

1 **NYSAC 2022 Legislative Conference**
2 **Standing Committee on Taxation and Finance**
3 **Resolution #3**

4 **Resolution Supporting the Governor’s SFY 2023 Budget Proposal to**
5 **Modernize Tax Laws to Include the Vacation Rental Industry and to Ensure**
6 **These Changes are Appropriately Tailored for the Needs of Localities**

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

10 **WHEREAS**, electronic commerce has been growing annually at double digit rates for
11 more than a decade, with even faster growth experienced during the COVID-19
12 pandemic; and

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

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

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

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

26 **WHEREAS**, the Governor’s SFY 2023 Budget proposes to update sales tax laws to
27 define marketplace providers that facilitate vacation rentals (such as Airbnb, VRBO,
28 etc.) as persons required to collect tax on such sales; and

29 **WHEREAS**, 35 counties have entered voluntary local occupancy tax collection
30 agreements with Airbnb, these agreements only call for the collection of local occupancy
31 taxes and additional legislation, as proposed by the Governor, is necessary to expand
32 these collection responsibilities to state and local sales tax; and

33 **WHEREAS**, the state budget estimates that modernizing this section of sales tax law
34 could bring in tens of millions of dollars annually in local sales tax currently owed but
35 uncollected at this time; and

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

4 **NOW, THEREFORE, BE IT RESOLVED**, the New York State Association of
5 Counties (NYSAC) applauds the Governor for making this proposal part of the SFY 2023
6 Executive Budget Recommendation; and

7 **BE IT FURTHER RESOLVED**, NYSAC supports modifications to this proposal to
8 extend the tax collection requirements for these vendors to include local occupancy
9 taxes at local option; and

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

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

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