



ULSTER COUNTY OFFICE OF THE COMPTROLLER

Ulster County 2025 Sales Tax Sharing Uncertainty

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A new sales tax revenue sharing agreement was approved by the County Legislature and the City of Kingston Common Council. The new sales tax agreement went into effect on March 1, 2026, and it will be in effect through February 28, 2031. It increases the ordinary amount that the County shares with the towns and villages from 3% of total sales tax collections to 3.5% of collections, with some additional caveats that can allow a reduction to 3%. The new agreement also calls for the County and City of Kingston to meet and discuss an additional distribution of up to 12% of the amount collected above the County's annual sales tax budget with the towns and villages situated within its borders.

The new sales tax revenue sharing agreement does not change the percentage of County revenues to be shared with the City of Kingston. The County paid the City of Kingston \$20,766,163, or 11.5% of total 2025 County sales tax revenues.

The old agreement covered the period from March 2021 through February 2026, and called for City of Kingston and Ulster County officials to meet no later than May 1 of the following year to discuss the allocation of any annual sales tax revenues collected in excess of \$128,561,331 (the amount budgeted by the County for sales tax revenues in 2020). In practice, for all years in which the 2020 agreement had been in place, these discussions with the City officials had resulted in the allocation of an additional 1% of County gross sales tax revenues to the towns and villages based on equalized assessed value (also known as full valuation, the same method used for the normal 3% distribution). As a result, towns and villages received distributions totaling approximately 4% of County gross sales tax revenues during those years, although the additional 1% was not explicitly required by the agreement. Interest paid by New York State to the County on the sales tax collections was not shared with the towns and villages. The chart shown to the right illustrates how the County allocated and distributed 3% of the 2025 sales tax revenues.

The County paid a total of \$7,166,795 to the towns and villages in 2025. This includes a payment of \$1,749,535 in August which was made to share an additional 1% of the County's 2024 sales tax earnings. It is currently unclear whether the County will distribute an additional \$1,805,753, or 1% of the 2025 total sales tax collections in 2026. The amount distributed will depend on whether the County determines the old agreement or the new agreement governs.

Ulster County Ordinary 3% Sales Tax Sharing of 2025 Revenues		
<u>Town</u>	<u>Total</u>	<u>Town Percentage of County Sales Tax</u>
Denning	56,198	0.031%
Esopus	249,978	0.138%
Gardiner	265,465	0.147%
Hardenburgh	35,776	0.020%
Hurley	274,420	0.152%
Kingston	26,090	0.014%
Lloyd	293,902	0.163%
Marbletown	347,682	0.193%
Marlborough	247,605	0.137%
New Paltz	246,202	0.136%
New Paltz Village	91,002	0.050%
Olive	317,569	0.176%
Plattekill	214,586	0.119%
Rochester	312,869	0.173%
Rosendale	158,918	0.088%
Saugerties	495,423	0.274%
Saugerties Village	95,689	0.053%
Shandaken	184,796	0.102%
Shawangunk	282,205	0.156%
Ulster	367,806	0.204%
Wawarsing	264,727	0.147%
Ellenville Village	38,335	0.021%
Woodstock	550,016	0.305%
Total Towns	5,417,259	3.000%
City of Kingston	20,766,163	11.500%
Total Distributed	26,183,422	14.500%

If the County determines that the new agreement governs how the sales tax revenues are shared, then up to \$609,040 would be shared with the towns and villages. Under both the old and new agreement, the County and City could theoretically decide to distribute no additional amount to the towns and villages. Historically however, the County has shared 1% of total sales tax collected with them. See the chart below for a breakdown of how much of the County's 2025 sales tax revenues would be shared under both the additional 1% historical practice and the maximum under the new agreement.

Total Sales Tax Collections (Excluding NYS Interest):			180,575,332.84		
2025 Budget:			<u>175,500,000.00</u>		
2025 Excess Proceeds:			5,075,332.84		
12 % of Excess Proceeds to Distribute to Towns:			609,040		
	Equalized Value	As % of Eq. Value	New Sharing Amount	Old 1% Sharing	Difference
Denning	315,880,111	1.0373969%	6,318	18,733	(12,415)
Esopus	1,405,076,227	4.6144775%	28,104	83,326	(55,222)
Gardiner	1,492,126,648	4.9003639%	29,845	88,489	(58,644)
Hardenburgh	201,087,872	0.6604022%	4,022	11,925	(7,903)
Hurley	1,542,458,257	5.0656603%	30,852	91,473	(60,621)
Kingston	146,643,748	0.4815997%	2,933	8,697	(5,764)
Lloyd	1,651,961,236	5.4252843%	33,042	97,967	(64,925)
Marbletown	1,954,246,957	6.4180351%	39,088	115,894	(76,806)
Marlborough	1,391,738,516	4.5706745%	27,837	82,535	(54,698)
New Paltz	1,383,849,786	4.5447667%	27,679	82,067	(54,388)
New Paltz Village	511,503,425	1.6798527%	10,231	30,334	(20,103)
Olive	1,784,991,982	5.8621768%	35,703	105,856	(70,153)
Plattekill	1,206,145,219	3.9611587%	24,125	71,529	(47,404)
Rochester	1,758,571,921	5.7754095%	35,175	104,290	(69,115)
Rosendale	893,243,819	2.9335444%	17,866	52,973	(35,107)
Saugerties	2,784,672,267	9.1452743%	55,698	165,141	(109,443)
Saugerties Village	537,845,525	1.7663640%	10,758	31,896	(21,138)
Shandaken	1,038,701,559	3.4112491%	20,776	61,599	(40,823)
Shawangunk	1,586,218,675	5.2093760%	31,727	94,069	(62,342)
Ulster	2,067,363,253	6.7895257%	41,351	122,602	(81,251)
Wawarsing	1,487,973,648	4.8867248%	29,762	88,242	(58,480)
Ellenville Village	215,473,141	0.7076456%	4,312	12,778	(8,466)
Woodstock	<u>3,091,529,099</u>	<u>10.1530374%</u>	<u>61,836</u>	<u>183,339</u>	<u>(121,503)</u>
Total Towns	30,449,302,891	100.000000%	609,040	1,805,753	(1,196,714)

The chart above shows a dramatic difference in the calculations of the two agreements as this is the first year of the agreement. However, the new sales tax agreement provides the towns and villages with a higher base percentage rate going forward so the difference going forward will not be as prominent.

Town and village sales tax revenues will now be dependent on potential changes to Medicaid costs and other reductions in state and federal aid that may impact County finances. While the towns and villages may benefit from underbudgeted sales tax which would increase the likelihood of actual receipts exceeding budgeted sales tax, Ulster County must continue to budget sales tax as close to anticipated actual revenue as possible.