



Office of The Ulster County Comptroller

Understanding the Ulster County Sales Tax

February 2016

What is the Ulster County sales tax?

The Ulster County sales tax rate is 8%.¹ It is a general sales and compensation use tax, which is levied on all taxable retail sales within the County.

How is the Ulster County sales tax allocated?

Of the total 8% tax collected by the State of New York, 4% is retained as State revenue and 4% is returned to the County. In Ulster, the county tax base rate is 3%; however, the County traditionally receives authorization to levy an additional 1%.

How is the Ulster County sales tax distributed?

Historically and currently, 85.5% is kept by the County while the additional 14.5% is divided among the towns, villages, and the City of Kingston in accordance with the terms of the present sales tax sharing agreement that is set to expire at the end of February 2016.

The City of Kingston receives 11.5% of the revenue with the remaining 3% split among the twenty municipalities based on their equalized value.²

¹ *New York State Sales and Use Tax Rates by Jurisdiction, Publication 718*, Department of Taxation and Finance, <https://www.tax.ny.gov/pdf/publications/sales/pub718.pdf>

² *Local Government Sales Taxes in New York State: 2015 Update*, New York State Office of the State Comptroller (March 2015), <https://www.osc.state.ny.us/localgov/pubs/research/salestax2015.pdf>

Of the three Villages within Ulster County, only Ellenville and Saugerties have a sharing agreement for sales tax revenue; the Village of New Paltz does not have such an agreement in place.³

Where did Ulster County's additional 1% sales tax come from?

In 1965, the New York State imposed a general sales tax and replaced the locally administered sales taxes with a local option that is administered by the New York State Department of Taxation and Finance. The statewide sales tax – now at 4% – was initially 2% and has been as high as 4.25%. All cities and counties in the State (except those counties wholly within New York City) can impose their own local sales taxes at a “maximum” rate of up to 3% – or higher if authorized by special state legislation. Currently all eligible counties and 20 cities (including New York City) in the State have a local sales tax.²

Ulster County has repeatedly requested the State Legislature to authorize an additional 1% sales tax extension. In 2013, the Legislature was unable to vote on a 1% sales tax extension by the November 30th deadline, which caused the County's rate to

³ *Ulster County Municipalities Savings and Sales Tax Review*, Ulster County Legislature (January 2016), <http://ulstercountyny.gov/sites/default/files/Gerentine%20-%20Sales%20Tax.pdf>

decline from 4% to 3% for the months of December 2013 and January 2014.⁴

How much does Ulster County collect in sales tax, and what are the trends?

In 2015, \$107,770,020.24 was generated from sales tax revenue.⁵ A recently released report by the Office of the New York State Comptroller confirms that Ulster County enjoyed a healthy increase in sales tax collection for 2015. The multi-million dollar surge placed Ulster County as one of the exceptions among the fifty-seven counties outside of New York City, with collections exceeding 4% from the previous year. According to the State Comptroller, thirty counties experienced losses, plummeting the average statewide growth in local sales tax to only 0.7%.

For Ulster County – boasting the third highest increase in collections outside of the metropolitan area – it was a far cry from 2014, which saw only a fractional increase of a few hundred thousand dollars while dealing with a 1% decrease in the sales tax rate for the month of January. However, collections in 2015 jumped in excess of \$4,000,000.00.

The final numbers provided by the New York State Department of Taxation and Finance showed Ulster County as having the benefit of an unparalleled increase among Hudson Valley counties as well. Neighboring Dutchess and Orange Counties lagged nearly 3% behind Ulster while Sullivan County trailed by over 2%. Ulster County joins Saratoga, Hamilton and Steuben Counties as one of only four counties outside of the metropolitan area to experience increases above 3%.⁶

⁴ *Local Government Snapshot, Local Sales Tax Collections Increase by 5.2 Percent in 2013*, New York State Office of the State Comptroller (February 2014), <https://www.osc.state.ny.us/localgov/pubs/research/snapshot/localsalestaxcollections0214.pdf>

⁵ *Final 2015 Sales Tax Revenues Red Flag for Many Counties*, New York State Association of Counties (January 2016), <http://nysac.org/news/press-room/final-2015-sales-tax-revenues-red-flag-for-many-counties/>

⁶ *Research Brief: Local Sales Tax Collection Improves in 2015*, Office of the New York State Comptroller (February 2016),

What does the revenue do for municipalities?

Ulster County's healthy increase in sales tax revenue has a trickle-down effect on the twenty towns, two villages, and the City of Kingston who share in the gain. The local governments, themselves responsible for a large portion of the infrastructure that supports tax generating businesses, divide a total of 14.5% of the revenue with the remaining 85.5% being retained by the County. Many municipalities use the revenue to hold the line on property taxes and supplement expenses for essential services such as police protection, road maintenance, insurance costs, and infrastructure improvements.

What do Sales Tax sharing agreements throughout New York State look like?

The chart included in Appendix A summarizes the sales tax agreements in all counties throughout New York State. This data has been compiled by the Office of the New York State Comptroller and was included in the 2015 Update of Local Government Sales Taxes in New York State.

<http://osc.state.ny.us/localgov/pubs/research/salestaxcollections0216.pdf>

Appendix A: Sales Tax Sharing Agreements

County Name	Recipients of County Distribution	County Rate	Cities that Pre-empt	Summary of Sharing Agreements and Arrangements
Albany	City Town Village	4.00%		All 4.00%: The County retains 60% and distributes 40% to the cities and towns on the basis of published decennial census population figures. Within the Towns of Coeymans and Colonie, the town total is divided between the town and the villages on the basis of property value, per signed agreements. Within the Town of Green Island, the town total is divided between the Town of Green Island (10%) and the coterminous Village of Green Island (90%) per signed agreement. Within the Towns of New Scotland and Guilderland, the town total is divided between towns and villages based on population by agreement within the town.
Allegany	County retains 100%	4.50%		N/A
Broome	City Town Village	4.00%		First 3.00%: The County retains 50% and distributes 50% to cities, towns and villages based on population. Starting in the first quarter of 2011, any growth in sales tax revenue from the previous year is shared with municipalities only up to a certain percentage (the cap) for the subsequent four years (0.5% in 2011, 1.0% in 2012, 1.5% in 2013 and 2.0% in 2014 and thereafter). Beginning in 2013, 10% of the sales tax collected that exceeded the cap of the municipality's share of the 3% was distributed to municipalities based on population. In 2014, 20% of the sales tax collected that exceeded the cap of the municipalities' share was distributed back to the municipalities. Additional 1.00%: Retained by the County.
Cattaraugus	Town Village	4.00%	Olean Salamanca	First 3.00%: The County retains 50% and distributes 50% to towns and villages, based on taxable property value. Additional 1.00%: Retained by the County.
Cayuga	Town Village	4.00%	Auburn	All 4.00%: The County retains 50% and distributes 50% to towns and villages based on taxable property value.
Chautauqua	City Town Village	3.50%		First 3.00%: The County retains 50% and the remaining 50% is divided between cities and towns. The cities are distributed based on population, the towns are distributed one half based on property value and the other half distributed by population, with villages receiving a share from the town distributions based on property value. Additional 0.50%: The County retains 70% and the cities, towns and villages receive 30% based on population.
Chemung	City Town Village	4.00%		First 3.00%: The County will retain 50% in 2014, 57.5% in 2015, 60.2% in 2016, 63.3% in 2017, and 65.6% in 2018. The remainder is distributed to the City of Elmira and towns based on proportion of population to the County as a whole multiplied by agreed upon percentages for the city and the towns. Additional 1.00%: Retained by the County.
Chenango	Town Village	4.00%	Norwich	First 3.00%: The County retains 50% and distributes the remaining 50% to towns and villages based on property value. Additional 1.00%: Retained by the County and dedicated to construction, operations and maintenance, and debt service for a county public safety building.
Clinton	City Town Village	4.00%		First 3.00%: Up to \$27.1 million, the County retains 55% and distributes 45% to all other municipalities. Over \$27.1 million, the County retains 65% and distributes 35% to municipalities. Distributions to the City of Plattsburgh are based on population; distributions among towns and villages are based on property value. Additional 1.00%: Retained by the County.
Columbia	City Town Village	4.00%		All 4.00%: The County retains 70% and distributes the remaining 30% as follows: 88.1% to the Towns and 11.9% to the City of Hudson based on share of population from the latest census. Village distribution is based on their share of property value in their respective towns. The County, per agreement with the City of Hudson, pays the city an additional 0.84% from the County share.
Cortland	City Town Village	4.00%		All 4.00%: The County retains enough to make debt and lease payments for the new Interoperable Communications System. From the remainder, the shares going to the County, City of Cortland, towns and villages then changes each year of the agreement (from 2013 to 2018). The County share increases from 52% to 53.5%, the City share declines from 18.24% to 17.615%, the town and village share declines from 29.76% to 28.885%.

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Delaware	County retains 100%	4.00%		N/A
Dutchess*	City Town Village	3.75%		All 3.75%: The County distributes a total of \$25 million to the cities, towns and villages. The City of Poughkeepsie receives 38 percent of those funds (\$9.6 million) and the City of Beacon receives 17 percent (\$4.3 million). The County allocates 45 percent (\$11.3 million) to towns and villages, with allocations to towns based on population. Villages receive a portion of the town share determined by their share of the full valuation of real property in the entire town. The cities, towns and villages collectively receive a total of 18.453% of annual growth in sales tax, with growth being based on collections realized compared to the base year of 2012.
Erie	City, Town, Village, School District, Niagara Frontier Transportation Authority	4.75%		First 3.00%: The County retains 35.3055% (of which the Niagara Frontier Transportation Authority receives 4.1666% leaving the County with 31.1389%); 10.0087% is distributed to the cities of Buffalo, Lackawanna and Tonawanda on the basis of population; 25.6858% is divided among the cities of Buffalo, Lackawanna and Tonawanda and the towns on the basis of population and property value, and villages receive a portion of the town share based on property value; 29% is divided among all the school districts with territory in the County on the basis of average daily attendance. The cities of Lackawanna and Tonawanda are guaranteed an annual minimum of \$1,172,706 and \$1,534,671, respectively. Additional 1.00%: \$12.5 million is distributed to cities, towns and villages on the basis of property value. Remainder is retained by the County. Additional 0.75%: Retained by the County."
Essex	Town Village	4.00%		First 3.75%: Retained by County. Additional 0.25%: Shared with towns and villages. Town shares are based 50% on assessment and 50% based on population. Village shares are based on the percentage of the total town assessment that the village has within the town.
Franklin	County retains 100%	4.00%		N/A
Fulton	Town Village	4.00%	Gloversville Johnstown	All 4.00%: The County retains 50% and distributes 50% to towns and villages based on property value.
Genesee	City Town Village	4.00%		All 4.00%: The County retains 50%, distributes 16% to the City of Batavia and 34% to towns and villages based on property value.
Greene	County retains 100%	4.00%		N/A
Hamilton	County retains 100%	4.00%		N/A
Herkimer	City Town Village	4.25%		First 3.00%: The County retains 62.24%, the City of Little Falls receives 4.43%, and 33.33% is distributed to towns and villages based on population and property value. Additional 1.25%: Retained by County for Medicaid and a new jail
Jefferson	City Town Village	3.75%		All 3.75%: The County retains 47%, the City of Watertown receives 24% and 29% is distributed to the towns and villages based on property value.
Lewis	County retains 100%	4.00%		N/A
Livingston	Town Village	4.00%		First 3.00%: The County retains 93.33% and distributes 6.67% to towns and villages based on property value and population. Additional 1.00%: Retained by the County to offset Medicaid expenses.
Madison	Town Village	4.00%	Oneida	All 4.00%: The County retains 50% and distributes 50% to towns and villages based on property value.

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Monroe	City Town Village School district	4.00%		<p>First 3.00%: Morin/Ryan Act distribution: Base is 1985 distribution where the City of Rochester received a share based on population after the county retained 25%, the City then gets 50% of post-1985 growth, capped at 35.63% of total. One-third of remainder goes to suburban school districts, two-thirds to towns and villages based half on population and half on property value. Schools and villages (not towns) are held harmless to the amount under the pre-1985 calculations; any additional needed comes out of the County share.</p> <p>Additional 1.00%: Schools receive 5% based on enrollment, towns receive 3% based on population, villages receive 1.25% based on population. The remaining 90.75% is divided between the City of Rochester and the County so that, when added to the 3% tax calculated under the Morin/Ryan Act, the City and County shares are equal.</p>
Montgomery	City Town Village	4.00%		<p>First 3.00%: The County retains 50%, and distributes 15% to the City of Amsterdam and 35% to towns and villages based on property value.</p> <p>Additional 1.00%: County retains 80%, the City of Amsterdam receives 18% and towns and villages receive 2% based on property value.</p>
Nassau*	City Town Village	4.25%		<p>First 3.00%: Retained by County.</p> <p>Additional 0.75%: The County distributes one-third to fund a local government assistance program for the three towns and two cities within the County. The assistance is distributed quarterly, on a per capita basis, based on the most recent decennial census. Villages also receive assistance, in an amount not to exceed one-sixth of the 0.75% remaining after the towns and cities have received their funding.</p> <p>Additional 0.50%: Retained by County.</p>
Niagara	City Town Village	4.00%		<p>First 3.00%: The County retains 47%, distributes 1.6% to E-911 and 51.4% to cities, towns and villages. Cities and towns receive shares based on population. Villages receive a portion of the town share based on their proportion of the town's real property values, except Somerset. Somerset receives its share based its proportion of population within the town.</p> <p>Additional 1.00%: Retained by the County to support Medicaid expenses.</p>
Oneida	City Town Village	4.75%	Rome Utica	<p>First 3.00%: County retains 50%; Cities of Utica and Rome each pre-empt 50% of the amount collected within their borders. County distributes 50% of the amount collected outside of those cities to its towns and villages and the city of Sherrill, based on property value.</p> <p>Additional 1.00%: Of the amount collected within the cities of Utica and Rome, each city receives 50% of the amount (not pre-empted) and the County retains the other 50%. Of the amount collected outside the cities, the City of Sherrill gets a share based on population, \$1.5 million is distributed to the towns and villages based on population and the County retains the balance.</p> <p>Additional 0.75%: Retained by the county.</p>
Onondaga	City Town Village School district	4.00%		<p>All 4.00%: Agreement adopted in 2010 which covers the years 2011 to 2020. The County's share increases from about 67% in 2011 to about 75% in 2020. The City of Syracuse's share increases from about 20% in 2011 to about 25% in 2020. The towns' share was about 8% in 2011 and they were phased out of all sharing in 2013 until the end of the agreement. The school districts' share was about 3% in 2011 and decreases to about 0.7% in 2016 through 2020.</p>
Ontario	City Town Village	3.50%		<p>First 3.00%: The County retains 50% and distributes 50% to cities, towns and villages based half on population and half on property value. Assuming countywide sales tax collections increase, the County will see to it that towns receive at least as much sales tax revenue as they did in 2004.</p> <p>Additional 0.125%: Entire proceeds distributed to cities, towns and villages as above. Starting in 2008, \$100,000 of this 0.125% would be set aside annually to be split between the Cities of Canandaigua and Geneva; this amount will increase \$50,000 each year through the end of the agreement in 2015.</p> <p>Additional 0.375%: Retained by County.</p>

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Orange*	City Town Village	3.75%		All 3.75%: The County keeps 73.616% and distributes 26.384% to cities, towns and villages. The three cities receive 32.525% of the 26.384% broken down as follows: Newburgh 43.995%, Middletown 40.841%, and Port Jervis 15.164%. The towns and villages receive 67.475% of the 26.384% based on population, except for the Village of Highland Falls, which are based on the ratio of property value to entire Town of Highland.
Orleans	Town Village	4.00%		First 3.00%: The County retains 77.7811%, and distributes the remainder to towns and villages based on population and property value--subject to a cap of \$1,366,671. The balance goes to the County. Additional 1.00%: Retained by the County."
Oswego	City Town Village	4.00%	Oswego	All 4.00%: Up to \$10 million annually: The County retains 80% and distributes 20% to towns and villages based on population. Over \$10 million annually: The County retains 90% and distributes 10% to towns and villages based on population. The City of Fulton receives \$508,000 a month--the amount it had received historically when it pre-empted--and when total collections are over \$34 million annually, the City participates in the 10% share above, based on population.
Otsego	City Town Village	4.00%		All 4.00%: The County retains 76%, distributes 12% to towns and villages (based on property value) and 12% to the City of Oneonta.
Putnam*	County retains 100%	4.00%		N/A
Rensselaer	City Town Village	4.00%		All 4.00%: The County retains approximately 65.8% and distributes 19.6% to the City of Troy, 2.9% to the City of Rensselaer and 11.5% plus an additional 3.5% of any distributions that exceed a base amount (1999 collections) to towns and villages based on property value. A new agreement is being finalized and will take effect in 2015.
Rockland*	Town Village	4.00%		First 3.75%: Retained by county. Additional 0.125%: Distributed to towns and villages based on population. Additional 0.125%: Distributed to towns and villages with police departments based on number of police officers."
St. Lawrence	City Town Village	4.00%		First 3.00%: The County retains 50% and distributes 6.437389% to the City of Ogdensburg. The remaining 43.562611% is distributed to towns and villages based on property value and population. Additional 1.00%: The County retains 83.562611% and distributes 6.437389% to the City of Ogdensburg. The remaining 10% is distributed to towns and villages based on property value and population."
Saratoga	City Town Village	3.00%	Saratoga Springs	All 3.00%: The County distributes 50% to the City of Mechanicville, towns and villages based on property value. The remaining 50% is retained by the County, except for \$3 million distributed to cities (including Saratoga Springs), towns and villages by population, plus \$542,000 additional for the City of Mechanicville and \$60,000 for the Town of Milton.
Schenectady	City Town Village	4.00%		First 3.00%: 12/1/2012 - 11/30/2013: The County allocated \$11.7 million to the City of Schenectady. The County allocated \$7.8 million to the area of the County outside of the City, with the County retaining the remainder. 12/1/2013 - 11/30/2020: The County will allocate annually to the City of Schenectady the same percentage of the net collections from the 3% as it did for the period 12/1/2012 -11/30/2013. The area of the County outside the City will continue to receive \$7.8 million with the balance retained by the County. Additional 0.50%: Metroplex (70%), towns and villages (30%). Distribution of the 30% to towns and villages is based on population in accordance with latest decennial federal census. Additional 0.50%: Retained by County.
Schoharie	Town Village	4.00%		All 4.00%: The County retains 95% and distributes 5% to towns and villages, based on property value.
Schuyler	Town Village	4.00%		All 4.00%: The County retains 75% and distributes 25% to towns and villages, based on property value.
Seneca	County retains 100%	4.00%		N/A

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Steuben	City Town Village	4.00%	Corning Hornell	First 3.00%: The County retains 50% and distributes 50% of collections outside of the cities to towns and villages, based on property value. The County is negotiating a sharing agreement with the cities of Corning and Hornell. Additional 1.00%: For 2013, the cities of Corning and Hornell each received \$740,000 and the towns and villages shared \$750,000 based on property value. This amount increased to \$765,000 each for the two cities for 2014 and 2015 but everything else remained the same. The County retained the balance for all years. This part of the sharing agreement will be renegotiated for future years.
Suffolk*	Towns and Villages with Police Departments	4.25%		All 4.25%: Set negotiated amount is shared with each town and village with a separate police department (\$6,588,343 in 2013). Balance is retained by County.
Sullivan	County retains 100%	4.00%		N/A
Tioga	Town Village	4.00%		First 3.00%: The County retains 67% and distributes 33% to towns and villages based on population and property value, respectively. Additional 1.00%: Retained by the County, 50% for capital fund, 50% for general fund.
Tompkins	City Town Village	4.00%	Ithaca	First 3.00%: The County retains 50% and distributes 50% to towns and villages based on population. Additional 1.00%: The County retains 75% and distributes 25% to the City of Ithaca, towns and villages.
Ulster	City Town	4.00%		All 4.00%: The County retains 85.50%, distributes 11.50% to the City of Kingston and 3% to towns based on property value.
Warren	Town Village	3.00%	Glens Falls	All 3.00%: The County retains 50% and distributes 50% to towns and villages, based on property value. The County also has an agreement (signed in 2004) to pay Glens Falls 2% of the County share on a quarterly basis. This payment is in addition to the City's pre-empted 1.5%.
Washington	Town Village	3.00%		All 3.00%: \$1 million is shared with towns and villages based on population and property value. Balance is retained by County.
Wayne	Town Village School district	4.00%		All 4.00%: The County retains 50% and distributes 33% to school districts and 17% to towns. Distributions to school districts are based on average daily attendance. Distributions to towns are based on population. Where there is a village within the township, a distribution is made between the town and village based on property value. The school districts are capped at a maximum distribution of \$5.4 million. Balance is retained by the County.
Westchester*	City Town Village School district	3.00%	Mount Vernon New Rochelle White Plains Yonkers	First 1.50%: Retained by County. Additional 1.00%: County retains 33.33% and distributes 50% to towns, villages, and the cities of Rye and Peekskill based on population, and 16.67% to school districts based on population within the County. Additional 0.50%: County retains 70% and distributes 20% to towns, villages, and the cities of Rye and Peekskill based on population, and 10% to school districts based on population within the county.
Wyoming	County retains 100%	4.00%		N/A
Yates	County retains 100%	4.00%		N/A

* County tax rate does not include 0.375% for the Metropolitan Commuter Transportation District.
The sharing agreement and arrangement summaries are based on information provided to OSC by officials in each county.