



TAX | Current New York Tax Considerations for Asset Managers—Part 1, Sourcing Fee Income in a Remote Work Model

Asset managers face a complicated tax environment in New York. They must consider not just New York State (NYS) business taxes on their management companies, their funds and themselves, but also parallel New York City (NYC) business taxes. Sometimes these NYS and NYC taxes are aligned, and sometimes they are not. In the case of remote work, they are not. Many firms that adopted a remote work model in response to the COVID-19 pandemic must now figure out what that means for their New York tax liabilities in 2020-21—and the future. Remote work presents an opportunity to reduce the New York tax burden on fee income, but NYS and NYC each present their own considerations, which must be addressed to properly capitalize on it. This Legal Update reviews key NYC Unincorporated Business Tax (UBT) and NYS Personal Income Tax (PIT) considerations that are relevant for firms evaluating the impact of remote work. Part 2 of this Legal Update will address the PIT considerations that residents and nonresidents face at the individual level, including some basics around residency changes, and the effects of those changes on PIT liabilities.

Downloads – [Download Document](#)

Authors

- [Zal Kumar](#)
- [Kelly W. Donigan](#)