

NEWS FROM THE ULSTER COUNTY OFFICE OF THE COMPTROLLER

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For release: Immediately
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Ulster County Experienced a Third Year of Record-Breaking Sales Tax Revenue

Kingston, NY (May 23, 2024) – Ulster County Comptroller March Gallagher released the 2023 Sales Tax Report showing record breaking growth in last year's sales tax revenues. The County's sales tax collected was \$170.6 million, \$3.6 million above budget and a 3% increase over actual 2022 collections.

"Enhanced sales tax revenue can indicate strong economic growth," said County Comptroller March Gallagher. "Ulster County can and should review industry sectors taxable sales to identify those industries that are growing (such as traveler accommodation) and those that are shrinking (such as building materials). While sales tax revenues remain strong, Ulster County should hesitate to rely too heavily on sales tax to support operations since this revenue can be subject to fluctuations.

The Comptroller's Office found that 24% of Ulster County's taxable sales come from fossil fuel-related industries. This is largely due to sectors like Automobile Dealers, Gasoline Stations, and Automotive Repair and Maintenance ranking in the top 10 for taxable sales. Consequently, approximately 11% of the County's budget relies on revenue from fossil fuel related industries. With growth in industries such as electric vehicles, new technologies in heating, cooling and air conditioning as well as renewable energy generation, this percentage could decline over time.

"We are going to see growth in many new and existing industries as we transition to a clean energy economy, and in fact, we are already witnessing major growth in sales of electric vehicles and heat pumps that generate tax revenue for our County," said County Executive Jen Metzger. "While it is true that we will see reduced tax revenue from the gas pump as more people purchase EVs, there are very good health and environmental reasons to support this trend. We've also seen less sales tax revenue from cigarettes than in the past, but few would argue that this is a bad thing."

Traveler Accommodation surged 21% year over year. Automobile dealers, which are the largest single source of sales tax revenue in Ulster County, saw a 2% increase when compared to the prior year period. Gasoline stations were up 14%. Restaurants saw a 4% increase, and electronic shopping was up 5% year over year. Building materials declined 19%, which represented the most significant decline.

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