

# 56<sup>th</sup> Annual County Finance School

## 2022 - Sales Tax Update

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Sales Tax Trends and State Legislative Actions



**NYSAC**  
— NEW YORK STATE —  
ASSOCIATION OF COUNTIES

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## Agenda

- **Sales Tax & the State**
  - **Legislation Winding Up & Down in 2022**
- **Review of 2020 & 2021 Sales Tax Collections**
- **Sales Tax by Category**
- **A Look Ahead**

## Prominent Statutory Changes

- There are many small statutory changes that occur each year to sales tax – mainly exemptions for targeted industries, products or services
- Today, we have about 85 specific exemptions in NYS sales tax law
  - 8 of these are subject to local option – clothing under \$110, solar (commercial, residential, power purchase agreements), motor fuel, commercial fuel cells and residential energy
  - The most utilized local exemptions are solar residential, solar power purchase agreements and residential energy

## Prominent Statutory Changes

- Internet-based retail (Effective in 2019)
- State sales tax diversions
  - AIM-related
    - Began 2019 (\$59.1M)
    - Repealed 2022
  - Distressed health facilities
    - Began 2020 (\$250M)
    - Repealed in full for counties 2022 (\$50M)
    - Partially repealed for NYC (cut by \$5M, down to \$150M for 3 more years)
- During this period counties/NYC lost \$692M to diversions, with another \$450M in losses for NYC coming

# NYSAC Sales Tax Update • May 12, 2022

Getting any level of government to agree to collect sales tax on Internet-based transactions has been a long grueling process

- Federal moratoriums on internet sales tax (1990-2000's)
- State Sales Tax Project (2000's)
- State moratoriums on internet sales tax 2000
- Litigation (2018)
- *Wayfair* Decision

**2001 Fall Seminar  
Standing Committee on Fiscal and Mandate Relief  
Resolution #01**

**RESOLUTION URGING THE NEW YORK CONGRESSIONAL DELEGATION TO  
SUPPORT LEGISLATION AUTHORIZING STATES TO REQUIRE COLLECTION  
OF SALES AND USE TAXES BY REMOTE SELLERS**

**WHEREAS**, under a 1992 Supreme Court Ruling, Internet vendors and other remote sellers that do not have a physical presence in a consumers state, may not collect sales taxes on a purchase from that person, however, online retailers and other remote sellers with outlets in the state must charge applicable state and local tax at the point of sale; and

**WHEREAS**, this distinction has caused an unfair competitive disadvantage for "Main Street" retail businesses in New York and provides incentives for retailers not to locate in New York State; and

**WHEREAS**, states and local governments are expected to lose over \$20 billion in annual sales tax revenues by 2003, because remote sellers are not collecting sales and use taxes on Internet and other mail order sales; and

**WHEREAS**, the Internet Tax Freedom Act, passed in 1998, imposed a three-year moratorium on new Internet access taxes; and

**WHEREAS**, the moratorium which is in effect through October 21, 2001, only affects Internet access taxes and does not affect remote sales conducted over the Internet; and

**WHEREAS**, legislation has been introduced in Congress that links a short extension of the current moratorium with provisions authorizing an interstate compact on sales taxes that provides a mechanism for states to simplify their sales tax administration and require remote sellers to collect sales and use taxes; and

**WHEREAS**, this legislation would help achieve equity for "Main Street" merchants and to treat all remote sellers the same, while promoting flexibility and control at the state and local level; and

**NOW THEREFORE BE IT RESOLVED**, that the New York State Association of Counties (NYSAC) urges Congress to defer action on an extension of the Internet Tax Freedom Act unless it is linked to the collection of remote sales tax; and

**BE IT FURTHER RESOLVED**, that NYSAC supports the passage of federal legislation that will authorize states to participate in an interstate sales tax compact and require remote sellers to collect existing state and local sales taxes; and

**BE IT FURTHER RESOLVED**, that the legislation should require states to simplify their sales taxes as a condition for joining an interstate compact, but states should be given flexibility to

## Motor Fuel Sales Tax

- SFY 2023 Budget implemented a state suspension of its' **motor fuel sales** and excise taxes – 16 cents per gallon
- The legislation also expanded current law flexibility for counties to utilize a cents per gallon methodology at \$2, \$3 and \$4 (added this year) @ the local tax rate
- Given short timelines in the adopted budget – a Governor's program bill was advanced and signed into law last week providing counties more time (until May 16<sup>th</sup>) to advance a local cents per gallon law that could be effective as early as June 1<sup>st</sup>.

## Motor Fuel Sales Tax

- Sales tax collection on gasoline is convoluted
- Pricing in the supply and distribution chains are not transparent
- The state law requirements are specific
- Multiple steps to calculate the local cents per gallon rate
- Rates are locked on a quarterly basis, regardless of changes in price at the pump
- Savings are hard to quantify and verify for the consumer

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## Motor Fuel Sales Tax

- Calculating the local sales tax

### Price at the pump

- State excise and sales tax (16 cents)
- Local Sales tax

### Taxable portion for local sales tax

- Publication 873 makes this easier

Pump price per gallon								Sales tax per gallon
Part 1 Jurisdictions outside the MCTD								
1½%	2%	3%	3½%	4%	4¼%	4½%	4¾%	
		450.4–453.7	390.1–393.0	344.9–347.4	326.3–328.7	309.8–312.0	295.0–297.1	12.7
		453.8–457.1	393.1–395.9	347.5–350.0	328.8–331.2	312.1–314.4	297.2–299.3	12.8
		457.2–460.6	396.0–398.9	350.1–352.6	331.3–333.6	314.5–316.7	299.4–301.5	12.9
		460.7–464.0	399.0–401.9	352.7–355.2	333.7–336.1	316.8–319.0	301.6–303.7	13.0
		464.1–467.4	402.0–404.8	355.3–357.8	336.2–338.5	319.1–321.3	303.8–305.9	13.1
		467.5–470.9	404.9–407.8	357.9–360.4	338.6–341.0	321.4–323.6	306.0–308.1	13.2
		471.0–474.3	407.9–410.7	360.5–363.0	341.1–343.4	323.7–326.0	308.2–310.4	13.3
		474.4–477.7	410.8–413.7	363.1–365.6	343.5–345.9	326.1–328.3	310.5–312.6	13.4
		477.8–481.2	413.8–416.6	365.7–368.2	346.0–348.3	328.4–330.6	312.7–314.8	13.5
		481.3–484.6	416.7–419.6	368.3–370.8	348.4–350.8	330.7–332.9	314.9–317.0	13.6
		484.7–488.0	419.7–422.6	370.9–373.4	350.9–353.2	333.0–335.3	317.1–319.2	13.7
		488.1–491.5	422.7–425.5	373.5–376.0	353.3–355.7	335.4–337.6	319.3–321.4	13.8
		491.6–494.9	425.6–428.5	376.1–378.6	355.8–358.1	337.7–339.9	321.5–323.6	13.9
		495.0–498.3	428.6–431.4	378.7–381.2	358.2–360.6	340.0–342.2	323.7–325.8	14.0
		498.4–501.8	431.5–434.4	381.3–383.8	360.7–363.0	342.3–344.5	325.9–328.0	14.1
			434.5–437.3	383.9–386.4	363.1–365.5	344.6–346.9	328.1–330.2	14.2
			437.4–440.3	386.5–389.0	365.6–367.9	347.0–349.2	330.3–332.4	14.3
			440.4–443.3	389.1–391.6	368.0–370.4	349.3–351.5	332.5–334.6	14.4
			443.4–446.2	391.7–394.2	370.5–372.9	351.6–353.8	334.7–336.8	14.5
			446.3–449.2	394.3–396.8	373.0–375.3	353.9–356.2	336.9–339.0	14.6
			449.3–452.1	396.9–399.4	375.4–377.8	356.3–358.5	339.1–341.2	14.7
			452.2–455.1	399.5–402.0	377.9–380.2	358.6–360.8	341.3–343.4	14.8
			455.2–458.0	402.1–404.6	380.3–382.7	360.9–363.1	343.5–345.6	14.9
			458.1–461.0	404.7–407.2	382.8–385.1	363.2–365.4	345.7–347.8	15.0
			461.1–464.0	407.3–409.8	385.2–387.6	365.5–367.8	347.9–350.0	15.1



# NYSAC Sales Tax Update • May 12, 2022

## Motor Fuel Sales Tax

Once a county sets a cents per gallon rate the state calculates the average price of motor fuel for 3 consecutive months starting 4 months prior to the effective date applied to local % sales tax rate. If this calculation is lower than the rate set by the county, then the calculated rate prevails for the quarter.

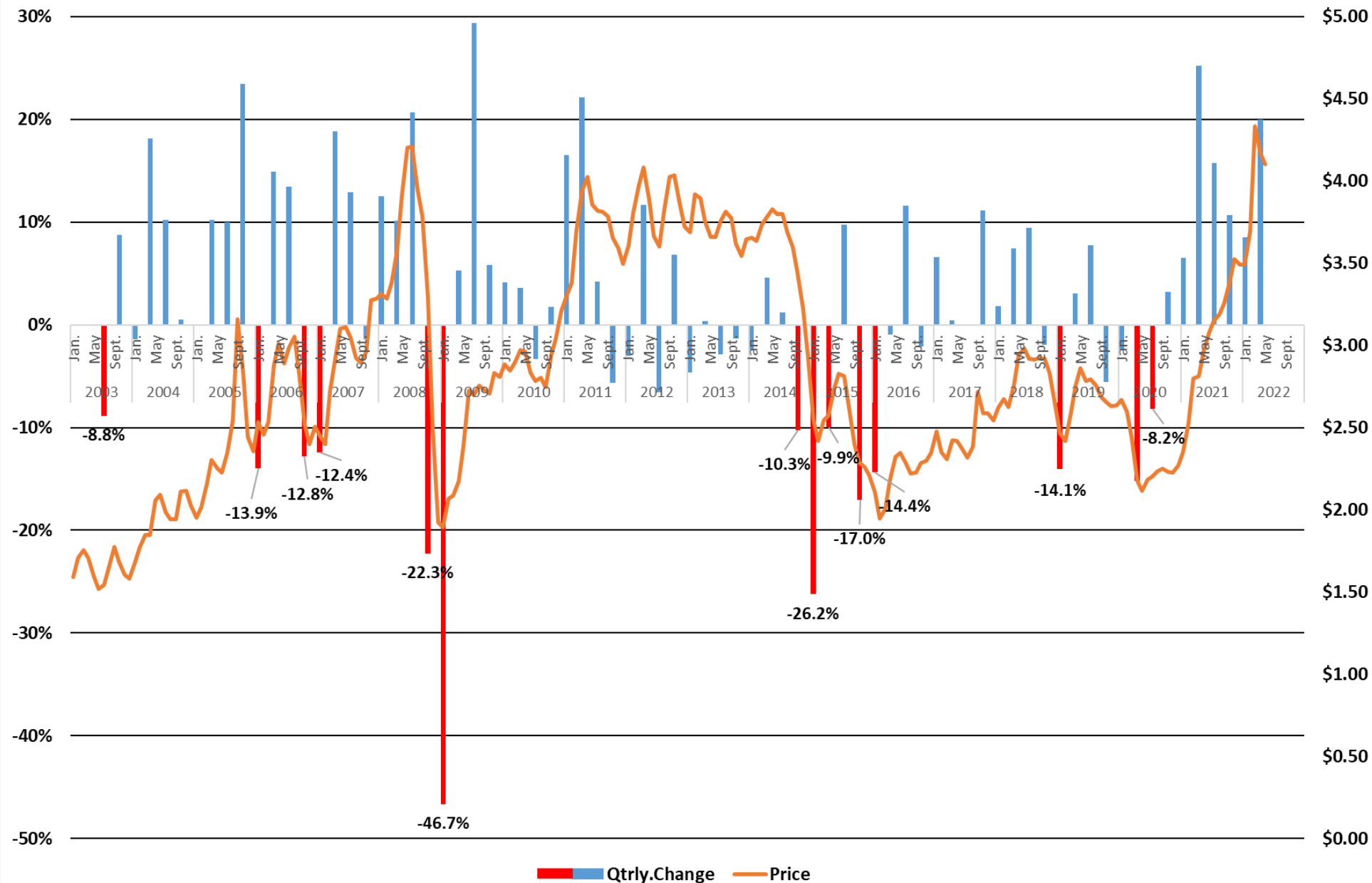
If a county set its cents per gallon rate at \$4 = 16 cents, under this fact pattern the rate would actually be set at 15 cents.

### Sample: State Calculation for a June 1, 2022, Effective Date

	Average Pump Price	State Sales & Excise Tax	Local Sales Tax	Taxable Price	Local Sales Tax @ 4%
April	423	-16	-15.5	392	
March	433	-16	-16	401	
February	369	-16	-13.6	340	
			3-month Average ----->	378	15.1

This chart highlights the outcome of the 3-month calculation over multiple periods. Price changes during a quarter can be big enough that the cents per gallon method could cause consumers to pay more than the sales tax percentage method **IF prices drop quickly and they are near a \$2, \$3 or \$4 cents per gallon cap.**

Qrtly. % Change & Gasoline Price per Gallon, 2003 - 2022



# NYSAC Sales Tax Update • May 12, 2022

## Motor Fuels Sales Tax 2020 - 2021 Comparison

Ave. Price per Gallon	\$2.30	\$3.04			Ave. Price per Gallon	\$2.30	\$3.04		
	2020	2021	\$ Change	% Change		2020	2021	\$ Change	% Change
Albany	\$10,481,371	\$14,294,576	\$3,813,205	36.4%	Onondaga	\$18,580,958	\$25,076,327	\$6,495,370	35.0%
Allegany	\$1,486,148	\$2,278,489	\$792,341	53.3%	Ontario	\$4,535,835	\$6,260,747	\$1,724,911	38.0%
Broome	\$8,695,893	\$11,395,389	\$2,699,496	31.0%	Orange	\$14,794,853	\$20,922,681	\$6,127,828	41.4%
Cattaraugus	\$1,771,963	\$2,344,616	\$572,653	32.3%	Orleans	\$968,290	\$1,301,014	\$332,724	34.4%
Cayuga	\$2,059,059	\$2,874,661	\$815,602	39.6%	Oswego	\$3,765,499	\$4,855,768	\$1,090,270	29.0%
Chautauqua	\$3,797,709	\$5,181,208	\$1,383,499	36.4%	Otsego	\$2,465,654	\$3,348,541	\$882,887	35.8%
Chemung	\$3,027,959	\$4,055,345	\$1,027,386	33.9%	Putnam	\$4,061,235	\$5,275,898	\$1,214,663	29.9%
Chenango	\$1,968,603	\$2,641,436	\$672,833	34.2%	Rensselaer	\$6,134,989	\$8,385,008	\$2,250,019	36.7%
Clinton	\$3,694,988	\$4,724,256	\$1,029,268	27.9%	Rockland	\$6,337,991	\$9,427,397	\$3,089,406	48.7%
Columbia	\$4,551,932	\$5,590,051	\$1,038,119	22.8%	St. Lawrence	\$3,778,023	\$5,041,511	\$1,263,488	33.4%
Cortland	\$2,226,634	\$2,993,144	\$766,511	34.4%	Saratoga	\$7,163,650	\$9,874,159	\$2,710,509	37.8%
Delaware	\$1,728,743	\$2,439,748	\$711,004	41.1%	Schenectady	\$5,528,813	\$7,695,991	\$2,167,179	39.2%
Dutchess	\$8,701,544	\$12,062,073	\$3,360,529	38.6%	Schoharie	\$1,258,381	\$1,732,866	\$474,485	37.7%
Erie	\$30,031,149	\$41,241,608	\$11,210,459	37.3%	Schuyler	\$715,288	\$1,047,814	\$332,526	46.5%
Essex	\$1,632,531	\$2,302,737	\$670,206	41.1%	Seneca	\$2,473,540	\$1,997,277	(\$476,263)	-19.3%
Franklin	\$1,505,861	\$2,022,344	\$516,484	34.3%	Steuben	\$4,878,052	\$7,179,271	\$2,301,219	47.2%
Fulton	\$1,648,334	\$2,017,434	\$369,101	22.4%	Suffolk	\$57,777,883	\$80,662,928	\$22,885,046	39.6%
Genesee	\$4,478,609	\$6,316,192	\$1,837,583	41.0%	Sullivan	\$3,275,062	\$4,593,844	\$1,318,782	40.3%
Greene	\$2,287,045	\$2,977,875	\$690,829	30.2%	Tioga	\$2,388,696	\$3,487,390	\$1,098,694	46.0%
Hamilton	\$250,519	\$359,180	\$108,661	43.4%	Tompkins	\$2,275,754	\$3,195,470	\$919,716	40.4%
Herkimer	\$2,603,697	\$3,408,218	\$804,521	30.9%	Ulster	\$7,404,064	\$10,217,487	\$2,813,423	38.0%
Jefferson	\$4,828,458	\$6,695,100	\$1,866,641	38.7%	Warren	\$3,024,957	\$3,825,724	\$800,767	26.5%
Lewis	\$1,086,606	\$1,448,526	\$361,920	33.3%	Washington	\$1,317,888	\$1,776,075	\$458,187	34.8%
Livingston	\$3,070,735	\$4,284,587	\$1,213,853	39.5%	Wayne	\$3,458,000	\$4,470,241	\$1,012,241	29.3%
Madison	\$1,517,034	\$2,017,641	\$500,607	33.0%	Westchester	\$21,974,426	\$28,793,617	\$6,819,191	31.0%
Monroe	\$22,291,209	\$29,834,383	\$7,543,174	33.8%	Wyoming	\$1,334,920	\$1,761,622	\$426,702	32.0%
Montgomery	\$3,350,093	\$4,744,542	\$1,394,449	41.6%	Yates	\$734,877	\$969,662	\$234,784	31.9%
Nassau	\$44,106,172	\$61,612,885	\$17,506,713	39.7%	REST OF STATE	\$385,459,055	\$525,956,676	\$140,497,621	36.4%
Niagara	\$5,308,687	\$6,923,595	\$1,614,908	30.4%	New York City	\$96,608,916	\$134,469,574	\$37,860,658	39.2%
Oneida	\$8,862,196	\$11,698,507	\$2,836,311	32.0%	GRAND TOTAL	\$482,067,971	\$660,426,250	\$178,358,279	37.0%

# NYSAC Sales Tax Update • May 12, 2022

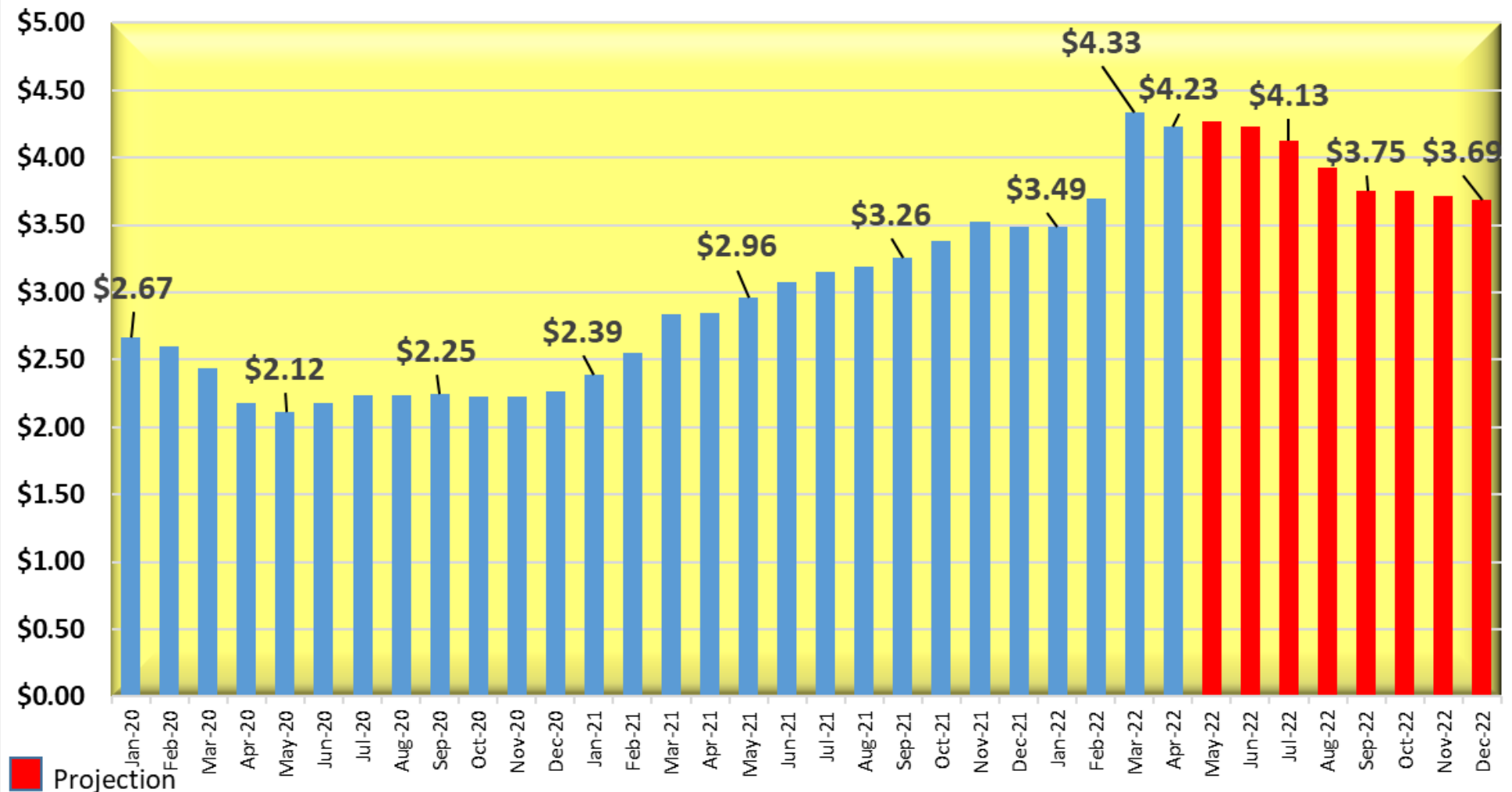
## Motor Fuels Sales Tax, **CY First Quarter** 2021 - 2022 Comparison

Ave. Price per Gallon	\$2.56	\$3.84		50.0%	Ave. Price per Gallon	\$2.56	\$3.84		50.0%
	Q1 2021	Q1 2022	\$ Change	% Change		Q1 2021	Q1 2022	\$ Change	% Change
Albany	\$2,620,124	\$4,017,143	\$1,397,019	53.3%	Onondaga	\$4,503,702	\$6,973,205	\$2,469,503	54.8%
Allegany	\$396,481	\$467,805	\$71,324	18.0%	Ontario	\$1,083,282	\$1,594,447	\$511,165	47.2%
Broome	\$2,146,264	\$3,107,890	\$961,626	44.8%	Orange	\$3,900,412	\$5,795,890	\$1,895,478	48.6%
Cattaraugus	\$463,142	\$625,944	\$162,802	35.2%	Orleans	\$210,645	\$328,635	\$117,990	56.0%
Cayuga	\$445,450	\$819,387	\$373,937	83.9%	Oswego	\$859,340	\$1,237,227	\$377,886	44.0%
Chautauqua	\$863,974	\$1,330,393	\$466,420	54.0%	Otsego	\$580,056	\$862,554	\$282,498	48.7%
Chemung	\$719,213	\$1,133,858	\$414,645	57.7%	Putnam	\$944,482	\$1,502,487	\$558,005	59.1%
Chenango	\$475,763	\$695,876	\$220,113	46.3%	Rensselaer	\$1,539,188	\$2,373,612	\$834,424	54.2%
Clinton	\$896,736	\$1,330,499	\$433,763	48.4%	Rockland	\$1,697,226	\$2,666,736	\$969,510	57.1%
Columbia	\$1,007,606	\$1,502,999	\$495,393	49.2%	St. Lawrence	\$922,472	\$1,282,492	\$360,020	39.0%
Cortland	\$527,286	\$799,972	\$272,685	51.7%	Saratoga	\$1,758,522	\$2,632,974	\$874,452	49.7%
Delaware	\$397,061	\$617,993	\$220,933	55.6%	Schenectady	\$1,391,867	\$2,109,524	\$717,658	51.6%
Dutchess	\$2,101,580	\$3,392,855	\$1,291,275	61.4%	Schoharie	\$299,026	\$436,468	\$137,442	46.0%
Erie	\$7,449,758	\$11,634,124	\$4,184,366	56.2%	Schuyler	\$156,336	\$245,303	\$88,967	56.9%
Essex	\$385,628	\$568,367	\$182,739	47.4%	Seneca	\$607,862	\$718,123	\$110,261	18.1%
Franklin	\$378,503	\$541,416	\$162,913	43.0%	Steuben	\$1,131,888	\$1,946,748	\$814,859	72.0%
Fulton	\$353,876	\$533,094	\$179,219	50.6%	Suffolk	\$14,166,152	\$21,793,090	\$7,626,938	53.8%
Genesee	\$1,195,748	\$1,689,003	\$493,255	41.3%	Sullivan	\$741,764	\$1,114,417	\$372,654	50.2%
Greene	\$553,457	\$774,856	\$221,399	40.0%	Tioga	\$630,690	\$963,403	\$332,713	52.8%
Hamilton	\$54,260	\$67,795	\$13,535	24.9%	Tompkins	\$522,182	\$853,951	\$331,769	63.5%
Herkimer	\$617,525	\$876,897	\$259,372	42.0%	Ulster	\$1,782,906	\$2,822,628	\$1,039,722	58.3%
Jefferson	\$1,147,277	\$1,654,021	\$506,745	44.2%	Warren	\$640,312	\$924,402	\$284,089	44.4%
Lewis	\$296,982	\$364,723	\$67,741	22.8%	Washington	\$326,993	\$455,069	\$128,076	39.2%
Livingston	\$814,568	\$819,407	\$4,839	0.6%	Wayne	\$777,086	\$1,149,718	\$372,632	48.0%
Madison	\$356,890	\$514,986	\$158,096	44.3%	Westchester	\$5,259,274	\$7,941,282	\$2,682,008	51.0%
Monroe	\$5,345,195	\$8,086,294	\$2,741,098	51.3%	Wyoming	\$311,441	\$468,318	\$156,877	50.4%
Montgomery	\$926,390	\$1,318,743	\$392,353	42.4%	Yates	\$155,421	\$232,119	\$76,698	49.3%
Nassau	\$11,038,561	\$16,915,509	\$5,876,948	53.2%	REST OF STATE	\$94,194,272	\$142,660,168	\$48,465,896	51.5%
Niagara	\$1,211,220	\$1,851,138	\$639,918	52.8%	New York City	\$24,630,401	\$37,587,280	\$12,956,880	52.6%
Oneida	\$2,107,228	\$3,182,361	\$1,075,132	51.0%	GRAND TOTAL	\$118,824,673	\$180,247,448	\$61,422,776	51.7%

# NYSAC Sales Tax Update • May 12, 2022

**EIA STEO**  
from May 10  
is consistent  
with the  
prior month  
and projects  
gasoline  
prices about  
26% higher in  
2022  
compared to  
2021.  
Dropping  
back by  
about 8% for  
2023.

## Monthly Gasoline Price Change - Upstate New York



# NYSAC Sales Tax Update • May 12, 2022

## Motor Fuel Sales Tax Reduction

As of May 6<sup>th</sup>, **17 counties** have enacted local laws lowering the MF sales tax temporarily

- **9** at \$3 cap for six months
- **1** at \$3 cap for three months + reduced/free bus rides
- **4** at \$2 cap for six months
- **3** at \$2 cap for nine months
- Seneca County has been 8 cents per gallon since 2005

We strongly encourage counties to reach out to NYS Tax & Finance for local law details

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## Recent Sales Tax Results (2020 & 2021)

- COVID and the related social distancing actions created significant fiscal challenges for the state and counties
- Restrictions on economic activity and concern over contracting the disease caused a huge slowdown in consumer activity, especially in person services
- Federal stimulus, vaccines and treatment improvements created less hesitancy among consumers resulting in some economic stability
- In aggregate, counties and NYC saw sales tax collections drop by nearly 10 percent in 2020 compared to 2019



## Recent Sales Tax Results (2020 & 2021)

- Losses varied – about half (30) of the counties collected more sales tax in 2020 than they did in 2019
  - NYC was down 19 percent
  - ROS was down about 1 percent (ranging from -10.4% to +10.7%)
  - Larger counties by population – 13 of 15 largest were negative
- Things improved dramatically in 2021 compared to 2020 with all counties combined up 19 percent
  - There was a wide range of improvement ranging from 4.8 percent to 31.5 percent
- As of May 2022, NYC is the only jurisdiction that is still trailing behind their 2019 collections

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## Recent Sales Tax Results (2020 & 2021)

- Fewer economic restrictions
- Less fear of contagion
- Pent up demand
- Healthier consumer balance sheets
- Federal stimulus payments through the end of 2021
- Relocation within the state
- Inflation
- Other?

## Recent Sales Tax Results (2020 & 2021)

- As consumers returned to more normal spending habits in 2021
  - more big-ticket items including autos and home repairs & upgrades (big in the 1<sup>st</sup> half)
  - Fewer goods, and more services (grew in the 2<sup>nd</sup> half)
- This showed up in the data
- Supply chain constraints and the changing mix of goods v. services, revealed sectors rising v. those falling

# NYSAC Sales Tax Update • May 12, 2022

## 57 Counties Total Taxable Sales, 12 months ending November 2021 -- YoY Comparison

		2021	Change from 2020 Period		Q3 2021 to Q3 2020
Rank	Description	Dec. '20 - Nov. '21	\$ Change	% Change	% Change
1	Automobile Dealers	\$28,222,699,365	\$4,556,502,638	19.3%	2.3%
2	Restaurants and Other Eating Places	\$19,724,864,077	\$4,133,548,270	26.5%	19.8%
3	Electronic Shopping and Mail-Order Houses	\$17,717,245,087	\$2,529,076,887	16.7%	6.8%
4	Building Material and Supplies Dealers	\$14,209,591,261	\$1,717,612,438	13.7%	5.5%
5	Gen. Merch. Stores & Supercenters	\$13,581,451,158	\$1,362,888,980	11.2%	7.9%
6	Gasoline Stations	\$12,692,185,900	\$2,718,343,068	27.3%	41.9%
7	Electric Power Generation, Transmission and Distribution	\$8,977,370,794	\$752,447,203	9.1%	4.2%
8	Clothing Stores	\$8,545,810,256	\$2,030,236,208	31.2%	13.8%
9	Grocery Stores	\$7,782,884,115	\$354,307,562	4.8%	7.0%
10	Other Miscellaneous Store Retailers	\$5,698,811,641	\$809,535,659	16.6%	1.0%
11	Administration of Economic Programs	\$5,532,799,502	\$1,538,870,681	38.5%	-1.0%
12	Automotive Repair and Maintenance	\$5,223,063,462	\$735,324,077	16.4%	16.6%
13	Wired and Wireless Telecommunications Carriers	\$3,736,174,300	(\$341,531,171)	-8.4%	3.7%
14	Department Stores	\$3,672,615,795	\$710,308,980	24.0%	28.1%
15	Services to Buildings and Dwellings	\$3,628,546,297	\$417,273,701	13.0%	6.5%
16	Beer, Wine, and Liquor Stores	\$3,406,435,955	(\$164,712)	0.0%	-7.0%
17	Direct Selling Establishments	\$3,319,087,903	\$419,596,819	14.5%	18.4%
18	Electronics and Appliance Stores	\$2,986,788,565	\$450,632,255	17.8%	3.3%
19	Traveler Accommodation	\$2,806,431,914	\$967,346,824	52.6%	70.0%
20	Other Information Services	\$2,770,709,268	\$304,405,392	12.3%	11.3%
	<b>Top 20</b>	<b>\$174,235,566,615</b>	<b>\$25,545,007,832</b>	<b>17.2%</b>	
	<b>TTS 2020 December 2020 through November 2021</b>	<b>\$252,570,094,837</b>	<b>\$38,259,827,564</b>	<b>17.9%</b>	
	<b>Top 20 as Share of Total Taxable Sales</b>	<b>69.0%</b>			

### Categories that Over Performed

- Automobiles
- Gasoline
- Shopping
- Travel
- Groceries

# NYSAC Sales Tax Update • May 12, 2022

## New York City - Total Taxable Sales, 12 months ending November 2021 -- YoY Comparison

		2021	Change from 2020 Period		Q3 2021 to Q3 2020
Rank	Description	Dec. '20 - Nov. '21	\$ Change	% Change	% Change
1	Restaurants and Other Eating Places	\$16,457,675,870	\$3,533,719,755	27.3%	66.2%
2	Electronic Shopping and Mail-Order Houses	\$11,215,805,482	\$1,636,526,939	17.1%	13.4%
3	Electric Power Generation, Transmission and Distribution	\$11,133,962,420	\$1,235,202,439	12.5%	13.2%
4	Automobile Dealers	\$7,241,996,024	\$1,508,566,563	26.3%	11.6%
5	Clothing Stores	\$4,665,731,408	\$1,196,628,783	34.5%	64.5%
6	Other Information Services	\$4,497,215,550	\$545,452,108	13.8%	14.7%
7	Computer Systems Design and Related Services	\$4,223,146,658	\$511,007,483	13.8%	17.5%
8	Other Professional, Scientific, and Technical Services	\$4,198,516,396	\$335,024,357	8.7%	14.7%
9	Building Material and Supplies Dealers	\$4,004,406,959	\$524,985,749	15.1%	8.7%
10	Software Publishers	\$3,761,431,231	\$505,931,847	15.5%	16.6%
11	Other Miscellaneous Store Retailers	\$3,599,903,806	\$338,605,526	10.4%	-8.6%
12	Other Transit and Ground Passenger Transportation	\$3,560,216,673	\$972,958,776	37.6%	66.0%
13	Computer and Peripheral Equipment Manufacturing	\$3,541,650,784	\$680,141,728	23.8%	23.8%
14	Gen. Merch. Stores & Supercenters	\$3,300,906,912	\$451,746,252	15.9%	9.4%
15	Traveler Accommodation	\$3,250,407,623	\$468,377,873	16.8%	435.0%
16	Grocery Stores	\$3,035,992,988	\$71,678,675	2.4%	10.3%
17	Wired and Wireless Telecommunications Carriers	\$2,783,458,874	(\$151,797,257)	-5.2%	3.4%
18	Health and Personal Care Stores	\$2,655,284,173	\$220,074,269	9.0%	23.7%
19	Administration of Economic Programs	\$2,615,808,891	\$615,957,030	30.8%	-4.2%
20	Services to Buildings and Dwellings	\$2,575,990,473	\$91,264,680	3.7%	11.1%
	<b>Top 20</b>	<b>\$102,319,509,195</b>	<b>\$14,828,474,938</b>	<b>16.9%</b>	
	<b>TTS 2020 December 2020 through November 2021</b>	<b>\$171,971,304,095</b>	<b>\$24,542,650,238</b>	<b>16.6%</b>	
	<b>Top 20 as Share of Total Taxable Sales</b>	<b>59.5%</b>			

- Restaurants
- Automobiles
- Shopping
- Travel
- Transit
- Technology

# NYSAC Sales Tax Update • May 12, 2022

## Sullivan County Total Taxable Sales, 12 Months Ending November 2021 -- YoY Comparison

		2021	Change from 2020 Period	
Rank	Description	Dec. '20 - Nov. '21	\$ Change	% Change
1	Automobile Dealers	\$158,012,193	\$27,563,226	21.1%
2	Gasoline Stations	\$124,747,258	\$32,486,376	35.2%
3	Electronic Shopping and Mail-Order Houses	\$124,282,548	\$22,902,611	22.6%
4	Building Material and Supplies Dealers	\$122,909,249	\$24,229,951	24.6%
5	Electric Power Generation, Transmission and Distribution	\$101,005,980	\$64,497,504	176.7%
6	Restaurants and Other Eating Places	\$83,151,443	\$21,765,002	35.5%
7	Direct Selling Establishments	\$72,034,162	\$40,050,532	125.2%
8	Gen. Merch. Stores, Warehouse Clubs & Supercenters	\$68,910,368	\$3,872,215	6.0%
9	Administration of Economic Programs	\$65,015,211	\$18,112,443	38.6%
10	Traveler Accommodation	\$54,660,085	\$23,723,573	76.7%
11	Grocery Stores	\$54,525,074	\$3,830,145	7.6%
12	Other Miscellaneous Store Retailers	\$44,444,702	\$4,992,720	12.7%
13	Automotive Repair and Maintenance	\$30,316,062	\$4,712,696	18.4%
14	Beer, Wine, and Liquor Stores	\$26,290,180	\$345,860	1.3%
15	Wired and Wireless Telecommunications Carriers	\$24,289,487	(\$2,745,623)	-10.2%
16	Clothing Stores	\$20,581,060	\$8,794,570	74.6%
17	Other Information Services	\$16,706,491	\$1,221,874	7.9%
18	Automotive Parts, Accessories, and Tire Stores	\$16,080,451	\$1,539,972	10.6%
19	Lawn and Garden Equipment and Supplies Stores	\$14,677,258	\$1,805,325	14.0%
20	Hard./Plumb. & Heating Equip. & Supplies Merchants	\$14,023,724	\$2,065,574	17.3%
	<b>Top 20</b>	<b>\$1,236,662,986</b>	<b>\$305,175,853</b>	<b>32.8%</b>
	<b>TTS 2020 December 2020 through November 2021</b>	<b>\$1,615,785,336</b>	<b>\$381,182,758</b>	<b>30.9%</b>
	<b>Top 20 as Share of Total Taxable Sales</b>	<b>76.5%</b>		

**Example of  
Impact of  
temporary  
Local Sales Tax  
Exemption  
Change**

## Recent Sales Tax Results (2022)

- **As reported by the State Comptroller**, Q1 of 2022 continues a pattern of strong results
  - Local government sales tax collections grew by 21.1%, or \$901 million, in Q1 2022 compared to the same period last year
  - Collections for the three-month period totaled nearly \$5.2 billion, with growth at least partially driven by inflation, which hit a 40-year-high in March.



## Recent Sales Tax Results (2022)

- NYC collections in Q1 grew by 28.5% compared to the same period last year and exceeded pre-pandemic levels for the second straight quarter after remaining below pre-pandemic levels for most of 2020 and 2021.
- Outside NYC, nearly every county had double-digit growth in the first quarter. Broome County saw the highest growth at 24.3%, followed by Yates County (22.2%), and Schuyler and Columbia counties (21%). Sullivan County had the lowest growth at 6.6%.

# NYSAC Sales Tax Update • May 12, 2022

## Monthly Local Sales Tax Collections by Region, 2021 to 2022

Region	City/ County	January-March			January			February			March		
		2021 (millions)	2022 (millions)	Percentage Change	2021 (millions)	2022 (millions)	Percentage Change	2021 (millions)	2022 (millions)	Percentage Change	2021 (millions)	2022 (millions)	Percentage Change
Capital District		\$195.8	\$223.6	14.2%	\$61.3	\$73.2	19.4%	\$51.8	\$57.2	10.4%	\$82.7	\$93.1	12.6%
Central New York		\$140.5	\$159.1	13.3%	\$45.2	\$53.0	17.3%	\$37.4	\$44.5	19.1%	\$57.9	\$61.6	6.4%
Finger Lakes		\$202.8	\$234.4	15.6%	\$63.3	\$75.7	19.6%	\$49.9	\$64.4	29.0%	\$89.6	\$94.3	5.2%
Long Island		\$704.6	\$809.9	15.0%	\$218.4	\$267.2	22.3%	\$186.7	\$219.7	17.6%	\$299.4	\$323.1	7.9%
Mid-Hudson		\$493.9	\$570.5	15.5%	\$155.9	\$187.7	20.4%	\$131.7	\$153.3	16.4%	\$206.3	\$229.5	11.3%
Mohawk Valley		\$73.7	\$83.6	13.4%	\$21.9	\$26.2	19.6%	\$18.6	\$22.2	18.9%	\$33.1	\$35.2	6.2%
North Country		\$68.8	\$76.5	11.1%	\$20.6	\$24.4	18.7%	\$17.1	\$20.8	21.6%	\$31.1	\$31.2	0.3%
Southern Tier		\$112.3	\$133.6	18.9%	\$35.4	\$42.2	19.3%	\$30.5	\$36.0	18.0%	\$46.4	\$55.4	19.3%
Western New York		\$274.8	\$320.0	16.4%	\$87.3	\$103.8	18.9%	\$72.9	\$87.0	19.5%	\$114.6	\$129.1	12.7%
New York City		\$1,736.1	\$2,231.1	28.5%	\$699.4	\$775.4	10.9%	\$582.8	\$643.3	10.4%	\$453.9	\$812.4	79.0%

Source: New York State Department of Taxation and Finance, with calculations by the Office of the New York State Comptroller.

# NYSAC Sales Tax Update • May 12, 2022

## Inflation & Sales Tax (2022)

**Inflation is a key contributor to stronger collections. Especially when weighted for the sectors that dominate counties' Top 20 sales tax lists.**

Consumer Price Index Changes			
	Year over Year Jan. 2021 to Jan. 2022	Year over Year Feb. 2021 to Feb. 2022	Year over Year Mar. 2021 to Mar. 2022
<b>All Items</b>	<b>7.5%</b>	<b>7.9%</b>	<b>8.5%</b>
Gasoline	40.0%	38.0%	48.0%
Home Energy (Gas)	23.9%	23.8%	21.6%
Home Energy (Electric)	10.7%	9.0%	11.1%
New Cars	12.2%	12.4%	12.6%
Used Cars	40.5%	41.2%	35.3%
Motor Vehicle Parts & Equip.	12.6%	14.3%	14.2%
Hotel Accommodations	23.6%	29.0%	29.0%
Apparel (clothes, shoes, jewelry)	5.3%	6.6%	6.8%
Household Furnishings & Supplies	9.3%	10.3%	10.8%
Food at Home (Grocery Stores)	7.4%	8.6%	10.0%
Food Out (Restaurants)	6.4%	6.8%	6.9%
Medical Care Commodities	1.4%	2.5%	2.7%
Medical Care Services	2.7%	2.4%	2.9%
Sporting Goods, Music, Hobbys, Toys	5.0%	5.0%	4.2%
Alcoholic Beverages	2.7%	3.5%	3.7%
Shelter/Rent	4.4%	4.7%	5.1%
Car & Truck Rentals	29.3%	24.3%	23.4%

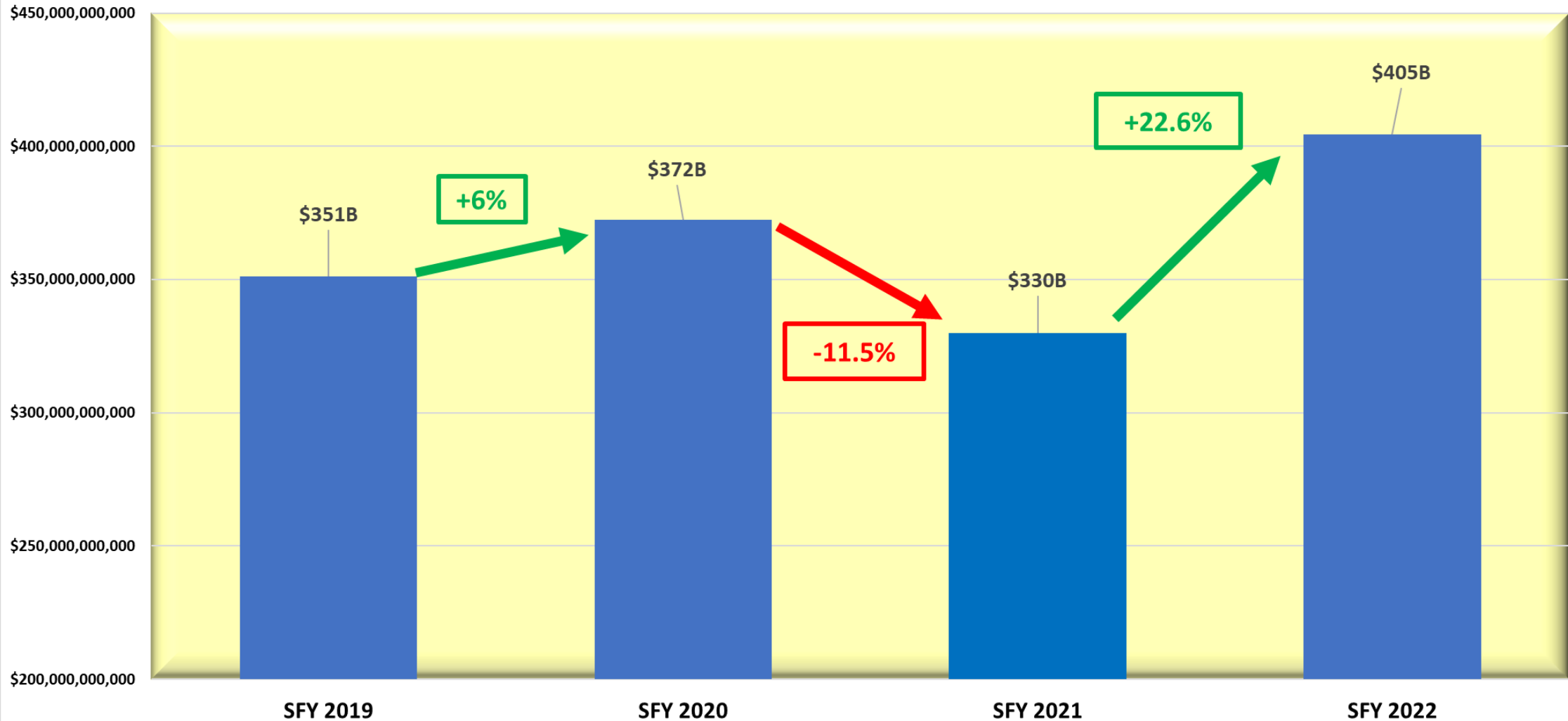
Source: BLS -- <https://www.bls.gov/news.release/cpi.t02.htm>

## Total Taxable Sales Comparisons

- Last week the state released TTS data for the recently completed SFY 2022 (ending February)
- The following charts show how TTS changed through COVID in total dollars and by key categories

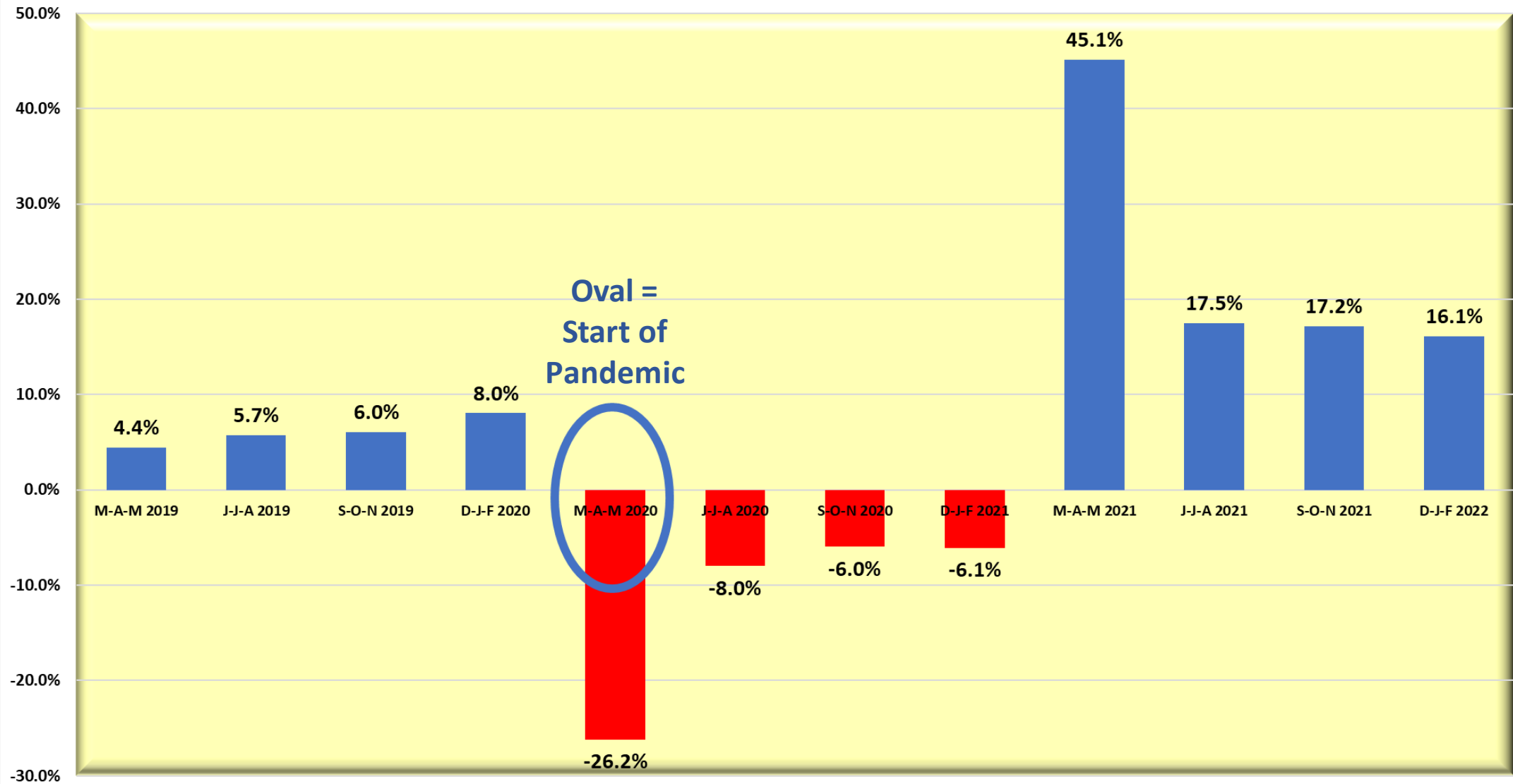
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## New York State Total Taxable Sales



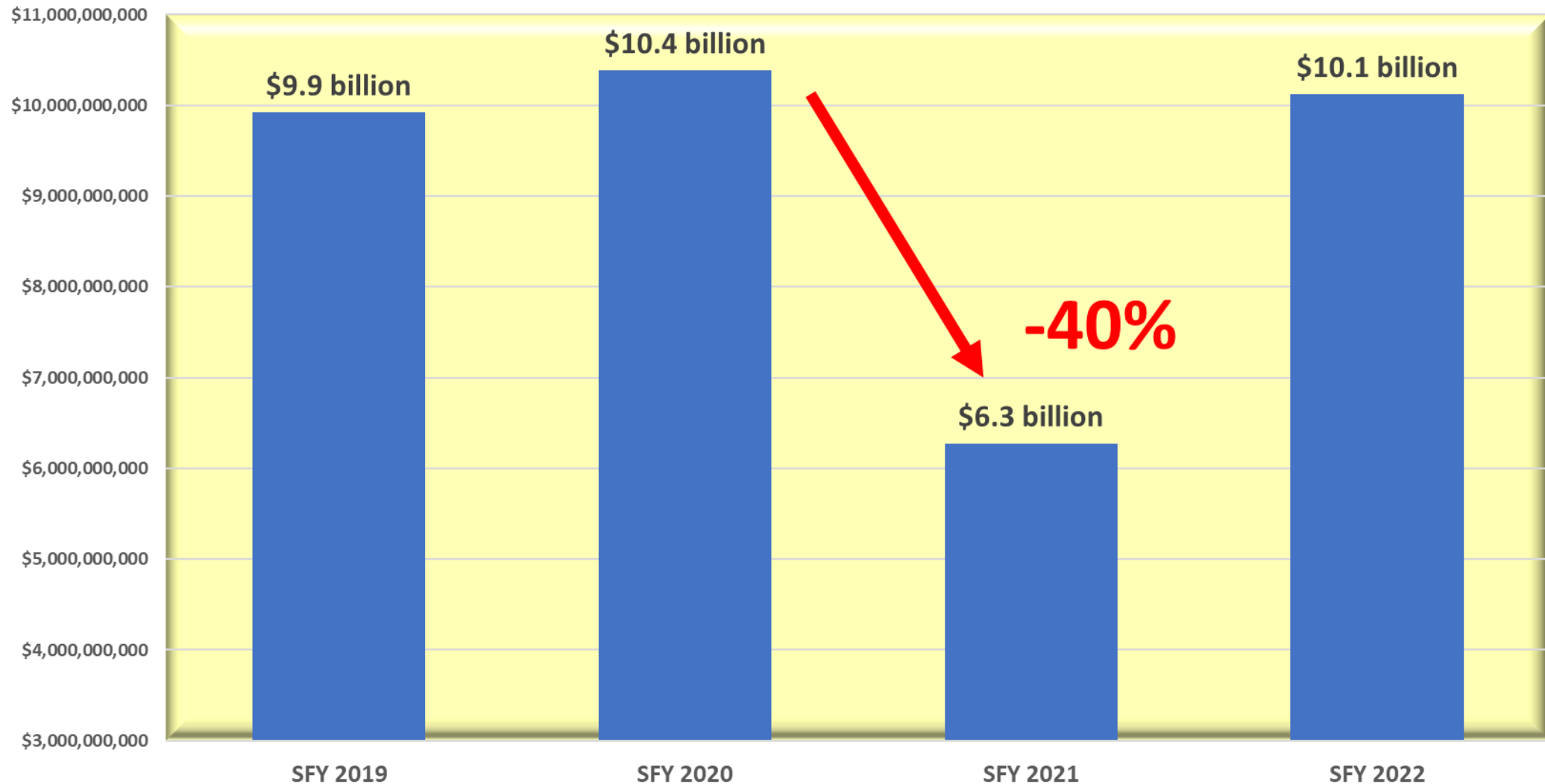
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## New York State - Change over prior year quarter



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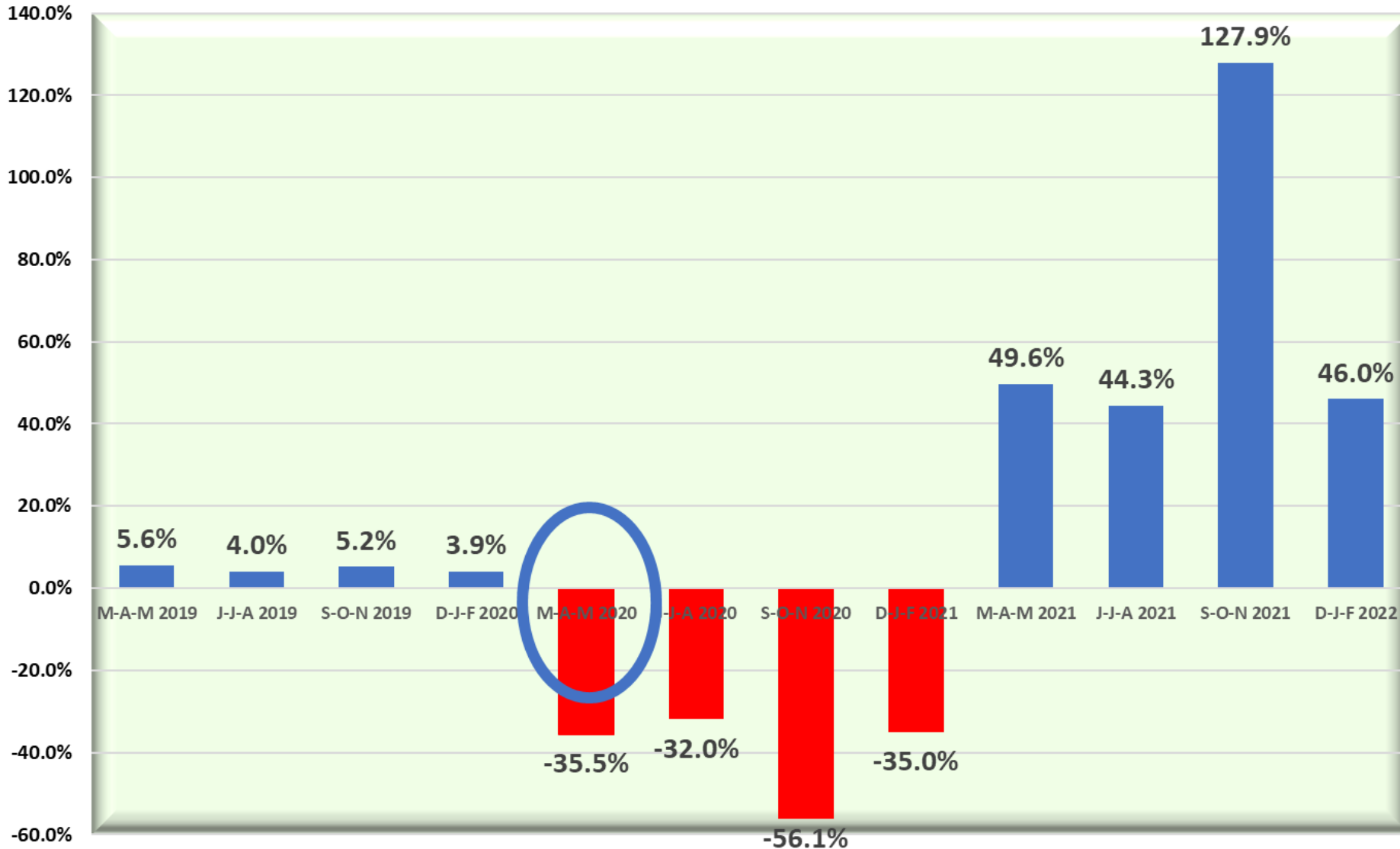
**Restaurants - Average TTS Sales per Quarter by Year**



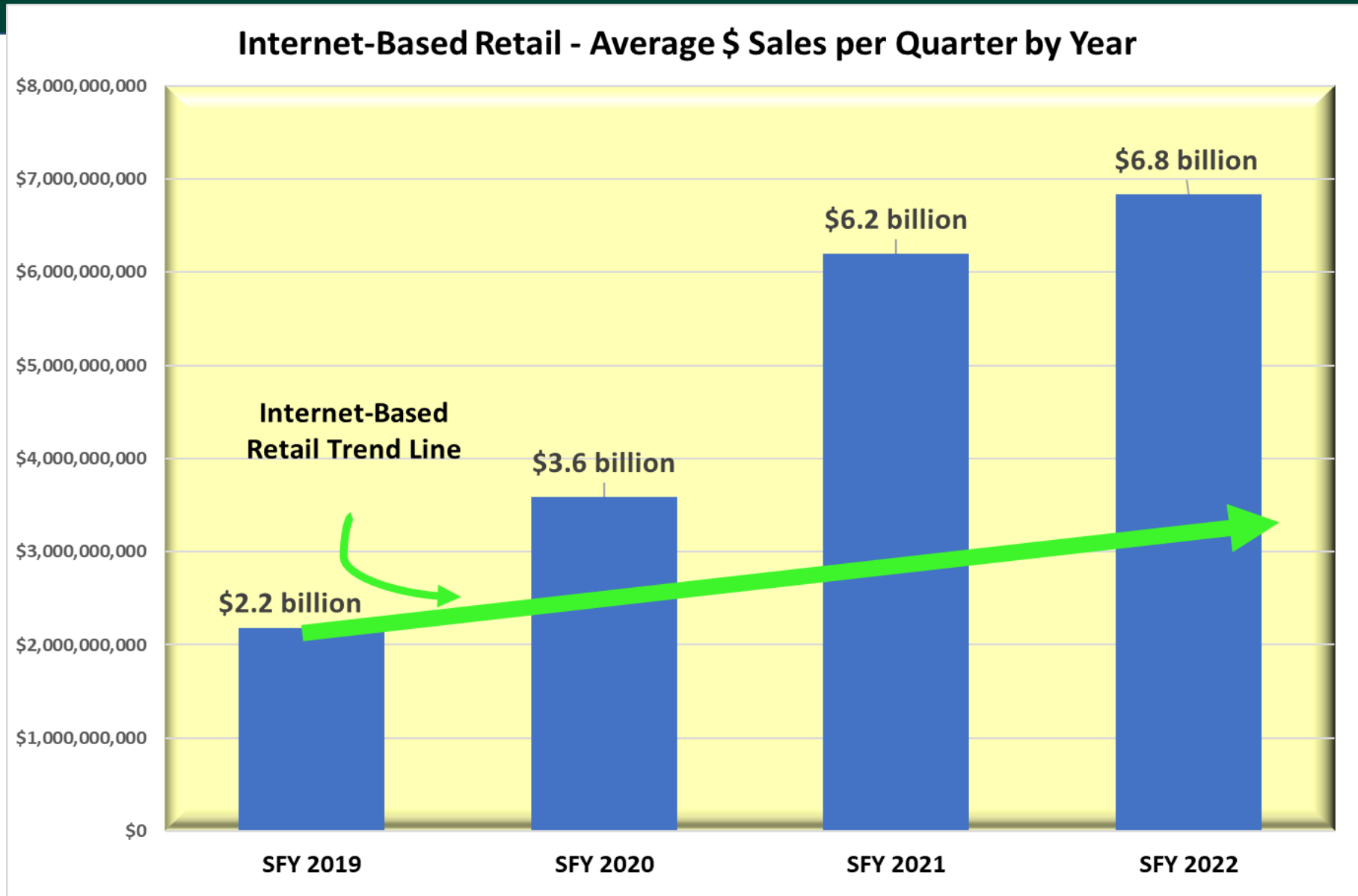


# NYSAC Sales Tax Update • May 12, 2022

## Restaurants - Change over prior year quarter

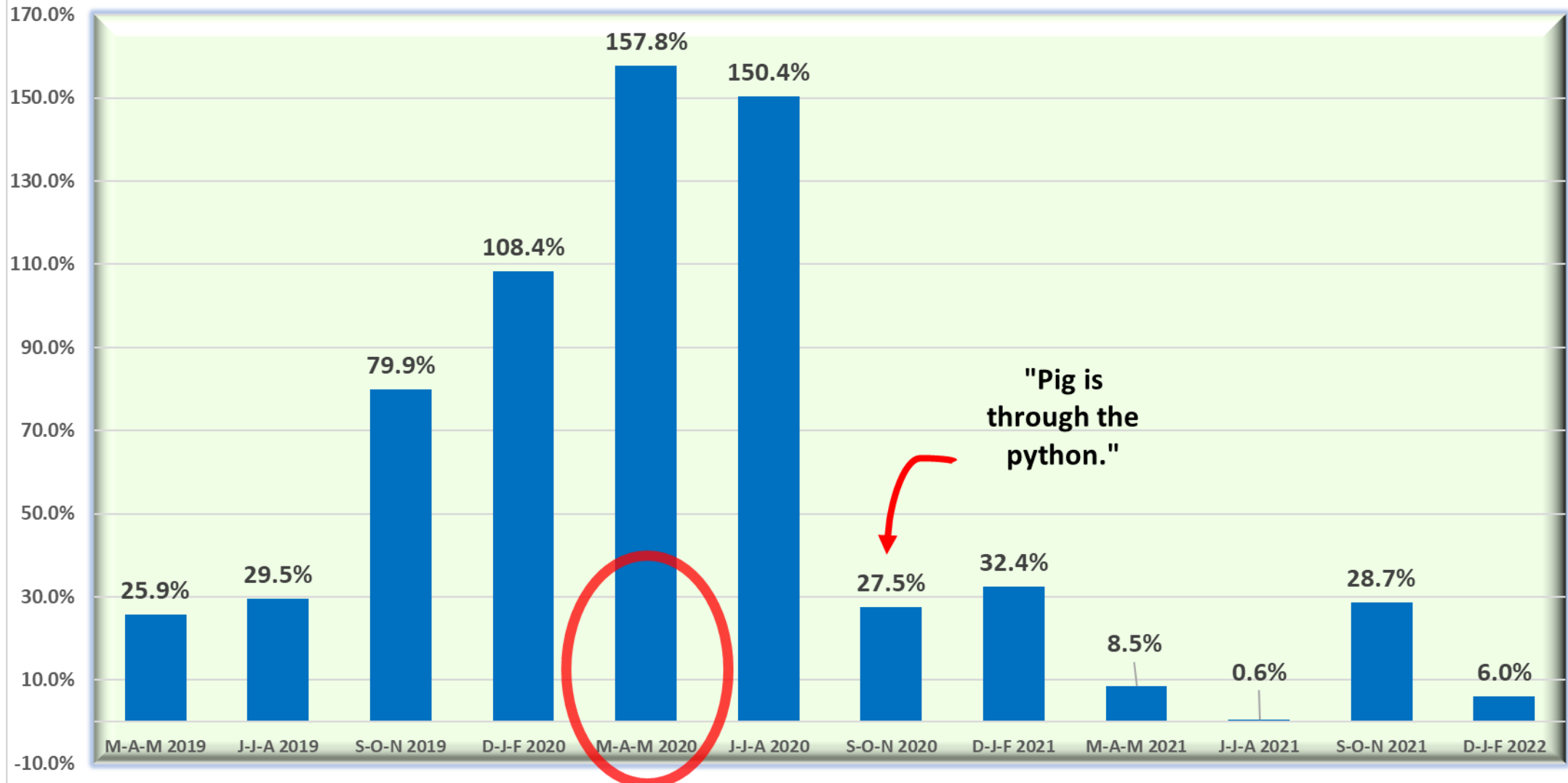


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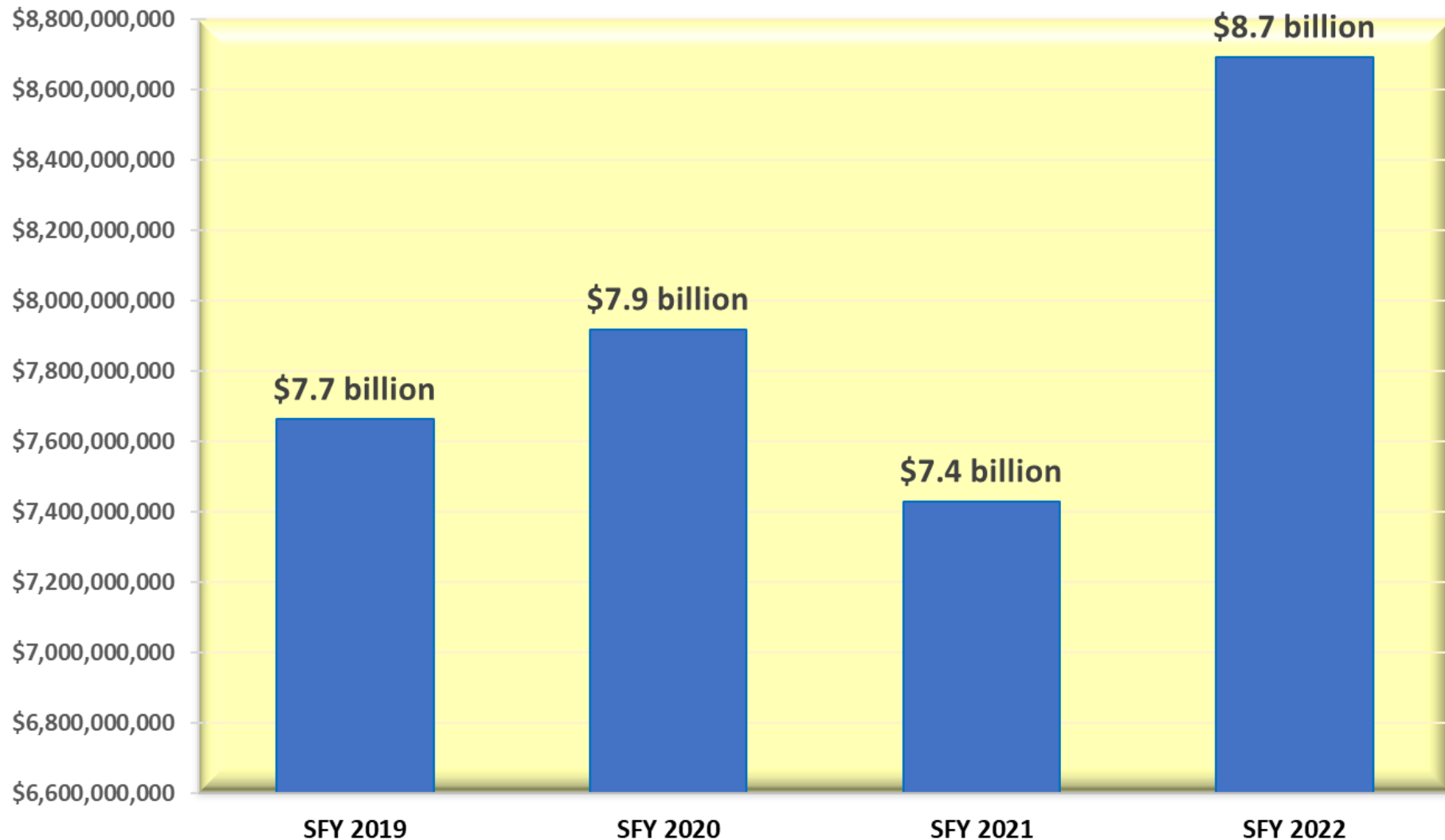
# NYSAC Sales Tax Update • May 12, 2022

## Internet-Based Retail - Change over prior year quarter



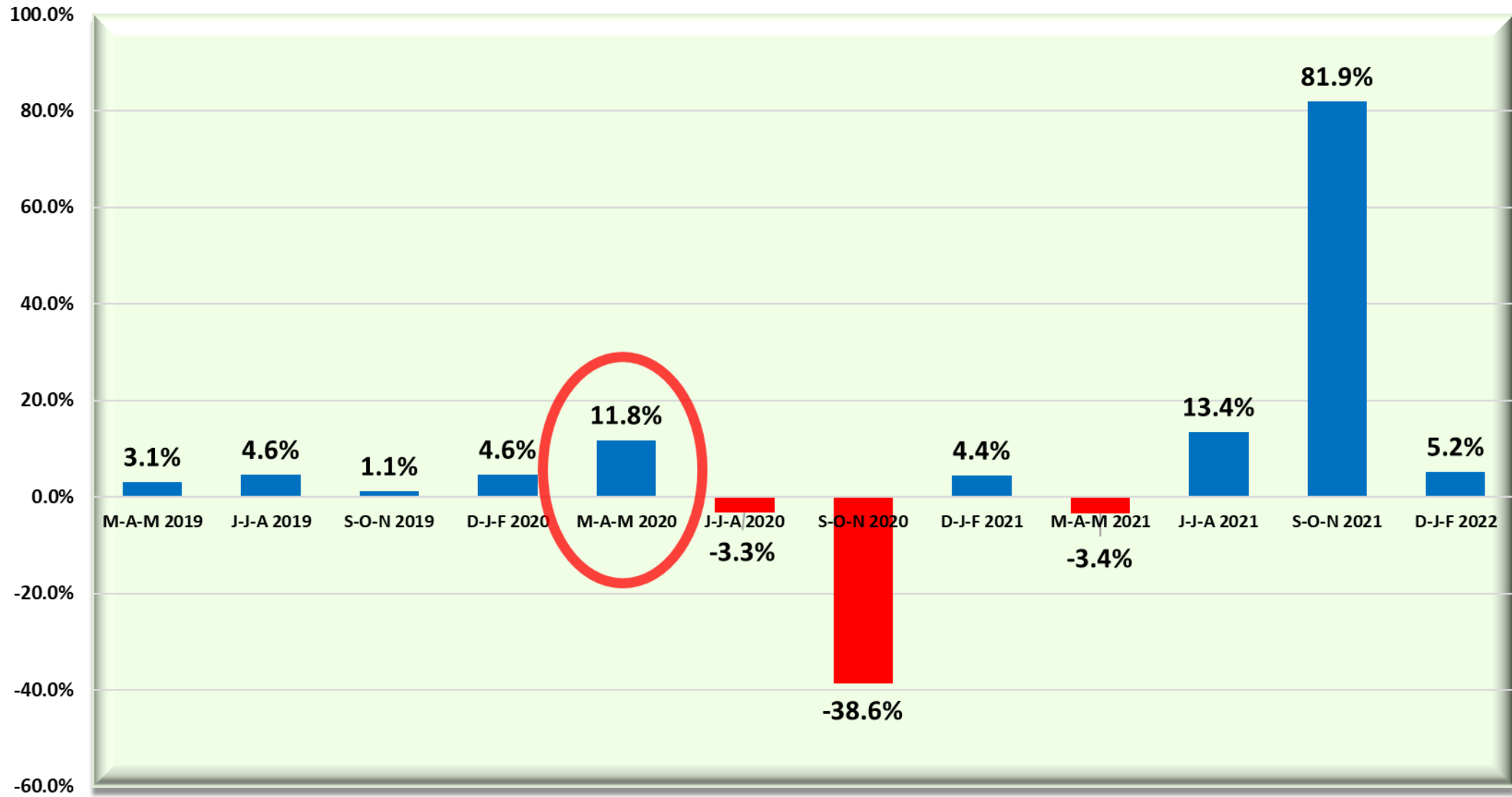
# NYSAC Sales Tax Update • May 12, 2022

**Auto Dealers - Average \$ Sales per Quarter by Year**



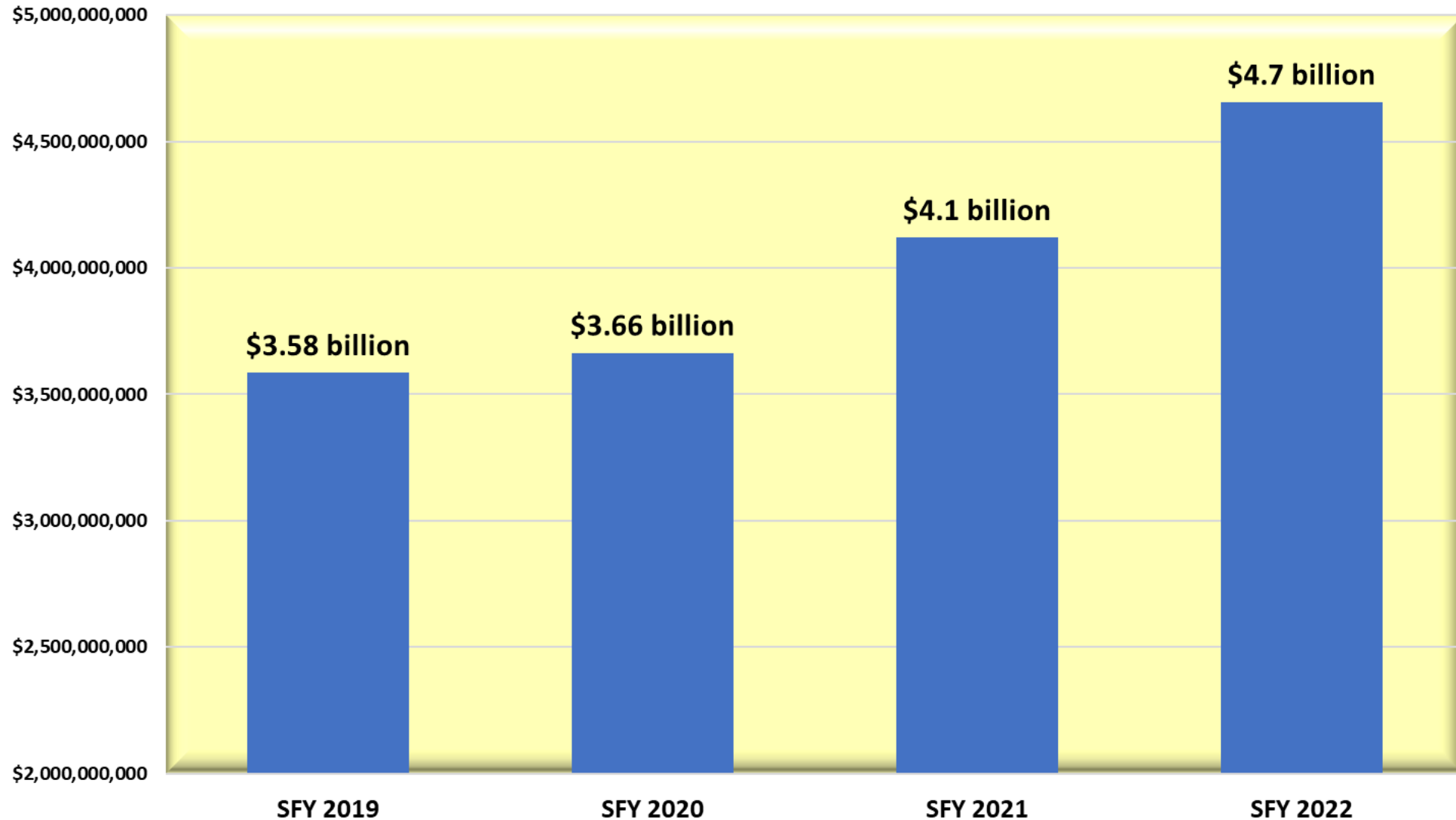
# NYSAC Sales Tax Update • May 12, 2022

## Automobile Dealers - Change over prior year quarter



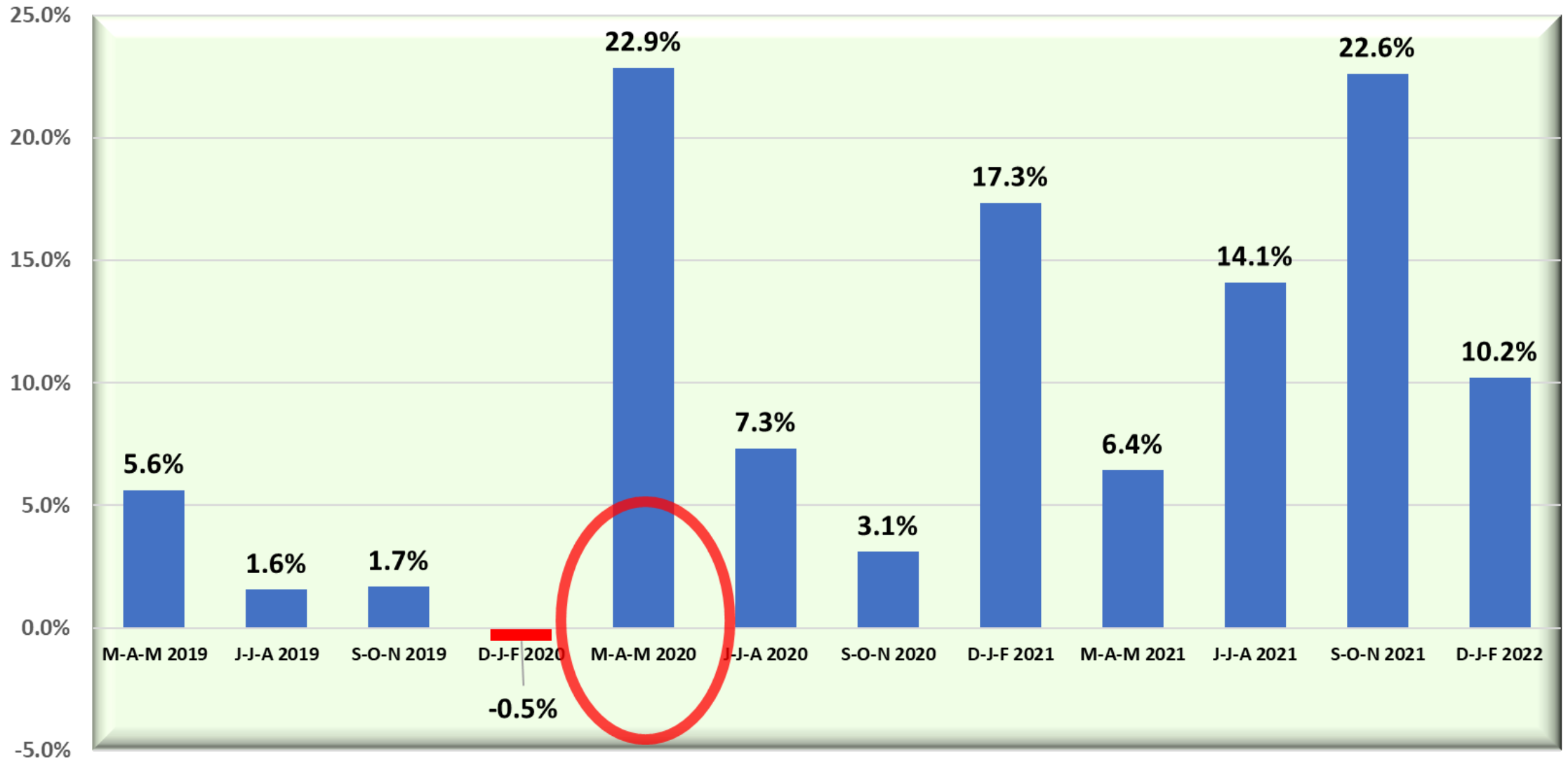
# NYSAC Sales Tax Update • May 12, 2022

**Building Materials & Supplies - Average \$ Sales per Quarter by Year**



# NYSAC Sales Tax Update • May 12, 2022

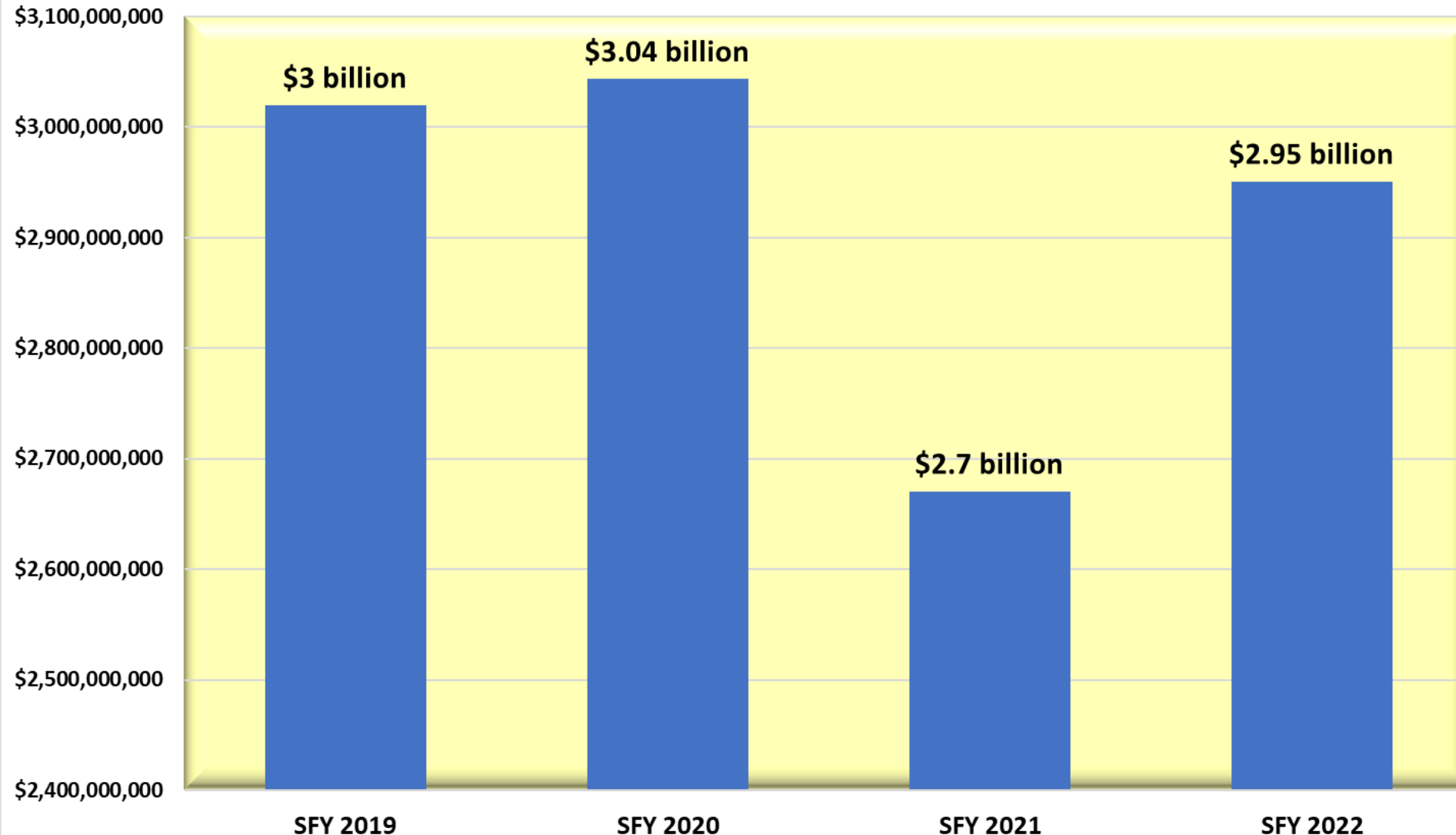
## Building Material & Supplies - Change over prior year quarter





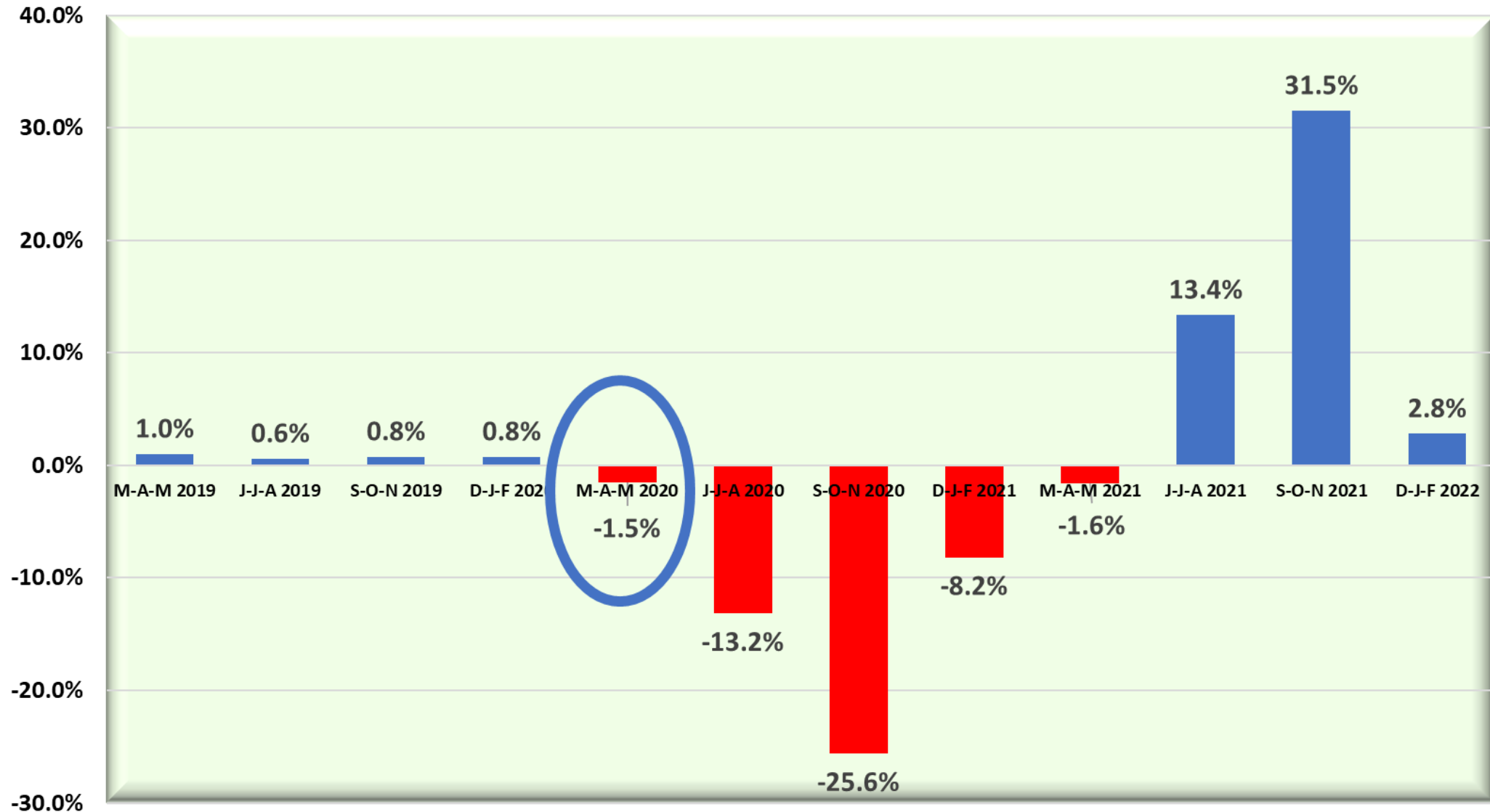
# NYSAC Sales Tax Update • May 12, 2022

**Gasoline Stations - Average \$ Sales per Quarter by Year**

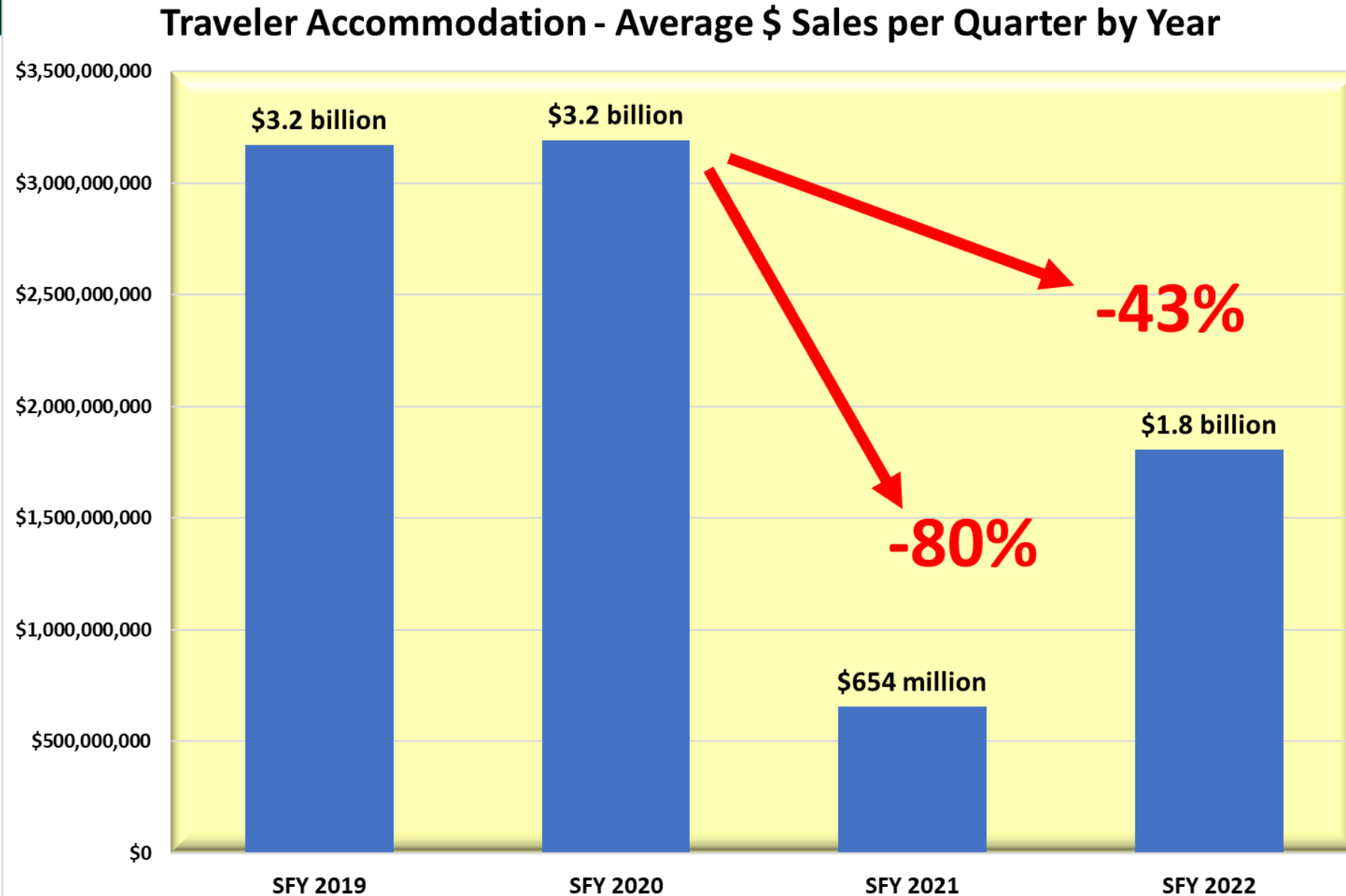


# NYSAC Sales Tax Update • May 12, 2022

## Gasoline Stations - Change over prior year quarter

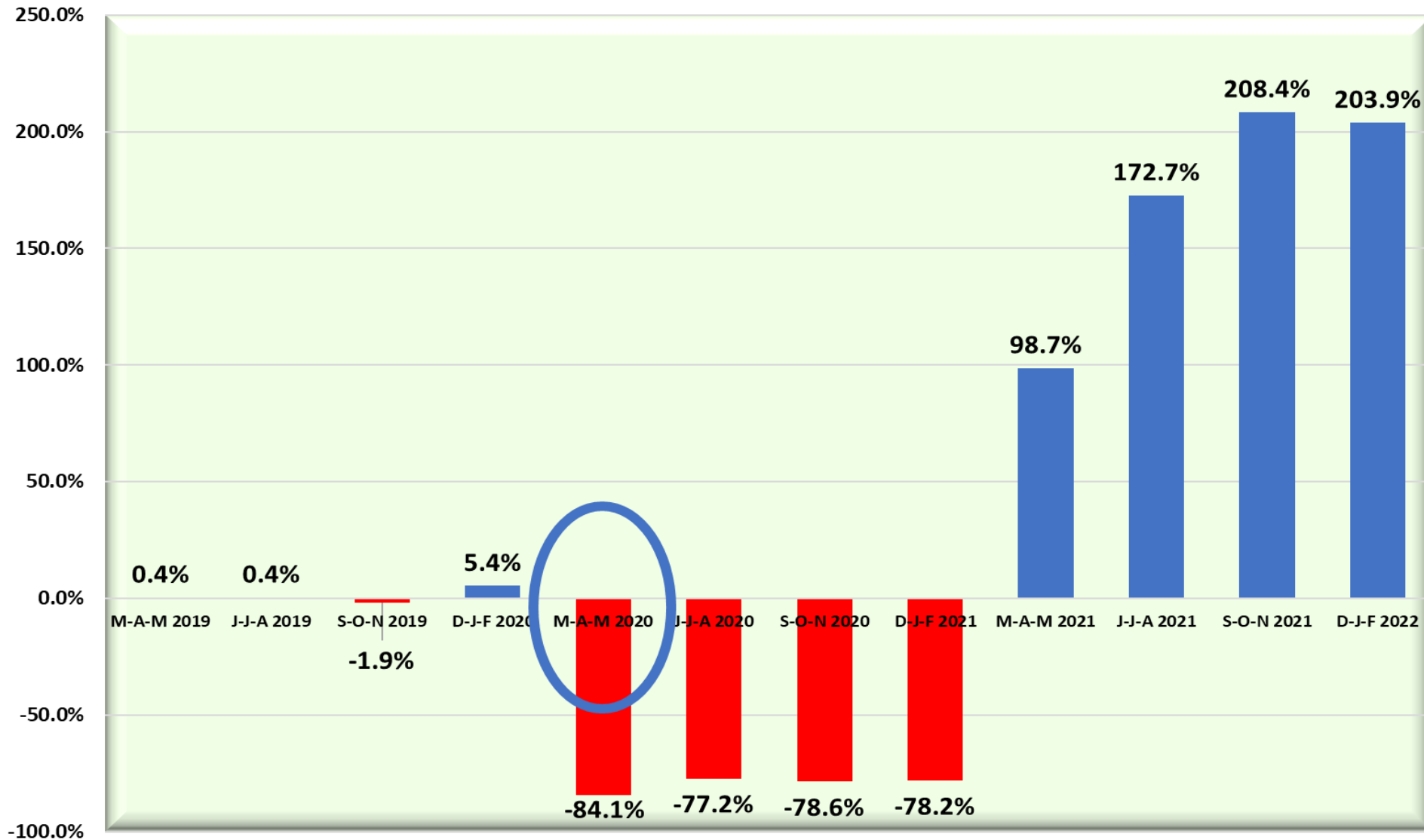


# NYSAC Sales Tax Update • May 12, 2022



# NYSAC Sales Tax Update • May 12, 2022

## Traveler Accommodation - Change over prior year quarter



## A Look Ahead

We expect sales tax to remain strong through most of 2022, but there are warning signs.

Counties have to be concerned about their budget situation. A flailing state budget can wreak havoc.

Sales tax is a top revenue source for many counties, but this requires confident consumers.

Consumer confidence has been under pressure and personal balance sheets, while good, are feeling the squeeze of inflation and worried about higher interest rates to come.

## A Look Ahead

- The Federal Reserve says inflation and rising interest rates are the biggest near-term threat to the U.S economy. The war in Ukraine poses more risks.
- CNBC reports, “On Wall Street, more than half of investment and economic professionals think the Fed’s attempt to combat inflation by raising interest rates and running off the balance sheet will eventually cause a recession”
- 8 in 10 small business owners are convinced the U.S. economy will enter a recession this year, according to the latest CNBC|SurveyMonkey Small Business Survey
- The Wall Street Journal is estimating a 28% probability of a recession sometime in the next 12 months—up from 18% in January.

“We will get a major recession,” Deutsche Bank economists wrote in a report to clients on Tuesday, other big WS banks say it is not inevitable.

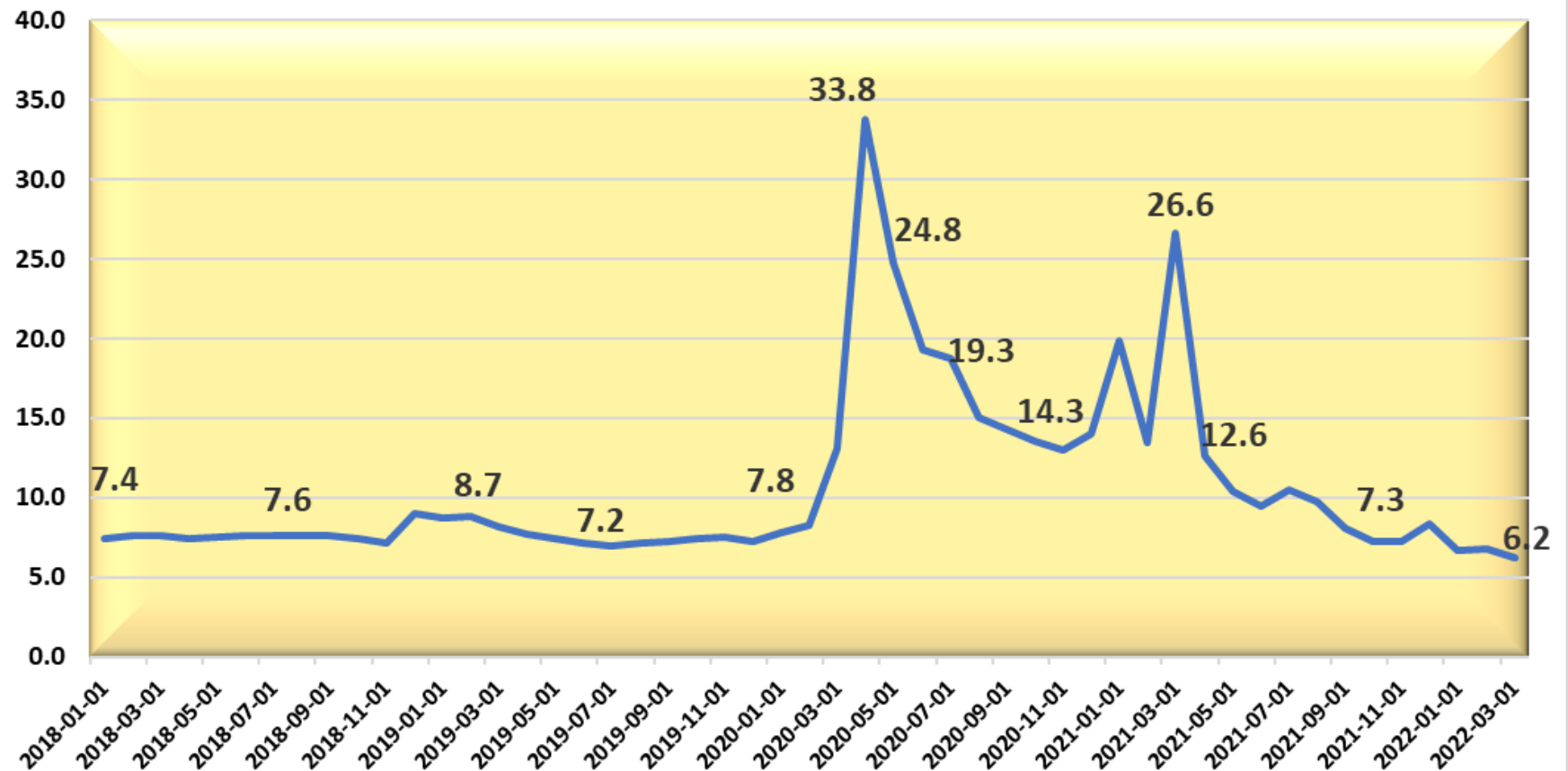
## A Look Ahead

- **Lots of mixed signals**
  - Job market hiring is strong
  - Unemployment at 3.6%, near a 50-year low
  - Wage growth is at 5.5%, but inflation is higher
  - Workers have flexibility to switch jobs
  - Employers can't find the right workers
  - Stock market is stressed-out YTD
    - DOW -12%
    - NASDAQ -25%
    - S&P -16%
  - Through April the consumer is still spending like crazy

# NYSAC Sales Tax Update • May 12, 2022

Personal balance sheets are in pretty good shape, but the personal savings rate is at the lowest monthly level since 2013 and federal stimulus funds are being spent down.

## Personal Savings Rate





## A Look Ahead

- Most counties are experiencing strong finances
- It is a good strong finances dominate the day
- We have a lot of resources to make fundamental change
- County elected leader expectations
- Taxpayer expectations
- Affordability today
- Long term sustainability
- Add your bullets here

# Contact

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