Local sales tax collections grew by 9.9 percent in 2010 compared to 2009, when sales tax collections declined by 6.0 percent. However, nearly a third of this growth was due to a sales tax rate increase in New York City. Adjusting for this tax increase, the growth in sales tax collections in 2010 would have been about 7 percent.

New York City sales tax collections grew by 17.4 percent in 2010 compared to 2009 when collections declined by 5.9 percent. Much of this growth was due to an increase in the City’s sales tax rate and expansion of the sales tax base. In August 2009, the City increased its sales tax rate by 0.5 percent to 4.5 percent and lifted the exemption on clothing and footwear over $110. The rate increase alone accounted for almost half of the growth in New York City’s sales tax collections. Adjusting for the rate change, collections increased by less than 10 percent.

County sales tax collections grew from $6.2 billion in 2009 to $6.5 billion in 2010, a 4.7 percent increase. However, this is less than the $6.6 billion that was collected in 2008.

County Sales tax collections grew in all four quarters of 2010, compared to declines in all four quarters in 2009. The growth was strongest in the fourth quarter of 2010, and collections in that quarter were 5.8 percent higher than in the fourth quarter of 2008.
Every region in the State had sales tax collections growth in 2010 compared to 2009. The strongest growth was on Long Island with a 6 percent increase, while the weakest was in Western New York with a 2.4 percent increase.

However, sales tax collections declined in six counties – Hamilton (1.1 percent), Orleans (2.8 percent), Schuyler (5.5 percent), Sullivan (2.5 percent), Tioga (11.0 percent), and Wyoming (0.2 percent). The largest declines were due in part to technical adjustments by the Department of Taxation and Finance. Likewise, technical adjustments accounted for much of the strong growth seen in Jefferson County (9.5 percent), while Chemung County’s very strong growth – 13.2 percent – was largely due to one vendor filing.