

1 **NYSAC 2024 Fall Seminar**
2 **Standing Committee on Taxation and Finance**
3 **Resolution #1**

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5 **Resolution Supporting Proposals, Including S.885-C (Hinchey)/A.4130-C**
6 **(Fahy), to Modernize New York’s Sales Tax Laws to Include the Short-Term**
7 **Rental Industry and Urging the Governor to Sign this Legislation**
8

9 **WHEREAS**, the Internet and numerous marketplace platforms that help facilitate
10 retail transactions electronically have provided a boost for many sectors of the economy
11 and made it easier for consumers to purchase goods and services; and
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13 **WHEREAS**, with this growth many states have realized their tax systems need to be
14 updated to accommodate these new modalities of retail activity; and
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16 **WHEREAS**, a sizable number of new vendors and hosts/owners that use these
17 platforms, or sell directly over the Internet, do not always understand their
18 responsibility to collect state and local sales tax on taxable transactions; and
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20 **WHEREAS**, the growth in online platforms that facilitate short-term rentals is in need
21 of modernization and simplification to ease the burden on small vendors, ensure taxes
22 owed are collected and remitted to the state and local governments, and to make sure
23 there is a level playing field among marketplace participants and operators that provide
24 short-term lodging (such as online vacation rentals, hotels, bed and breakfasts, etc.);
25 and
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27 **WHEREAS**, Governor Hochul’s SFY 2025 Budget proposed to update sales tax laws to
28 ensure all short-term rental hosts, and marketplace providers that facilitate these
29 rentals (such as Airbnb and Vrbo, among others), are required to collect sales tax on
30 such rentals; and
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32 **WHEREAS**, the Governor’s proposal was not included in the adopted SFY 2025
33 Budget, but the Legislature did pass similar legislation, S.885-C (Hinchey)/A.4130-C
34 (Fahy), that counties believe will facilitate the Governor’s primary objectives; and
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36 **WHEREAS**, 36 counties and one city have entered voluntary local occupancy tax
37 collection agreements with Airbnb as of July 2024, and one county has a similar
38 agreement with Vrbo; and
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40 **WHEREAS**, these voluntary agreements only call for the collection of local occupancy
41 taxes with the knowledge that additional state legislation is necessary to expand these
42 collection responsibilities to state and local sales tax for short term rentals that do not
43 currently meet state sales tax law definitions; and

1 **WHEREAS**, Vrbo collects state and/or local sales taxes or local occupancy taxes in all
2 50 states, the District of Columbia and Puerto Rico; and throughout Canada and
3 Mexico; and has done so for years; and

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5 **WHEREAS**, Airbnb also collects state and/or local sales or occupancy taxes in 48
6 states, the District of Columbia, Puerto Rico, U.S. Virgin Islands; and throughout
7 Canada and Mexico; and

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9 **WHEREAS**, the state Division of Budget estimates that modernizing this section of
10 sales tax law could provide \$16 million in additional sales tax for the 57 counties (\$6
11 million) and New York City (\$10 million); and

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13 **WHEREAS**, a NYSAC analysis of counties outside of New York City that collect hotel
14 occupancy taxes themselves or with the assistance of Airbnb and/or Vrbo concludes that
15 the new sales tax that could be generated for counties if S.885-C/A.4130-C, or similar
16 legislation, were signed into law would be at least \$44 million; and

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

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22 **NOW, THEREFORE, BE IT RESOLVED**, the New York State Association of
23 Counties (NYSAC) encourages the Governor to sign S.885-C/A.4130-C into law to
24 ensure short term rentals as defined in the proposal, and marketplace platforms
25 facilitating such rentals, are required to collect state and local sales taxes and remit
26 them back to the state for distribution back to local municipalities; and

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28 **BE IT FURTHER RESOLVED**, NYSAC supports that such statewide actions to
29 encourage platforms that facilitate these rentals collect sales taxes also require the
30 collection of local occupancy taxes at local option; and

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

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35 **BE IT FURTHER RESOLVED**, NYSAC shall forward copies of this resolution to
36 Governor Kathy Hochul, the New York State Legislature and all others deemed
37 necessary and proper.