
**THE CITY OF NEW YORK
DEPARTMENT OF FINANCE
OFFICE OF TAX POLICY**

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

TAX YEAR 2013

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Table of Contents

Introduction 2

Table 1: Distribution by HTX Liability Range 4

Table 2: Distribution by Borough 5

Table 3: Distribution by Daily Room Rate 6

Figure 1: Hotel Room Occupancy Tax Liability, Tax Year 2000 – Tax Year 2013 7

Figure 2: Hotel Tax Liability Compared to NYC Visitors, Average Daily Room Rate,
Room Inventory and Occupancy Rate, Tax Year 2000 – Tax Year 2013 8

Introduction

Applicability

The Hotel Room Occupancy Tax (HTX) 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 HTX 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 HTX.

The HTX tax year starts on March 1 and ends on the last day of February of the following year.

Tax Rate and Liability

The HTX 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 showing above for each room in the suite plus 5.875 percent of the rent for the suite.

History

The rationale for the HTX, 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 on 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.

NYC Hotel Room Occupancy Tax Rates	
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 - present	5.875%

*For the period between December 1, 2013 and December 19, 2013, the rate temporarily reverted to 5.0 percent.

**HOTEL ROOM OCCUPANCY TAX
TAX YEAR 2013**

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

Hotel Tax Liability Range	Number of Hotels	% of Total	Number of Rooms Rented	% of Total	Hotel Tax Liability			% of Total
					Daily Room Tax	5.875% Tax	Total	
\$10k or less	186	21.6 %	51	0.2 %	\$88	\$488	\$576	0.1 %
\$10k - \$25k	40	4.7	57	0.2	109	521	630	0.1
\$25k - \$50k	40	4.7	183	0.6	363	1,143	1,506	0.3
\$50k - \$100k	81	9.4	747	2.3	1,467	4,796	6,263	1.2
\$100k - \$200k	117	13.6	1,871	5.7	3,688	14,040	17,728	3.3
\$200k - \$300k	63	7.3	1,357	4.1	2,714	12,616	15,329	2.9
\$300k - \$400k	43	5.0	1,153	3.5	2,306	12,493	14,799	2.8
\$400k - \$500k	38	4.4	1,282	3.9	2,563	14,773	17,337	3.3
\$500k - \$1m	106	12.3	4,995	15.2	9,991	68,744	78,735	14.9
\$1m - 1.5m	49	5.7	3,963	12.0	7,473	51,440	58,913	11.1
\$1.5m - \$2m	32	3.7	3,271	9.9	6,543	49,448	55,991	10.6
\$2m - \$2.5m	13	1.5	1,778	5.4	3,555	25,481	29,036	5.5
\$2.5m - \$5m	39	4.5	7,282	22.1	14,564	115,980	130,545	24.6
\$5m or more	13	1.5	4,955	15.0	9,909	92,873	102,782	19.4
TOTAL	860	100.0 %	32,945	100.0 %	\$65,334	\$464,835	\$530,169	100.0 %

**HOTEL ROOM OCCUPANCY TAX
TAX YEAR 2013**

**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	Hotel Tax Liability			% of Total
					Daily Room Tax	5.875% Tax	Total	
Bronx	27	3.1 %	379	1.1 %	\$709	\$1,506	\$2,215	1.1 %
Brooklyn	89	10.3	1,160	3.5	2,319	11,677	13,996	3.6
Manhattan	570	66.3	28,055	85.2	55,610	414,437	470,046	85.1
Queens	101	11.7	2,285	6.9	4,568	18,768	23,336	7.0
Staten Island	11	1.3	144	0.4	284	1,324	1,608	0.4
Not Available	62	7.2	922	2.8	1,844	17,124	18,968	2.8
TOTAL	860	100.0 %	32,945	100.0 %	\$65,334	\$464,835	\$530,169	100.0 %

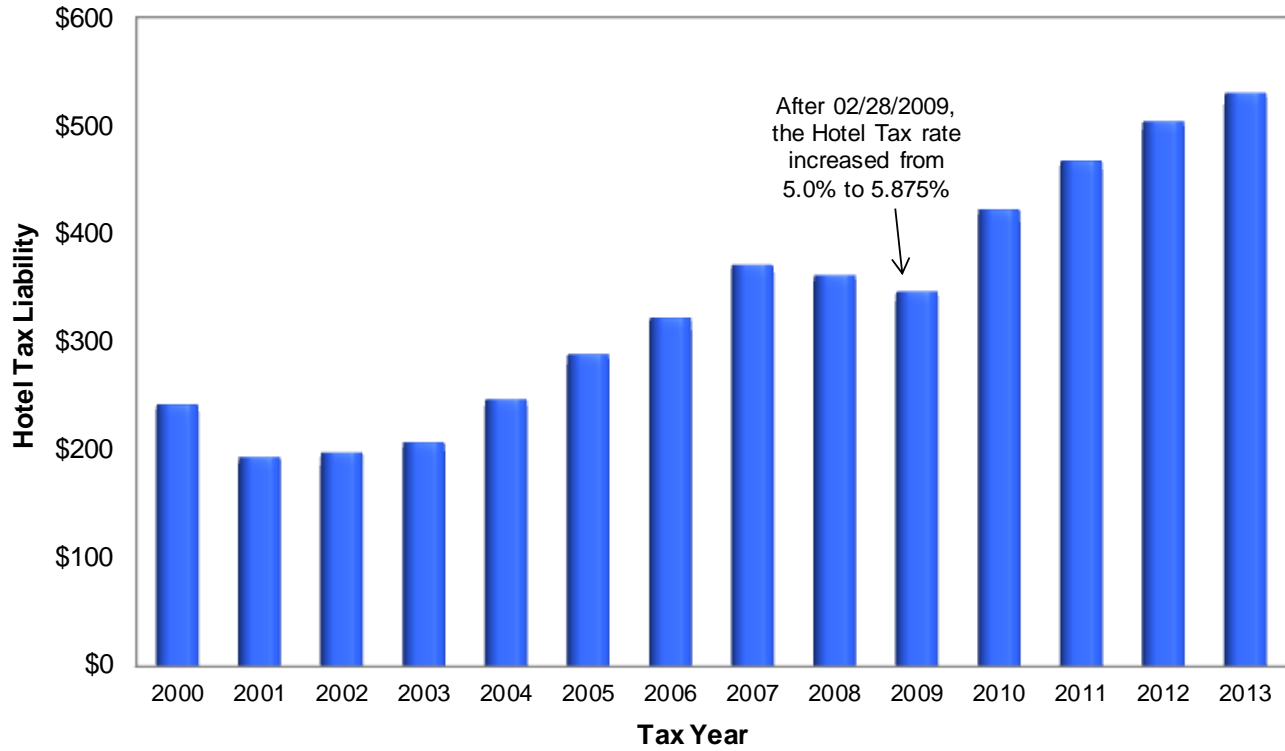
**HOTEL ROOM OCCUPANCY TAX
TAX YEAR 2013**

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

Room Rent	Number of Hotels	% of Total	Number of Rooms Rented	% of Total	Hotel Tax Liability			% of Total
					Daily Room Tax	5.875% Tax	Total	
Not Available	50	5.8 %	n/a		\$0	\$1,971	\$1,971	0.4 %
\$40 or less	13	1.5	546	1.7 %	593	778	1,372	0.3
\$40 - \$100	163	19.0	3,247	9.9	6,437	14,310	20,747	3.9
\$100 - \$150	140	16.3	3,418	10.4	6,836	25,547	32,383	6.1
\$150 - \$200	141	16.4	5,964	18.1	11,927	61,254	73,181	13.8
\$200 - \$250	126	14.7	6,171	18.7	12,342	89,718	102,059	19.3
\$250 - \$300	76	8.8	5,478	16.6	10,956	88,445	99,401	18.7
\$300 - \$350	68	7.9	4,771	14.5	9,542	91,194	100,736	19.0
\$350 - \$400	31	3.6	1,702	5.2	3,404	36,858	40,262	7.6
\$400 - \$450	12	1.4	405	1.2	810	9,943	10,753	2.0
\$450 - \$500	13	1.5	500	1.5	1,000	13,773	14,773	2.8
\$500 - \$750	17	2.0	476	1.4	953	16,759	17,712	3.3
\$750 or more	10	1.2	268	0.8	535	14,285	14,820	2.8
TOTAL	860	100.0 %	32,945	100.0 %	\$65,334	\$464,835	\$530,169	100.0 %

HOTEL ROOM OCCUPANCY TAX

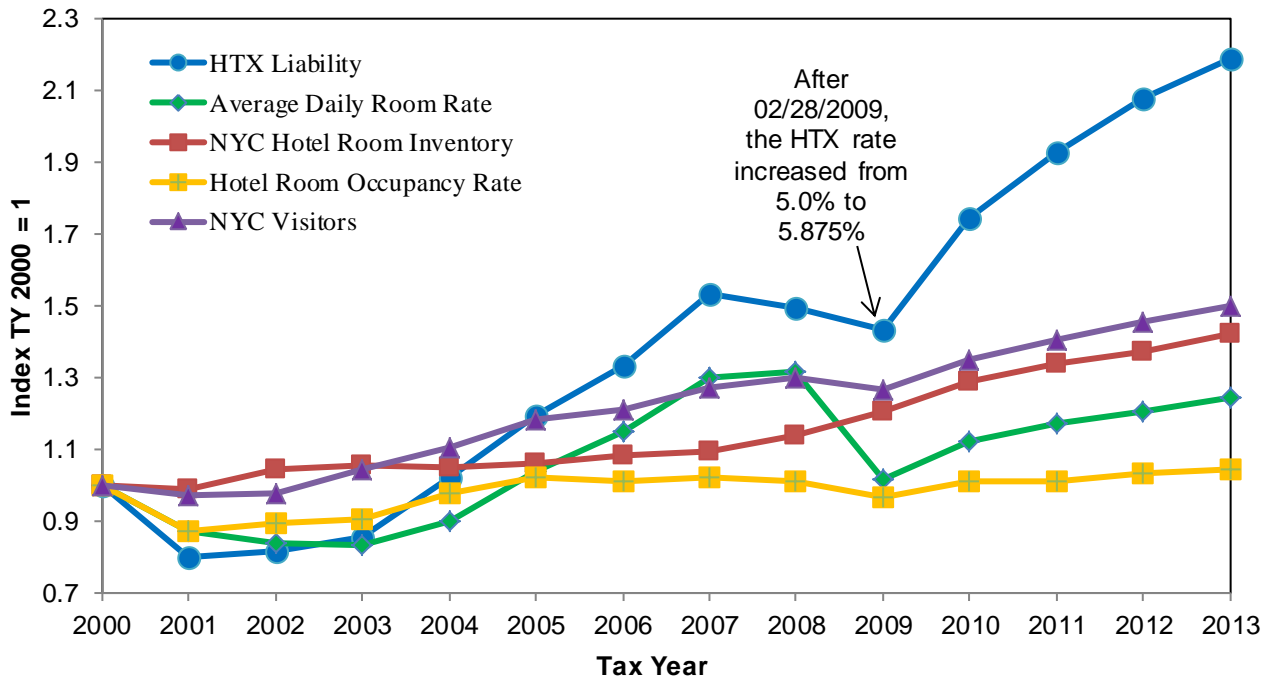
Figure 1
HOTEL TAX LIABILITY
TAX YEAR 2000 – TAX YEAR 2013
(DOLLARS IN MILLIONS)



HOTEL ROOM OCCUPANCY TAX

Figure 2
HOTEL TAX LIABILITY COMPARED TO NYC VISITORS,
AVERAGE DAILY ROOM RATE, ROOM INVENTORY AND OCCUPANCY RATE
TAX YEAR 2000 – TAX YEAR 2013

- HTX liability has increased significantly since 2009.
- Driven by increases in demand, average daily room rates have been rising since 2009.
- The occupancy rate remains high, despite the increase in the number of hotel rooms.



Source: NYC & Company and PKF Consulting