

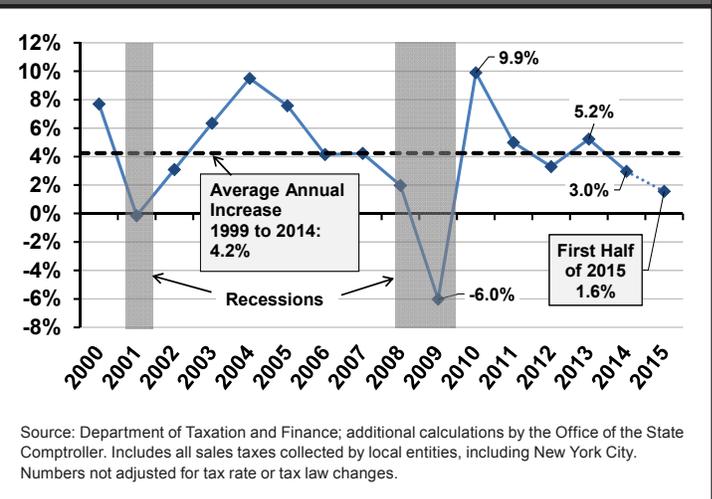


Local Sales Tax Collection Growth Slows Significantly in First Half of 2015

Statewide Trends

- Total local sales tax collections in New York State grew by \$117 million or 1.6 percent in the first six months of 2015 compared to the same period in 2014.¹ This is about half of the 3.0 percent growth seen in all of 2014, and nearly two thirds less than the 4.2 percent average annual growth experienced over the previous 15 years.
- Sales tax collections for New York City grew by \$91 million, or 2.7 percent, in the first half of 2015, accounting for a substantial part of local sales tax growth statewide. However, this growth was still less than the City's 4.8 percent growth rate in the first half of 2014.
- County sales tax collections, excluding New York City and other cities that impose their own sales tax, increased only 0.5 percent for the first six months of 2015. Many counties actually experienced a decline in their sales tax collections during this period compared to the same period the year before. This could represent serious challenges for county budgets, as the sales tax is the single largest revenue source for counties in New York State.

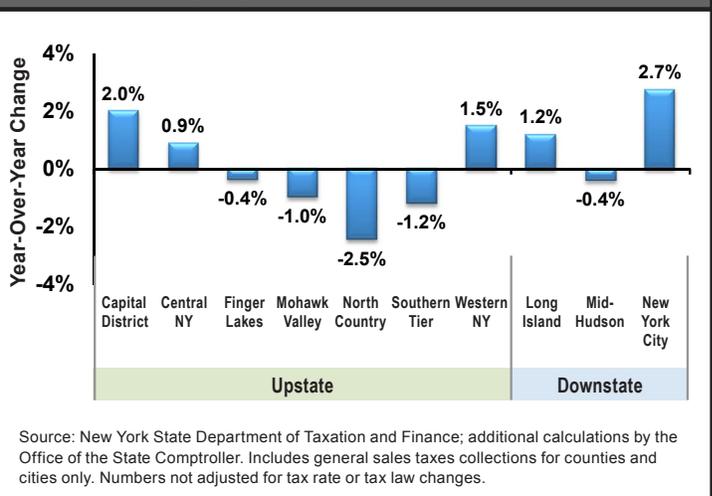
Percentage Change in Total Local Sales Tax Collections



Local Sales Tax Collections – Regional Trends

- Next to New York City, the region with the strongest sales tax collection performance in the first half of 2015 was the Capital District, with a 2.0 percent increase.²
- In contrast, sales tax revenue declined in 5 of the 10 regions of the State, with the sharpest decline being in the North Country, which saw a 2.5 percent drop. Also declining were the Southern Tier (1.2 percent), the Mohawk Valley (1.0 percent), the Finger Lakes (0.4 percent) and the Mid-Hudson region (0.4 percent).

Local Sales Tax by Region First Six Months, 2014 to 2015



Local Government Snapshot

Local Sales Tax Collections – Quarterly Trends

There has been a general downward trend in sales tax collection growth over the last several years, since the end of the 2008-09 recession. Quarterly year-over-year growth was as high as 13.5 percent in the immediate aftermath of the recession. The highest quarterly year-over-year growth in 2013 was 5.8 percent and the highest in 2014 was 3.6 percent. Thus far in 2015, growth was 0.7 percent in the first quarter and 2.4 percent in the second quarter.

County Sales Tax Collections – County-by-County Trends

Sales tax collections declined in 33 of the 57 counties outside of New York City in the first half of 2015 compared to the same period in 2014. The largest decline was in Schoharie County, with a 6.1 percent drop. Allegany, Delaware, Lewis and Montgomery counties also had declines of over 5 percent. In some cases, these declines were due to technical adjustments, which can have a large impact in counties with relatively small populations and retail sectors.³

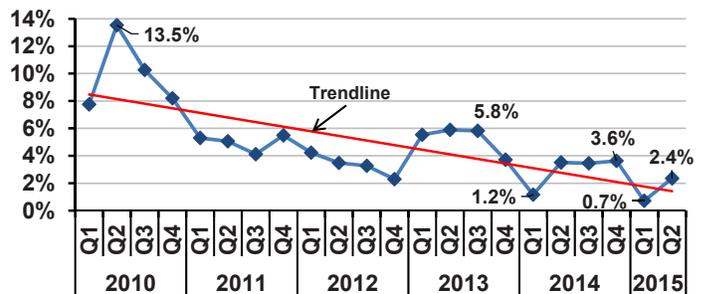
The other 24 counties had sales tax collection growth. The strongest growth was 8.8 percent in Steuben County, which benefited from the repeal of the sales tax by two cities in the county (Corning and Hornell), increasing the County's sales tax collections from within those cities – the cities will now receive a distribution of county sales tax revenue. Ulster County had an increase of 8.4 percent, which was likely due in part to a rate change. Hamilton and Washington counties also saw growth rates over 6.0 percent. Technical adjustments can explain some of these increases.

¹ Sales tax collections data from the New York State Department of Taxation and Finance. Total local sales tax collections include all those imposed for entities other than the State. This includes county and city general sales taxes, the sales tax surcharge for the Metropolitan Commuter Transportation District, segmented sales taxes and consumer utility taxes.

² Regional sales tax collections data includes counties and cities with a general sales tax, but excludes school districts, the Metropolitan Transportation Authority and other entities that receive sales tax.

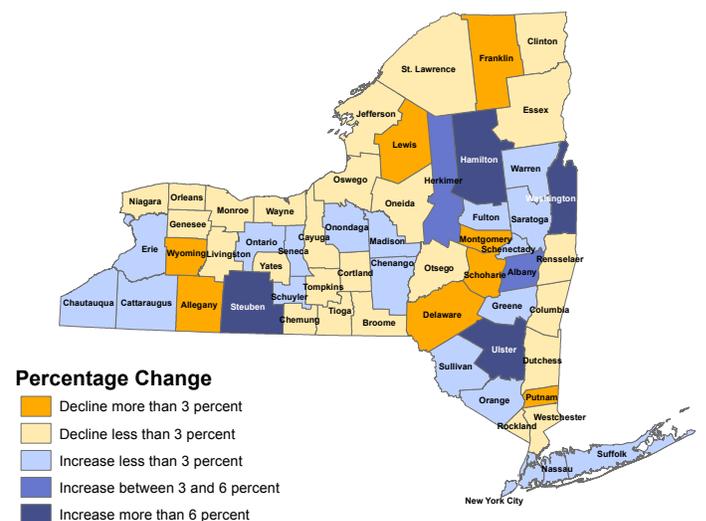
³ Technical adjustments are made by the Department and Taxation and Finance and include adjustments made as better data on collections in prior periods becomes available or to correct reporting errors by retailers.

Local Sales Tax Collections Percentage Change Over Prior Year, By Quarter, Q1 2010 Compared to Q2 2015



Source: New York State Department of Taxation and Finance; additional calculations by the Office of the State Comptroller. Includes all sales taxes collected by local entities, including New York City. Numbers not adjusted for tax rate or tax law changes.

Percentage Change in County Sales Tax Collections First Half of 2014 Compared to First Half of 2015



Source: New York State Department of Taxation and Finance; additional calculations by the Office of the State Comptroller. Includes counties and New York City, but excludes other cities, school districts, the MTA and other entities that receive sales tax.

New York State Office of the State Comptroller
 Division of Local Government and School Accountability
 110 State Street, 12th Floor • Albany, New York 12236



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