

1 **NYSAC 2022 Fall Seminar**
2 **Standing Committee on Taxation and Finance**
3 **Resolution #1**

4
5 **Resolution Supporting Proposals to Modernize Tax Laws to Include the**
6 **Vacation Rental Industry and to Ensure These Changes are Appropriately**
7 **Tailored for the Needs of Localities**

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

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

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

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

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

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

33
34 **WHEREAS**, the Governor's SFY 2023 Budget proposed to update sales tax laws to
35 define marketplace providers that facilitate vacation rentals (such as Airbnb, VRBO,
36 etc.) as persons required to collect tax on such sales, but the Legislature did not support
37 that proposal; and

38
39 **WHEREAS**, 35 counties have entered voluntary local occupancy tax collection
40 agreements with Airbnb, and now counties are trying to work with VRBO to do the
41 same, these agreements only call for the collection of local occupancy taxes and
42 additional legislation, as proposed by the Governor, is necessary to expand these
43 collection responsibilities to state and local sales tax; and

1 **WHEREAS**, the state budget estimates that modernizing this section of sales tax law
2 could bring in tens of millions of dollars annually in local sales tax currently owed but
3 uncollected at this time; and
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5 **WHEREAS**, counties, New York City and a variety of other municipalities have local
6 occupancy taxes, but also have unique non-tax related needs and concerns regarding
7 short term vacation rentals.
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9 **NOW, THEREFORE, BE IT RESOLVED**, the New York State Association of
10 Counties (NYSAC) supports proposals to ensure short term rental platforms collect state
11 and local sales tax on unit rentals utilizing their platforms; and
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13 **BE IT FURTHER RESOLVED**, NYSAC supports modifications to this proposal to
14 extend the tax collection requirements for these vendors to include local occupancy
15 taxes at local option; and
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17 **BE IT FURTHER RESOLVED**, because certain jurisdictions have unique needs and
18 local laws regarding short term rentals that may not be fully addressed in this legislation
19 that a local opt out be included; and
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21 **BE IT FURTHER RESOLVED**, that copies of this resolution be sent to the counties
22 of New York State encouraging member counties to enact similar resolutions; and
23
24 **BE IT FURTHER RESOLVED**, the New York State Association of Counties shall
25 forward copies of this resolution to Governor Kathy Hochul, the New York State
26 Legislature and all others deemed necessary and proper.