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

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

TAX YEAR 2019

BILL DE BLASIO, MAYOR

JACQUES JIHA, PH.D., COMMISSIONER

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**REPORT PREPARED BY THE
DIVISION OF TAX POLICY & DATA ANALYTICS
SEPTEMBER 2020**

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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.

Effective June 1, 2016, the application of the state and local sales tax and the city hotel room occupancy tax to remarketed hotel rooms is 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 will no longer be required to pay tax on the rooms they rent from the hotel operator.

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 2009.¹ 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.

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%

¹ 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 2019**

**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			
					Daily Room Tax	5.875% Tax	Total	% of Total
Under \$10K	118	12.6 %	39	0.1 %	\$69	\$252	\$321	0.1 %
\$10K - \$25K	33	3.5	64	0.2	126	413	539	0.1
\$25K - \$50K	45	4.8	176	0.4	352	1,252	1,603	0.3
\$50K - \$100K	96	10.2	801	2.0	1,576	5,751	7,327	1.2
\$100K - \$200K	147	15.6	2,302	5.8	4,566	16,484	21,050	3.4
\$200K - \$300K	62	6.6	1,332	3.4	2,662	12,331	14,993	2.4
\$300K - \$400K	49	5.2	1,434	3.6	2,868	14,032	16,900	2.7
\$400K - \$500K	50	5.3	1,789	4.5	3,579	18,985	22,564	3.6
\$500K - \$1M	127	13.5	6,069	15.3	12,139	78,696	90,835	14.5
\$1M - \$1.5M	70	7.4	4,933	12.5	9,867	74,050	83,917	13.4
\$1.5M - \$2M	32	3.4	3,118	7.9	6,236	49,421	55,657	8.9
\$2M - \$2.5M	19	2.0	1,969	5.0	3,938	37,938	41,876	6.7
\$2.5M - \$4M	33	3.5	5,549	14.0	11,099	90,201	101,299	16.2
More than \$4M	11	1.2	3,267	8.2	6,533	60,811	67,344	10.8
Remarketers	48	5.1	6,760	17.1	13,521	84,553	98,074	15.7
TOTAL	940	100.0 %	39,603	100.0 %	\$79,128	\$545,170	\$624,298	100.0 %

**HOTEL ROOM OCCUPANCY TAX
TAX YEAR 2019**

**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	Liability			
					Daily Room Tax	5.875% Tax	Total	% of Total
Manhattan	599	63.7 %	27,898	70.4 %	\$55,779	\$418,206	\$473,985	75.9 %
Bronx	32	3.4	473	1.2	894	2,558	3,452	0.6
Brooklyn	105	11.2	1,662	4.2	3,324	16,834	20,158	3.2
Queens	130	13.8	2,624	6.6	5,240	21,629	26,869	4.3
Staten Island	10	1.1	156	0.4	311	1,147	1,458	0.2
Not Available	16	1.7	30	0.1	60	242	302	0.0
Remarketers	48	5.1	6,760	17.1	13,521	84,553	98,074	15.7
TOTAL	940	100.0 %	39,603	100.0 %	\$79,128	\$545,170	\$624,298	100.0 %

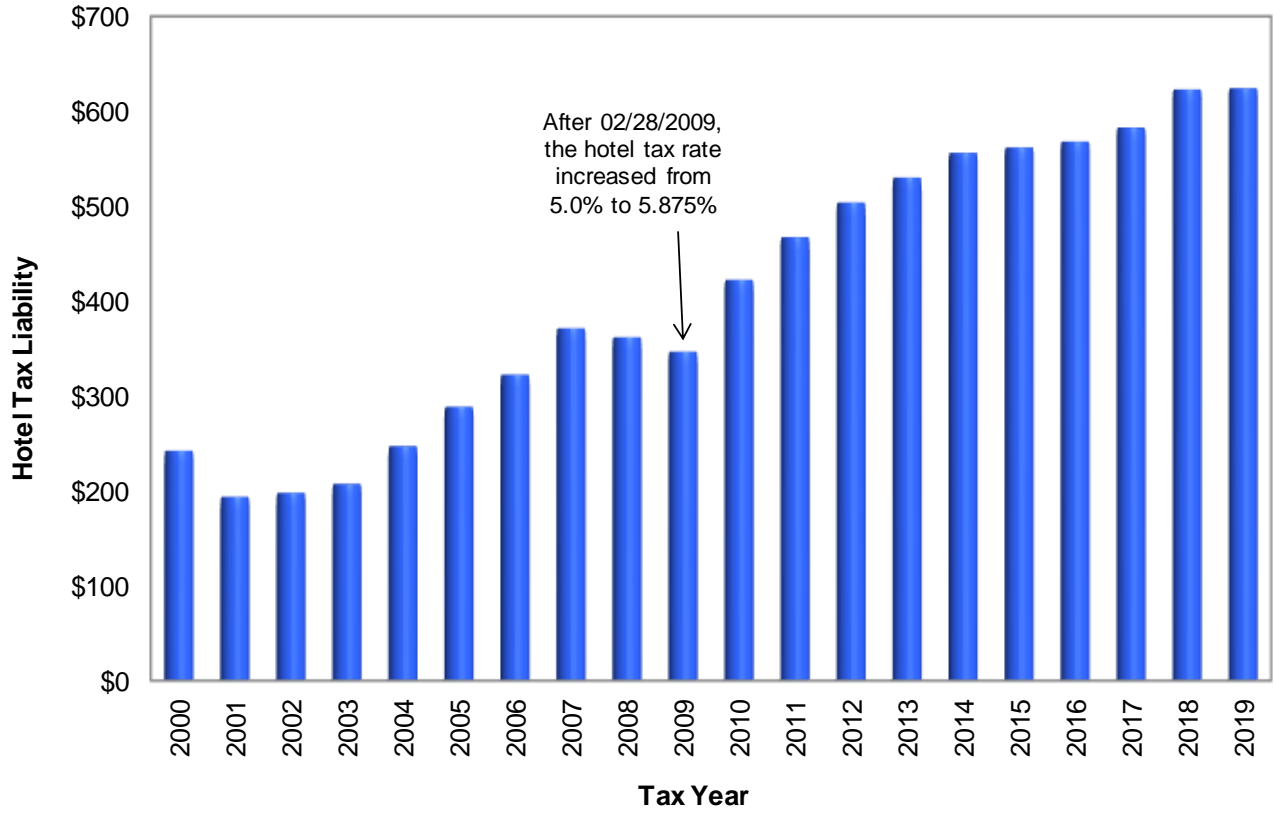
**HOTEL ROOM OCCUPANCY TAX
TAX YEAR 2019**

**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 Rented	% of Total	Liability			
					Daily Room Tax	5.875% Tax	Total	% of Total
Under \$40 or Unavailable	12	1.3 %	140	0.4 %	\$216	\$314	\$530	0.1 %
\$40 - \$100	145	15.4	2,660	6.7	5,310	11,475	16,786	2.7
\$100 - \$150	164	17.4	3,505	8.8	7,008	26,111	33,119	5.3
\$150 - \$200	186	19.8	6,042	15.3	12,085	63,756	75,841	12.1
\$200 - \$250	142	15.1	7,477	18.9	14,951	98,668	113,619	18.2
\$250 - \$300	104	11.1	6,305	15.9	12,610	101,525	114,134	18.3
\$300 - \$350	61	6.5	3,693	9.3	7,386	70,666	78,052	12.5
\$350 - \$400	23	2.4	1,246	3.1	2,493	26,562	29,055	4.7
\$400 - \$500	17	1.8	764	1.9	1,529	19,438	20,967	3.4
\$500 - \$700	15	1.6	519	1.3	1,038	16,817	17,854	2.9
More than \$700	23	2.4	491	1.2	982	25,285	26,267	4.2
Remarketers	48	5.1	6,760	17.1	13,521	84,553	98,074	15.7
TOTAL	940	100.0 %	39,603	100.0 %	\$79,128	\$545,170	\$624,298	100.0 %

HOTEL ROOM OCCUPANCY TAX

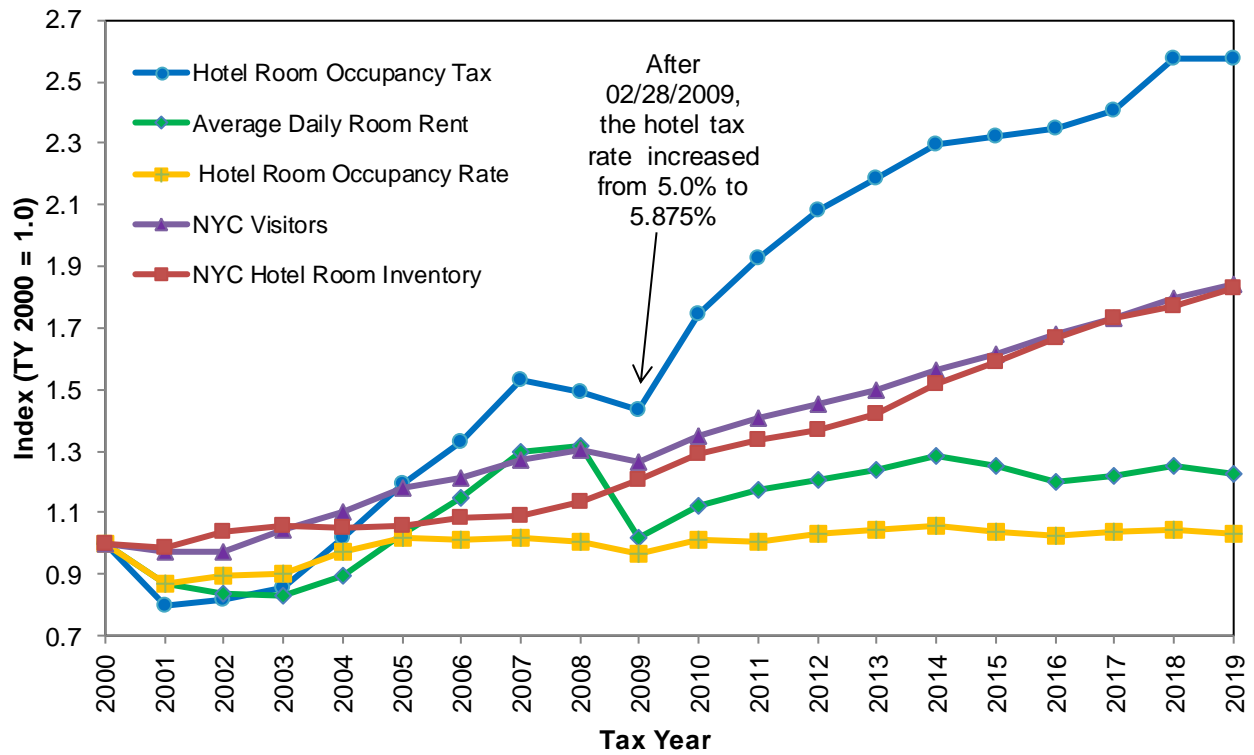
Figure 1
LIABILITY
TAX YEARS 2000 – 2019
(\$ MILLIONS)



HOTEL ROOM OCCUPANCY TAX

Figure 2
LIABILITY COMPARED TO NYC VISITORS,
AVERAGE DAILY ROOM RENT, ROOM INVENTORY AND OCCUPANCY RATE
TAX YEARS 2000 – 2019

- After increasing each year from 2009 to 2018, hotel room occupancy tax liability showed no growth from 2018 to 2019.



Sources: Hotel room occupancy tax liability is from NYC Department of Finance records. All other data are from NYC & Company.