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

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

TAX YEAR 2015

BILL DE BLASIO, MAYOR

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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 shown above for each room in the suite plus 5.875 percent of the rent for the suite.

During the period covered by this report, room remarketers are required to collect HTX on the full amount charged to the occupant and are allowed a credit for the tax they paid to the originating hotel. The amount of tax reported for remarketers represents the difference between the tax collected by the remarketer and the credit allowed.

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 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. Unless extended at that time, the rate would revert to 5 percent on December 1, 2019.

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. However, 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.

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 2015

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

Hotel Tax Liability Per Return	Number of Hotels	% of Total	Number of Rooms Rented		Hotel Tax Liability			
					Daily Room Tax	5.875% Tax	Total	% of Total
Less than \$10K	159	18.0 %	64	0.2 %	\$116	\$382	\$498	0.1 %
\$10K - \$25K	44	5.0	87	0.2	172	583	755	0.1
\$25K - \$50K	47	5.3	207	0.6	393	1,326	1,719	0.3
\$50K - \$100K	82	9.3	782	2.2	1,541	4,795	6,336	1.1
\$100K - \$200K	128	14.5	2,041	5.7	4,048	14,430	18,478	3.3
\$200K - \$300K	56	6.4	1,275	3.6	2,550	11,149	13,699	2.4
\$300K - \$400K	43	4.9	1,284	3.6	2,568	12,453	15,021	2.7
\$400K - \$500K	39	4.4	1,461	4.1	2,922	14,873	17,795	3.2
\$500K - \$1M	128	14.5	6,321	17.6	12,639	80,358	92,997	16.6
\$1M - \$1.5M	56	6.4	4,096	11.4	8,192	58,957	67,148	12.0
\$1.5M - \$2M	29	3.3	3,251	9.1	6,501	42,715	49,216	8.8
\$2M - \$2.5M	17	1.9	2,097	5.8	4,193	33,094	37,287	6.6
\$2.5M - \$5M	44	5.0	8,738	24.3	17,476	133,964	151,440	27.0
\$5M or More	9	1.0	4,205	11.7	8,410	65,169	73,578	13.1
Remarketers*							15,922	2.8
TOTAL	881	100.0 %	35,909	100.0 %	\$71,722	\$474,245	\$561,889	100.0 %

* There were 45 remarketers.

**HOTEL ROOM OCCUPANCY TAX
TAX YEAR 2015**

**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			
					Daily Room Tax	5.875% Tax	Total	% of Total
Manhattan	605	68.7 %	30,861	85.9 %	\$61,690	\$433,772	\$495,462	88.2 %
Bronx	29	3.3	466	1.3	\$877	\$2,135	\$3,013	0.5
Brooklyn	94	10.7	1,335	3.7	2,665	12,561	15,226	2.7
Queens	115	13.1	2,713	7.6	5,425	21,267	26,692	4.8
Staten Island	14	1.6	149	0.4	295	1,092	1,387	0.2
Not Available	24	2.7	385	1.1	770	3,417	4,187	0.7
Remarketers*							15,922	2.8
TOTAL	881	100.0 %	35,909	100.0 %	\$71,722	\$474,245	\$561,889	100.0 %

* There were 45 remarketers.

**HOTEL ROOM OCCUPANCY TAX
TAX YEAR 2015**

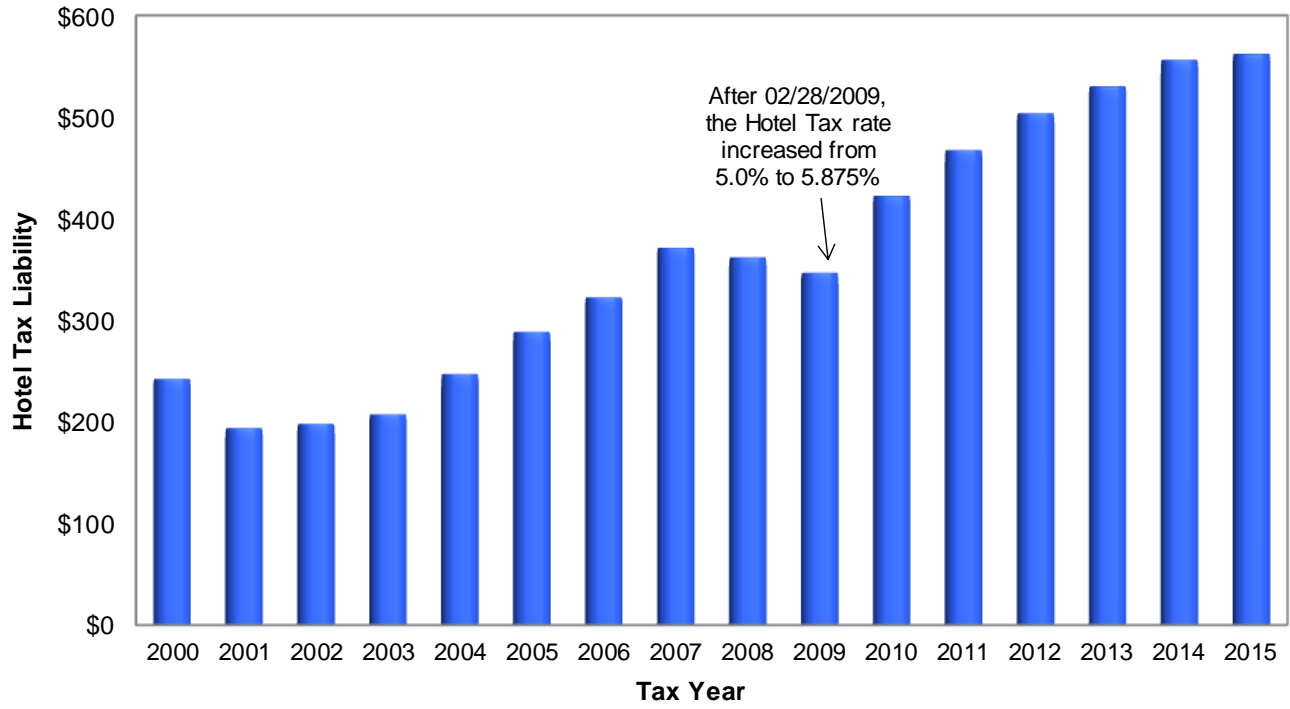
**Table 3
DISTRIBUTION BY DAILY ROOM RENT**
(NUMBER OF ROOMS RENTED AND DOLLARS IN THOUSANDS)

Average Daily Room Rent	Number of Hotels	% of Total	Number of Rooms Rented	% of Total	Hotel Tax Liability			
					Daily Room Tax	5.875% Tax	Total	% of Total
Less than \$40	17	1.9 %	121	0.3 %	\$204	\$237	\$441	0.1 %
\$40 - \$100	181	20.5	3,255	9.1	6,477	14,733	21,210	3.8
\$100 - \$150	167	19.0	4,838	13.5	9,667	36,950	46,616	8.3
\$150 - \$200	171	19.4	7,806	21.7	15,600	82,288	97,888	17.4
\$200 - \$250	144	16.3	7,548	21.0	15,097	100,128	115,225	20.5
\$250 - \$300	84	9.5	6,604	18.4	13,204	106,596	119,801	21.3
\$300 - \$350	44	5.0	3,064	8.5	6,127	58,127	64,254	11.4
\$350 - \$400	25	2.8	1,283	3.6	2,566	27,772	30,338	5.4
\$400 - \$500	15	1.7	751	2.1	1,502	19,279	20,781	3.7
\$500 - \$750	15	1.7	378	1.1	755	14,229	14,984	2.7
\$750 or More	7	0.8	261	0.7	523	12,717	13,239	2.4
Not Available	11	1.2	n/a		n/a	1,190	1,190	0.2
Remarketers*							15,922	2.8
TOTAL	881	100.0 %	35,909	100.0 %	\$71,722	\$474,245	\$561,889	100 %

* There were 45 remarketers.

HOTEL ROOM OCCUPANCY TAX

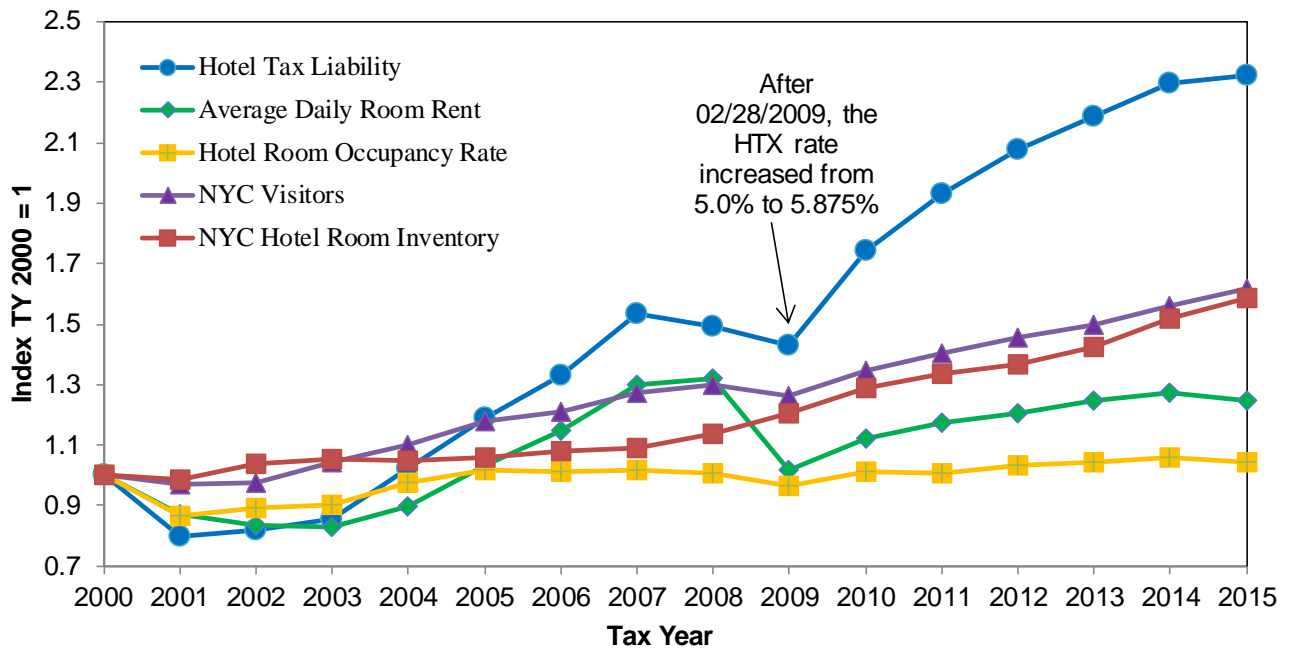
Figure 1
HOTEL TAX LIABILITY
2000 – 2015
(\$ MILLIONS)



HOTEL ROOM OCCUPANCY TAX

Figure 2
HOTEL TAX LIABILITY COMPARED TO NYC VISITORS,
AVERAGE DAILY ROOM RENT, ROOM INVENTORY AND OCCUPANCY RATE
2000 – 2015

- HTX liability has increased significantly since 2009, albeit at a slower rate since 2011. Liability increased only 1 percent from 2014 to 2015.
- The occupancy rate remains high; although room inventory has grown steadily since 2008, the number of visitors has also increased at about the same rate.



Sources: All data except HTX liability are from NYC & Company and PKF Consulting. HTX liability is from NYC Department of Finance records.