



ULSTER COUNTY OFFICE OF THE COMPTROLLER

Ulster County Sales Tax Revenues

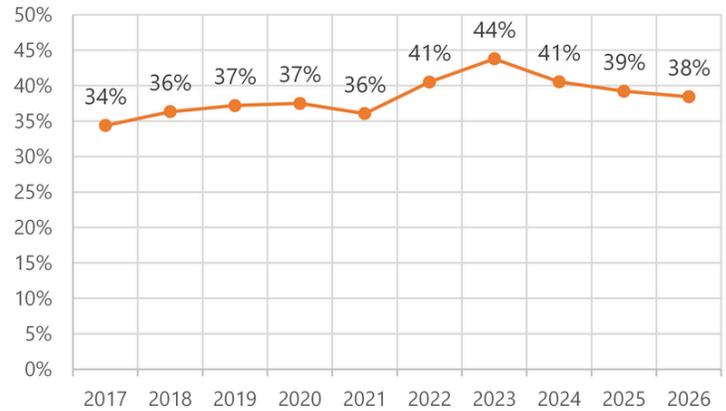
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Sales Tax Revenue Growth

Sales Tax revenues represent 38% of the County's legally adopted operating budget in 2026. This percentage reached a peak of 44% in 2023. While sales tax revenues reduce the impact of the County budget on real property taxpayers, sales tax is a volatile revenue which is dependent on the health of the overall economy. Should we suffer an economic downturn, a reduction in this revenue could result in an increase in property taxes. During the Great Recession, Ulster County's 2009 sales tax revenues declined 8% from the prior year.

Budgeted Sales Tax as % of Budget

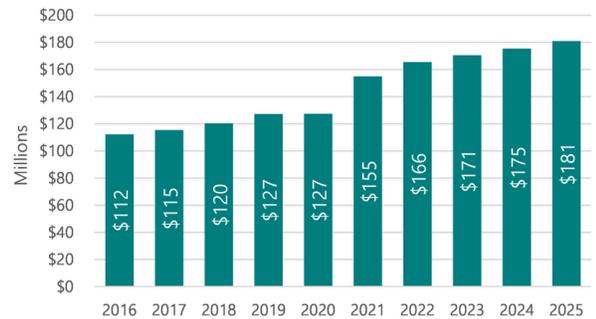


Sales tax revenues totaled \$180.9 million in 2025, a 3.17% increase in actual revenues compared to 2024. Ulster County has seen an increase every year over the last ten years except for 2020 which saw a slight downturn of less than 1% because of the Covid 19 pandemic. Ulster County also saw an exceptional year in 2021 as the economy rebounded with a 21.65% increase in sales tax revenues. Ulster County has seen an average sales tax growth of 5.41% over the last 10 years, including the exceptional pandemic-era years of 2020 and 2021. Historically, Ulster County's average annual sales tax growth has been closer to 3%.

Budgeted versus Actual Sales Tax 2016-2025 Year to Date

Year	Budgeted	Actual	Difference	% Change in Actual
2016	\$109,966,041	\$112,184,274	\$2,218,233	3.88%
2017	\$111,672,331	\$115,339,913	\$3,667,582	2.81%
2018	\$117,631,568	\$120,322,069	\$2,690,501	4.32%
2019	\$122,435,116	\$127,215,937	\$4,780,821	5.73%
2020	\$128,561,423	\$127,306,183	(\$1,255,240)	-0.07%
2021	\$120,559,288	\$154,871,457	\$34,312,169	21.65%
2022	\$143,000,000	\$165,528,731	\$22,528,731	6.88%
2023	\$167,000,000	\$170,569,996	\$3,569,996	3.05%
2024	\$167,000,000	\$175,342,032	\$8,342,032	2.80%
2025	\$175,000,000	\$180,898,282	\$5,898,282	3.17%

Actual Sales Tax 2016-2025



Sales Tax by Industry

The NYS Department of Taxation and Finance provides sales tax revenues¹ by Industry sector for further analysis of the changes affecting specific industries. The data is released based on the sales tax year which runs March 1st through the end of February. The release of industry code taxable sales data lags sales tax collections by at least six months. The data relies on reporting by taxpayers based on their stated industry codes which may not be correct. Furthermore, the data is often corrected as more information comes in over time. Even with these caveats, the Comptroller's Office does report on taxable sales by industry code because we believe it provides critical information to policy makers and taxpayers about the economy of Ulster County.

In Ulster County, the top 15 industry codes make up approximately 68% of the total taxable sales within the County. Below is the taxable sales and purchases data for the last available full sales tax year. The sales tax rate in Ulster County is 8% of which 4% is retained by New York State, and 4% is paid to the County. Accordingly, the taxable sales and purchases for each industry can be analyzed individually for its impact on Ulster County revenues.

[1] Taxable Sales and Purchases Quarterly Data beginning March 2013 <https://data.ny.gov/Government-Finance/Taxable-Sales-And-Purchases-Quarterly-Data-Beginni/ny73-2j3u/data>

Taxable Sales in Ulster County from March 1, 2024 through February 28, 2025		
Industry	Taxable Sales and Purchases	Sales Tax to Ulster Co.
Department Stores	\$ 471,131,954	\$ 18,845,278
Automobile Dealers	\$ 397,226,486	\$ 15,889,059
Restaurants & Other Eating Places	\$ 383,062,152	\$ 15,322,486
Gasoline Stations	\$ 343,099,224	\$ 13,723,969
Traveler Accommodation	\$ 235,251,901	\$ 9,410,076
Building Material & Supplies Dealers	\$ 225,135,422	\$ 9,005,417
Automotive Repair & Maintenance	\$ 134,461,965	\$ 5,378,479
Grocery & Convenience Retailers	\$ 127,962,781	\$ 5,118,511
Warehouse Clubs, Supercenters, & Other Gen Merch Retailers	\$ 127,580,425	\$ 5,103,217
Administration of Economic Programs	\$ 115,141,460	\$ 4,605,658
Electric Power Generation, Transmission & Distribution	\$ 100,329,232	\$ 4,013,169
Clothing & Clothing Accessories Retailers	\$ 77,834,924	\$ 3,113,397
Furniture & Home Furnishings	\$ 68,111,935	\$ 2,724,477
Other Miscellaneous Retailers	\$ 64,487,127	\$ 2,579,485
Services to Buildings & Dwellings	\$ 62,651,238	\$ 2,506,050

Of those taxable sales, the largest industry categories are Department Stores, Automobile Dealers, Restaurants/Other Eating Places and Gasoline Stations.

Electronic Shopping

Electronic Shopping has increased substantially since the 2017-2018 sales tax year, reflecting the broader national shift towards e-commerce. In 2019, New York State adopted the Marketplace Provider Tax based on the 2018 United States Supreme Court *South Dakota v. Wayfair* decision,² which required online sellers with gross sales over \$500,000 or over 100 sales transactions to collect and remit sales tax. That really began to impact collections after 2020. Taxable sales in the electronic shopping category grew 76% in the 2019-2020 year over the prior year, and 95% in 2020-2021 over the 2019-2020 sales tax year. In the last two full sales tax years for which we had data (2022-2023 and 2023-2024), the annual growth has averaged 4.5%.

Taxable Sales Allocated to Electronic Shopping



Ulster County Electronic Shopping Sales Tax Revenues



The importance of the *Wayfair* decision and its implementation in New York State cannot be understated. State and local governments reaped tens of millions of dollars in sales tax revenue during the pandemic, when so many sales moved online. Ulster County has underestimated sales tax revenues each year since 2020. In the 2023-2024 sales tax year, we estimate that electronic shopping resulted in \$13.9 million in revenues for Ulster County and its municipalities. At the same time, the rise of online shopping has coincided with increasing vacancies in some traditional retail corridors, particularly in the Town of Ulster.

[2] *South Dakota v. Wayfair, Inc.*, 585 U.S. 162 (2018)

Without the change to the law allowing sales tax collection on electronic shopping platforms, Ulster County sales tax revenues would not have seen the large increases post-pandemic that occurred.

Over the last several months New York State Department of Tax and Finance has decided to reclassify taxable sales data from Electronic Shopping into other categories. The New York State Department of Tax and Finance recently restated the data but unfortunately the restated data contains other changes beyond just the reclassification of electronic shopping.

The Comptroller’s Office attempted to separate brick-and-mortar sales from online sales by industry but was unable to do so. After Electronic Shopping sales were redistributed to their related industries, Department Stores showed a large increase from \$31.4 million to \$449.7 million for the March 1, 2023–February 28, 2024 tax year. However, this increase cannot be assumed to represent online sales alone, as the revised figures also reflect additional taxable sales, potentially from amended filings.

2023-2024 Taxable Sales with Electronic Shopping Distributed		2023-2024 Taxable Sales with Electronic Shopping Separate	
Department Stores	\$ 449,743,792.00	Automobile Dealers	\$ 375,480,559.00
Automobile Dealers	\$ 381,750,139.00	Restaurants and Other Eating Places	\$ 368,826,043.00
Restaurants and Other Eating Places	\$ 374,822,503.00	Gasoline Stations	\$ 358,128,361.00
Gasoline Stations	\$ 362,796,660.00	Electronic Shopping and Mail-Order Houses	\$ 346,989,948.00
Building Material and Supplies Dealers	\$ 249,760,104.00	Building Material and Supplies Dealers	\$ 233,387,838.00
Traveler Accommodation	\$ 203,285,235.00	Traveler Accommodation	\$ 201,644,914.00
Grocery and Convenience Retailers	\$ 132,250,542.00	Gen Merch Stores, inc Warehouse Clubs & Supercenters	\$ 196,825,938.00
Automotive Repair and Maintenance	\$ 126,171,422.00	Automotive Repair and Maintenance	\$ 125,990,981.00
Warehouse Clubs, Supercenters, & Other Gen Merch Retailers	\$ 125,804,094.00	Grocery Stores	\$ 123,984,037.00
Administration of Economic Programs	\$ 102,902,871.00	Other Miscellaneous Store Retailers	\$ 112,558,389.00
Electric Power Generation, Transmission & Distribution	\$ 100,205,090.00	Electric Power Generation, Transmission & Distribution	\$ 99,307,676.00
Other Specialty Trade Contractors	\$ 91,297,455.00	Other Specialty Trade Contractors	\$ 90,175,396.00
Clothing and Clothing Accessories Retailers	\$ 80,886,720.00	Clothing Stores	\$ 72,878,025.00
Furniture and Home Furnishings Retailers	\$ 66,031,507.00	Administration of Economic Programs	\$ 64,918,086.00
Other Miscellaneous Retailers	\$ 65,254,756.00	Direct Selling Establishments	\$ 63,155,781.00
	\$ 2,912,962,890.00		\$ 2,834,251,972.00

Prior to the reclassification, Electronic Shopping was within the top five taxable sales industries while Department Stores did not show up in the top 15 industries. While we cannot isolate the exact amount of online versus brick-and-mortar sales for Department Stores, it is safe to say that a very large percentage of Department Stores sales are occurring online. Without the ability to tax online sales, local governments dependent on sales tax revenues would have seen significantly less revenue over time.

Conclusion

Sales tax revenues make up a large part of Ulster County’s annual budget. Our reliance on sales tax makes the County’s fiscal health susceptible to economic downturns. Actual sales tax revenues for 2025 exceeded budgeted sales tax revenue by 3.09% and exceeded 2024 actual revenues by 3.17%. When you consider the historical average, which is to see a 3% increase in sales tax annually, it shows that sales tax growth is returning to normal levels. Taxing electronic shopping was critical to supporting sales tax revenues for state and local government through the pandemic. Ulster County policy makers must be wary of relying too heavily on sales tax going forward as this revenue source is susceptible to declines during difficult economic times.