

1 **NYSAC 2023 Fall Seminar**
2 **Standing Committee on Taxation and Finance**
3 **Resolution #1**

4
5 **Resolution Supporting Proposals to Modernize State Tax Laws to Include**
6 **the Short-Term Rental Industry and Ensure These Changes are**
7 **Appropriately Tailored for the Needs of Local Communities**

8
9 **WHEREAS**, the Internet and numerous platforms that help facilitate retail
10 transactions electronically have provided a boost for many sectors of the economy and
11 made it easier for consumers to purchase goods and services; and

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13 **WHEREAS**, electronic commerce continues to be one of the fastest growing retail
14 sectors over the past two decades; and

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16 **WHEREAS**, this form of commerce has opened up opportunities for an entirely new
17 group of retailers and entrepreneurs; and

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19 **WHEREAS**, with this growth many states have realized their tax systems need to be
20 updated to accommodate the new modalities of retail activity; and

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22 **WHEREAS**, a sizable number of new vendors and owners that use these platforms, or
23 sell directly over the Internet, do not always understand their responsibility to collect
24 state and local sales tax on taxable transactions; and

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26 **WHEREAS**, the growth in online platforms that facilitate vacation rentals is in need of
27 modernization and simplification to ease the burden on small vendors, ensure taxes
28 owed are collected and remitted to the state and local governments, and to make sure
29 there is a level playing field among marketplace participants and operators that provide
30 short-term lodging (such as online vacation rentals, hotels, bed and breakfasts, etc.);
31 and

32
33 **WHEREAS**, New York governors have proposed to update sales tax laws to define
34 marketplace providers that facilitate vacation rentals (such as Airbnb and VRBO, among
35 others) as persons required to collect tax on such sales, but the state legislature has not
36 yet supported these proposals; and

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38 **WHEREAS**, 35 counties and one city have entered voluntary local occupancy tax
39 collection agreements with Airbnb as of August 2023, and now counties are working
40 with VRBO to do the same; and

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42 **WHEREAS**, these voluntary agreements only call for the collection of local occupancy
43 taxes with the knowledge that additional state legislation is necessary to expand these
44 collection responsibilities to state and local sales tax for short term rentals that do not
45 currently meet state sales tax law definitions; and

1 **WHEREAS**, Vrbo collects state and/or local sales tax or local occupancy taxes in 44
2 states, the District of Columbia and Puerto Rico, and has done so for years; and

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4 **WHEREAS**, Airbnb also collects state and/or local sales or occupancy taxes in 42
5 states; and

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7 **WHEREAS**, the state Division of Budget estimates that modernizing this section of
8 sales tax law could bring in tens of millions of dollars annually in local sales tax; and

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10 **WHEREAS**, counties, New York City and a variety of other municipalities have local
11 occupancy taxes, but also have unique non-tax related needs and concerns regarding
12 short term vacation rentals.

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14 **NOW, THEREFORE, BE IT RESOLVED**, the New York State Association of
15 Counties (NYSAC) supports proposals to ensure short term rental platforms collect state
16 and local sales tax on unit rentals utilizing their platforms; and

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18 **BE IT FURTHER RESOLVED**, NYSAC supports that such statewide actions to
19 collect sales tax also allow for the collection of local occupancy taxes at local option; and

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21 **BE IT FURTHER RESOLVED**, because certain jurisdictions have unique needs and
22 local laws regarding short term rentals that may not be fully addressed in this legislation
23 that a local opt out be included; and

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25 **BE IT FURTHER RESOLVED**, that copies of this resolution be sent to the counties
26 of New York State encouraging member counties to enact similar resolutions; and

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28 **BE IT FURTHER RESOLVED**, the New York State Association of Counties shall
29 forward copies of this resolution to Governor Kathy Hochul, the New York State
30 Legislature and all others deemed necessary and proper.