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**THE CITY OF NEW YORK  
DEPARTMENT OF FINANCE  
DIVISION OF TAX POLICY & DATA ANALYTICS**

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**STATISTICAL PROFILE OF THE  
NEW YORK CITY  
HOTEL ROOM OCCUPANCY TAX**

**TAX YEAR 2021**

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**ERIC ADAMS, MAYOR**

**PRESTON NIBLACK, COMMISSIONER**

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**REPORT PREPARED BY THE  
DIVISION OF TAX POLICY & DATA ANALYTICS  
JUNE 2022**



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# Introduction

## Applicability

The Hotel Room Occupancy Tax must be paid on the occupancy, or the right of occupancy, of a room or rooms in a hotel. A “hotel” is a building or part of it that is regularly used for the lodging of guests, and includes an apartment hotel, a motel, boardinghouse, bed-and-breakfast, bungalow, or club, whether or not meals are served. The occupant of any room or rooms in a hotel must pay the tax. Hotel operators and remarketers (when a room has been rented through a reseller) collect the tax from the occupant. The Hotel Room Occupancy Tax is separate from the NYC Sales Tax on hotel room occupancy and is charged in addition to the Sales Tax.

A facility is not considered a hotel if, during any four consecutive tax quarters or any twelve-month period ending on the last day of February, rooms are rented on fewer than three occasions or for not more than 14 days in the aggregate. Rentals to permanent residents (residents who occupy a room for at least 180 consecutive days) are not taxable. Moreover, not-for-profit organizations formed and operated exclusively for religious, charitable, or educational purposes, or for the prevention of cruelty to children or animals, and government agencies and other organizations not subject to the sales tax on hotel room rentals are exempt from the Hotel Room Occupancy Tax.

The Hotel Room Occupancy Tax year starts on March 1 and ends on the last day of February of the following year.

## Tax Rate and Liability

The Hotel Room Occupancy Tax is based on the rent charged for the room, as follows:

If the rent for the room is...	The tax will be...
\$10 or more, but less than \$20	50¢ per day + 5.875% of the rent for the room
\$20 or more, but less than \$30	\$1.00 per day + 5.875% of the rent for the room
\$30 or more, but less than \$40	\$1.50 per day + 5.875% of the rent for the room
\$40 or more	\$2.00 per day + 5.875% of the rent for the room

In the case of hotel suites, the tax is the fixed amount shown above for each room in the suite plus 5.875 percent of the rent for the suite.

On May 18, 2021, then-Mayor Bill de Blasio signed an executive order that eliminated the 5.875 percent portion of New York City’s Hotel Room Occupancy Tax rate for the three-month period from June 1 to August 31, 2021.

## History

The rationale for the Hotel Room Occupancy Tax, first imposed in NYC in 1970, is that visitors should help pay the cost of basic services and tourism development initiatives that benefit them while here.

In 1970, the tax consisted of a flat fee based upon the daily rental value of the room. A 5.0 percent tax was imposed in addition to the flat fee in 1986, raised to 6.0 percent in 1990, then lowered to 5.0 percent in 1994 and raised to the current 5.875 percent in 2009. Also, in 2009, the tax was extended to apply to the markup on rooms rented through Internet and other hotel room occupancy resellers.

In 2015, local legislation adopted by the City Council extended the 5.875 percent rate through November 30, 2019. On November 27, 2019, the 5.875 percent rate was extended through November 30, 2023. Unless extended at that time, the rate would revert to 5 percent on December 1, 2023.

Effective June 1, 2016, the application of the state and local sales tax and the city Hotel Room Occupancy Tax to remarketed hotel rooms was simplified by exempting from these taxes the rent paid by a room remarketer to the hotel operator. Hotel room occupants are taxable on the total rent they pay to a room remarketer. Formerly, a room remarketer was taxable on the rent it paid for the room to the hotel operator but was eligible for a credit or refund of the tax paid if certain conditions were met. As a result of the change in the law, room remarketers are no longer be required to pay tax on the rooms they rent from the hotel operator.

<b>NYC Hotel Room Occupancy Tax Rates</b>	
07/08/86 - 08/31/90	5.000%
09/01/90 - 11/30/94	6.000%
12/01/94 - 02/28/09	5.000%
03/01/09 - 11/30/13	5.875%
12/01/13 - 12/19/13	5.000%
12/20/13 - 05/31/21	5.875%
06/01/21 - 08/31/21	0.000%
09/01/21 - present	5.875%

**HOTEL ROOM OCCUPANCY TAX  
TAX YEAR 2021**

**Table 1  
DISTRIBUTION BY LIABILITY RANGE  
(NUMBER OF ROOMS RENTED AND DOLLARS IN THOUSANDS)**

Liability Per Taxpayer	Number of Hotels	% of Total	Number of Rooms Rented				Liability			
			Number of Rooms Rented	% of Total	Total Rent	% of Total	Daily Room Tax	Additional Tax Due	Total	% of Total
<b>Under \$10K</b>	127	15.3 %	53	0.2 %	\$5,590	0.1 %	\$95	\$266	\$362	0.2 %
<b>\$10K - \$25K</b>	52	6.3	126	0.6	13,635	0.3	248	653	901	0.4
<b>\$25K - \$50K</b>	79	9.5	427	2.0	45,317	1.1	852	2,067	2,919	1.2
<b>\$50K - \$100K</b>	132	15.9	1,327	6.1	150,667	3.7	2,645	6,843	9,489	4.1
<b>\$100K - \$200K</b>	138	16.7	2,301	10.6	335,371	8.1	4,601	15,556	20,158	8.6
<b>\$200K - \$300K</b>	81	9.8	2,010	9.3	335,382	8.1	4,021	15,566	19,587	8.4
<b>\$300K - \$400K</b>	39	4.7	1,515	7.0	218,532	5.3	3,031	10,213	13,244	5.7
<b>More than \$400K</b>	149	18.0	9,532	44.0	2,319,909	56.3	19,064	107,909	126,972	54.3
<b>Remarketers</b>	31	3.7	4,380	20.2	697,092	16.9	8,760	31,615	40,375	17.3
<b>TOTAL</b>	<b>828</b>	<b>100.0 %</b>	<b>21,671</b>	<b>100.0 %</b>	<b>\$4,121,495</b>	<b>100.0 %</b>	<b>\$43,317</b>	<b>\$190,689</b>	<b>\$234,006</b>	<b>100.0 %</b>



**HOTEL ROOM OCCUPANCY TAX  
TAX YEAR 2021**

**Table 2  
DISTRIBUTION BY BOROUGH**  
(NUMBER OF ROOMS RENTED AND DOLLARS IN THOUSANDS)

Borough	Number of Hotels	% of Total	Number of Rooms Rented	% of Total	Total Rent	% of Total	Liability			
							Daily Room Tax	Additional Tax Due	Total	% of Total
<b>Manhattan</b>	517	62.4 %	13,458	62.1 %	\$2,897,045	70.3 %	\$26,903	\$135,995	\$162,898	69.6 %
<b>Bronx</b>	38	4.6	431	2.0	39,859	1.0	856	1,807	2,663	1.1
<b>Brooklyn</b>	100	12.1	1,299	6.0	219,045	5.3	2,597	9,507	12,104	5.2
<b>Queens</b>	125	15.1	1,961	9.0	249,505	6.1	3,920	10,883	14,803	6.3
<b>Staten Island/Other</b>	17	2.1	141	0.6	18,949	0.5	281	881	1,163	0.5
<b>Remarketers</b>	31	3.7	4,380	20.2	697,092	16.9	8,760	31,615	40,375	17.3
<b>TOTAL</b>	<b>828</b>	<b>100.0 %</b>	<b>21,671</b>	<b>100.0 %</b>	<b>\$4,121,495</b>	<b>100.0 %</b>	<b>\$43,317</b>	<b>\$190,689</b>	<b>\$234,006</b>	<b>100.0 %</b>

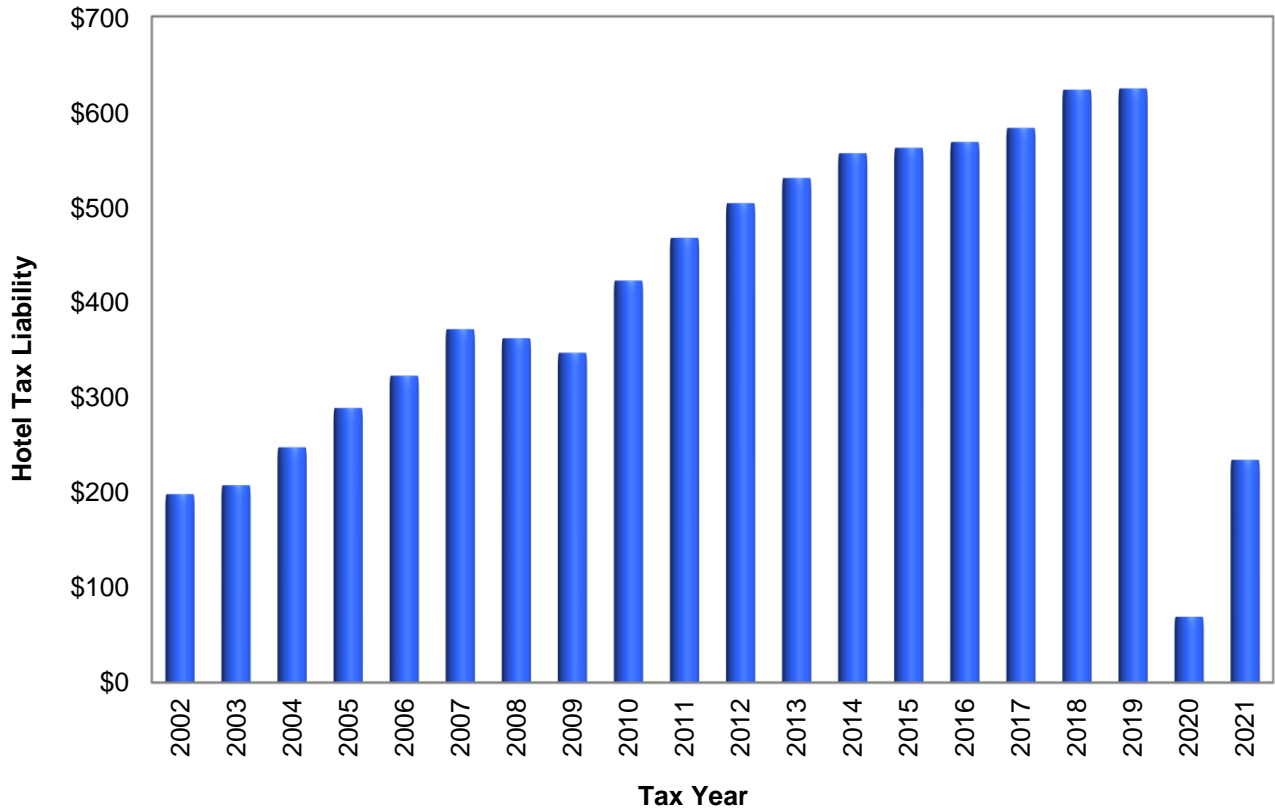
**HOTEL ROOM OCCUPANCY TAX  
TAX YEAR 2021**

**Table 3  
DISTRIBUTION BY AVERAGE DAILY ROOM RENT  
(NUMBER OF ROOMS RENTED AND DOLLARS IN THOUSANDS)**

Average Daily Room Rent	Number of Hotels	% of Total	Number of Rooms				Liability			
			Rented	% of Total	Total Rent	% of Total	Daily Room Tax	Additional Tax Due	Total	% of Total
<b>Under \$40 or Unavailable</b>	16	1.9 %	218	1.0 %	\$6,360	0.2 %	\$418	\$366	\$784	0.3 %
<b>\$40 - \$100</b>	167	20.2	2,217	10.2	169,882	4.1	4,429	8,131	\$12,561	5.4
<b>\$100 - \$150</b>	234	28.3	4,913	22.7	635,158	15.4	9,825	30,811	40,636	17.4
<b>\$150 - \$200</b>	154	18.6	4,649	21.5	802,176	19.5	9,297	36,679	45,976	19.6
<b>\$200 - \$250</b>	74	8.9	1,817	8.4	403,749	9.8	3,634	18,147	21,781	9.3
<b>\$250 - \$300</b>	45	5.4	1,442	6.7	399,241	9.7	2,885	18,593	21,478	9.2
<b>\$300 - \$350</b>	33	4.0	575	2.7	191,497	4.6	1,151	8,489	9,639	4.1
<b>\$350 - \$500</b>	32	3.9	781	3.6	324,535	7.9	1,563	14,356	15,919	6.8
<b>\$500 - \$700</b>	14	1.7	328	1.5	194,885	4.7	657	8,763	9,420	4.0
<b>More than \$700</b>	28	3.4	349	1.6	296,921	7.2	699	14,739	15,437	6.6
<b>Remarketers</b>	31	3.7	4,380	20.2	697,092	16.9	8,760	31,615	40,375	17.3
<b>TOTAL</b>	<b>828</b>	<b>100.0 %</b>	<b>21,671</b>	<b>100.0 %</b>	<b>\$4,121,495</b>	<b>100.0 %</b>	<b>\$43,317</b>	<b>\$190,689</b>	<b>\$234,006</b>	<b>100.0 %</b>

## HOTEL ROOM OCCUPANCY TAX

**Figure 1**  
**LIABILITY**  
**TAX YEARS 2002 – 2021**  
(\$ MILLIONS)

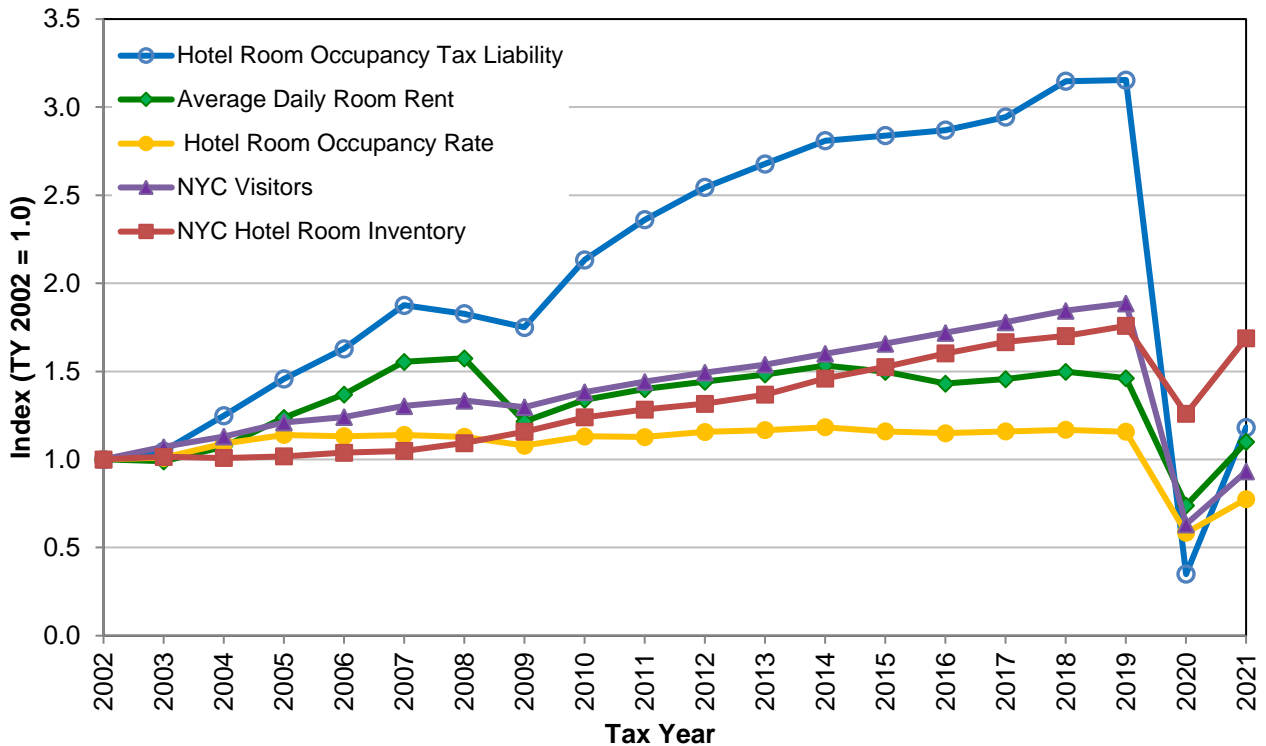


**Note:** The additional tax due increased from 5.0 percent to 5.875 percent on March 1, 2009 and was temporarily reduced to 0 percent from June 1, 2021, to August 31, 2021.

## HOTEL ROOM OCCUPANCY TAX

**Figure 2**  
**LIABILITY COMPARED TO NYC VISITORS,**  
**AVERAGE DAILY ROOM RENT, ROOM INVENTORY, AND OCCUPANCY RATE**  
**TAX YEARS 2002 – 2021**

- After increasing each year from 2009 to 2019, Hotel Room Occupancy Tax liability declined dramatically in 2020 due to the COVID-19 pandemic. Liability rebounded somewhat in 2021, reaching 37 percent of 2019's level.



**Note:** The additional tax due increased from 5.0 percent to 5.875 percent on March 1, 2009 and was temporarily reduced to 0 percent from June 1, 2021, to August 31, 2021.

**Sources:** Hotel Room Occupancy Tax liability is from NYC Department of Finance records. All other data are from NYC & Company.