
**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 2014

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.

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. In this report, 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 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.

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.

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 2014

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		Hotel Tax Liability			
					Daily Room Tax	5.875% Tax	Total	% of Total
\$10K or less	187	21.0 %	73	0.2 %	\$133	\$466	\$599	0.1 %
\$10K - \$25K	42	4.7	66	0.2	128	550	678	0.1
\$25K - \$50K	46	5.2	212	0.6	421	1,301	1,722	0.3
\$50K - \$100K	72	8.1	683	2.0	1,341	4,131	5,472	1.0
\$100K - \$200K	119	13.4	1,923	5.5	3,813	13,151	16,965	3.1
\$200K - \$300K	71	8.0	1,542	4.4	3,084	14,359	17,443	3.1
\$300K - \$400K	44	4.9	1,321	3.8	2,643	12,826	15,468	2.8
\$400K - \$500K	48	5.4	1,717	4.9	3,382	18,256	21,638	3.9
\$500K - \$1M	110	12.4	5,336	15.3	10,672	70,153	80,825	14.5
\$1M - \$1.5M	52	5.8	4,215	12.1	8,429	55,677	64,107	11.5
\$1.5M - \$2M	32	3.6	3,239	9.3	6,478	49,404	55,882	10.0
\$2M - \$2.5M	16	1.8	2,071	5.9	4,141	30,738	34,879	6.3
\$2.5M - \$5M	39	4.4	7,896	22.6	15,792	121,141	136,933	24.6
More than \$5M	11	1.2	4,598	13.2	9,196	79,231	88,427	15.9
Remarketers							15,122	2.7
TOTAL	889	100.0 %	34,893	100.0 %	\$69,654	\$471,383	\$556,159	100.0 %

**HOTEL ROOM OCCUPANCY TAX
TAX YEAR 2014**

**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	
Manhattan	584	65.7 %	30,000	86.0 %	\$59,933	\$429,859	\$489,791	88.1 %
Bronx	27	3.0	401	1.1	\$747	\$1,631	\$2,378	0.4
Brooklyn	97	10.9	1,295	3.7	2,589	12,105	14,694	2.6
Queens	109	12.3	2,399	6.9	4,797	18,420	23,217	4.2
Staten Island	11	1.2	136	0.4	267	960	1,227	0.2
Not Available	61	6.9	662	1.9	1,322	8,409	9,731	1.7
Remarketers							15,122	2.7
TOTAL	889	100.0 %	34,893	100.0 %	\$69,654	\$471,383	\$556,159	100.0 %

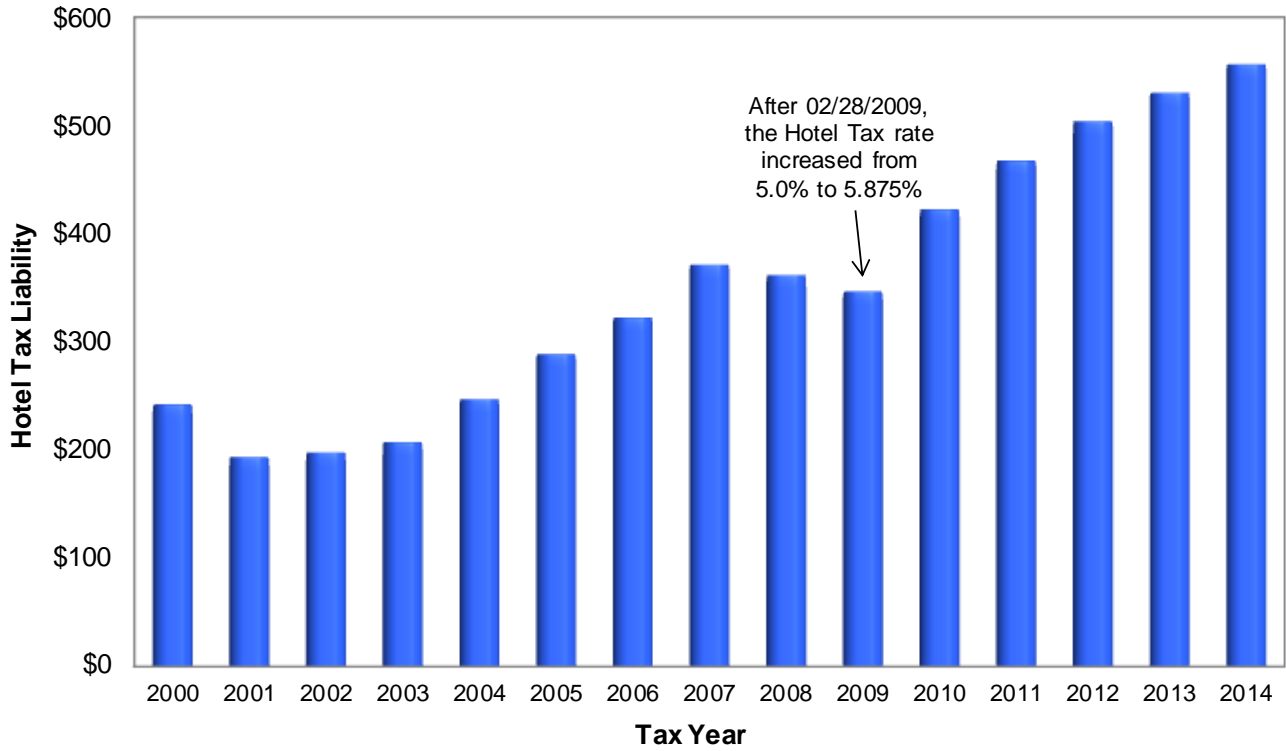
**HOTEL ROOM OCCUPANCY TAX
TAX YEAR 2014**

**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			% of Total
					Daily Room Tax	5.875% Tax	Total	
\$40 or less	19	2.1 %	125	0.4 %	\$209	\$241	\$451	0.1 %
\$40 - \$100	179	20.1	3,264	9.4	6,439	14,459	20,898	3.8
\$100 - \$150	157	17.7	3,896	11.2	7,790	29,097	36,887	6.6
\$150 - \$200	158	17.8	6,080	17.4	12,160	61,788	73,947	13.3
\$200 - \$250	141	15.9	8,568	24.6	17,135	112,502	129,636	23.3
\$250 - \$300	77	8.7	5,872	16.8	11,745	94,795	106,540	19.2
\$300 - \$350	65	7.3	4,288	12.3	8,575	80,856	89,431	16.1
\$350 - \$400	20	2.2	1,377	3.9	2,754	29,327	32,082	5.8
\$400 - \$500	14	1.6	684	2.0	1,367	16,891	18,258	3.3
\$500 - \$750	19	2.1	475	1.4	951	17,278	18,229	3.3
More than \$750	6	0.7	265	0.8	530	12,963	13,492	2.4
Not Available	34	3.8	n/a		n/a	1,186	1,186	0.2
Remarketers							15,122	2.7
TOTAL	889	100.0 %	34,893	100.0 %	\$69,654	\$471,383	\$556,159	100 %

HOTEL ROOM OCCUPANCY TAX

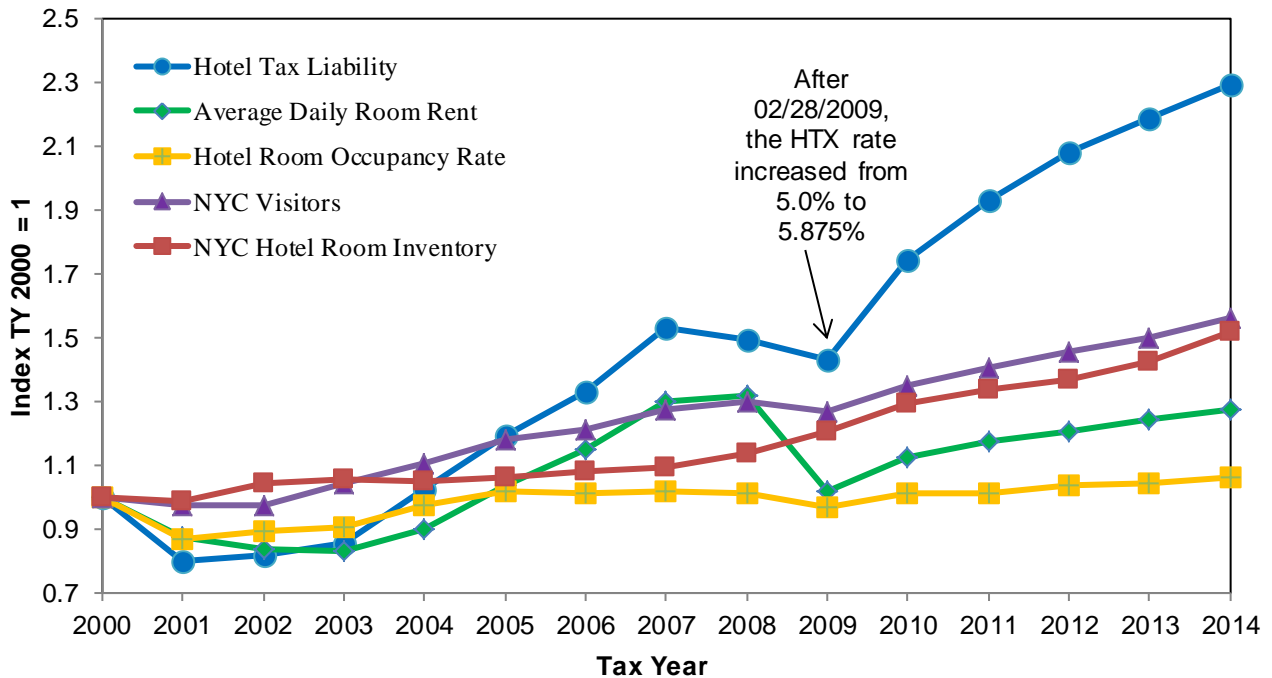
Figure 1
HOTEL TAX LIABILITY
2000 – 2014
(DOLLARS IN MILLIONS)



HOTEL ROOM OCCUPANCY TAX

Figure 2
HOTEL TAX LIABILITY COMPARED TO NYC VISITORS,
AVERAGE DAILY ROOM RENT, ROOM INVENTORY AND OCCUPANCY RATE
2000 – 2014

- HTX liability has increased significantly since 2009.
- Driven by increases in demand, average daily room rents 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