


Local Sales Tax Growth

Annual Collections for 2018

Robert Caracciolo, Research Analyst
Division of Local Government and School Accountability




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Topics

- Summary of local sales tax in New York
- Statewide and regional overview
- County and city sales tax collections
- Per capita collections
- Factors and influences
- Outlooks: Internet sales tax




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Local Sales Tax in New York

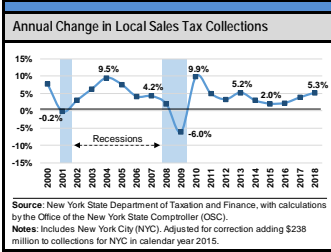
- Sales tax is administered by the State
- Counties and cities can impose
 - General (goods and services)
 - Limited (hotel occupancy or consumer utilities)
- Local tax rates are between 3 and 4.75 percent
- Many counties share a portion of their collections with cities and towns within their borders



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Statewide Annual Growth

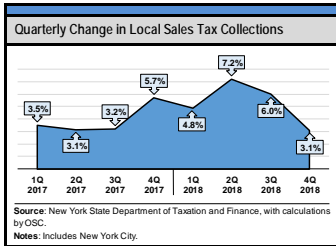


- Local sales tax collections in New York State totaled \$17.5 billion in 2018
- Total collections grew by 5.3 percent, or \$872 million, over the previous year
- Growth in collections has strengthened for three consecutive years, from 2016 to 2018

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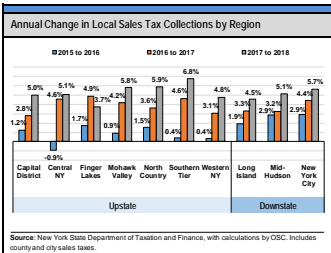
Statewide Quarterly Trends

- Collections were strongest in the second quarter with a year-over-year increase of 7.2 percent, more than double the growth rate during the same period in 2017
- Growth in the fourth quarter (3.1 percent) slowed compared to the same period last year



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Regional Analysis



- Every region's annual growth rate increased in each of the last three years, except in the Finger Lakes
- Collections were robust in several upstate regions, especially in the Southern Tier (6.8 percent)
- Downtown collections were still strong: Long Island (4.5 percent) and Mid-Hudson (5.1 percent)

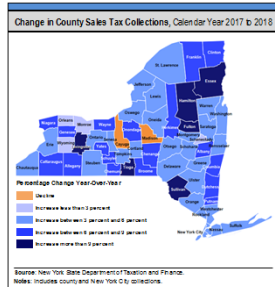
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New York City

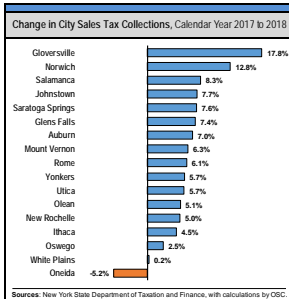
- Collected \$7.8 billion in local sales tax, a 5.7 percent increase over the same period last year
 - Highest increase in collections since 2013
 - Strongest growth of any downstate region (4th highest in New York State)
- Accounted for 44.9 percent of the total local sales tax collections statewide

County Collections

- Collections grew in 55 of the 57 counties outside of New York City, with an average growth rate of 4.9 percent
- Strongest growth:
 - Sullivan (16.4 percent)
 - Tioga (16.1 percent)
- Weakest growth:
 - Cayuga (-1.3 percent)
 - Madison (-0.7 percent)



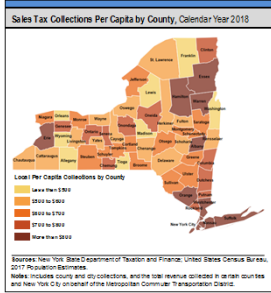
City Collections



- Seventeen cities (outside of NYC) that impose their own general sales tax had an average growth rate of 5.6 percent in total collections
- Strongest growth:
 - Gloversville (17.8 percent)
 - Norwich (12.8 percent)
- Weakest growth:
 - Oneida (-5.2 percent)
 - White Plains (0.2 percent)

Collections Per Capita

- Local sales tax collections per capita were \$876, an increase of \$44 over the same period last year
- Highest per capita:
 - Suffolk County (\$1,055)
 - New York City (\$988)
- Lowest per capita:
 - Washington County (\$329)
 - Orleans County (\$409)



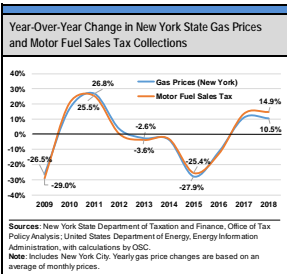
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Factors and Influences

- State's average unemployment rate for 2018 was 4.2 percent, the lowest in over four decades
- Total wages increased by 5.7 percent in the first half of 2018 compared to the same period in the previous year
- Consumer confidence is high, spending is steady and inflation increased by 2.4 percent; the highest its been since 2011

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Motor Fuel Collections



- Motor fuel sales tax component in 2018 increased by 14.9 percent over the same period last year
- Upstate regions are affected more by motor fuel collections
- Closely related to the growth and decline of gas prices, although changing patterns in cross-border sales have caused collections to surge

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Supreme Court Decision

- The U.S. Supreme Court's ruling in *South Dakota v. Wayfair* reversed prior decisions
 - States now have the authority to require online retailers to collect and remit sales taxes regardless of whether they have a physical presence in the state
- State Fiscal Year 2019-20 Executive Budget
 - Contains a proposal to require marketplace providers to collect taxes on behalf of out-of-State retailers for which they facilitate sales transactions



Links and Contacts

Local Sales Tax Report for 2018

www.osc.state.ny.us/localgov/pubs/research/2018-local-sales-tax-collections.pdf

Questions or Inquiries

localtraining@osc.state.ny.us

Thank You



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