

NEWS FROM THE ULSTER COUNTY OFFICE OF THE COMPTROLLER



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ULSTER COUNTY SALES TAX REVENUES IMPACTED BY COVID SOME INDUSTRIES HIT HARDER THAN OTHERS; INTERNET SALES UP 184%

Kingston, NY (September 3, 2020) – Ulster County Comptroller March Gallagher has released the Mid-Year Sales Tax Report. The report provides information on sales tax receipts from the State, pandemic related impacts on revenues from certain industries and distributions to the City and towns. Sales tax revenues represent 37% of budgeted revenues for Ulster County. Sales tax revenues are shared 11.5% with the City of Kingston and 3.5% with the towns of Ulster County based on their equalized value.

Ulster County has seen an overall reduction in sales tax receipts as of June 30, 2020, of \$4,550,640 or 7.08% of budgeted revenues. The totals for the year were buoyed by receipts in January and February, which exceeded revenue estimates. The worst month thus far in 2020 was April which saw a 36% decline from receipts in April 2019. Later months have rebounded.

Certain industries were more impacted by the pandemic than others. In an analysis of taxable sales by industry code for the period March, April, May of 2020, compared to 2019, the Comptroller found significant declines in travel and visitation industries. Traveler accommodation was the most impacted with a year over year decline for the period of 78%. Visitation at Belleayre and other state-run recreation facilities also saw declines of 63%. In addition, restaurants declined 45% offset by an increase in grocery of 11%. All automobile related industries saw significant declines as well in auto sales, gasoline and repair. Auto sales are typically the top driver of taxable sales in Ulster County providing 11% of all taxable sales in 2019. Other notable pandemic related increases were beer, wine and liquor stores up 47% and building materials up 10%.

Electronic Shopping and Mail Order Houses (otherwise known as Internet Sales) skyrocketed up by 184% for March, April, May 2020, over the same period in 2019. While the increase is driven in part by pandemic shopping online, a review of the industry data shows significant increase in the quarter before the pandemic of 132%. Not only are consumers shopping more online, but New York State's Marketplace Provider Tax, which collects tax from internet sales, was implemented in June of 2019. Even before the change to the law, Ulster County saw year-over-year double digit increases in electronic shopping.

"Increases and decreases in taxable sales can inform us of where the market is moving in Ulster County," said Comptroller Gallagher. "Government and business leaders should take stock of these changes and recognize that certain industry sectors like main street retail and tourism related businesses are being particularly hard hit by the pandemic and may need extra support. Changes in consumer behavior have a direct impact on jobs, investment and commercial vacancies."

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