

Sales Tax Administration

- The vendor, such as a retailer or restaurant, is responsible for collecting sales tax from a customer and remitting it to the State
 - This is done monthly, quarterly or annually
- The State keeps its portion and distributes the local revenue to the taxing jurisdiction where the sale was made
 - This is done monthly, with certain exceptions



NYS COMPTROLLER
THOMAS P. DiNAPOLI

3

Local Sales Tax

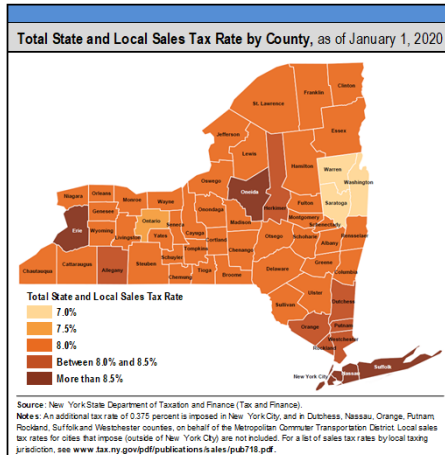
- All counties and 18 cities impose a general sales tax on goods and services
- Certain goods and services are exempt from sales tax, including:
 - Most food purchased at stores, medical care, and educational and professional services
- Local rates range from 3 to 4.75%
 - Average combined State/local rate is 8.45%



NYS COMPTROLLER
THOMAS P. DiNAPOLI

4

Sales Tax Rates



City Sales Tax Rates, as of January 1, 2020

City	Total Sales Tax Rate	City Portion of the Local Rate
New York City*	8.875%	4.5%
Yonkers*	8.875%	3.0%
Rome	8.750%	1.5%
Ulster	8.750%	1.5%
Mount Vernon*	8.375%	2.5%
New Rochelle*	8.375%	2.5%
White Plains*	8.375%	2.5%
Auburn	8.000%	2.0%
Gloversville	8.000%	2.0%
Ithaca	8.000%	1.5%
Johnstown	8.000%	2.0%
Norwich	8.000%	1.5%
Olean	8.000%	1.5%
Oneida	8.000%	2.0%
Oswego	8.000%	4.0%
Salamanca	8.000%	1.5%
Glens Falls	7.000%	1.5%
Saratoga Springs	7.000%	1.5%

Source: Tax and Finance.
 Notes: Total sales tax rate is the combined State and local rate.
 * The total sales tax rate for these cities includes a 0.375 percent surcharge on behalf of the Metropolitan Commuter Transportation District.

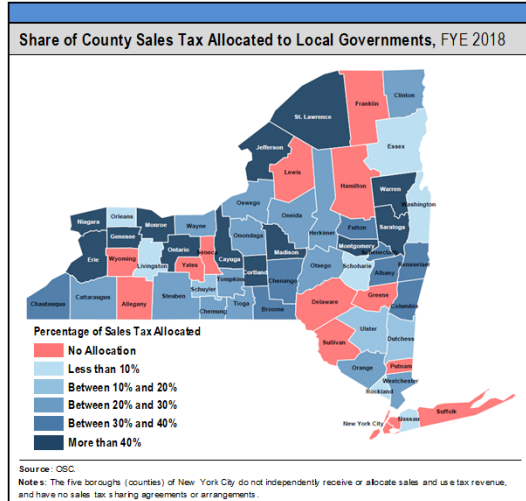
NYS COMPTROLLER
THOMAS P. DiNAPOLI

Sales Tax Sharing

- A total of 46 counties share their sales tax revenue with other local governments within their borders
 - Tax law directs some counties to share with cities and towns, while others share voluntarily
- In fiscal year ending 2018, counties shared a total of \$1.9 billion in sales tax revenue with other local governments

NYS COMPTROLLER
THOMAS P. DiNAPOLI

County Allocations

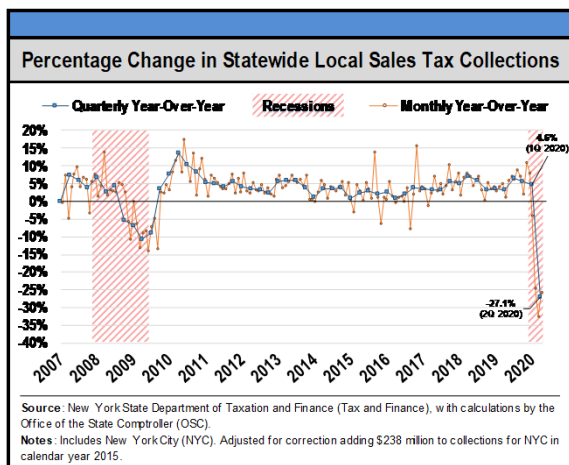


- 23 percent of all county sales tax revenue was allocated to other local governments within their borders in 2018
- Of the counties that shared their sales tax, those with cities allocated an average of 30 percent, while those without cities shared 10 percent

NYS COMPTROLLER
THOMAS P. DiNAPOLI

7

Local Collections in 2020

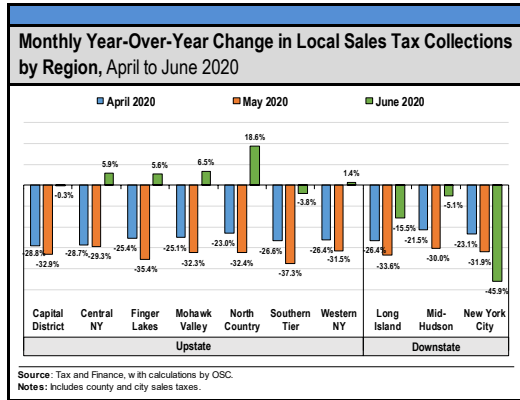


- Statewide local sales tax collections grew by 4.6 percent in the first quarter of 2020, which mostly reflected sales made prior to the COVID-19 pandemic
- Collections for the second quarter declined by 27.1 percent as a result of the State-mandated business and office closures

NYS COMPTROLLER
THOMAS P. DiNAPOLI

8

June 2020 Collections



Link: www.osc.state.ny.us/sites/default/files/local-government/documents/excel/2020-07/local-sales-tax-collections-monthly-and-quarterly-collections-region.xlsx

- Statewide local collections were down 25.4 percent in June, but this was mostly due to New York City
- After steep drops in April and May, every region outside of New York City saw an improvement in collections for June as a result of retail stores and offices reopening



NYS COMPTROLLER
THOMAS P. DiNAPOLI

Improvement to Collections

- The State has recently improved the collection of taxes on internet-based sales made by smaller out-of-state vendors to New York residents
 - Improvements include the economic “nexus” policy and the “marketplace” provision
- Tax and Finance has been tracking total taxable sales made by vendors registered under these new improvements



NYS COMPTROLLER
THOMAS P. DiNAPOLI

Internet-Based Sales

- From March 2019 to February 2020, marketplace and nexus vendors were responsible for \$8.8 billion, or 2.2 percent, of the \$400 billion in total taxable sales
- This helped to boost statewide taxable sales to 4.8 percent over the previous 12 months
 - Without the addition of these sales, the growth would have been closer to 2.5 percent



NYS COMPTROLLER
THOMAS P. DiNAPOLI

11

Local Sales Tax Estimates

- OSC estimates that the nexus and marketplace improvements generated approximately \$373 million in local sales taxes over the course of the year
 - Sales in New York City account for over \$150 million, or 40 percent of this total
- Link: www.osc.state.ny.us/sites/default/files/local-government/documents/pdf/2020-07/2020-local-sales-tax-collections-second-quarter.pdf



NYS COMPTROLLER
THOMAS P. DiNAPOLI

12

OSC Withholdings

- Two State programs now require OSC to withhold funds from county sales tax collections prior to distribution in certain months
 - Aid and Incentives for Municipalities (AIM) - Related Payments
 - Distressed Provider Assistance



NYS COMPTROLLER
THOMAS P. DiNAPOLI

13

AIM-Related Payments

- Established in 2019-20 Enacted State Budget
- Defines which towns and villages are “reliant” on State aid from AIM
 - If 2018-19 AIM > 2% of 2017 total expenditures
 - Town or village (137) will continue to receive AIM each September
 - If 2018-19 AIM < 2%
 - Town or village (1,325) will receive AIM-Related payments, annually



NYS COMPTROLLER
THOMAS P. DiNAPOLI

14

AIM-Related Payments

- Withholdings and payments take place in May and December, annually
 - Towns and villages with a 5/31 fiscal year end receive payments by May 15
 - All others receive payments by December 15
- The town/village payment matches the 2018 AIM distribution
 - Total of \$59.1 million, annually



NYS COMPTROLLER
THOMAS P. DiNAPOLI

15

Distressed Provider Account

- Established in 2020-21 Enacted State Budget
- Withholds \$50 million from counties outside of New York City and \$200 million from New York City
- Withheld money will be put in a fund for distressed hospitals and nursing homes



NYS COMPTROLLER
THOMAS P. DiNAPOLI

16

Distressed Provider Account

- 2-Year Program – Unlike AIM-Related
- First withholding takes place in January 2021 and represents the sum of the first 4 quarterly withholdings
 - April 2020, July 2020, Oct 2020 and Jan 2021
- The next 4 withholdings will occur quarterly
 - April 2021, July 2021, Oct 2021 and Jan 2022
 - Amounts to be determined in late Dec 2020



NYS COMPTROLLER
THOMAS P. DiNAPOLI

17

Distressed Provider Account

- How is the split of the \$50 million withheld from counties determined?
 - Aggregate amount of sales tax collections in a county between Dec 2018 and Nov 2019 (“A”)
 - Total sales tax collections for all counties at the same time (“B”)
 - A/B = Proportionate county share



NYS COMPTROLLER
THOMAS P. DiNAPOLI

18

2020 DP Calculation Example

- Albany County’s total sales tax collections from Dec 2018 to Nov 2019 = **\$285 million**
- Statewide county sales tax collections from Dec 2018 to Nov 2019 = **\$8.5 billion**
- \$285 million/\$8.5 billion = **3.4%**
- Albany County’s Distressed Provider responsibility for 2020
 - 3.4% x \$50 million = **\$1,677,287**



NYS COMPTROLLER
THOMAS P. DiNAPOLI

19

County Sales Tax Withholdings

- OSC withholds funds from the “early” Tax and Finance Revenue Distribution Certification (AS001) in these months:

Fiscal Year and Month	AIM-Related Payments	Distressed Provider Assistance
2020		
May	\$	
December	\$	
2021		
January		\$
April		\$
May	\$	
July		\$
October		\$
December	\$	
2022		
January		\$
May	\$	
December	\$	

THOMAS P. DiNAPOLI

20

County Sales Tax Withholdings

- See withholding information on OSC's website, including:
 - Background
 - Calculations
 - Legislation
 - Past Webinars
- Link: www.osc.state.ny.us/local-government/data/county-sales-tax-distributions-and-withholdings



NYS COMPTROLLER
THOMAS P. DiNAPOLI

21

Resources

Local Sales Tax Report

www.osc.state.ny.us/sites/default/files/local-government/documents/pdf/2020-07/2020-local-sales-tax-collections-second-quarter.pdf

OSC Withholding Information

www.osc.state.ny.us/local-government/data/county-sales-tax-distributions-and-withholdings

Tax and Finance Revenue Distribution Certification

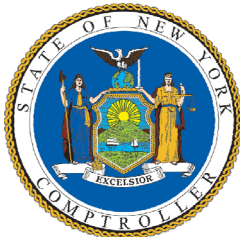
www.tax.ny.gov/research/stats/statistics/sales_tax/government/as001.htm



NYS COMPTROLLER
THOMAS P. DiNAPOLI

22

Thank You



Division of Local Government and
School Accountability



NYS COMPTROLLER
THOMAS P. DiNAPOLI

23



localgov@osc.ny.gov



NYS COMPTROLLER
THOMAS P. DiNAPOLI

24