

Local Government Snapshot



NEW YORK STATE OFFICE OF THE STATE COMPTROLLER

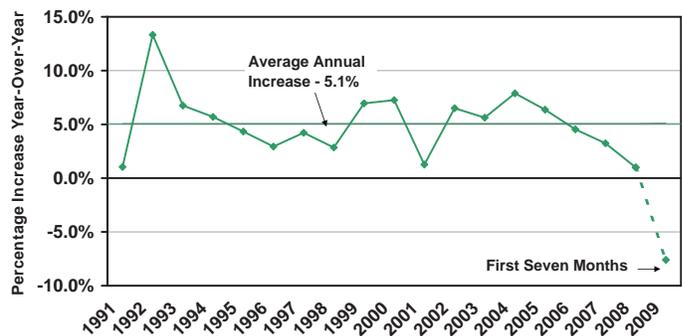
Thomas P. DiNapoli • State Comptroller

August 2009

Sales Tax Declines Through July 2009

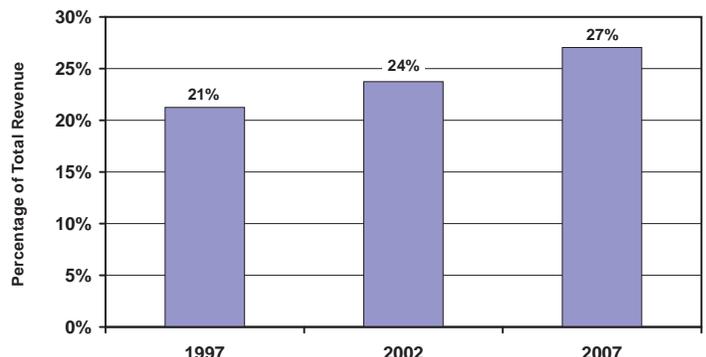
- Local sales tax collections for all of New York State, including New York City, declined by 8.9 percent, or \$640 million, over the first seven months of 2009 compared to the same period the year before.
- County sales tax collections, which account for most of the collections outside New York City, declined by 7.6 percent, or \$291 million, during the same period.
- New York City sales tax collections declined by 10.0 percent, or \$285 million, in the first seven months of 2009.
- Sales taxes made up over 27 percent of county revenue in 2007, up from 21 percent in 1997. Counties will be tracking collections closely during the upcoming back-to-school shopping season. Outside of the holiday shopping season, September typically represents the most important month for sales tax collections.
- Every region of the State experienced declining sales tax collections in the first seven months of 2009. The regions with the greatest declines were Long Island and the Lower Hudson Valley, at 10.1 percent each. The Mohawk Valley had the smallest decline – 3.2 percent – in the January through July period, but that region had the sharpest decline in 2008, at 2.2 percent.
- 2008 collections grew only 1.0 percent over 2007, the smallest growth rate since 1991. Even during the 2001 recession, local sales tax collections increased 1.3 percent.

County Sales Tax Collections, Increase Year-Over-Year, 1991 to 2009



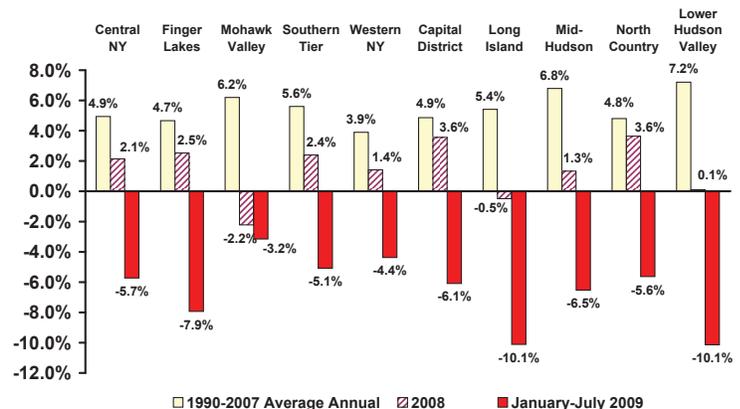
Source: Department of Taxation and Finance, Office of Tax Policy Analysis, Sales Tax Cash Distribution Database; Additional calculations by Office of the State Comptroller. Numbers not adjusted for tax rate or tax law changes.

Sales Tax Percentage of Total Revenue for New York Counties, 1997-2007



County sales tax revenue is net of distributions to other local governments, and does not include New York City. Source: Office of the State Comptroller.

Sales Tax Collections by Region, Change Year-Over-Year



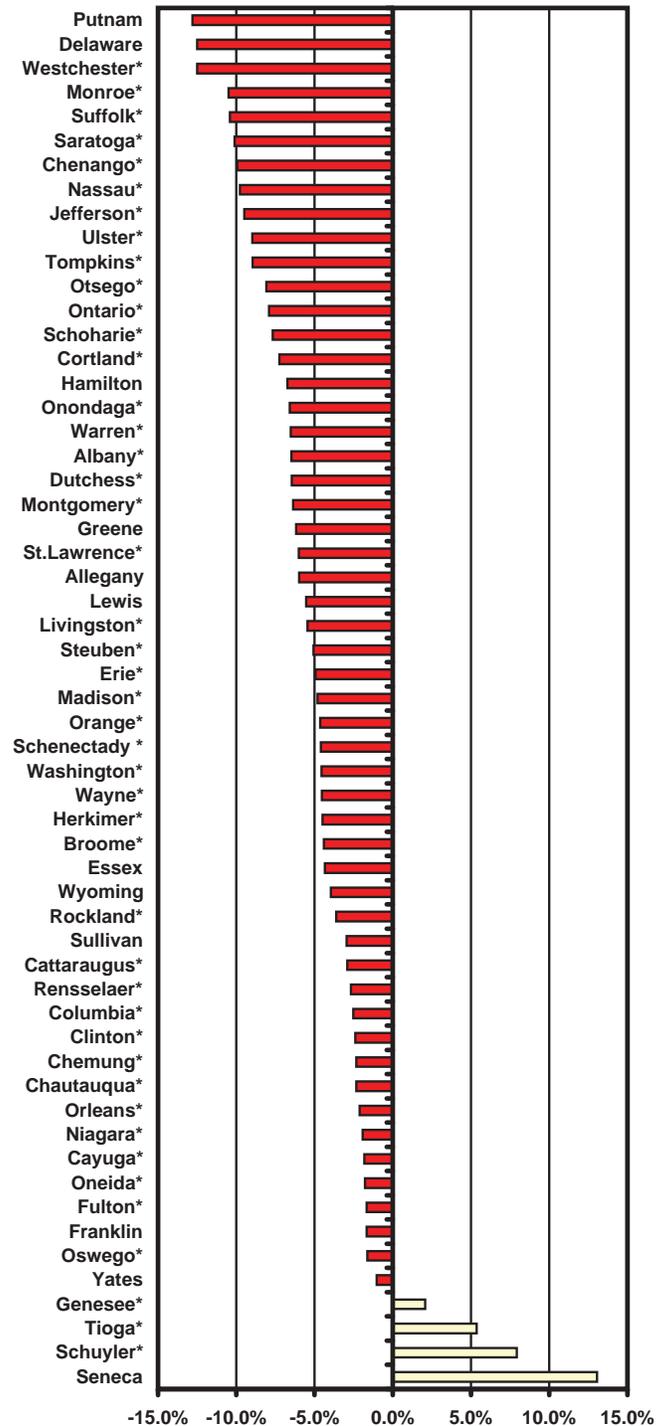
Source: Department of Taxation and Finance, Office of Tax Policy Analysis, Sales Tax Cash Distribution Database; Additional calculations by Office of the State Comptroller. Numbers not adjusted for tax rate or tax law changes.

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Sales Tax Collections by County, Jan.-July 2008 vs. Jan.-July 2009

- █ Fifty-three of New York's 57 counties experienced declining collections over the first seven months of 2009 compared to the same period the year before.
- █ The largest declines in percentage terms occurred in Putnam, Delaware and Westchester counties. Six counties have experienced double-digit declines through July as compared to the same period last year.
- █ Although four counties saw significant percentage increases during the period, most of these were due to factors other than economic growth. The four counties are all relatively small, so that minor dollar increases in collections can result in large percentage increases. Although about one-third of the growth in Seneca County was from new retail businesses, most of the growth seen in Schuyler, Tioga and Genesee counties was due to late payments and other technical cash adjustments.
- █ The largest dollar declines during the period were in Suffolk County (\$71 million), Nassau County (\$57 million), Westchester County (\$34 million), and Monroe County (\$25 million).
- █ Other local governments are hurt by decreasing collections as well: 45 counties distribute a portion of their sales tax to local jurisdictions within their borders. Twenty cities, including New York City, impose a sales tax of their own. These cities' sales tax collections declined by 9.8 percent in the first seven months of 2009.

Note: Sales tax collections data is from the Department of Taxation and Finance, Office of Tax Policy Analysis, Sales Tax Cash Distribution Database; Local sales tax revenue data from and additional calculations by the Office of the State Comptroller.



* Counties that share sales tax revenues with local governments.
 Source: Department of Taxation and Finance, Office of Tax Policy Analysis, Sales Tax Cash Distribution Database; Additional calculations by Office of the State Comptroller. Numbers not adjusted for tax rate or tax law changes.