



NEW YORK STATE SENATOR

Brad Hoylman-Sigal

On Small Business Saturday, Senator Brad Hoylman & Assembly Member Harvey Epstein Introduce the "Manhattan Mom & Pop Tax Relief Act," Legislation Suspending Unfair Tax on Small Biz During Pandemic

BRAD HOYLMAN-SIGAL November 28, 2020

| ISSUE: **CORONAVIRUS PANDEMIC; SMALL BUSINESSES; FINANCIAL RELIEF, CORONAVIRUS PANDEMIC, SENATOR BRAD HOYLMAN, SD 27**

NEW YORK -- In celebration of Small Business Saturday, State Senator Brad Hoylman (Manhattan-D/WFP) and Assembly Member Harvey Epstein (Manhattan-D/WFP) introduced the "[Manhattan Mom & Pop Tax Relief Act](#)," legislation that will suspend collection of the Commercial Rent Tax (CRT) during the COVID-19 pandemic from small businesses with a base rent of less than \$1 million per year. The CRT is charged only to commercial tenants in Manhattan south of 96th Street and is a 3.9% effective tax on rent paid. The bill would provide additional relief to small businesses amid current and possible future government-ordered restrictions on businesses to combat the increasingly rapid spread of COVID-19.

This bill serves as companion legislation to a [local bill introduced by Council Member Keith Powers](#) (Manhattan-D) to suspend the CRT.

Senator Hoylman said: "Mom and Pop businesses have been hit hard by COVID-19, as any New Yorker can tell from the skyrocketing number of storefront vacancies in Manhattan. It's unfair that only small businesses south of 96th Street are forced to pay the Commercial Rent

Tax, so we're throwing approximately 5,500 of them a lifeline with the Manhattan Mom & Pop Tax Relief Act, which suspends the collection of this tax during COVID. If we don't act quickly to provide financial assistance to our small businesses, especially as more pandemic lockdowns are considered, more of them are going to disappear."

Assembly Member Epstein said: "Our small business sector was ailing even before the COVID-19 pandemic, which has led to the closure of thousands more beloved businesses since government mandated restrictions took effect in March. We have a responsibility to ensure the economic well-being of our state as we continue fighting to emerge from this public health crisis and a tax holiday as proposed in our legislation is an important part of the solution to stem the tide of small business closures."

Council Member Powers said: "This is money back in the hands of small business owners. New York is experiencing a state of emergency and our response to help businesses recover must be commensurate. Relieving payment of the commercial rent tax at this time is a tangible benefit for businesses. A commercial rent tax holiday means immediate relief."

From March 1 to August 1 over 2,800 businesses permanently closed in New York, with the [Partnership for New York City](#) estimating as many as one-third of the city's 240,000 small businesses may shut down during an extended pandemic. Small businesses currently employ more than three million people, half of the city's workforce.

Approximately 5,500 Manhattan businesses would benefit from the suspension of the CRT as proposed in this legislation. Temporarily rolling back the Commercial Rent Tax for thousands of primarily small businesses will help alleviate the financial burden placed on small business owners who occupy physical locations in Manhattan, at a time when relief is desperately needed.