
**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 2020

BILL DE BLASIO, MAYOR

SHERIF SOLIMAN, COMMISSIONER

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**REPORT PREPARED BY THE
DIVISION OF TAX POLICY & DATA ANALYTICS
JUNE 2021**

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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
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**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	% of Total	Liability			
					Daily Room Tax	5.875% Tax	Total	% of Total
Under \$10K	215	25.8 %	89	1.1 %	\$174	\$596	\$770	1.1 %
\$10K - \$25K	124	14.9	236	3.0	461	1,569	2,030	2.9
\$25K - \$50K	110	13.2	441	5.6	882	3,047	3,929	5.7
\$50K - \$100K	165	19.8	1,367	17.5	2,728	8,974	11,702	16.9
\$100K - \$200K	117	14.0	1,974	25.2	3,937	12,537	16,474	23.8
\$200K - \$300K	36	4.3	863	11.0	1,724	6,972	8,696	12.6
\$300K - \$400K	15	1.8	478	6.1	956	4,062	5,018	7.3
More than \$400K	13	1.6	806	10.3	1,611	6,668	8,279	12.0
Remarketers	39	4.7	1,565	20.0	3,130	9,062	12,192	17.6
TOTAL	834	100.0 %	7,820	100.0 %	\$15,603	\$53,486	\$69,090	100.0 %

**HOTEL ROOM OCCUPANCY TAX
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**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	530	63.5 %	3,885	49.7 %	\$7,753	\$29,835	\$37,588	54.4 %
Bronx	31	3.7	369	4.7	720	1,886	2,605	3.8
Brooklyn	90	10.8	683	8.7	1,366	4,717	6,083	8.8
Queens	124	14.9	1,225	15.7	2,449	7,389	9,838	14.2
Staten Island/Other	20	2.4	93	1.2	186	598	784	1.1
Remarketers	39	4.7	1,565	20.0	3,130	9,062	12,192	17.6
TOTAL	834	100.0 %	7,820	100.0 %	\$15,603	\$53,486	\$69,090	100.0 %

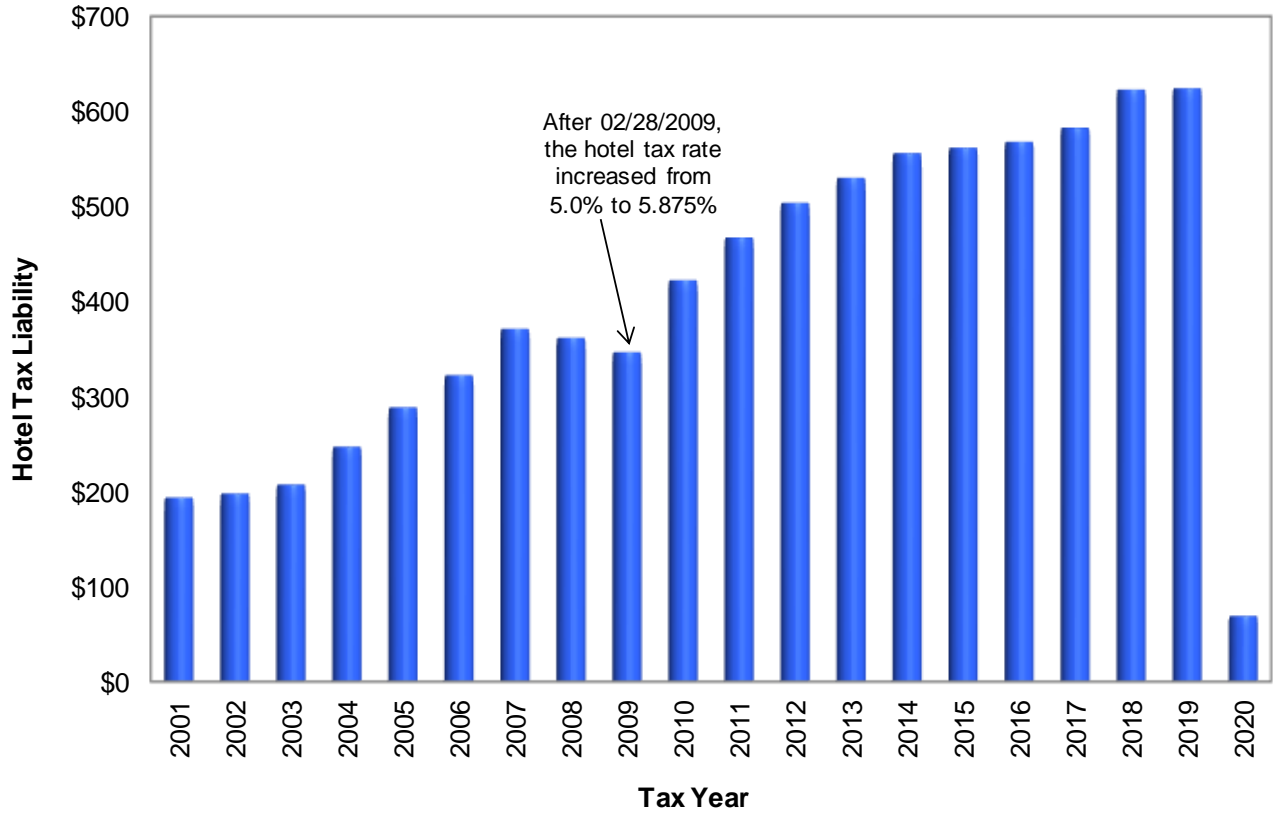
**HOTEL ROOM OCCUPANCY TAX
TAX YEAR 2020**

**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 \$100 or Unavailable	298	35.7 %	2,876	36.8 %	\$5,718	\$12,941	\$18,659	27.0 %
\$100 - \$150	249	29.9	2,331	29.8	4,662	16,313	20,975	30.4
\$150 - \$200	95	11.4	532	6.8	1,062	5,282	6,344	9.2
\$200 - \$250	55	6.6	209	2.7	418	2,580	2,998	4.3
\$250 - \$300	31	3.7	122	1.6	243	1,930	2,173	3.1
\$300 - \$350	20	2.4	44	0.6	89	811	900	1.3
\$350 - \$500	21	2.5	92	1.2	185	2,251	2,435	3.5
\$500 - \$700	16	1.9	27	0.3	53	907	960	1.4
More than \$700	10	1.2	22	0.3	44	1,411	1,454	2.1
Remarketers	39	4.7	1,565	20.0	3,130	9,062	12,192	17.6
TOTAL	834	100.0 %	7,820	100.0 %	\$15,603	\$53,486	\$69,090	100.0 %

HOTEL ROOM OCCUPANCY TAX

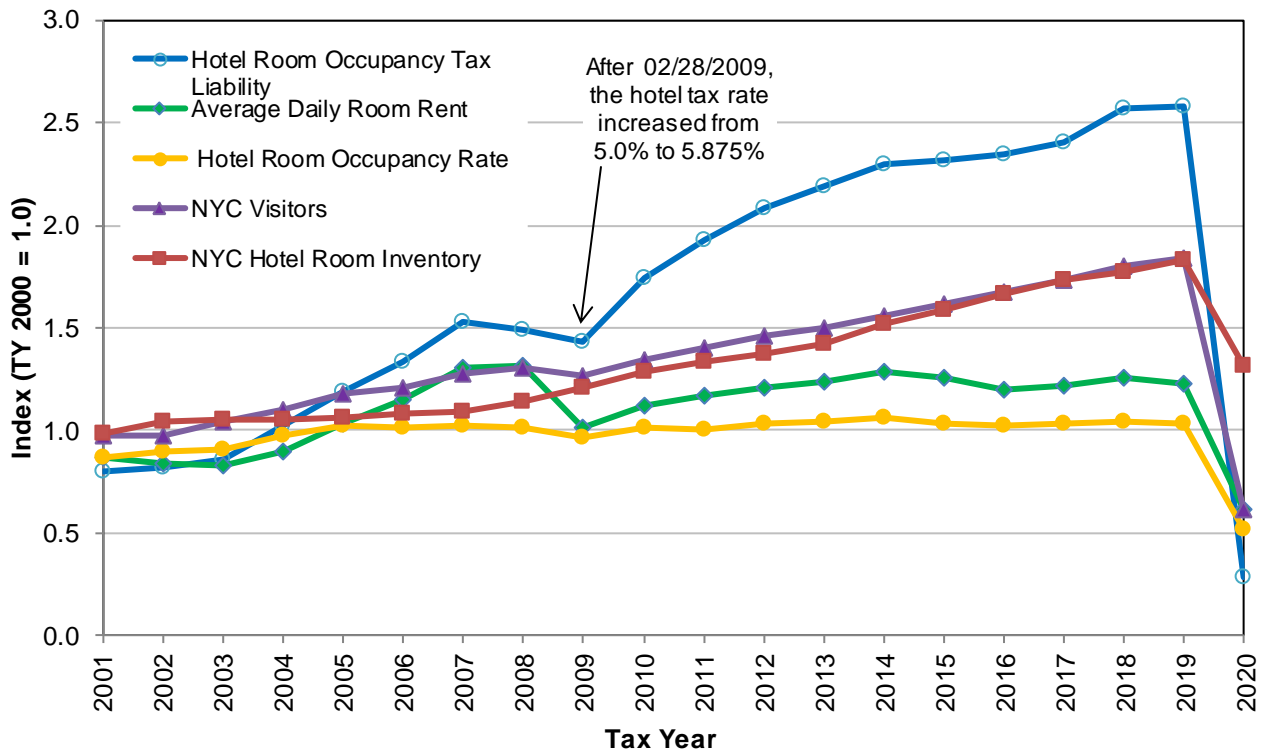
Figure 1
LIABILITY
TAX YEARS 2001 – 2020
(\$ MILLIONS)



HOTEL ROOM OCCUPANCY TAX

Figure 2
LIABILITY COMPARED TO NYC VISITORS,
AVERAGE DAILY ROOM RENT, ROOM INVENTORY, AND OCCUPANCY RATE
TAX YEARS 2001 – 2020

- After increasing each year from 2009 to 2019, hotel room occupancy tax liability declined dramatically in 2020 due to the COVID-19 pandemic.



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