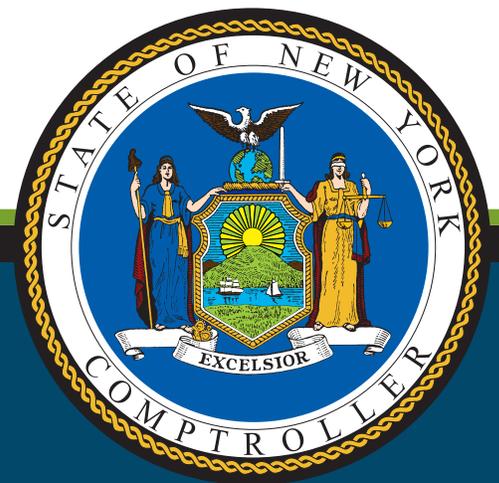


Local Government Sales Taxes in New York State: 2015 Update



**Office of the
New York State Comptroller**

Thomas P. DiNapoli • State Comptroller

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Executive Summary

- The sales tax is an important source of revenues for local governments throughout New York State. In addition to the State sales tax rate of 4 percent, counties have local sales tax rates of 3 to 4.75 percent. Many cities also impose their own sales tax, often taking over the revenues from (“pre-empting”) a portion of the county sales tax rate. New York City has a local sales tax rate of 4.5 percent.
- Local government sales tax revenue was \$13.8 billion in 2013, or 8.2 percent of all local government revenue. Counties get the largest share of their revenues from the sales tax, 27.8 percent on average, not including sales tax revenue distributed to other local governments. New York City gets 8.6 percent of its revenues from the sales tax and other cities get 18.3 percent in aggregate. Towns get 9.5 percent of their revenues from the sales tax, villages 6.1 percent and school districts 0.5 percent.
- Many counties, 46 of 57 outside of New York City, share a portion of their sales tax collections with other local governments within their borders. These counties shared about 28 percent of their sales tax collections. Twelve of these sharing agreements or arrangements were modified in the last five years, with about half sharing more sales tax revenue with local governments.
- New York’s State and local tax burden is the sixth highest in the nation. The aggregate average sales tax rate for the State is 8.45 percent, while 93 percent of New Yorkers reside in areas that have a total sales tax rate of at least 8 percent.
- E-commerce made up 6.6 percent of total retail sales in the United States during the third quarter of 2014. New York State has spearheaded an effort to collect sales tax on e-commerce, originating the “Amazon Tax,” which resulted in online retailers paying \$360 million in sales taxes as of February 2012.

The Sales Tax

The sales tax is a tax on the retail sales of goods and services. Along with property taxes, sales taxes of various kinds have long made up the core of local government finance. Taxes on specific commodities (also called excise taxes) have been imposed by governments for millennia.¹ A general sales tax is one that is imposed on all commodities, usually with some defined exceptions. Several states, including New York, imposed general sales taxes to raise additional revenues during the Great Depression. The first general sales tax in New York State was a one-year, 1 percent tax imposed in 1933.² In 1934, a local sales tax was authorized for New York City only.³ In 1947, the authority to impose a general sales tax was extended to all cities and counties in the State.⁴ While these city and county sales taxes were locally administered and collected, starting in 1942 the State set maximum rates.⁵

In 1965, the State imposed a statewide general sales tax and replaced the locally administered sales taxes with a local option sales tax that is administered by the New York State Department of Taxation and Finance.⁶ The statewide sales tax was initially 2 percent and has been as high as 4.25 percent; it is currently 4 percent. All cities and counties in the State (except those counties wholly within New York City) can impose local sales taxes at a “maximum” rate of up to 3 percent, or higher if authorized by special State legislation. Currently all eligible counties in the State have a local sales tax, as well as 20 cities (including New York City).⁷

New York’s sales tax is applied to the general sales tax package, including sales of:

- Tangible personal property (with some exemptions);
- Utility (gas, electricity, telephone, and refrigeration and steam) services;
- Other selected services (for example, interior decorating and detective services);
- Food and beverages sold by restaurants, taverns and caterers;
- Hotel occupancy; and
- Certain admission charges and dues.⁸

The Department of Taxation and Finance administers the State and local sales taxes. The State Tax Commissioner certifies the amounts that should be distributed to local governments, and those amounts are then paid to the local governments by the State Comptroller.

The Use Tax

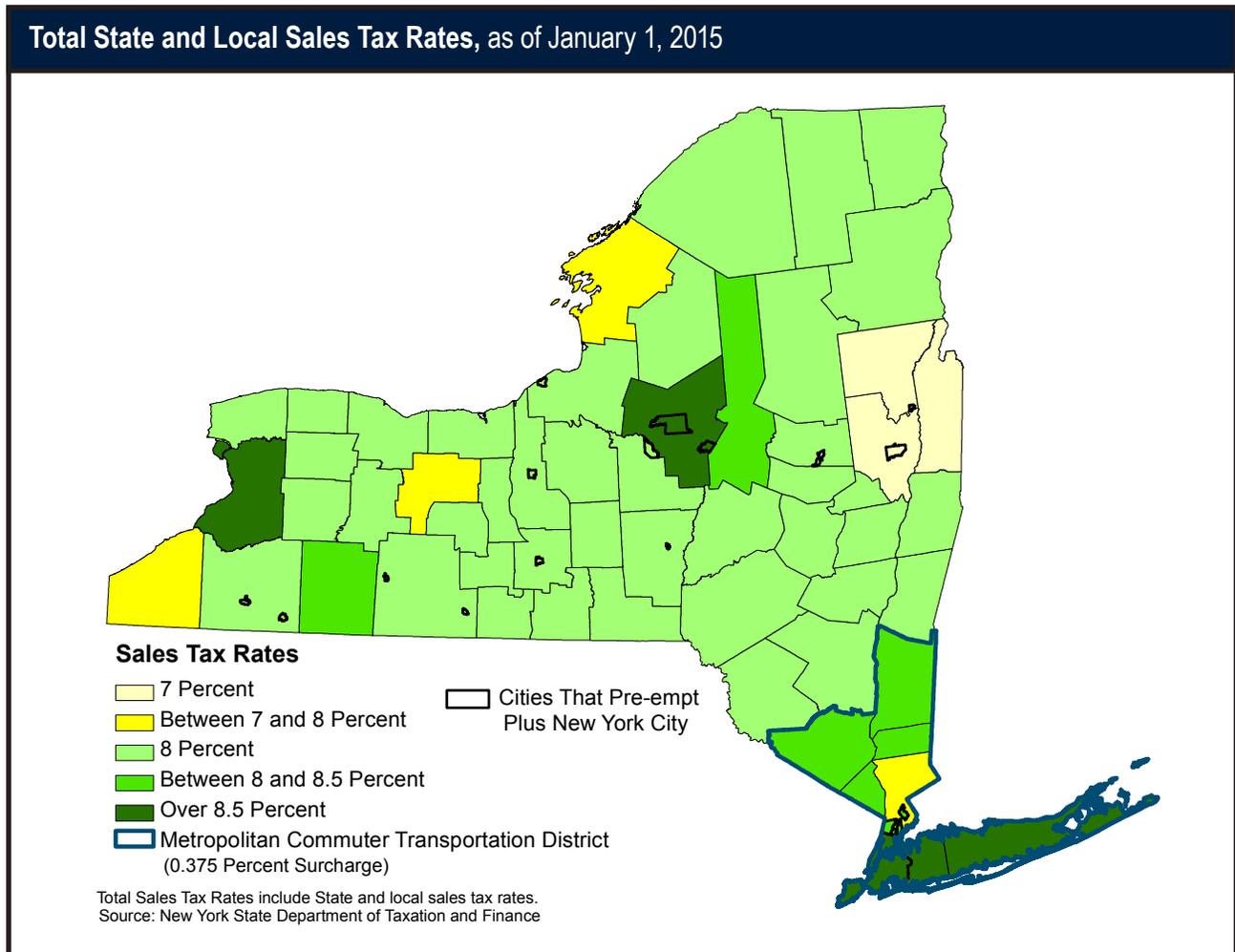
The compensating use tax is imposed on all purchases of taxable items or services for which the seller did not collect sales tax. The amount of the use tax is equal to the sales tax that would have been collected and, thus provides a mechanism to collect tax on out-of-state sales.

The use tax is applied to any purchases made outside of the State and used in New York State, catalog or Internet sales from an out-of-State seller or purchases made in a different taxing jurisdiction in New York State than the one where they are used. In the last case, the use tax would only be relevant if the jurisdiction where the sale was made had a lower sales tax rate than the one where it was used, and then the use tax would be equal to the difference between the rates. In some cases, when an item is bought in another state for in-state use and sales tax is paid to the other state, a credit for the amount of that tax may be claimed against New York use tax liability.

The use tax is difficult to collect since taxpayers must report the obligation themselves and are frequently not even aware that the obligation exists. Since 2003, the New York State personal income tax return has included a line on which taxpayers are required to enter the amount of use tax owed for the previous year.⁹

Local Sales Tax Rates

The New York State Tax Law allows a county or city to impose local sales taxes of up to 3 percent by adopting a local law, ordinance or resolution.¹⁰ All 57 counties and New York City impose at least this rate.¹¹ In addition, all but four counties have obtained special legislation from the State authorizing them to impose an additional tax, over and above this 3 percent, ranging from 0.5 percent to 1.75 percent.¹² These additional tax authorizations are “temporary” increases which require legislative reauthorization periodically (usually every two years). However, virtually all of the counties with sales tax rates over three percent have regularly sought – and received – State legislative approval to continue the higher rates. Some of these additional tax rate authorizations have been continued for over three decades. The latest round of renewals for most counties took effect in November 2013.



The most common local sales tax rate is 4 percent, with 42 of 57 counties (74 percent) currently imposing this amount. An additional six counties have rates higher than 4 percent. Only nine have rates below 4 percent. In addition, a State-imposed Metropolitan Commuter Transportation District surcharge of 0.375 percent is applied in New York City as well as Dutchess, Nassau, Orange, Putnam, Rockland, Suffolk and Westchester counties.¹³

County Sales Tax Rates, as of January 1, 2015							
County	Local Sales Tax Rate	Enactment Date of Temporary Tax	Enactment Date of Current Rate (if different)	County	Local Sales Tax Rate	Enactment Date of Temporary Tax	Enactment Date of Current Rate (if different)
Erie	4.75%	1984	2006	Orleans	4.00%	1993	
Oneida	4.75%	1992	2007	Oswego	4.00%	2004	
Allegany	4.50%	1986	2004	Otsego	4.00%	2003	
Herkimer	4.25%	1994	2007	Putnam*	4.00%	2005	2007
Nassau*	4.25%	1983	1991	Rensselaer	4.00%	1994	
Suffolk*	4.25%	1984	2001	Rockland*	4.00%	2002	2007
Albany	4.00%	1992		Schenectady	4.00%	1998	2003
Broome	4.00%	1994		Schoharie	4.00%	2004	
Cattaraugus	4.00%	1985		Schuyler	4.00%	1999	
Cayuga	4.00%	1992		Seneca	4.00%	2002	
Chemung	4.00%	2002		St. Lawrence	4.00%	2013	
Chenango	4.00%	2002		Steuben	4.00%	1992	
Clinton	4.00%	2004	2007	Sullivan	4.00%	2003	2007
Columbia	4.00%	1995		Tioga	4.00%	1994	2003
Cortland	4.00%	1992		Tompkins	4.00%	1992	
Delaware	4.00%	2003		Ulster	4.00%	1993	2014
Essex	4.00%	2004	2013	Wayne	4.00%	2003	
Franklin	4.00%	2006		Wyoming	4.00%	1992	
Fulton	4.00%	2005		Yates	4.00%	2003	
Genesee	4.00%	1994		Dutchess*	3.75%	2003	
Greene	4.00%	1993		Jefferson	3.75%	2004	
Hamilton	4.00%	2013		Orange*	3.75%	2004	
Lewis	4.00%	2004	2013	Chautauqua	3.50%	2005	2010
Livingston	4.00%	2003		Ontario	3.50%	2006	2009
Madison	4.00%	2004		Saratoga	3.00%	NA	
Monroe	4.00%	1992	1993	Warren	3.00%	NA	
Montgomery	4.00%	2003		Washington	3.00%	NA	
Niagara	4.00%	2003		Westchester*	3.00%	NA	
Onondaga	4.00%	2004					

* Local sales tax rate does not include 0.375% for the Metropolitan Commuter Transportation District.
 NA - Not Applicable, county has no temporary sales tax.
 Source: New York State Department of Taxation and Finance

There are 20 cities that impose their own sales tax. Under the State Tax Law, a county and a city within that county can each impose general sales taxes. Because the combined county/city general sales tax rate cannot exceed a maximum of 3 percent rate, a city that imposes a sales tax in a county that already has one must pre-empt half of the county's tax rate within the city, or up to 1.5 percent of the 3 percent maximum. Within the city, the county's rate then is reduced by the same amount. Likewise, if a city imposes a sales tax, and then the county that it is within imposes a sales tax, the county must pre-empt up to 1.5 percent of the sales tax rate of the city, forcing a reduction in the city's rate of the same amount. Further complicating the picture are statutory exceptions and temporary authorizations for some cities to impose higher rates or pre-empt a larger share of the county rate. New York City is a special case, since it is not located within a county and therefore need not pre-empt but, instead, imposes its own sales tax at a rate of 4.5 percent.

City Sales Tax Rates, as of January 1, 2015		
City	Total Sales Tax Rate[#]	City Portion
New York City*	8.875%	4.5%
Rome	8.750%	1.5%
Utica	8.750%	1.5%
Mount Vernon*	8.375%	2.5%
New Rochelle*	8.375%	2.5%
White Plains*	8.375%	2.5%
Yonkers*	8.375%	2.5%
Auburn	8.000%	2.0%
Corning	8.000%	1.5%
Gloversville	8.000%	2.0%
Hornell	8.000%	1.5%
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%

* For these cities, total sales tax rate includes 0.375% for the Metropolitan Commuter Transportation District.
Total sales tax rate includes 4% State sales tax.
Source: New York State Department of Taxation and Finance

Local Sales Tax Revenue

Local governments in New York State had \$13.8 billion in sales tax revenue in 2013.¹⁴ This was 8.3 percent of all revenues for local governments. The local governments that can impose or pre-empt a general sales taxes (counties and cities) have the largest share of sales tax revenues.¹⁵ Some other local governments (many towns and villages and relatively few school districts) receive an allocation of county sales taxes. They generally get a more limited portion (0.5 to 9.5 percent) of their revenues from the sales tax.¹⁶

New York City received the largest share of statewide local sales tax revenue – 45 percent, or \$6.1 billion – but this was only 8.6 percent of its total revenue in 2013.¹⁷ This is partly due to the fact that New York City is one of only two cities in the State that has its own income tax. New York City’s personal and corporate income taxes account for 23.1 percent of its revenues, or \$16.5 billion.¹⁸

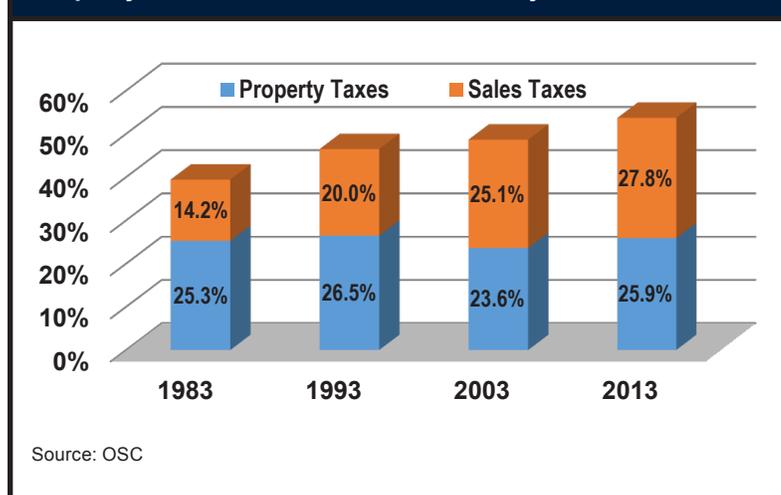
Counties receive almost three-quarters of the local sales tax revenue collected statewide outside of New York City. They are also the class of government that is the most dependent on sales tax revenues, and this dependence is growing. Historically, counties received the largest share of their revenues from the property tax. In recent decades, however, sales tax revenue has become more and more essential for funding county governments, taking over the largest share status from the property tax.

Local Sales Tax Revenue by Class, FY 2013

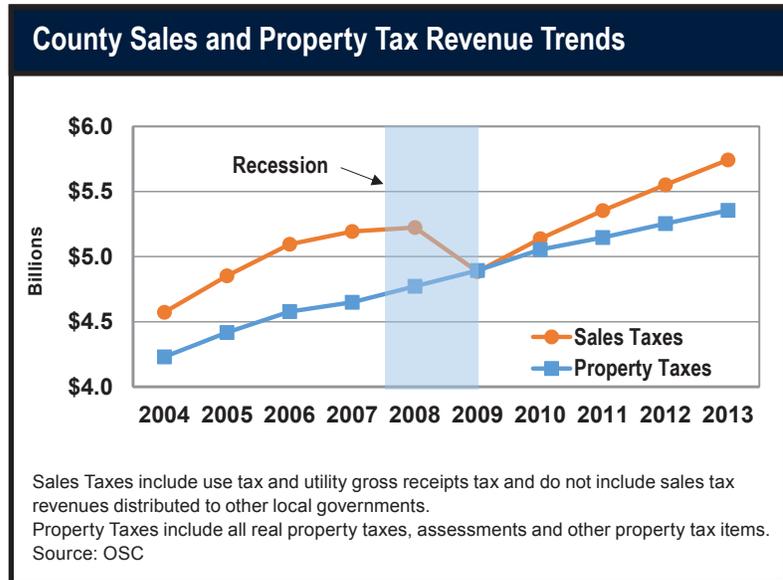
	Amount (millions)	Percentage of Statewide Local Sales Tax Revenue	Percentage of Local Revenue
Counties*	\$5,744	41.6%	27.8%
Cities (excluding NYC)	\$822	6.0%	18.3%
Towns	\$649	4.7%	9.5%
Villages	\$159	1.2%	6.1%
School Districts	\$269	2.0%	0.5%
New York City	\$6,150	44.6%	8.6%
All Local Governments	\$13,792	100.0%	8.3%

* Does not include sales tax revenues that are distributed to other local governments.

Property and Sales Tax Shares of County Revenues

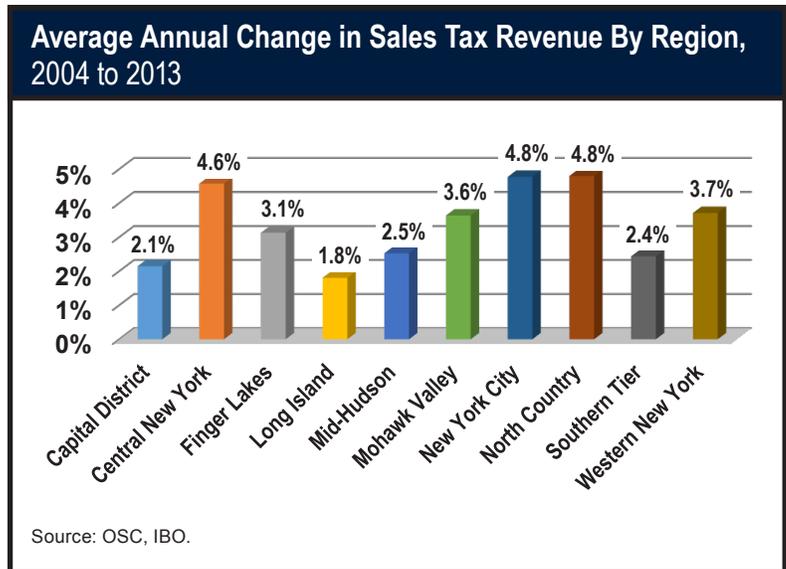


In 2013, the sales tax accounted for about 28 percent of total county revenues. Growth in sales tax revenues has allowed counties to fund additional services while minimizing property tax increases. However, while the property tax is generally a stable source of revenue, the sales tax can be fairly volatile. For instance, in the recession of 2008-2009, sales tax revenues declined sharply. Since then, however, sales tax revenues have recovered and grown more rapidly than property tax revenues. Since 2011, property tax revenue growth has generally been limited by the Real Property Tax Levy Limit. The volatility of sales tax revenue tends to cause problems with funding county budgets in recessions, even as the demand for services typically increases.



Regional Sales Tax Revenues

From 2004 to 2013, local sales tax revenues statewide grew at an average rate of 3.6 percent per year, but this varied quite a bit by region. The strongest growth was in New York City and the North Country region, which each had 4.8 percent average annual increases. Both New York City and several counties in the North Country region had sales tax rate increases between 2004 and 2013, which accounts for some of this growth.¹⁹ Likewise, some counties in other regions (for example, Central New York) had rate increases that contributed to stronger than average growth for those regions.



At the other extreme, Long Island sales tax revenue had only a 1.8 percent average annual increase for the 2004 to 2013 period. This may be due to this region's sales tax revenues being especially weakened by the 2008-09 recession, and there being no rate increases by Nassau or Suffolk counties in this period. This was unlike some other regions that did have rate increases that helped to offset revenues lost as a result of the recession.

Sales Tax Forecasting

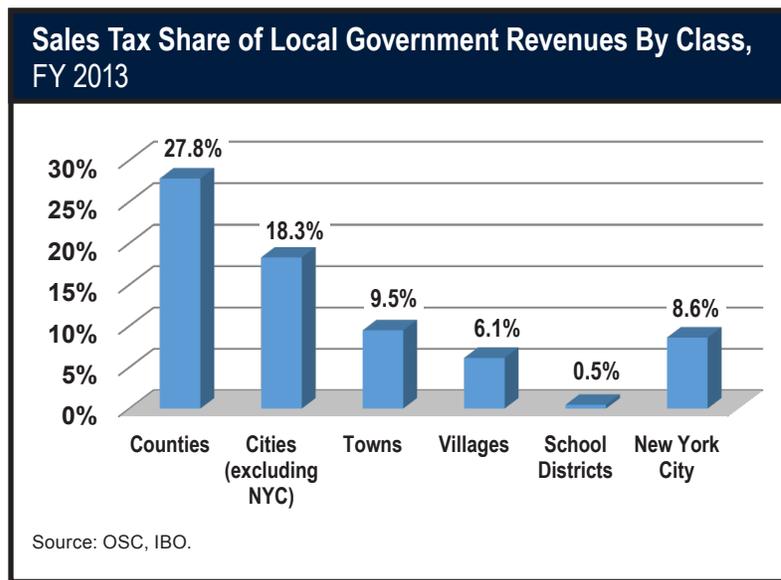
Local governments have two major reasons to focus on forecasting sales tax revenue in their budgets. First, sales taxes are a substantial part of many local governments' revenues, so it is vital that the amount of this revenue be projected as accurately as possible. Second, the volatility of sales tax revenue, when compared to other local sources of revenue (for example, property taxes and fees), makes it unwise to assume that these revenues will be stable from year to year or over a longer period of time.

However, it can be difficult for local governments to project sales tax revenue growth. There is a lack of timely city- or county-specific economic data upon which such a projection could be based. Even if this hurdle could be overcome, cities and counties may not have the resources or expertise to create a sophisticated sales tax projection model for their jurisdiction.

However, it should be possible to use certain key economic factors to assist in estimating future growth in sales tax revenues. While national economic trends may not be reflected completely at the local level, they usually have some impact. Therefore, observing recent trends in available national data, such as that for manufacturing, employment and retail sales, would be a good starting point for a sales tax projection. Local officials should also consider historic trends and the interaction of sales tax revenue growth and the business cycle. Sales tax revenues tend to be very sensitive to economic contractions and often tend to lag economic recoveries.

The New York State Budget also contains a sales tax forecast for the State. This projection depends on a sophisticated model and makes use of State-level consumption, income, employment and retail sales data. While no model is going to be perfectly accurate, it represents the best available picture of how sales tax revenues will perform, statewide, over the next few years. Cities and counties can also take into account how their sales tax revenues have historically compared to the sales tax revenue collected by the State. For example, if a county's sales tax revenue has historically grown more slowly than State sales tax revenue, this should be reflected in their local sales tax forecast.

In their consideration of national and state trends and projections, local officials should take advantage of their knowledge of local development and businesses. The opening or closing of a large retail store, the gain or loss of a major employer or other similar local events can be expected to impact sales tax revenues and should be considered as a part of the local sales tax growth forecast.



Sales Tax Sharing

Most counties in the State – 46 of 57 outside of New York City – share some portion of the proceeds from their sales tax with cities, towns, villages or school districts. The sales tax allocations are made in accordance with statute or sharing agreements approved by a county and the cities within the county.²⁰ Sales tax sharing agreements are required when county sales taxes are to be allocated between the cities and the area of the county outside of the cities on a basis other than population. All sales tax sharing agreements must also be approved by the State Comptroller. The Office of the State Comptroller (OSC) generally reviews these distribution agreements to verify that the legal authorizations to execute the agreement are in order and to determine if the proposed distribution formula is “administratively workable,” i.e., that it is structured in a manner that can be audited. They are not analyzed for equity or on the basis of need. Any modifications, renewals or extensions of these agreements are also subject to approval by OSC.

Eleven counties retain all of their sales tax revenues. These are all counties that do not contain any cities. Counties with cities that pre-empt are required by State law to allocate a portion of their sales tax revenue with cities, other than the pre-empting cities, and towns in the county.²¹ Therefore, counties with cities that do not pre-empt may be motivated to share their sales tax revenues in order to forestall this forced allocation. This same motivation does not exist for counties without any cities.

Counties without pre-empting cities are not statutorily required to share any sales tax revenues, although they may choose to. These counties may share sales tax revenues with school districts only, and not with cities and the area of the county outside the cities, although no county currently does this.

Recent Changes in Sharing Agreements

Since 2010, 12 counties’ sharing agreements or arrangements have been modified, with about half of them increasing the amount of sales tax revenue shared with local governments within their boundaries. Chautauqua County’s sharing arrangement provides for 30 percent (formerly 20 percent) of the additional 0.5 percent of the local rate to be allocated to local governments. Essex County started sharing a portion of its sales tax revenue with local governments for the first time in 2013.

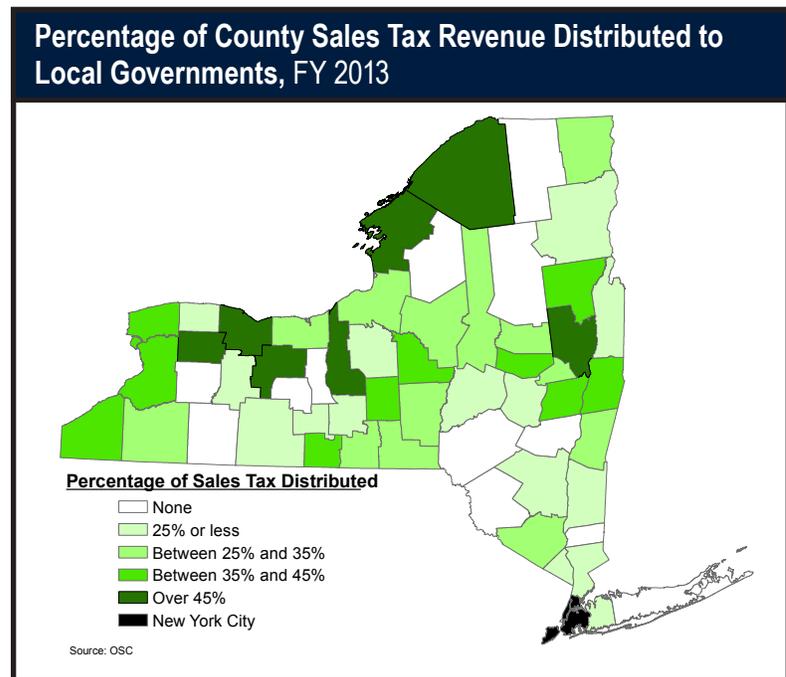
Most other sharing arrangements contained small changes. For Example, Steuben County increased the amount that it shared with local governments, resulting in the two cities that pre-empt receiving greater sales tax revenue (Corning and Hornell were to receive \$740,000 in 2013 and \$765,000 in 2014, compared to \$710,000 under the previous arrangement).

Conversely, some new sharing arrangements provide for additional funds to be retained by the county. Broome County’s new arrangement provides for only a limited percentage of sales tax growth to be allocated to municipalities. Chemung County will retain an increasing yearly percentage of sales tax, beginning with 50 percent in 2014 and growing to 65.6 percent in 2018.

For the counties that share their sales tax revenues, 28 percent was allocated to other local governments within the counties in 2013. The percentage of sales tax revenues allocated in counties that share varied from nearly 62 percent in Monroe County to about 5 percent in Livingston, Schoharie and Washington counties. In all, \$1.7 billion in sales tax revenue was shared by counties in 2013.

Because most sales tax allocations are based at least in part on population, cities that have been losing population are vulnerable to sales tax revenue losses. This will typically occur after each decennial census, when the new

official population numbers are effective. In 1960, 3.0 million people resided in New York State's cities (excluding New York City). By 2010, this number had declined by 26 percent, to 2.2 million. Over the same period, the number of people residing in towns within the State increased by 50 percent.



Sales Tax Burden in New York State

New York has one of the highest combined State and local sales tax rates in the nation. While the State sales tax rate of 4 percent is not remarkably high, once the local portion of the sales tax is added to the State portion, it drives up the State's overall rate. Over 93 percent of New Yorkers reside in areas in which the total sales tax rate is at least 8 percent.²² Only five states have an aggregate average state and local sales tax rate higher than New York's 8.45 percent.²³

Rates only account for part of the picture in comparing sales taxes across state borders, however. The other part is the tax base or what is subject to the tax. New York State exempts more items than average. Like most other states that impose sales taxes, New York exempts most food and prescription drugs, but it is one of only nine states that exempts nonprescription drugs.²⁴ Clothing and footwear under \$110 per item is also exempt from the State portion – and the local portion in some jurisdictions – of the sales tax.²⁵ Each of these exemptions narrows the base of the sales tax and means that the rate must be higher to obtain the same revenue that would be available at a lower rate if applied to a broader base.

Taxing Internet Sales

In the third quarter of 2014, e-commerce sales (purchases over the Internet) accounted for 6.6 percent of total retail sales in the United States.²⁶ A 2009 study estimated that uncollected sales taxes on e-commerce transactions cost states \$7.7 billion in 2008, including \$587 million in New York State.²⁷ The imposition and collection of sales taxes on e-commerce transactions faces a number of legal issues. The essential problem is that a state must prove that a vendor has a “nexus,” i.e., some sort of physical presence, in that state before they can require that vendor to collect sales tax.²⁸ Attempts have been made on the national level to address some of these issues. In 2014, the United States Senate passed the Marketplace Fairness Act, which would have allowed states to require online retailers to charge sales taxes on purchases.²⁹ The law would have only applied to retailers with sales above \$1 million in states where they lack a physical presence. The President indicated that he supported this bill, but as of the end of 2014 it had not passed the House of Representatives.

Meanwhile, states have recently pursued two separate paths to collect e-commerce sales taxes. The first is what is known as the “Amazon Tax.” New York State spearheaded this movement in 2008 with an amendment to the State Tax Law to require, in certain circumstances, the collection of New York sales tax by out-of-state sellers that pay commission to New York residents for referring potential customers, including by a link on a website.³⁰ The residents that make these referrals therefore constitute the nexus that is needed for the State to require the out-of-state sellers to collect sales tax. This has resulted in most major retail websites currently collecting New York State and local sales taxes on purchases by New York State residents, despite their thus far unsuccessful legal challenges to this law, including the Supreme Court denying a petition to review these challenges on December 2, 2013.³¹ Since the law’s inception in New York State, online retailers had remitted \$360 million in sales taxes on over \$4 billion in taxable online sales as of February 2012, according to the State Department of Taxation and Finance.³²

The second path is what is known as the Streamlined Sales Tax Project, which was launched in 2000 by representatives from various state and local governments and businesses.³³ The group was charged with developing a set of recommendations for terms of an interstate agreement that would streamline and simplify sales and use tax systems. The long-term goals of the project are to reduce the burden of collection for all sellers and to create a voluntary collection system for remote sellers who have no requirement to collect and remit sales taxes. Twenty-four states have thus far adopted legislation to achieve these goals, contingent on adoption by the other states with sales taxes and approval by the federal government. New York is not part of this project, instead using the “Amazon Tax” approach.

Appendix A: Sales Tax Sharing Agreements

County Name	Recipients of County Distribution	County Rate	Cities that Pre-empt	Summary of Sharing Agreements and Arrangements
Albany	City Town Village	4.00%		All 4.00%: The County retains 60% and distributes 40% to the cities and towns on the basis of published decennial census population figures. Within the Towns of Coeymans and Colonie, the town total is divided between the town and the villages on the basis of property value, per signed agreements. Within the Town of Green Island, the town total is divided between the Town of Green Island (10%) and the coterminous Village of Green Island (90%) per signed agreement. Within the Towns of New Scotland and Guilderland, the town total is divided between towns and villages based on population by agreement within the town.
Allegany	County retains 100%	4.50%		N/A
Broome	City Town Village	4.00%		First 3.00%: The County retains 50% and distributes 50% to cities, towns and villages based on population. Starting in the first quarter of 2011, any growth in sales tax revenue from the previous year is shared with municipalities only up to a certain percentage (the cap) for the subsequent four years (0.5% in 2011, 1.0% in 2012, 1.5% in 2013 and 2.0% in 2014 and thereafter). Beginning in 2013, 10% of the sales tax collected that exceeded the cap of the municipality's share of the 3% was distributed to municipalities based on population. In 2014, 20% of the sales tax collected that exceeded the cap of the municipalities' share was distributed back to the municipalities. Additional 1.00%: Retained by the County.
Cattaraugus	Town Village	4.00%	Olean Salamanca	First 3.00%: The County retains 50% and distributes 50% to towns and villages, based on taxable property value. Additional 1.00%: Retained by the County.
Cayuga	Town Village	4.00%	Auburn	All 4.00%: The County retains 50% and distributes 50% to towns and villages based on taxable property value.
Chautauqua	City Town Village	3.50%		First 3.00%: The County retains 50% and the remaining 50% is divided between cities and towns. The cities are distributed based on population, the towns are distributed one half based on property value and the other half distributed by population, with villages receiving a share from the town distributions based on property value. Additional 0.50%: The County retains 70% and the cities, towns and villages receive 30% based on population.
Chemung	City Town Village	4.00%		First 3.00%: The County will retain 50% in 2014, 57.5% in 2015, 60.2% in 2016, 63.3% in 2017, and 65.6% in 2018. The remainder is distributed to the City of Elmira and towns based on proportion of population to the County as a whole multiplied by agreed upon percentages for the city and the towns. Additional 1.00%: Retained by the County.
Chenango	Town Village	4.00%	Norwich	First 3.00%: The County retains 50% and distributes the remaining 50% to towns and villages based on property value. Additional 1.00%: Retained by the County and dedicated to construction, operations and maintenance, and debt service for a county public safety building.
Clinton	City Town Village	4.00%		First 3.00%: Up to \$27.1 million, the County retains 55% and distributes 45% to all other municipalities. Over \$27.1 million, the County retains 65% and distributes 35% to municipalities. Distributions to the City of Plattsburgh are based on population; distributions among towns and villages are based on property value. Additional 1.00%: Retained by the County.
Columbia	City Town Village	4.00%		All 4.00%: The County retains 70% and distributes the remaining 30% as follows: 88.1% to the Towns and 11.9% to the City of Hudson based on share of population from the latest census. Village distribution is based on their share of property value in their respective towns. The County, per agreement with the City of Hudson, pays the city an additional 0.84% from the County share.
Cortland	City Town Village	4.00%		All 4.00%: The County retains enough to make debt and lease payments for the new Interoperable Communications System. From the remainder, the shares going to the County, City of Cortland, towns and villages then changes each year of the agreement (from 2013 to 2018). The County share increases from 52% to 53.5%, the City share declines from 18.24% to 17.615%, the town and village share declines from 29.76% to 28.885%.

Appendix A: Sales Tax Sharing Agreements

County Name	Recipients of County Distribution	County Rate	Cities that Pre-empt	Summary of Sharing Agreements and Arrangements
Delaware	County retains 100%	4.00%		N/A
Dutchess*	City Town Village	3.75%		All 3.75%: The County distributes a total of \$25 million to the cities, towns and villages. The City of Poughkeepsie receives 38 percent of those funds (\$9.6 million) and the City of Beacon receives 17 percent (\$4.3 million). The County allocates 45 percent (\$11.3 million) to towns and villages, with allocations to towns based on population. Villages receive a portion of the town share determined by their share of the full valuation of real property in the entire town. The cities, towns and villages collectively receive a total of 18.453% of annual growth in sales tax, with growth being based on collections realized compared to the base year of 2012.
Erie	City, Town, Village, School District, Niagara Frontier Transportation Authority	4.75%		First 3.00%: The County retains 35.3055% (of which the Niagara Frontier Transportation Authority receives 4.1666% leaving the County with 31.1389%); 10.0087% is distributed to the cities of Buffalo, Lackawanna and Tonawanda on the basis of population; 25.6858% is divided among the cities of Buffalo, Lackawanna and Tonawanda and the towns on the basis of population and property value, and villages receive a portion of the town share based on property value; 29% is divided among all the school districts with territory in the County on the basis of average daily attendance. The cities of Lackawanna and Tonawanda are guaranteed an annual minimum of \$1,172,706 and \$1,534,671, respectively. Additional 1.00%: \$12.5 million is distributed to cities, towns and villages on the basis of property value. Remainder is retained by the County. Additional 0.75%: Retained by the County."
Essex	Town Village	4.00%		First 3.75%: Retained by County. Additional 0.25%: Shared with towns and villages. Town shares are based 50% on assessment and 50% based on population. Village shares are based on the percentage of the total town assessment that the village has within the town.
Franklin	County retains 100%	4.00%		N/A
Fulton	Town Village	4.00%	Gloversville Johnstown	All 4.00%: The County retains 50% and distributes 50% to towns and villages based on property value.
Genesee	City Town Village	4.00%		All 4.00%: The County retains 50%, distributes 16% to the City of Batavia and 34% to towns and villages based on property value.
Greene	County retains 100%	4.00%		N/A
Hamilton	County retains 100%	4.00%		N/A
Herkimer	City Town Village	4.25%		First 3.00%: The County retains 62.24%, the City of Little Falls receives 4.43%, and 33.33% is distributed to towns and villages based on population and property value. Additional 1.25%: Retained by County for Medicaid and a new jail
Jefferson	City Town Village	3.75%		All 3.75%: The County retains 47%, the City of Watertown receives 24% and 29% is distributed to the towns and villages based on property value.
Lewis	County retains 100%	4.00%		N/A
Livingston	Town Village	4.00%		First 3.00%: The County retains 93.33% and distributes 6.67% to towns and villages based on property value and population. Additional 1.00%: Retained by the County to offset Medicaid expenses.
Madison	Town Village	4.00%	Oneida	All 4.00%: The County retains 50% and distributes 50% to towns and villages based on property value.

Appendix A: Sales Tax Sharing Agreements

County Name	Recipients of County Distribution	County Rate	Cities that Pre-empt	Summary of Sharing Agreements and Arrangements
Monroe	City Town Village School district	4.00%		<p>First 3.00%: Morin/Ryan Act distribution: Base is 1985 distribution where the City of Rochester received a share based on population after the county retained 25%, the City then gets 50% of post-1985 growth, capped at 35.63% of total. One-third of remainder goes to suburban school districts, two-thirds to towns and villages based half on population and half on property value. Schools and villages (not towns) are held harmless to the amount under the pre-1985 calculations; any additional needed comes out of the County share.</p> <p>Additional 1.00%: Schools receive 5% based on enrollment, towns receive 3% based on population, villages receive 1.25% based on population. The remaining 90.75% is divided between the City of Rochester and the County so that, when added to the 3% tax calculated under the Morin/Ryan Act, the City and County shares are equal.</p>
Montgomery	City Town Village	4.00%		<p>First 3.00%: The County retains 50%, and distributes 15% to the City of Amsterdam and 35% to towns and villages based on property value.</p> <p>Additional 1.00%: County retains 80%, the City of Amsterdam receives 18% and towns and villages receive 2% based on property value.</p>
Nassau*	City Town Village	4.25%		<p>First 3.00%: Retained by County.</p> <p>Additional 0.75%: The County distributes one-third to fund a local government assistance program for the three towns and two cities within the County. The assistance is distributed quarterly, on a per capita basis, based on the most recent decennial census. Villages also receive assistance, in an amount not to exceed one-sixth of the 0.75% remaining after the towns and cities have received their funding.</p> <p>Additional 0.50%: Retained by County.</p>
Niagara	City Town Village	4.00%		<p>First 3.00%: The County retains 47%, distributes 1.6% to E-911 and 51.4% to cities, towns and villages. Cities and towns receive shares based on population. Villages receive a portion of the town share based on their proportion of the town's real property values, except the Village of Barker. Barker receives its share based on its proportion of population within the Town of Somerset.</p> <p>Additional 1.00%: Retained by the County to support Medicaid expenses.</p>
Oneida	City Town Village	4.75%	Rome Utica	<p>First 3.00%: County retains 50%; Cities of Utica and Rome each pre-empt 50% of the amount collected within their borders. County distributes 50% of the amount collected outside of those cities to its towns and villages and the city of Sherrill, based on property value.</p> <p>Additional 1.00%: Of the amount collected within the cities of Utica and Rome, each city receives 50% of the amount (not pre-empted) and the County retains the other 50%. Of the amount collected outside the cities, the City of Sherrill gets a share based on population, \$1.5 million is distributed to the towns and villages based on population and the County retains the balance.</p> <p>Additional 0.75%: Retained by the county.</p>
Onondaga	City Town Village School district	4.00%		<p>All 4.00%: Agreement adopted in 2010 which covers the years 2011 to 2020. The County's share increases from about 67% in 2011 to about 75% in 2020. The City of Syracuse's share increases from about 20% in 2011 to about 25% in 2020. The towns' share was about 8% in 2011 and they were phased out of all sharing in 2013 until the end of the agreement. The school districts' share was about 3% in 2011 and decreases to about 0.7% in 2016 through 2020.</p>
Ontario	City Town Village	3.50%		<p>First 3.00%: The County retains 50% and distributes 50% to cities, towns and villages based half on population and half on property value. Assuming countywide sales tax collections increase, the County will see to it that towns receive at least as much sales tax revenue as they did in 2004.</p> <p>Additional 0.125%: Entire proceeds distributed to cities, towns and villages as above. Starting in 2008, \$100,000 of this 0.125% would be set aside annually to be split between the Cities of Canandaigua and Geneva; this amount will increase \$50,000 each year through the end of the agreement in 2015.</p> <p>Additional 0.375%: Retained by County.</p>

Appendix A: Sales Tax Sharing Agreements

County Name	Recipients of County Distribution	County Rate	Cities that Pre-empt	Summary of Sharing Agreements and Arrangements
Orange*	City Town Village	3.75%		All 3.75%: The County keeps 73.616% and distributes 26.384% to cities, towns and villages. The three cities receive 32.525% of the 26.384% broken down as follows: Newburgh 43.995%, Middletown 40.841%, and Port Jervis 15.164%. The towns and villages receive 67.475% of the 26.384% based on population, except for the Village of Highland Falls, which are based on the ratio of property value to entire Town of Highland.
Orleans	Town Village	4.00%		First 3.00%: The County retains 77.7811%, and distributes the remainder to towns and villages based on population and property value--subject to a cap of \$1,366,671. The balance goes to the County. Additional 1.00%: Retained by the County."
Oswego	City Town Village	4.00%	Oswego	All 4.00%: Up to \$10 million annually: The County retains 80% and distributes 20% to towns and villages based on population. Over \$10 million annually: The County retains 90% and distributes 10% to towns and villages based on population. The City of Fulton receives \$508,000 a month--the amount it had received historically when it pre-empted--and when total collections are over \$34 million annually, the City participates in the 10% share above, based on population.
Otsego	City Town Village	4.00%		All 4.00%: The County retains 76%, distributes 12% to towns and villages (based on property value) and 12% to the City of Oneonta.
Putnam*	County retains 100%	4.00%		N/A
Rensselaer	City Town Village	4.00%		All 4.00%: The County retains approximately 65.8% and distributes 19.6% to the City of Troy, 2.9% to the City of Rensselaer and 11.5% plus an additional 3.5% of any distributions that exceed a base amount (1999 collections) to towns and villages based on property value. A new agreement is being finalized and will take effect in 2015.
Rockland*	Town Village	4.00%		First 3.75%: Retained by county. Additional 0.125%: Distributed to towns and villages based on population. Additional 0.125%: Distributed to towns and villages with police departments based on number of police officers."
St. Lawrence	City Town Village	4.00%		First 3.00%: The County retains 50% and distributes 6.437389% to the City of Ogdensburg. The remaining 43.562611% is distributed to towns and villages based on property value and population. Additional 1.00%: The County retains 83.562611% and distributes 6.437389% to the City of Ogdensburg. The remaining 10% is distributed to towns and villages based on property value and population."
Saratoga	City Town Village	3.00%	Saratoga Springs	All 3.00%: The County distributes 50% to the City of Mechanicville, towns and villages based on property value. The remaining 50% is retained by the County, except for \$3 million distributed to cities (including Saratoga Springs), towns and villages by population, plus \$542,000 additional for the City of Mechanicville and \$60,000 for the Town of Milton.
Schenectady	City Town Village	4.00%		First 3.00%: 12/1/2012 - 11/30/2013: The County allocated \$11.7 million to the City of Schenectady. The County allocated \$7.8 million to the area of the County outside of the City, with the County retaining the remainder. 12/1/2013 - 11/30/2020: The County will allocate annually to the City of Schenectady the same percentage of the net collections from the 3% as it did for the period 12/1/2012 -11/30/2013. The area of the County outside the City will continue to receive \$7.8 million with the balance retained by the County. Additional 0.50%: Metroplex (70%), towns and villages (30%). Distribution of the 30% to towns and villages is based on population in accordance with latest decennial federal census. Additional 0.50%: Retained by County.
Schoharie	Town Village	4.00%		All 4.00%: The County retains 95% and distributes 5% to towns and villages, based on property value.
Schuyler	Town Village	4.00%		All 4.00%: The County retains 75% and distributes 25% to towns and villages, based on property value.
Seneca	County retains 100%	4.00%		N/A

Appendix A: Sales Tax Sharing Agreements

County Name	Recipients of County Distribution	County Rate	Cities that Pre-empt	Summary of Sharing Agreements and Arrangements
Steuben	City Town Village	4.00%	Corning Hornell	First 3.00%: The County retains 50% and distributes 50% of collections outside of the cities to towns and villages, based on property value. The County is negotiating a sharing agreement with the cities of Corning and Hornell. Additional 1.00%: For 2013, the cities of Corning and Hornell each received \$740,000 and the towns and villages shared \$750,000 based on property value. This amount increased to \$765,000 each for the two cities for 2014 and 2015 but everything else remained the same. The County retained the balance for all years. This part of the sharing agreement will be renegotiated for future years.
Suffolk*	Towns and Villages with Police Departments	4.25%		All 4.25%: Set negotiated amount is shared with each town and village with a separate police department (\$6,588,343 in 2013). Balance is retained by County.
Sullivan	County retains 100%	4.00%		N/A
Tioga	Town Village	4.00%		First 3.00%: The County retains 67% and distributes 33% to towns and villages based on population and property value, respectively. Additional 1.00%: Retained by the County, 50% for capital fund, 50% for general fund.
Tompkins	City Town Village	4.00%	Ithaca	First 3.00%: The County retains 50% and distributes 50% to towns and villages based on population. Additional 1.00%: The County retains 75% and distributes 25% to the City of Ithaca, towns and villages.
Ulster	City Town	4.00%		All 4.00%: The County retains 85.50%, distributes 11.50% to the City of Kingston and 3% to towns based on property value.
Warren	Town Village	3.00%	Glens Falls	All 3.00%: The County retains 50% and distributes 50% to towns and villages, based on property value. The County also has an agreement (signed in 2004) to pay Glens Falls 2% of the County share on a quarterly basis. This payment is in addition to the City's pre-empted 1.5%.
Washington	Town Village	3.00%		All 3.00%: \$1 million is shared with towns and villages based on population and property value. Balance is retained by County.
Wayne	Town Village School district	4.00%		All 4.00%: The County retains 50% and distributes 33% to school districts and 17% to towns. Distributions to school districts are based on average daily attendance. Distributions to towns are based on population. Where there is a village within the township, a distribution is made between the town and village based on property value. The school districts are capped at a maximum distribution of \$5.4 million. Balance is retained by the County.
Westchester*	City Town Village School district	3.00%	Mount Vernon New Rochelle White Plains Yonkers	First 1.50%: Retained by County. Additional 1.00%: County retains 33.33% and distributes 50% to towns, villages, and the cities of Rye and Peekskill based on population, and 16.67% to school districts based on population within the County. Additional 0.50%: County retains 70% and distributes 20% to towns, villages, and the cities of Rye and Peekskill based on population, and 10% to school districts based on population within the county.
Wyoming	County retains 100%	4.00%		N/A
Yates	County retains 100%	4.00%		N/A

* County tax rate does not include 0.375% for the Metropolitan Commuter Transportation District.
The sharing agreement and arrangement summaries are based on information provided to OSC by officials in each county.

Appendix B: Technical Discussion of the Sales Tax

There are two components to sales tax revenue: the rate and the base (all the items or activities subject to the tax).

The Tax Rate

A statewide sales and compensating use tax was enacted in 1965 at the rate of 2 percent. This statewide tax rate was increased to 3 percent in 1969, to 4 percent in 1971 and 4.25 percent in 2003 and then lowered 4 percent in 2005.

Counties and cities are authorized by Article 29 of the New York State Tax Law to impose a tax on the sale of certain goods and services up to a rate of 3 percent. However, counties may be authorized to increase their rates above 3 percent with special legislation approved by the State Legislature. Currently, local sales tax rates range between 3 percent and 4.75 percent and are added to the statewide sales tax rate of 4 percent. There is also a 0.375 percent tax imposed for the Metropolitan Commuter Transportation District in portions of downstate New York. Accordingly, in 2014 combined State and local rates ranged from 7 percent to as much as 8.875 percent.

Although towns and villages are not authorized to impose a sales tax, these entities often share in county sales tax proceeds in accordance with statute or local sales tax agreements. Presently, 46 counties share proceeds with other municipalities within their respective boundaries.

The Tax Base

With a few minor exceptions, the State and local sales tax bases in New York are the same. The State Tax Law describes the goods and services which are subject to the sales tax, including sales of the following:

- Tangible personal property,
- Consumer utility services,
- Other selected services,
- Food and drink,
- Hotel room occupancy and
- Certain admission charges and club dues.

The items listed above are sometimes referred to as the “general sales tax package.” If a municipality chooses to impose the general sales tax, it must impose the tax on all the categories at a uniform rate, with the partial exception of the consumer utility segment (see below).

Categories 2 and 4 through 6 listed above may be taxed selectively by a county or city that does not impose the general sales tax. Municipalities that apply sales tax in this manner have what is called a segmented tax. As of 2014, only five cities imposed segmented taxes: Long Beach, Lockport, Port Jervis, Newburgh and Niagara Falls.³⁴

Appendix B: Technical Discussion of the Sales Tax

1. Tangible Personal Property

According to the New York State Department of Taxation and Finance, tangible personal property is described as “any physical personal property that has a material existence and is perceptible to the human senses.” The sales tax applies generally to retail sales of these items. Some examples include:

- Furniture, appliances and lighting fixtures;
- Clothing and footwear (see discussion under “Exempt Items” on page 22);
- Machinery and equipment, parts, tools and supplies;
- Computers and software;
- Motor vehicles;
- Boats and yachts;
- Fuels;
- Candy and confections;
- Bottled water, soda and beer;
- Cigarettes and tobacco products;
- Cosmetics and toiletries and
- Jewelry.

2. Consumer Utility Services

The Consumer Utility Tax is imposed as a percentage (up to a maximum of 3 percent) of a consumer’s utility bill. Counties and cities may impose this tax as part of a county/city general sales tax, at a rate different from the county/city general sales tax rate or separately in lieu of imposing a general sales tax. Two cities, Newburgh and Port Jervis, imposed a separate Consumer Utility Tax in 2009.

Certain school districts may impose the Consumer Utility Tax as well.³⁵ This tax may be imposed in addition to a similar city or county tax, or a city or county general sales tax. As a result, city school districts have legal authorization to impose a Consumer Utility Tax up to a maximum of 3 percent, exclusive of county and city rates. If this tax is imposed in the same area by a school district as well as a city or county, it may actually be imposed up to a combined ceiling of 6 percent. This is the only instance where the local combined sales tax rate may exceed 3 percent, as statute prohibits such tax pyramiding by counties and cities.

Twenty-four city school districts imposed the Consumer Utility Tax in 2014, including Albany, Batavia, Cohoes, Glen Cove, Gloversville, Hornell, Hudson, Johnstown, Lackawanna, Long Beach, Middletown, Mt. Vernon, New Rochelle, Newburgh, Niagara Falls, Ogdensburg, Peekskill, Rensselaer, Schenectady, Troy, Utica, Watertown, Watervliet and White Plains.

In the 2014 State fiscal year, over \$35 million was collected in separately imposed Consumer Utility Taxes, including \$1.2 million by cities and \$34.1 million by city school districts.³⁶

Appendix B: Technical Discussion of the Sales Tax

3. Other Services

Some services are also subject to the sales tax; they are generally referred to as “specifically enumerated services” and, among other things, include:

- Provision of certain information services including credit monitoring, genealogical research, online dating, sports scouting, etc.;
- Rental of safe deposit boxes, vaults or similar storage facilities;
- Provision of parking, garaging or storing services for motor vehicles;
- Interior decorating or design;
- Provision of protective or detective services and
- Entertainment or information services provided by means of telephone or telegraph.

4. Food and Drink

Generally, prepared meals and beverages sold in restaurants, taverns or similar establishments are subject to sales and use tax. However, food sold in grocery stores is generally exempt.

5. Hotel Room Occupancy

This category includes rent for occupancy of a room in a hotel or motel, including bed and breakfasts, boarding houses and guest houses.

6. Certain Admissions Charges and Club Dues

Sales tax is applied on admission charges to athletic contests, shows and entertainment events, cabarets and clubs and on dues for social and athletic clubs.

Appendix B: Technical Discussion of the Sales Tax

Exempt Items

New York State Tax Law exempts certain items from the sales tax, including the following items:³⁷

- Purchases for resale;
- Sales to or by federal and New York State governments, charitable organizations and certain other exempt organizations;
- Sales of most food for consumption at home;
- Sales of prescription and nonprescription medications;
- Most services such as medical care, transportation, education and personal and professional services and
- Fuels and utility services used in manufacturing.

State Clothing Exemption

In March 2000, clothing and footwear items priced under \$110 were exempted from State sales and use tax. Counties and cities were given the option of exempting these items from the local portion of the sales tax as well. In June 2003 this exemption was eliminated and replaced with two annual one-week “sales tax holidays.” Beginning April 1, 2006, the year-round exemption was reinstated. In 2014, New York City and the following counties also exempted the same items from the local sales tax: Chautauqua, Chenango (including the City of Norwich), Columbia, Delaware, Greene, Hamilton, Tioga, and Wayne. All other counties and cities impose their full local sales tax rate on clothing and footwear.

Administration

The New York State Department of Taxation and Finance is responsible for the administration and collection of sales tax proceeds. OSC is responsible for processing payments of sales tax proceeds to counties and cities. OSC also approves sales tax agreements between counties and cities that provide for sales tax proceeds to be allocated between the cities and the area of the county outside the cities on any basis other than population.

Sales tax administration is a complex undertaking. While every person who sells taxable, tangible personal property or taxable services in New York State is a sales tax vendor, most taxable sales are made by retail stores. Vendors are responsible for collecting the tax at the point of sale. Vendors often face a substantial effort associated with bookkeeping and filing tax returns. Accordingly, vendors are allowed to retain a small portion of the sales tax they collect. This arrangement serves both as partial compensation for the administrative costs of collecting and remitting the tax and as an incentive for timely filing.³⁸

In the 2014 State fiscal year, \$26.7 billion in sales tax revenue was collected by the Department of Taxation and Finance. Of that amount, \$14.8 billion was distributed to localities and the balance was retained by the State.³⁹

Appendix B: Technical Discussion of the Sales Tax

Depending on how much sales tax they collect, vendors must remit revenues either annually, quarterly or monthly. Vendors collecting the largest amounts of revenue are required to remit monthly, while those collecting the lowest amounts remit annually. Although only 8 percent of vendors are required to make monthly remittances, they account for 87 percent of all sales tax revenue in New York. In 2014, there were over 558,000 active registered vendors in the State. Of these, approximately 260,000 are required to make annual remittances, about 253,000 are required to make quarterly remittances and over 46,000 are required to make monthly remittances.⁴⁰

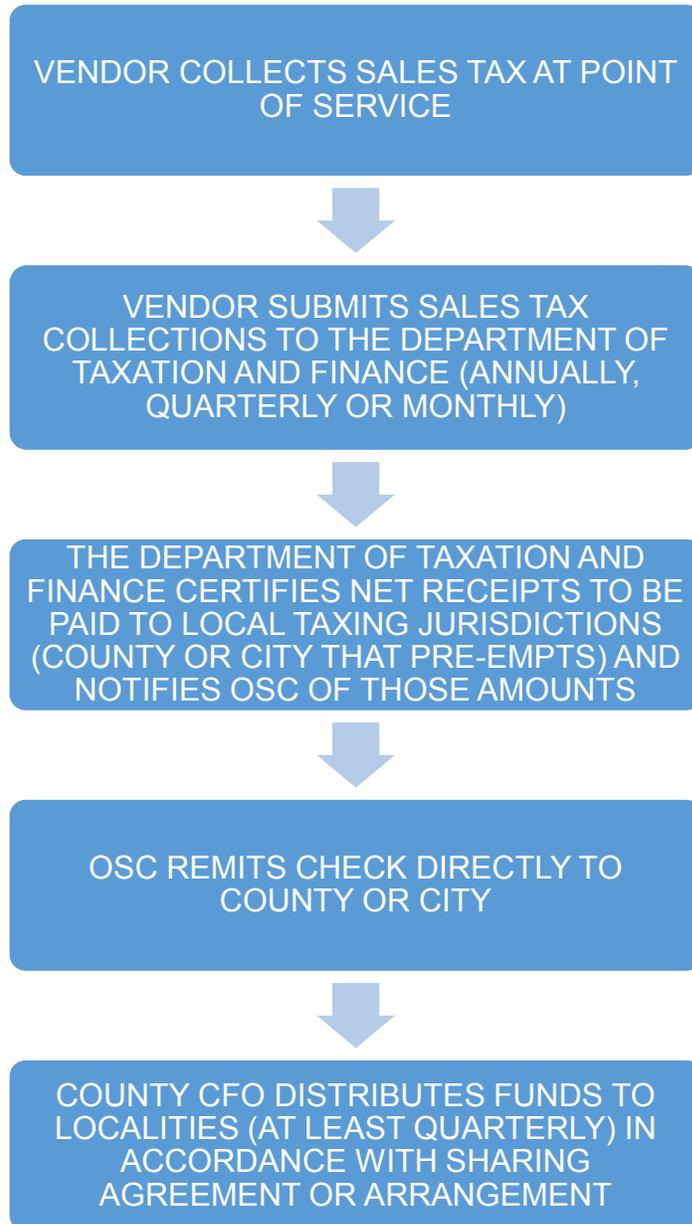
Vendors are also required to file sales tax returns quarterly. These returns contain information about the vendors' taxable sales for the period, including the location of the sales. Information on the location of each sale is important because it dictates where the local portion of the sales tax will be distributed. In New York, as in most other states, the retail sales tax is a destination tax. The point of delivery or the point at which possession is transferred by the vendor to the purchaser determines the rate of local sales tax to be collected. Sales delivered outside of New York State are exempt from the tax.

Because full sales tax return information is not available until the end of a quarter, the distributions to counties and cities (which typically occur on or about the 5th and 12th of each month) are estimates based on the vendor's prior year sales tax return for that quarter.⁴¹

Once the return information becomes available, the Department compares how much the county or city should have received against what the county or city did receive. The final payment to the county or city for the quarter is then adjusted in such a way that, when this amount is combined with the earlier estimated amount, the total amount paid to each county or city in the quarter equals the amount that should have been paid.

A variety of administrative factors affect sales tax collections and payment patterns. As mentioned above, not all vendors are required to file monthly. Because some vendors file quarterly, the months of March, June, September and December reflect higher collection figures. Additionally, transactions to correct previous filings (especially those related to large vendors) have an effect on collections once the correction is processed. These fluctuations will ultimately have an impact on cash flow for local governments.

Sales Tax Collection/Distribution



Notes

- ¹ William F. Fox, “History and Economic Impact of the Sales Tax,” *Sales Taxation*, edited by Jerry Janata, Institute for Professionals in Taxation, September 2003.
- ² Robert B. Ward, *New York State Government, 2nd Edition*, SUNY Press, 2006.
- ³ Chapter 873, Laws of 1934.
- ⁴ Chapter 278, Laws of 1947.
- ⁵ *Second Report*, State Comptroller’s Committee on Local Non-Property Taxes, March 2, 1951.
- ⁶ Chapter 93, Laws of 1965.
- ⁷ Tax Law, section 1210.
- ⁸ See Appendix B for more detail on the sales tax base.
- ⁹ See *Tax Bulletin ST-913*, New York State Department of Taxation and Finance, http://www.tax.ny.gov/pubs_and_bulls/tg_bulletins/st/use_tax_for_individuals.htm.
- ¹⁰ Tax Law, section 1210.
- ¹¹ All sales tax rate data are from the New York State Department of Taxation and Finance.
- ¹² All references to county sales taxes in this report exclude the boroughs of New York City, which, while treated as counties for some purposes, do not have the statutory authority to impose a sales tax.
- ¹³ Tax Law, section 1109.
- ¹⁴ All revenue data for local governments, excluding New York City, are from the OSC.
- ¹⁵ County data does not include sales tax revenue that is allocated to other local governments in the county.
- ¹⁶ Some school districts collect the Consumer Utility Tax, a segment of the general sales tax, see Appendix B.
- ¹⁷ Data for New York City revenues are from the Independent Budget Office of the City of New York. <http://www.ibo.nyc.us>.
- ¹⁸ The other city with an income tax is Yonkers.
- ¹⁹ New York City’s sales tax rate increased from 4 percent to 4.5 percent in 2009. Clinton, Essex and Lewis counties’ rates increased from 3 to 3.75 percent in 2004. Clinton County’s rate increased to 4 percent in 2007. Essex and Lewis counties’ rates increased to 4 percent in 2013. Franklin County’s rate increased from 3 to 4 percent in 2006. St. Lawrence County’s rate increased from 3 to 4 percent in 2013.
- ²⁰ Tax Law, section 1262.
- ²¹ In any county in which a city has pre-empted a portion of the county sales tax within the city, the county is required by Tax Law, section 1262(d) to allocate the sales tax revenue received from the tax collected in the area outside the city to the towns and any other cities in the county on the basis of the ratio of the full valuation of real property in each town or city to the aggregate full valuation of real property in all towns and cities in that area.
- ²² New York State Division of the Budget, FY 2015 New York State Executive Budget -- Economic & Revenue Outlook, page 214.

Notes

- ²³ The Sales Tax Clearinghouse, <http://www.thestc.com/STrates.stm> (accessed October 15, 2014). The states with higher aggregate average rates are: Alabama (8.6 percent), Arkansas (8.95 percent), Louisiana (8.8 percent), Tennessee (9.45 percent) and Washington (8.9 percent).
- ²⁴ Federation of Tax Administrators, State Sales Tax Rates And Food & Drug Exemptions, as of January 1, 2014, <http://www.taxadmin.org/fta/rate/sales.pdf>. (accessed October 15, 2014).
- ²⁵ New York State Department of Taxation and Finance, Publication 718-C: Sales and Use Tax Rates on Clothing and Footwear, Effective September 1, 2009.
- ²⁶ United States Department of Commerce, *U.S. Census Bureau News*, “Quarterly Retail E-Commerce Sales: 3rd Quarter 2014,” November 18, 2014.
- ²⁷ Donald Bruce, William F. Fox, and LeAnn Luna, “State and Local Government Sales Tax Revenue Losses from Electronic Commerce,” University of Tennessee, April 13, 2009.
- ²⁸ See, e.g., *Quill Corp. v. North Dakota* 504 U.S. 298 (1992) a U.S. Supreme Court case that found that, among other things, the requirement in North Dakota that an out-of-state mail-order house, with neither outlets nor sales representatives in the state, must collect and pay a use tax on goods purchased for use in the state violated the commerce clause of the U.S. Constitution.
- ²⁹ www.congress.gov/bill/113th-congress/senate-bill/336.
- ³⁰ See Tax Law, section 1101(b)(8)(vi)
- ³¹ See, e.g., *Amazon.com, LLC, et.al. v New York State Department of Taxation and Finance, et.al.*, 20 N.Y. 3d 586 (Ct App, 2013).
- ³² <http://www.lexisnexis.com/legalnewsroom/corporate/b/business/archive/2013/03/08/online-sales-tax-push-continues-despite-disappointing-returns.aspx>.
- ³³ www.streamlinedsalestax.org.
- ³⁴ Lockport imposes an Admissions, Club Dues, Food, Drink, Amusements and Utilities Services Tax. Long Beach imposes a Hotel Occupancy and Restaurant Meals Tax. Niagara Falls imposes an Admissions, Club Dues, Food, Drink, Amusements, Hotel Occupancy and Utilities Services Tax. A Consumer Utility Tax is imposed by Newburgh and Port Jervis.
- ³⁵ Those school districts that have territory in cities with populations of 125,000 or less.
- ³⁶ New York State Department of Taxation and Finance, *2013-14 New York State Tax Collections: Statistical Summaries and Historical Tables*, Table 24.
- ³⁷ Additional items exempt from the sales tax may be found at the New York State Department of Taxation and Finance website: www.tax.ny.gov.
- ³⁸ New York State Division of the Budget, *FY 2015 Economic and Revenue Outlook*, p. 212.
- ³⁹ New York State Department of Taxation and Finance, *2013-14 New York State Tax Collections: Statistical Summaries and Historical Tables*, Table 24.
- ⁴⁰ New York State Division of the Budget, *FY 2015 Economic and Revenue Outlook*, p. 212.
- ⁴¹ In June and December, the Department of Taxation and Finance also processes a third distribution.

Division of Local Government and School Accountability

Central Office

Directory

Andrew A. SanFilippo, Executive Deputy Comptroller

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