

# Local Government Snapshot



NEW YORK STATE OFFICE OF THE STATE COMPTROLLER

Thomas P. DiNapoli • State Comptroller

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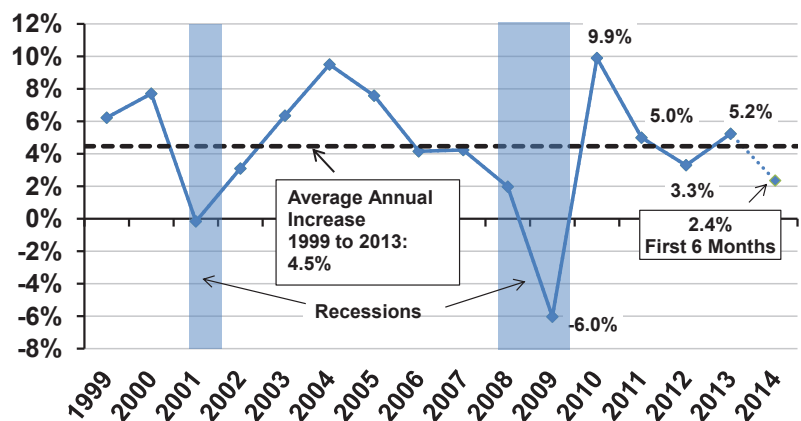
## Growth in Local Sales Tax Collections Slows to 2.4 Percent in First Half of 2014; Long Island and Southern Tier Collections Decline

Local sales tax collections in New York State grew by \$173 million, or 2.4 percent, for the first six months of 2014 compared to collections during the same period in 2013.<sup>1</sup> This is less than half of the 5.2 percent annual growth seen in 2013, but just more than half of the 15-year average annual growth rate of 4.5 percent.

Although total local sales tax collections have grown each quarter since the end of the 2008-2009 recession, the rate of this growth has shown a downward overall trend. Growth in the first quarter of 2014 was only 1.2 percent higher than in the first quarter of 2013, the weakest growth since the end of the recession. Growth in the second quarter of 2014 was slightly stronger (3.5 percent).

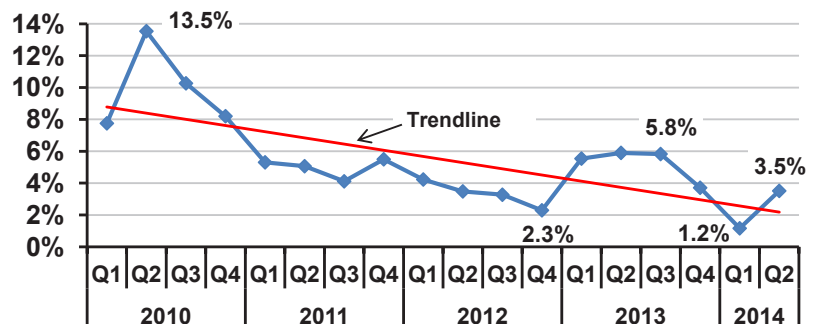
New York City's sales tax collections grew by 4.8 percent, or \$152 million, in the first half of 2014. This was lower than City growth in the recent past (2013 collections grew by 6.8 percent over 2012), but it still accounted for nearly 90 percent of total local sales tax growth in the State in the first six months of 2014.

Local Sales Tax Collections Percentage Change Over Prior Year, 1999 Through First Half of 2014



Source: Department of Taxation and Finance; additional calculations by the Office of the State Comptroller. Numbers not adjusted for tax rate or tax law changes.

Local Sales Tax Collections Percentage Change Over Prior Year, By Quarter, Q1 2010 to Q4 2014



Source: New York State Department of Taxation and Finance; additional calculations by the Office of the State Comptroller. Numbers not adjusted for tax rate or tax law changes.

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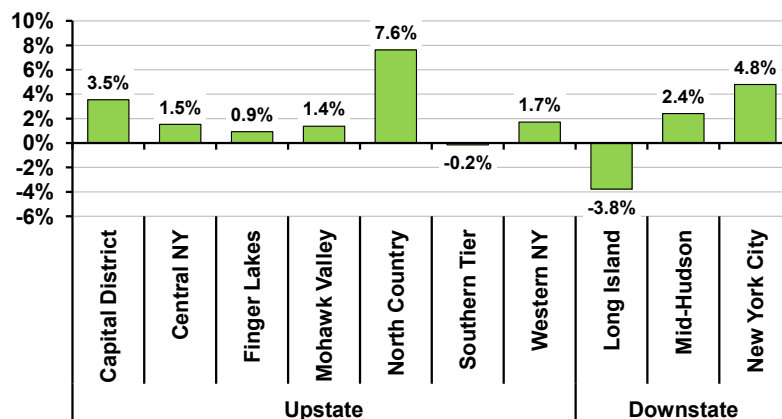
■ The Long Island region experienced a decline in sales tax collections of 3.8 percent, or \$45 million, over the first six months of 2014 compared to the year before. This was in large part due to an 8.3 percent decrease in Nassau County. In early 2013, sales tax revenues were boosted by recovery effort purchases in the many communities severely affected by Superstorm Sandy in 2012. However, by 2014, this temporary spending had mostly ceased.

■ The strongest growth for the first six months of 2014 was in the North Country region (7.6 percent). This growth was boosted by sales tax rate increases in several counties (see discussion below). Sales tax collections in the Southern Tier region declined slightly (0.2 percent) in the first six months of 2014, continuing the decline of 2.3 percent for all of 2013.

■ Forty-one counties had sales tax collections growth in the first half of 2014 compared to the first half of 2013. The strongest growth was in four counties where sales tax rate increases were enacted effective December 1, 2013. St. Lawrence County increased its county sales tax rate from 3 percent to 4 percent, which contributed to sales tax collections growth of 31 percent in the first six months of 2014.<sup>2</sup> Hamilton County also increased its rate from 3 to 4 percent, and had 24.4 percent growth. Lewis and Essex counties both increased their rates from 3.75 percent to 4 percent, and had growth of 15.6 percent and 9.3 percent, respectively.

■ Ulster County had a decline in sales tax collections of 5.7 percent in the first six months of 2014. This decline was due to a delay of the regularly scheduled renewal of an additional 1 percent increment in the sales tax rate, causing the County's rate to drop from 4 to 3 percent from December 1, 2013 to February 1, 2014 – at which point the additional 1 percent rate renewal became effective.

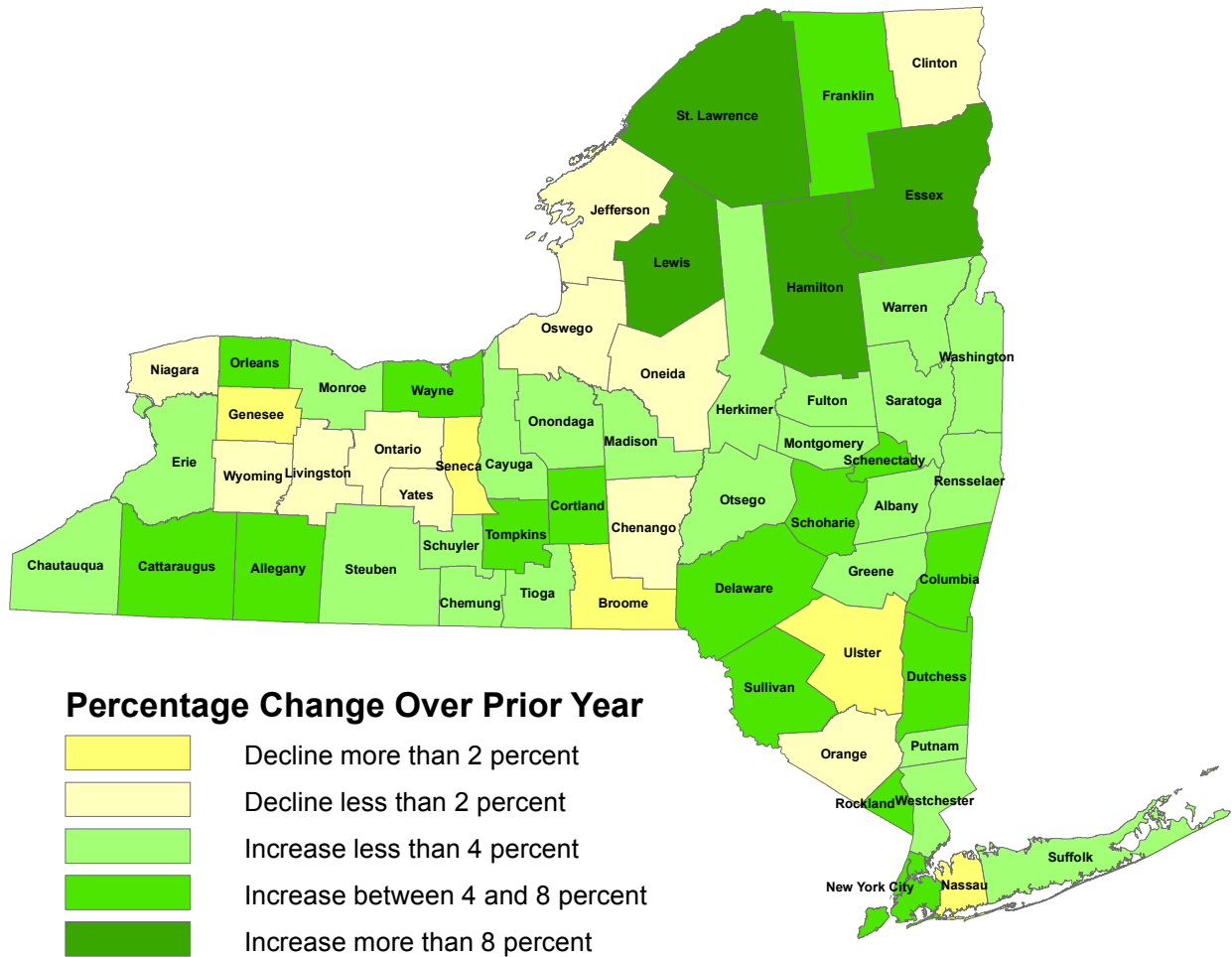
Local Sales Tax Collections Percentage Change Over Prior Year, By Region, First Half 2013 to First Half 2014



Source: Department of Taxation and Finance; additional calculations by the Office of the State Comptroller. Includes County and City collections only. Numbers not adjusted for tax rate or tax law changes.

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## Percentage Change in Local Sales Tax Collections, First Half 2013 to First Half 2014



Source: Department of Taxation and Finance; additional calculation by the Office of the State Comptroller. Includes county and New York City sales taxes only.

<sup>1</sup> Sales tax collections data from the New York State Department of Taxation and Finance. Local sales taxes are those imposed for entities other than the State. This includes: county and city sales taxes, the sales tax surcharge for the Metropolitan Commuter Transportation District, segmented sales taxes and consumer utility taxes.

<sup>2</sup> The local rates are combined with the State rate of 4 percent to comprise the overall sales tax rate for that jurisdiction.