



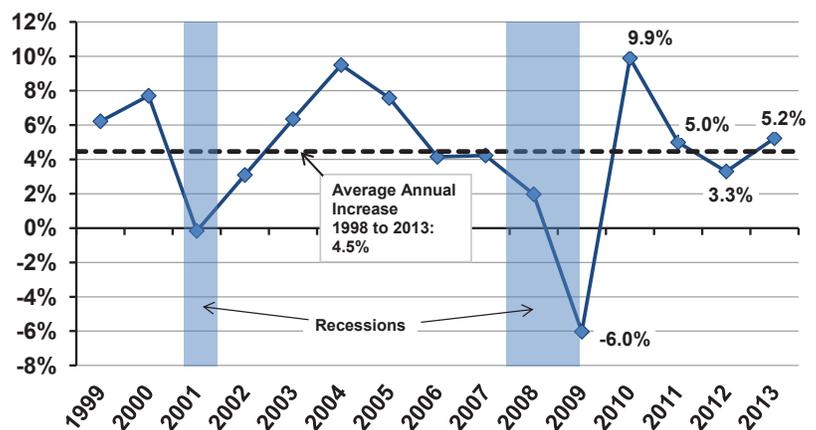
Local Sales Tax Collections Increase by 5.2 Percent in 2013; New York City and Long Island Have Strongest Growth

Total local sales tax collections in New York grew by \$739 million, or 5.2 percent, from 2012 to 2013.¹ This is stronger than the growth rates of 3.3 percent in 2012 and 5.0 percent in 2011, as well as the 15-year average annual growth rate of 4.5 percent.

Sales tax is a major revenue source for New York City and the 57 counties, which collectively receive nearly 92 percent of all local sales tax collections.² Sales tax revenue made up 30.6 percent of county revenues in 2012, the largest single revenue source.³

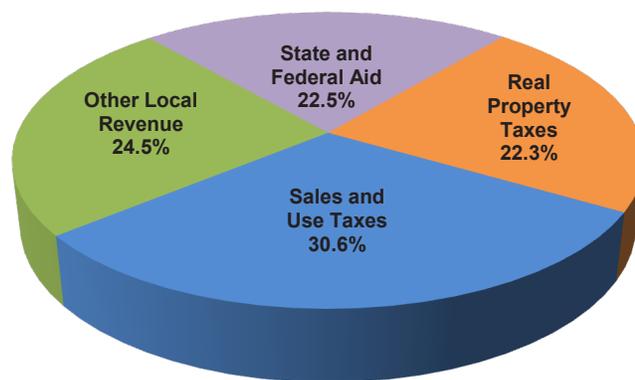
New York City's strong growth in sales tax collections was responsible for much of the increase statewide. From 2012 to 2013, the City experienced growth of \$406 million, or 6.8 percent. New York City's sales tax collections have rebounded significantly since the last recession. Collections in the City grew 37.7 percent from 2009 to 2013, while local sales tax collections for the State overall increased 25.4 percent. The 2009 0.5 percent rate increase added to New York City's sales tax collections, but most of the growth can be traced to significant retail sales gains in the City.

Percentage Change in Total Local Sales Tax Collections



Source: Department of Taxation and Finance; additional calculations by the Office of the State Comptroller. Numbers not adjusted for tax rate or tax law changes. Includes New York City.

County Revenue Mix, 2012



Source: Office of the State Comptroller. Excludes New York City.

Local Government Snapshot

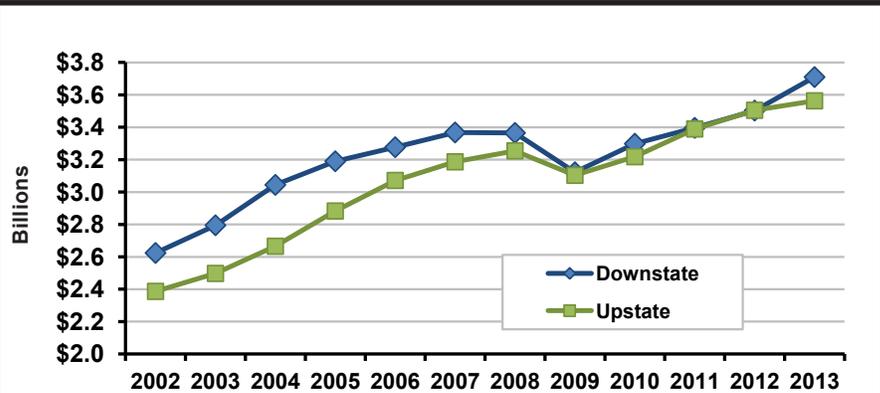
■ Growth in county sales tax collections, excluding New York City, was 3.8 percent from 2012 to 2013, with most growth occurring downstate. On average, growth in downstate counties was 5.9 percent, while growth in upstate counties was 1.7 percent.⁴ Prior to the recession, county sales tax collections were higher downstate than upstate. During the recession, downstate experienced sharper declines in collections.

■ The strongest growth for 2013 was in the Long Island region (6.9 percent). Some of the rapid sales tax growth seen there and in New York City was due to the rebuilding efforts after Hurricane Sandy. At the other extreme, the Southern Tier region had a decline of 2.3 percent in 2013 sales tax collections. Part of the decline may be the result of a return to a more normal level following higher-than-normal sales tax collections in 2012, after Hurricane Irene and Tropical Storm Lee.

■ Year-over-year growth in county sales tax collections was much slower in the fourth quarter of 2013 than it was in the first three quarters. In fact, the fourth quarter marked the weakest period of growth since the first quarter of 2010, when the State was just emerging from the recession.

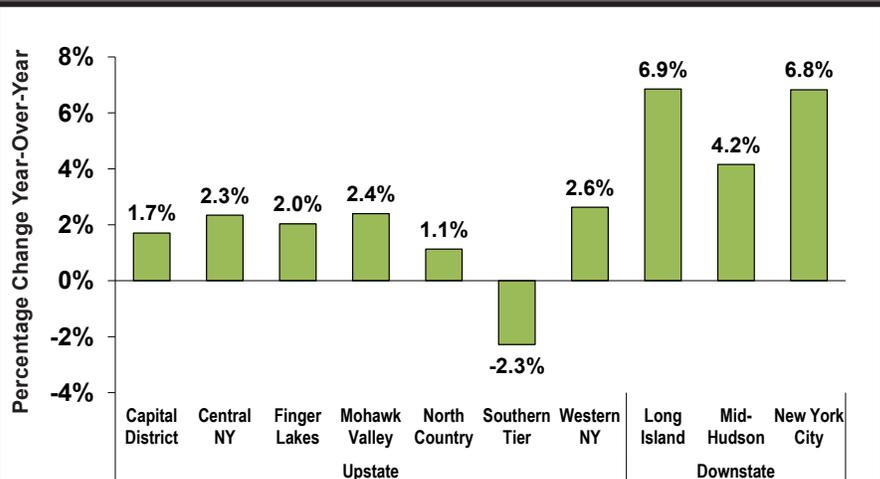
■ In December 2013, county sales tax collections outside of New York City declined by 3.2 percent compared to the year before, accounting for the overall weaker growth for the fourth quarter. In December of every year, the collections data are reconciled to reflect more complete annual reports from retail vendors. Most counties had a downward adjustment for prior periods reflected in their December 2013 figures, which suggests that the growth rates for the earlier months of the year were slightly inflated. However, even taking this into account, sales tax collections in December 2013 still declined compared to December 2012. This means that, for the State outside of New York City, taxable retail sales for that month actually declined from the year before.

County Sales Tax Collections, Upstate and Downstate



Source: Department of Taxation and Finance; additional calculations by the Office of the State Comptroller. Numbers not adjusted for tax rate or tax law changes. Does not include collections in New York City.

Change in Local Sales Tax Collections by Region, 2012 to 2013



Source: Department of Taxation and Finance; additional calculations by the Office of the State Comptroller. Numbers not adjusted for tax rate or tax law changes. Includes only county and New York City sales tax collections.

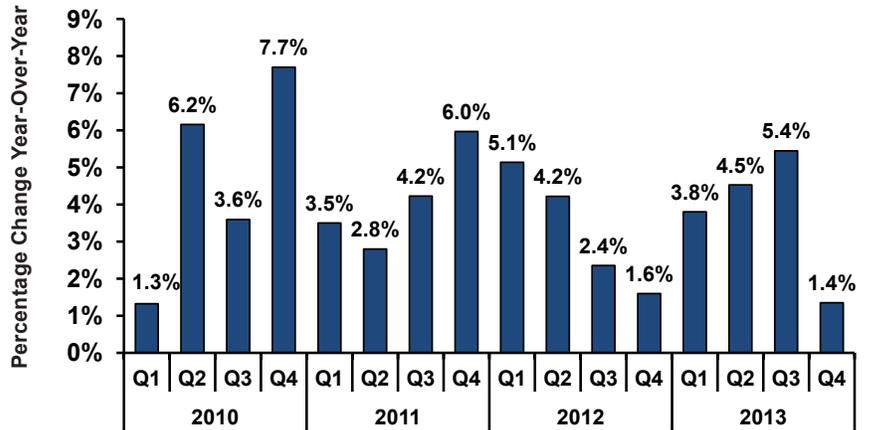
Local Government Snapshot

■ Sales tax collections grew in 43 counties from 2012 to 2013. Essex County had the strongest growth (8.8 percent), while Hamilton County's growth was 8.2 percent, and Washington County's growth was 6.9 percent. Several downstate counties also had strong growth in sales tax collections— reflective of the rebuilding after Hurricane Sandy – including Rockland County (8.1 percent), Suffolk County (6.9 percent), Nassau County (6.8 percent) and Westchester County (6.2 percent).

■ Essex and Lewis counties' local sales tax rate increased from 3.75 percent to 4 percent as of December 1, 2013, and Hamilton County's rate increased from 3 percent to 4 percent effective the same day; however, the full impact of these increases will not be seen until 2014. Ulster County's additional 1 percent rate was not renewed by the November 30th deadline; therefore, its rate declined from 4 to 3 percent, effective December 1. The additional 1 percent rate was eventually renewed, reverting the sales tax rate to 4 percent as of February 1, 2014.⁵

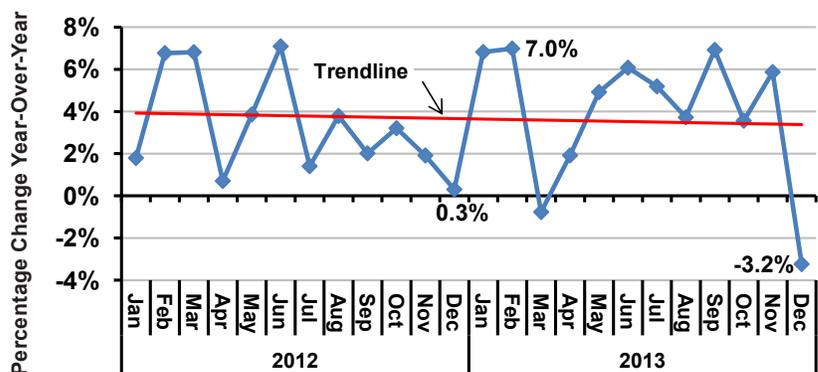
■ Fourteen counties experienced overall declines in sales tax collections between 2012 and 2013. The counties with the sharpest declines in 2013 were Schoharie and Tioga counties, both with a 5.0 percent decrease. Three other counties, all in the Southern Tier, also had declines – probably due to a return to more normal levels after the 2012 storms: Broome County (-4.6 percent), Chemung County (-4.2 percent) and Steuben County (-3.6 percent).

Quarterly Change in County Sales Tax Collections, 2010 to 2013



Source: Department of Taxation and Finance; additional calculations by the Office of the State Comptroller. Numbers not adjusted for tax rate or tax law changes. Does not include collections in New York City.

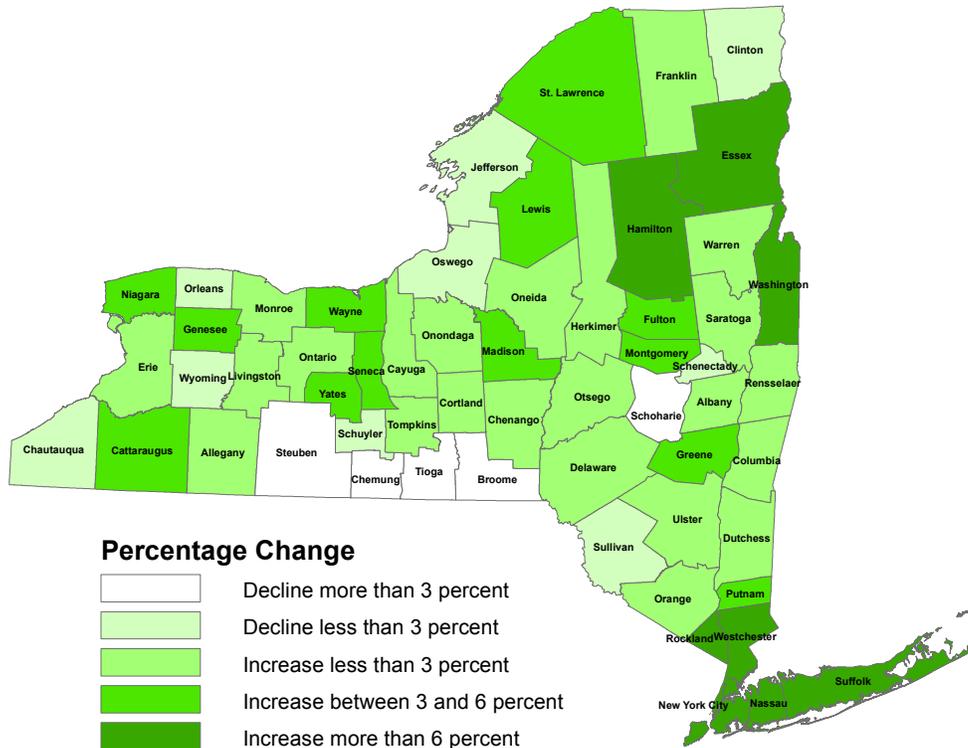
Monthly Change in County Sales Tax Collections



Source: Department of Taxation and Finance; additional calculations by the Office of the State Comptroller. Numbers not adjusted for tax rate or tax law changes. Does not include collections in New York City.

Local Government Snapshot

Change in Sales Tax Collections from 2012 to 2013



Source: Department of Taxation and Finance; additional calculations by the Office of the State Comptroller.

- ¹ Sales tax collections data from New York State Department of Taxation and Finance. Local sales taxes are those imposed for entities other than the State.
- ² The remaining 8 percent of local sales tax collections are distributed to certain cities, some school districts, the Metropolitan Transportation Authority and other designated entities.
- ³ County revenue data is from the Office of the State Comptroller. 2012 is the latest year for which full data is available. Sales and use tax revenue includes distributions to other local governments.
- ⁴ The downstate counties are: Dutchess, Nassau, Orange, Putnam, Rockland, Suffolk, Sullivan, Ulster, and Westchester. Upstate counties are the remainder outside of New York City.
- ⁵ The local rates are combined with the State rate of 4 percent to calculate the overall sales tax rate for that jurisdiction.



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