


Local Sales Tax Growth

First Half of 2018

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Topics

- Summary of local sales tax in New York
- Statewide and regional trends
- County and city sales tax collections
- Per capita collections
- Factors and influences
- Recent Supreme Court decision




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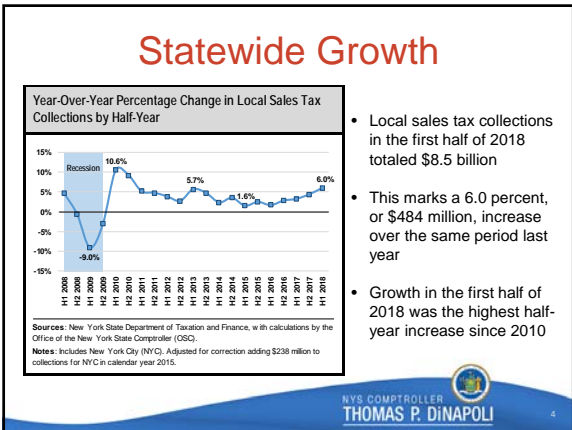
Local Sales Tax in New York

- Sales tax is administered by the State
- Counties and cities can impose
 - General (goods and services)
 - Limited (hotel occupancy or consumer utilities)
- Tax rates are between 3 and 4.75 percent
- Many counties share a portion of their collections with cities and towns within their borders

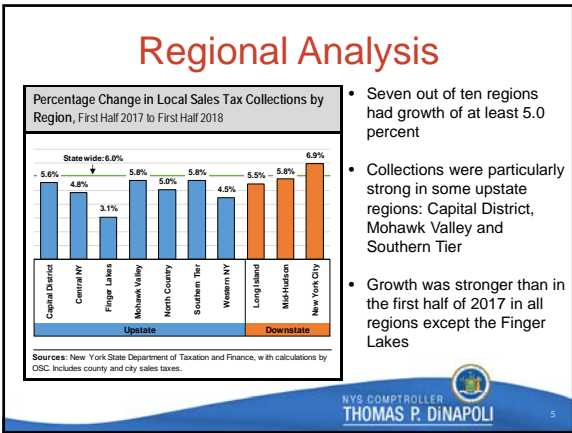


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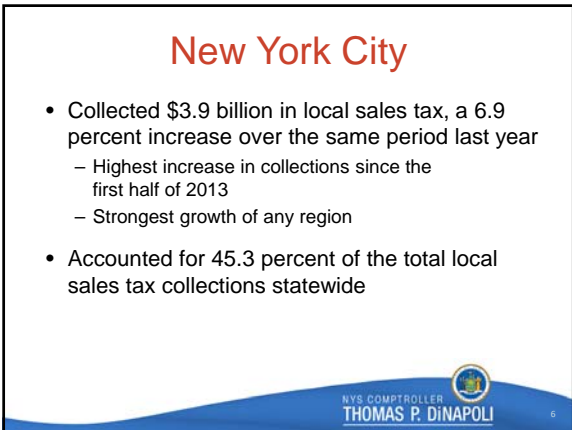
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- Local sales tax collections in the first half of 2018 totaled \$8.5 billion
- This marks a 6.0 percent, or \$484 million, increase over the same period last year
- Growth in the first half of 2018 was the highest half-year increase since 2010



- Seven out of ten regions had growth of at least 5.0 percent
- Collections were particularly strong in some upstate regions: Capital District, Mohawk Valley and Southern Tier
- Growth was stronger than in the first half of 2017 in all regions except the Finger Lakes



County Collections

- In the first half of 2018, collections grew in 54 of the 57 counties outside of NYC, with an average growth rate of 5.1 percent
- Strongest growth:
 - Hamilton County (38.9 percent)
 - Sullivan County (18.0 percent)
- Weakest growth:
 - Cayuga County (-5.8 percent)
 - Oswego County (-1.9 percent)

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City Collections

- In addition to NYC, 17 cities impose their own general sales tax
- All but three of these cities experienced growth in collections in the first half of 2018, with an average growth rate of 5.7 percent
- Strongest growth:
 - Gloversville (33.2 percent)
- Weakest growth:
 - Oneida (-10.1 percent)

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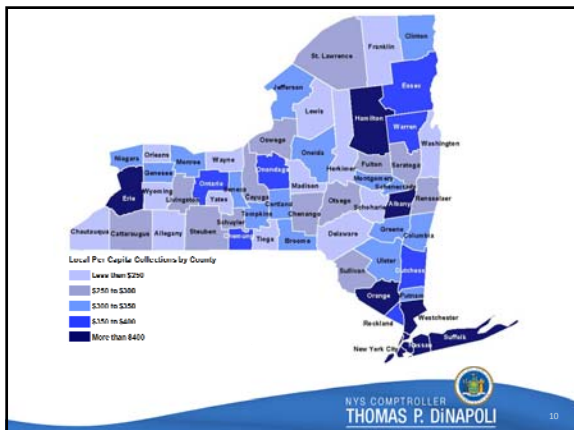
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Collections Per Capita

- Local sales tax collections per capita were \$426, an increase of \$24 over the same period last year
- Highest per capita:
 - Suffolk County (\$506)
 - New York City (\$485)
- Lowest per capita:
 - Washington County (\$158)
 - Orleans County (\$200)

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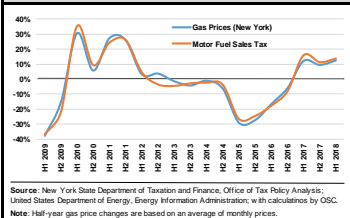
Factors and Influences

- State's unemployment rate for June 2018 was 4.5 percent, the lowest in over a decade
- Wage growth has remained mostly steady, slightly outpacing last year
- Consumer confidence is high, spending is slightly up and tourism is strong
- Inflation increased by 2.9 percent in June 2018 over June 2017; highest growth in 7 years

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Motor Fuel Collections

Year-Over-Year Percentage Change in New York State Gas Prices and Motor Fuel Sales Tax Collections by Half-Year



- Motor fuel sales tax component increased by 13.9 percent for the third consecutive half-year period
- Upstate regions are affected more by motor fuel collections
- Closely related to the growth and decline of gas prices

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Supreme Court Decision

- The U.S. Supreme Court's ruling in *South Dakota v. Wayfair* reversed prior decisions
 - States may now have the authority to require all online retailers to collect and remit sales taxes on goods and services
- New York already collects sales tax from many of the largest online retailers, but could see additional revenue gains

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Links and Contacts

Local Sales Tax Report for the First Half of 2018
<https://www.osc.state.ny.us/localgov/pubs/research/first-half-2018-local-sales-tax-collections.pdf>

Questions or Inquiries
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Thank You



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