

EXEMPT FREELANCERS FROM NYC'S Unincorporated Business Tax



THE UNINCORPORATED BUSINESS TAX (UBT) IS AN UNFAIR DOUBLE TAX ON NYC'S INDEPENDENT WORKFORCE

- The self-employed are the proverbial dolphins caught in the tuna net: they are victims of an imprecise tool designed to capture a different group.
 - The UBT was created in the '60s to collect revenue from businesses structured to sidestep corporate taxes.
 - It was never intended for the self-employed.
- This tax drains millions of dollars a year from self-employed workers who increasingly comprise NYC's middle class.
 - The New York City UBT is a 4% tax on both business and personal income.
 - There are more than 100,000 sole proprietor UBT filers.
 - Freelancers paid more than \$162 million to New York City in UBT taxes last year.
- Freelancers subject to UBT receive little in return for the expense.
 - States don't consider them employees, so they can't access crucial benefits or file unpaid wage claims.
 - And although they pay business taxes, independent workers receive none of the benefits conferred on corporate taxpayers.

INDEPENDENT WORKERS SHOULD BE EXEMPT FROM THE UBT

- The independent workforce deserves equitable tax treatment.
 - At a time when New York City's middle class is struggling more than ever, it's time to re-focus the UBT on its original target: high-income partnerships and other businesses not subject to corporate taxes.
- The City and State should target tax relief to support the City's working middle class.
 - The independent workforce has carried New York's economy through boom and bust, and it's time for the state to return the favor.
 - Exempting independent workers from the UBT will nurture this vital employment engine during the recession and sustain the city's status as a cultural capital by removing one of the major obstacles facing the creative workforce.

INDEPENDENT WORKERS ARE ESSENTIAL TO NEW YORK'S ECONOMY

- Freelancers are the foundation of our city's modern, flexible economy, driving the resurgence of New York's middle class.
- We are freelancers, consultants, independent contractors, temps, part-timers, contingent employees, and the self-employed.
- Freelancers are 30% of the workforce, and that number is growing as the economic crisis deepens.
 - In a 2008 survey, 19% of freelancers said they became independent workers after being laid off from a permanent job.
- Freelancers account for two-thirds of New York City's job growth since 1975.