

# WC Occupancy Tax Review

April 2019

A Look at our Return on investment

# Occupancy & STR Data

Year	OCC Tax Revenue	Demand	Revenue (\$)
2004	2,597,870.94	953,253.00	103,562,385.00
2005	2,792,447.68	955,136.00	107,086,589.00
2006	3,033,733.76	963,179.00	110,364,181.00
2007	3,478,027.50	1,016,230.00	121,690,300.00
2008	3,302,214.30	1,003,788.00	133,844,101.00
2009	2,947,320.39	917,411.00	129,485,500.00
2010	3,279,998.68	958,972.00	112,697,218.00
2011	3,373,848.02	958,905.00	119,707,318.00
2012	3,533,154.97	954,492.00	122,883,029.00
2013	3,707,382.54	932,567.00	128,867,566.00
2014	3,814,804.68	959,667.00	130,410,139.00
2015	4,148,376.97	968,197.00	138,014,688.00
2016	4,171,995.34	964,037.00	141,557,744.00
2017	4,331,907.90	982,656.00	140,453,655.00
2018	4,453,558.35	1,020,841.00	143,805,614.00
04-'18 Δ	1,855,687.41	67,588.00	40,243,229.00
Sum 04-18	52,966,642.02	14,509,331.00	1,884,430,027.00

*Demand and Revenue are from STR Reports*

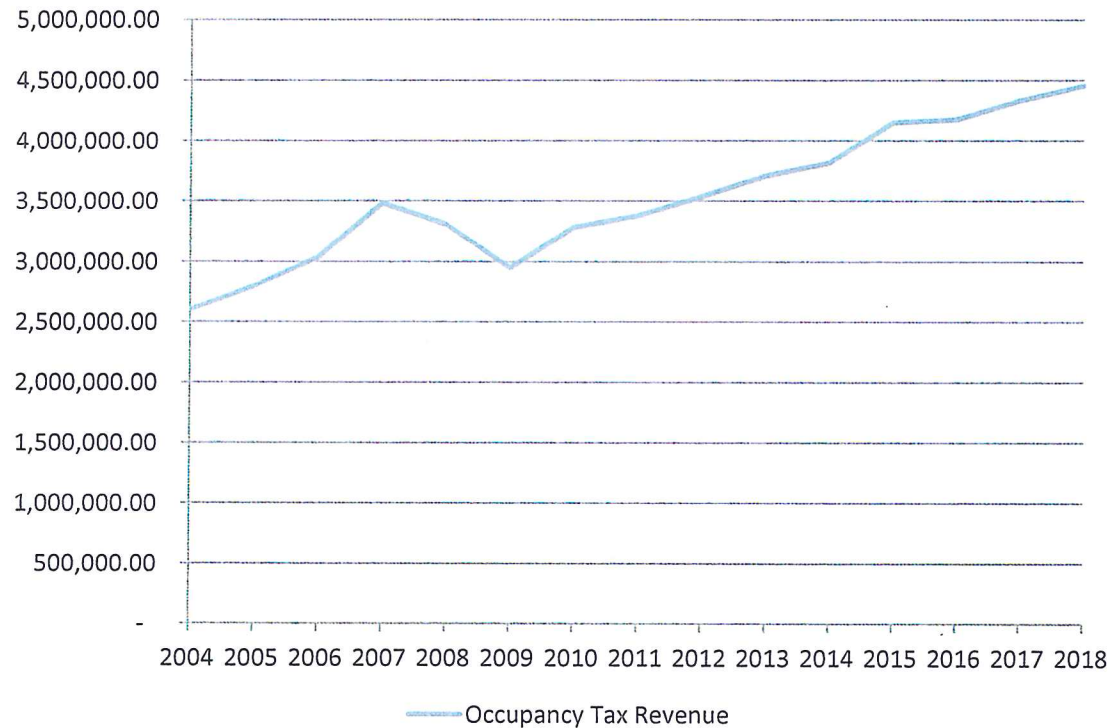
11 years passed before demand exceeds previous high from 2007

\$40MM increase in STR reported revenue

**Total Occ Tax Collections  
\$53MM**

# OCC Tax Revenue Growth

## Occupancy Tax Revenue



Tax Receipts:  
2004: \$2,6MM  
2018: \$4.45MM

Increase from 2004:  
\$1.86MM

Total Receipts:  
\$53MM

**Increase in Occ Tax Revenue: Is this the Correct Metric?**

# Occ Tax % Change

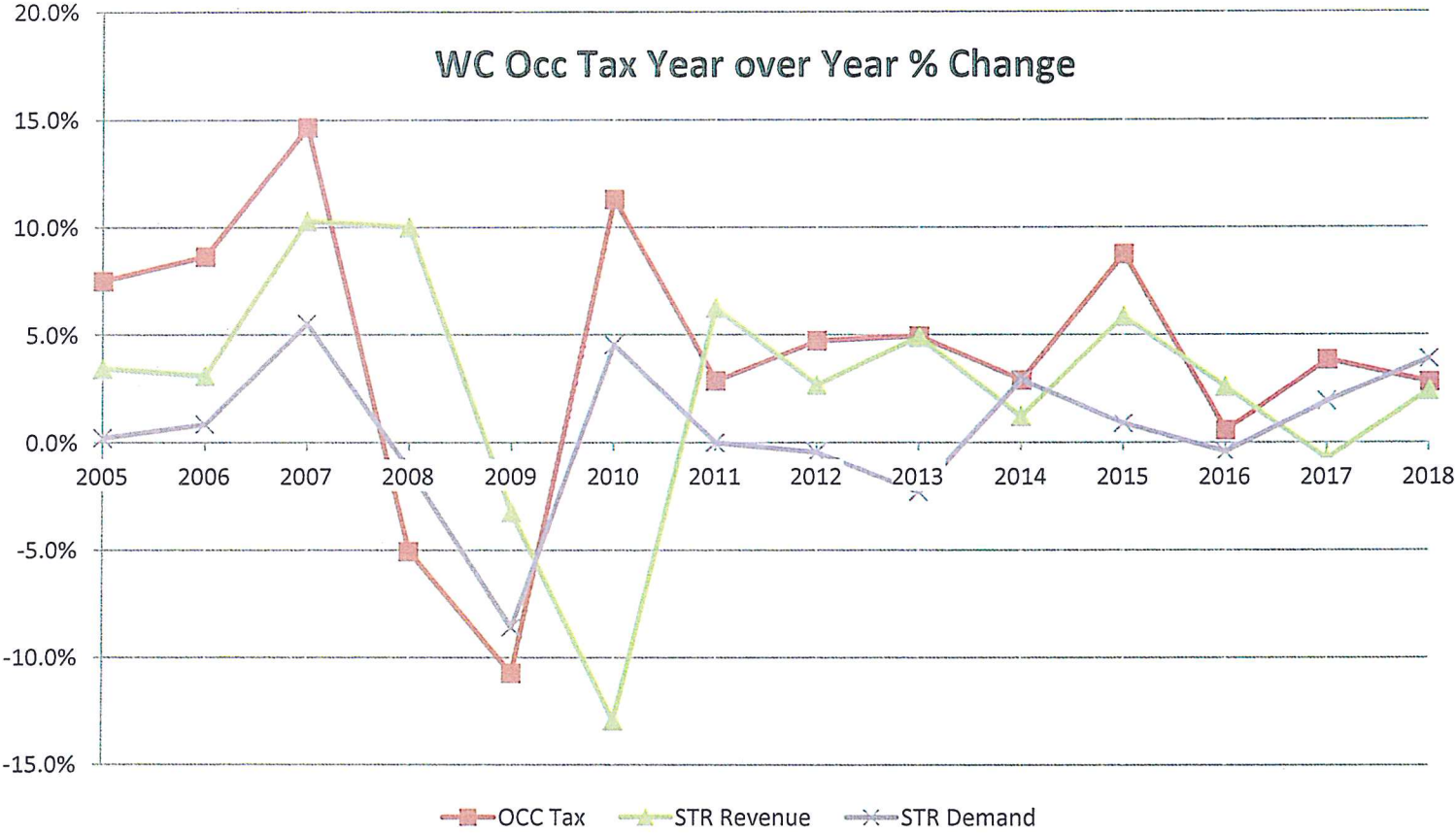
Year over Year Change			
Year	OCC Tax	STR Revenue	STR Demand
2005	7.5%	3.4%	0.2%
2006	8.6%	3.1%	0.8%
2007	14.6%	10.3%	5.5%
2008	-5.1%	10.0%	-1.2%
2009	-10.7%	-3.3%	-8.6%
2010	11.3%	-13.0%	4.5%
2011	2.9%	6.2%	0.0%
2012	4.7%	2.7%	-0.5%
2013	4.9%	4.9%	-2.3%
2014	2.9%	1.2%	2.9%
2015	8.7%	5.8%	0.9%
2016	0.6%	2.6%	-0.4%
2017	3.8%	-0.8%	1.9%
2018	2.8%	2.4%	3.9%

Cumulative % increase since '04			
Year	OCC Tax	STR Revenue	STR Demand
2005	7.5%	3.4%	0.2%
2006	16.1%	6.5%	1.0%
2007	30.8%	16.7%	6.5%
2008	25.7%	26.7%	5.3%
2009	15.0%	23.5%	-3.3%
2010	26.3%	10.5%	1.2%
2011	29.1%	16.7%	1.2%
2012	33.8%	19.4%	0.8%
2013	38.8%	24.2%	-1.5%
2014	41.7%	25.4%	1.4%
2015	50.4%	31.3%	2.3%
2016	51.0%	33.8%	1.8%
2017	54.8%	33.1%	3.8%
2018	57.6%	35.4%	7.7%

Some Good Years – Some years not so Good  
 The Data is difficult to interpret in this format.

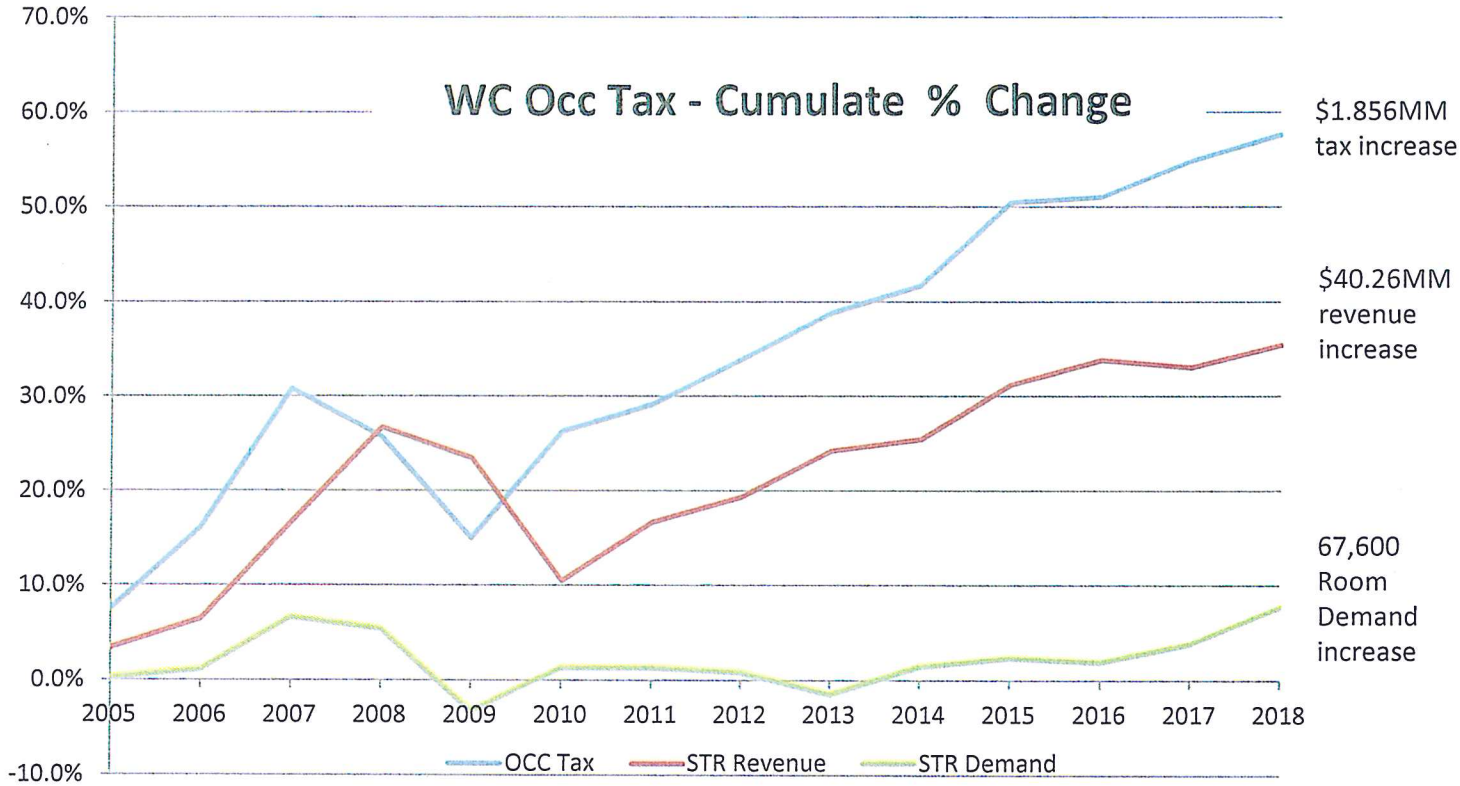


# Occ Tax Annual Change



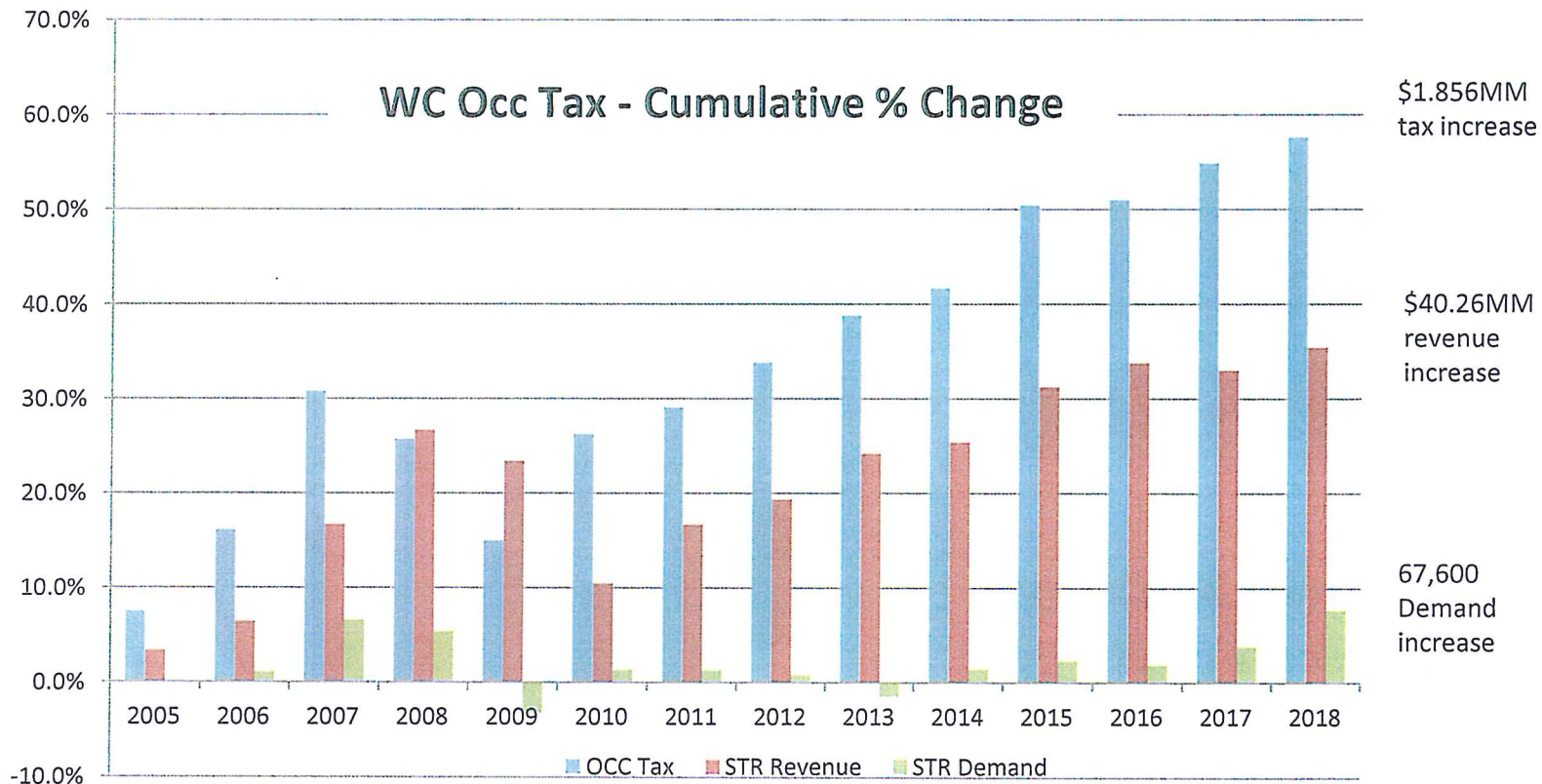
Mostly positive change. Difficult to draw any conclusions.

# WC Occ Tax Cumulative Change



**Cumulative data suggests that Rates have a higher impact on OCC Tax than does Demand.**

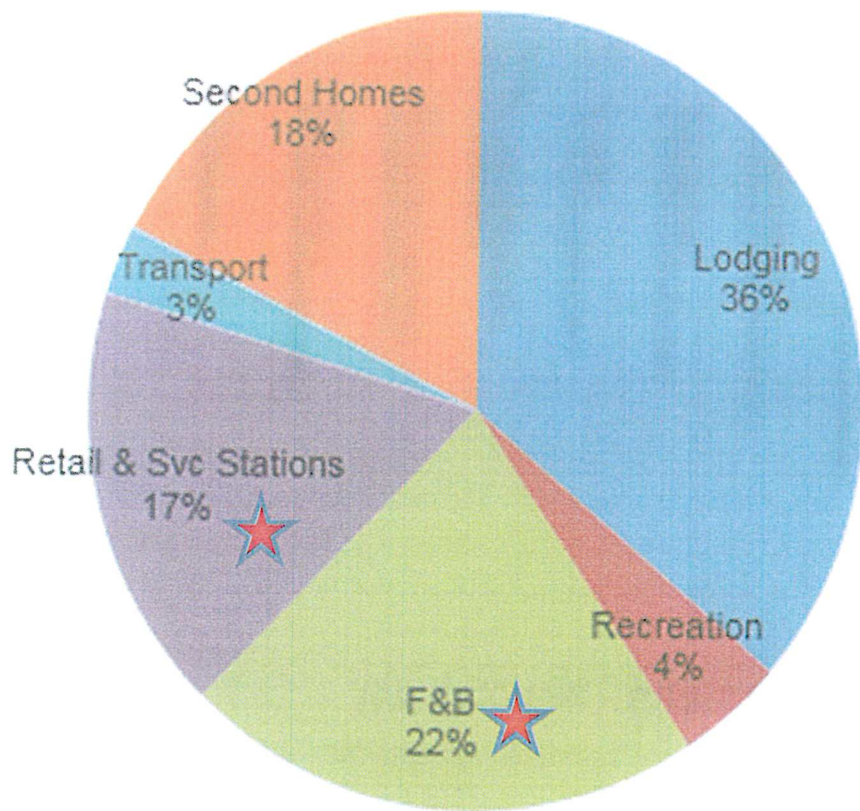
# WC Occ Tax Cumulative Change



Is Demand increase a result of Occ Tax Investment, or new properties reporting into STR?



# Tourism and Lodging



OCC tax is an Indicator, but only 1/3 of Traveler Spending

## The Economic Impact of Tourism in New York

2017 Calendar Year

Adirondacks Focus

NYS Tourism Report (Adirondacks) confirms that Lodging is NOT the Only Metric of our Tourism Success .



# Considering WC Sales Tax

SALES TAX RECEIPTS BY COUNTY YEAR

TAXES	2004	2005	2006	2007	2008
COUNTY	21,315,672.99	21,822,899.43	23,771,175.36	24,017,430.26	24,288,574.97
TOWNS	18,326,597.24	18,709,975.56	20,385,794.49	20,622,284.04	20,945,749.14
VILLAGE	505,029.78	496,366.67	525,157.65	544,432.13	547,294.08
CITY	2,484,045.93	2,616,557.19	2,860,223.23	2,850,714.06	2,795,531.66
TOTAL	42,631,345.94	43,645,798.85	47,542,350.73	48,034,860.49	48,577,149.85

SALES TAX RECEIPTS BY COUNTY YEAR

TAXES	2009	2010	2011	2012	2013
COUNTY	22,319,956.29	22,691,327.86	24,487,441.75	25,121,485.79	25,746,782.59
TOWNS	19,245,314.37	19,674,229.27	21,394,889.33	21,940,948.55	22,574,051.30
VILLAGE	490,050.40	507,254.74	512,021.41	535,056.61	515,402.86
CITY	2,584,591.48	2,509,843.84	2,580,530.96	2,645,480.57	2,657,328.40
TOTAL	44,639,912.54	45,382,655.71	48,974,883.45	50,242,971.52	51,493,565.15

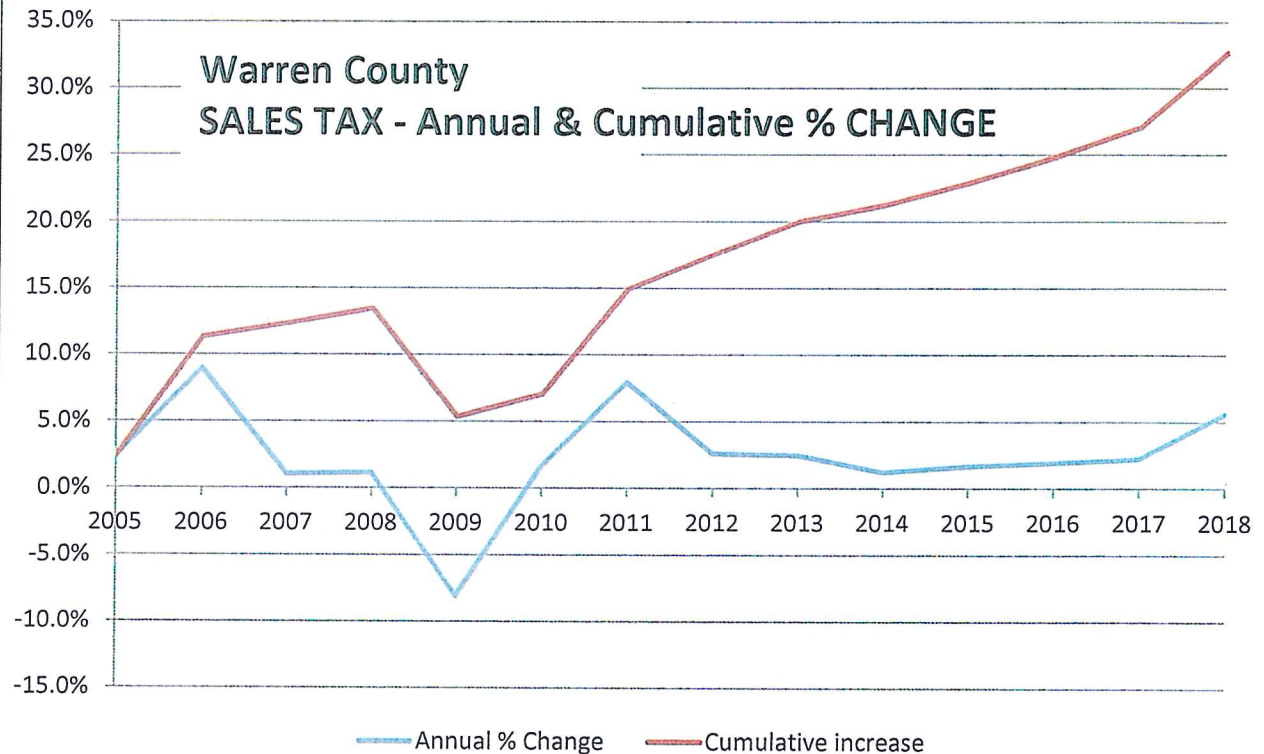
SALES TAX RECEIPTS BY COUNTY YEAR

TAXES	2014	2015	2016	2017	2018
COUNTY	26,060,599.19	26,495,871.99	27,005,318.76	27,606,473.70	29,150,758.14
TOWNS	22,809,273.04	23,091,473.10	23,471,030.16	23,948,375.05	25,222,746.62
VILLAGE	534,166.06	536,875.66	548,063.98	599,702.48	642,390.46
CITY	2,717,160.03	2,867,523.18	2,986,224.62	3,058,396.19	3,285,620.99
TOTAL	52,121,198.32	52,991,743.93	54,010,637.52	55,212,947.42	58,301,516.21

Raw Data in tabular format

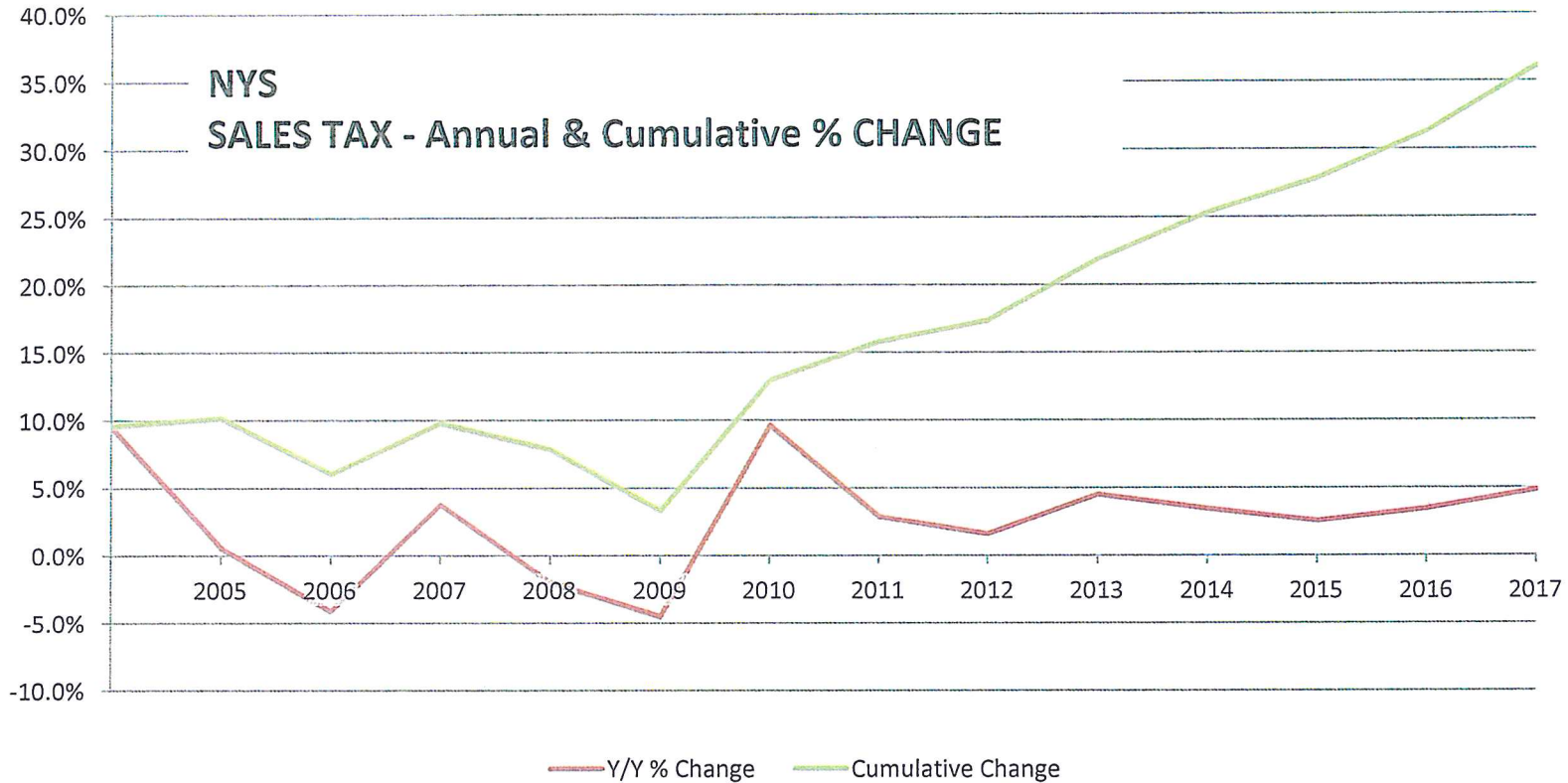
# WC Sales Tax Progression

Sales Taxes	Annual % Change	Cumulative increase
2003		
2004	Baseline	
2005	2.4%	2.4%
2006	8.9%	11.3%
2007	1.0%	12.3%
2008	1.1%	13.5%
2009	-8.1%	5.4%
2010	1.7%	7.0%
2011	7.9%	14.9%
2012	2.6%	17.5%
2013	2.5%	20.0%
2014	1.2%	21.2%
2015	1.7%	22.9%
2016	1.9%	24.8%
2017	2.2%	27.1%
2018	5.6%	32.7%



**Our Sales Tax is increasing!**  
**Is it Tourism, or the general economic conditions?**

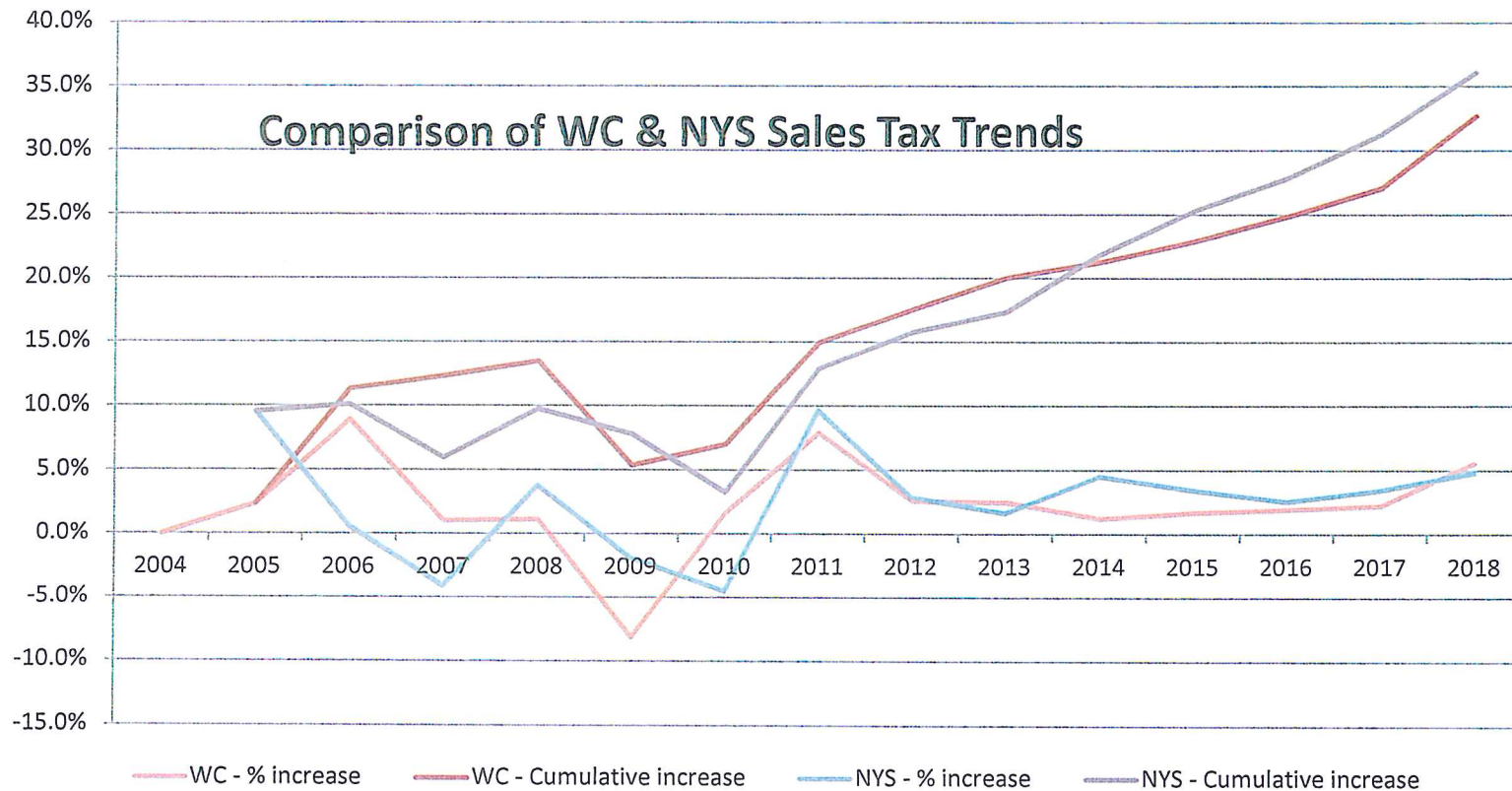
# NYS Sales Taxes



**NYS Sales Tax is increasing also!**



# WC & NYS Sales Tax %



**Our Sales Tax Increase Parallels the NYS General Economy.  
Where is the RETURN on our \$53MM investment?**



# Select County Occ Tax Comparison

County Occupancy Tax Receipts						
Entity Name	CY 2011	CY 2012	CY 2013	CY 2014	CY 2015	CY 2016
County of Cayuga	406,421.00	468,731.00	494,048.00	550,645.00	543,938.00	559,265.00
County of Essex	1,709,161.80	1,783,058.70	1,902,375.25	2,010,310.61	2,053,968.86	2,336,451.81
County of Ontario	900,429.00	932,061.00	989,096.00	985,254.00	1,036,474.00	1,083,505.00
County of Saratoga	637,145.29	723,179.49	752,146.16	860,945.89	983,111.97	943,529.96
County of Seneca	185,154.00	198,848.00	249,494.00	248,093.00	281,187.00	277,803.00
County of Warren	3,373,848.00	3,533,155.00	3,707,382.00	3,814,805.00	4,148,377.00	4,171,995.00
City						
City of Geneva	188,374.00	193,554.00	198,487.00	205,390.00	199,472.00	229,251.00
City of Glens Falls	39,459.99	39,522.70	41,049.67	42,025.34	52,626.91	57,411.01
City of Saratoga Springs	437,243.00	478,477.00	497,877.00	553,828.00	629,626.00	622,083.00
Town						
Town of Bolton	126,835.93	135,067.15	145,774.87	155,997.67	202,300.66	247,850.02
Town of Chester	34,601.00	34,579.97	35,524.83	36,012.67	46,313.45	51,882.63
Town of Stony Creek	33,999.00	31,088.31	31,818.22	41,342.12	31,881.75	46,290.03 ?
Town of Thurman				30,429.49	41,760.00	47,265.93
Town of Warrensburg	32,193.00	31,995.23	31,775.84	31,932.64	42,029.32	46,760.00
Village of Lake George	106,441.19	118,789.93	138,374.98	158,543.42	151,823.65	150,464.50

*Collections*

*4 to Towns*

*Warrents*

*County*

*Parsons*

*Towns*

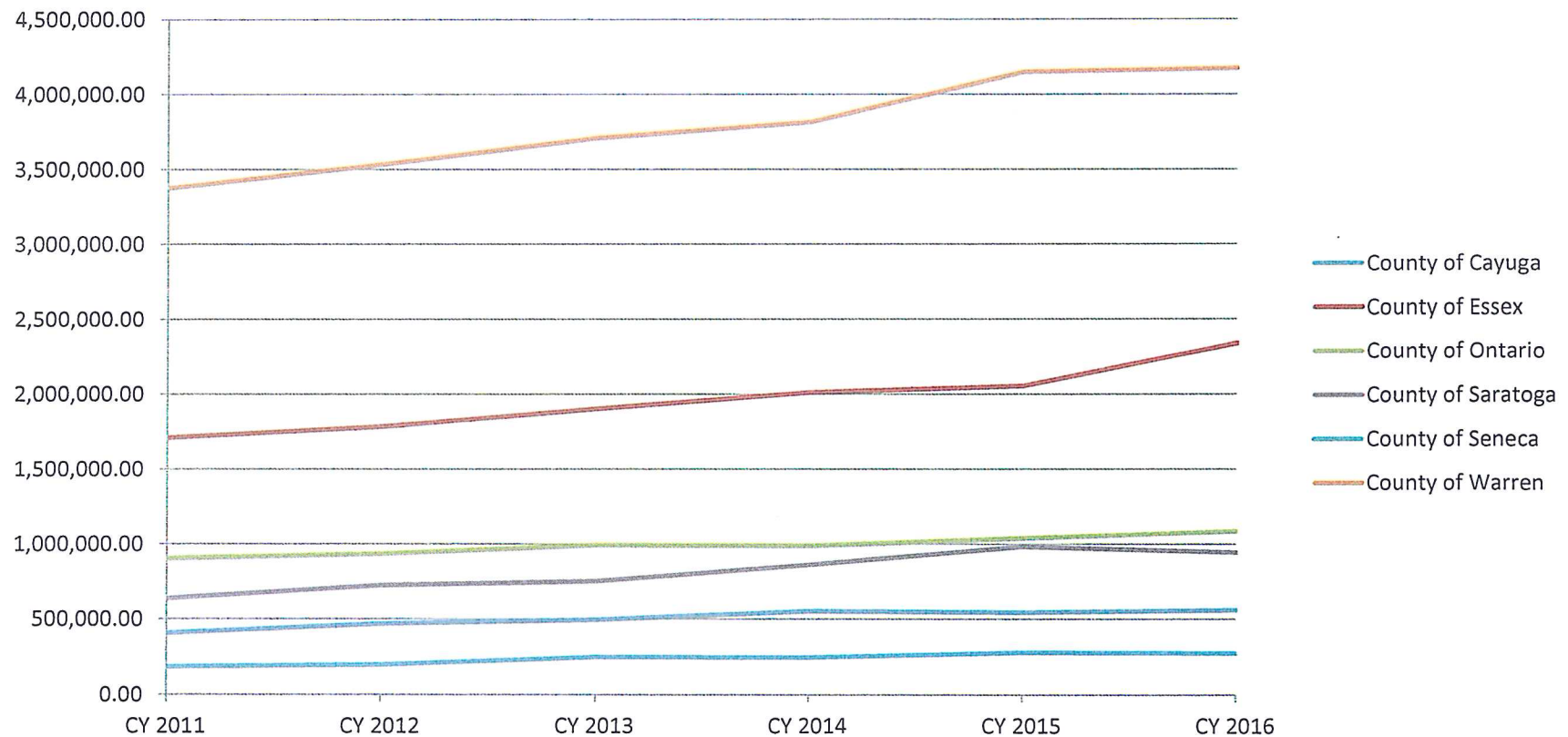
*Warren County*

*Parsons sent to*

*Glens Falls*

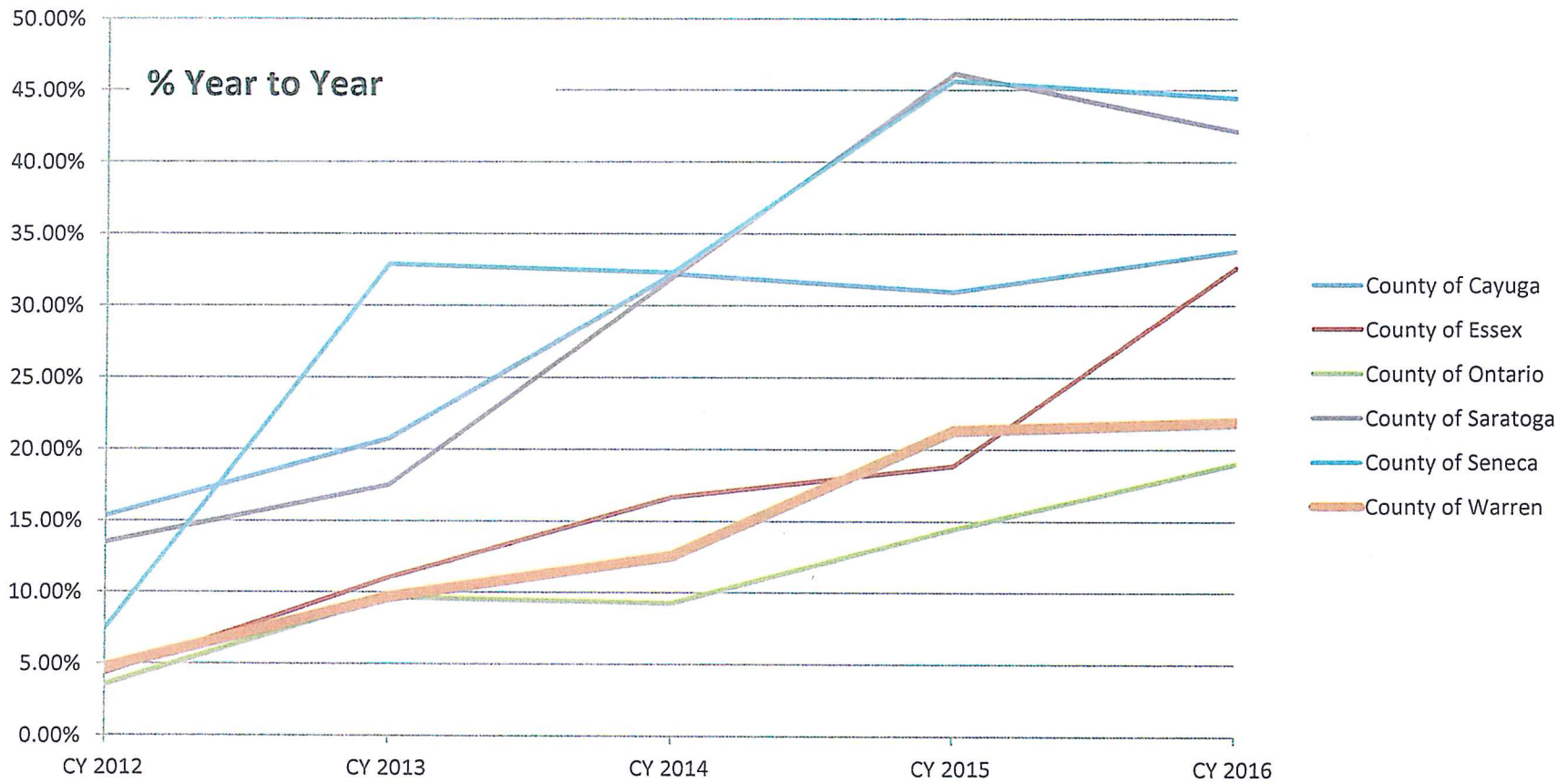
How do we Compare to Other Regions?

# Warren County Leads in Collections



How do we Compare to Other Regions? Warren County Leads, but is this misleading?

# WC Trend Line Lagging



**Trend? Are We Falling Behind?  
Other Counties Growing Faster.**



# Changes Required?

- OCC tax is increasing, but trending up slower than other Counties
- Sales taxes are increasing, but are following NYS trend. Indicates gains are reflective of general economy and not an increase in Tourism
- What return have we obtains from our \$53MM Investment?
- \$4MM per year should make a difference

**It is time for a Critical Look on how we are Investing in Tourism?**