and the tax is calculated on rent not income, which makes no sense at all,” said **Andrew Rigue, Executive Director of the NYC Hospitality Alliance**. “If the city of New York wants to stop punishing our restaurants and retail shops for paying high rents and provide relief to these businesses that have been hit extra hard by the pandemic due to the loss of office workers and tourists, they need to enact Council Member Powers’ important Commercial Rent Tax reform bill now.”

“Keeping financial resources in the pockets of small businesses not only bolsters our small businesses recovery it also helps revive the New York City economy,” said **Deputy Speaker Diana Ayala**. “I am happy to co-sponsor this package of common sense legislation during a time when many small businesses are still struggling to recover from this pandemic.”

“Suspending the commercial rent tax will provide substantial relief for our small businesses,” said **Council Member Julie Menin, Chair of the Small Business Committee**. Pandemic recovery depends on a benefit that will directly impact our mom-and-pop shops, legacy, and emerging small businesses. Without tangible relief more businesses will close and the City Council must eviscerate this tax.”

“From the bodega to the bar, small businesses are of, by, and for the community,” said **Council Member Shaun Abreu**. “Over the last two years, our city has seen too many iconic local establishments ripped from our neighborhoods. Just last week, I joined my neighbors to memorialize Coogan’s, a multi-decade business that we lost during the pandemic. Rent tax relief will be a lifeline for our critical small businesses and will allow new ones to flourish. As a result, our neighborhoods will have greater access to local goods and it will be more accessible for our enterprising neighbors to start and operate a small business.”

“Our small businesses are going through unprecedented difficulties and this added tax is only putting more pressure on their narrow margins,” said **Council Member Erik Bottcher**. “It is far past time to repeal this tax and give these businesses a fair chance. Thanks to Majority Leader Keith Powers and my colleagues for their leadership on this issue.”

“Our small businesses were hit the hardest by COVID-19. As we continue to weather the pandemic in New York City, we must ensure we are protecting these beloved neighborhood mainstays from further economic strife,” said **Council Member Carlina Rivera**. “At the height of the pandemic, I passed legislation suspending personal liability provisions for impacted small business owners, and for the same reasons now, I am proud to stand with my Manhattan colleagues in fighting for commercial rent tax relief for these cornerstones of our communities.”

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