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

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

**TAX YEAR 2023**

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**ERIC ADAMS, MAYOR**

**PRESTON NIBLACK, COMMISSIONER**

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**REPORT PREPARED BY THE  
DIVISION OF TAX POLICY & DATA ANALYTICS  
JULY 2024**



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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.

## 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. 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 and on November 17, 2023 it was extended another four years, to November 30, 2027.

Effective June 1, 2016, the application of the state and local sales tax and the city Hotel Room Occupancy Tax to remarketed hotel rooms was simplified by exempting from these taxes the rent paid by a room remarketer to the hotel operator. Hotel room occupants are taxed on the total rent they pay to a room remarketer. Formerly, a room remarketer was taxed 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 are no longer required to pay tax on the rooms they rent from the hotel operator.

On May 18, 2021, then-Mayor Bill de Blasio signed an executive order that eliminated the 5.875 percent portion of New York City’s Hotel Room Occupancy Tax rate for the three-month period from June 1 to August 31, 2021. The purpose of this measure was to help tourism recover from the COVID-19 pandemic.

<b>NYC Hotel Room Occupancy Tax Rates</b>	
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 - 05/31/21	5.875%
06/01/21 - 08/31/21	0.000%
09/01/21 - present	5.875%



**HOTEL ROOM OCCUPANCY TAX  
TAX YEAR 2023**

**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			
			Number of Rooms Rented	% of Total	Total Rent	% of Total	Daily Room Tax	Additional Tax Due	Total	% of Total
<b>Under \$10K</b>	109	12.4 %	33	0.1 %	\$4,530	0.0 %	\$63	\$267	\$330	0.0 %
<b>\$10K - \$25K</b>	62	7.0	97	0.3	14,304	0.1	193	841	1,034	0.1
<b>\$25K - \$50K</b>	47	5.3	167	0.5	24,098	0.2	331	1,416	1,746	0.3
<b>\$50K - \$100K</b>	62	7.0	467	1.3	63,413	0.6	929	3,725	4,655	0.7
<b>\$100K - \$200K</b>	94	10.7	1,320	3.6	191,630	1.8	2,636	11,258	13,894	2.0
<b>\$200K - \$300K</b>	70	7.9	1,394	3.8	249,701	2.4	2,779	14,670	17,449	2.5
<b>\$300K - \$400K</b>	40	4.5	915	2.5	210,773	2.0	1,831	12,383	14,214	2.0
<b>\$400K - \$500K</b>	33	3.7	1,058	2.9	215,250	2.0	2,116	12,646	14,762	2.1
<b>\$500K - \$1M</b>	143	16.2	5,736	15.6	1,544,530	14.6	11,472	90,741	102,213	14.7
<b>\$1M - \$1.5M</b>	77	8.7	5,263	14.3	1,413,602	13.3	10,525	83,049	93,575	13.4
<b>\$1.5M - \$2M</b>	38	4.3	3,242	8.8	1,018,132	9.6	6,484	59,815	66,299	9.5
<b>\$2M - \$2.5M</b>	21	2.4	2,358	6.4	725,351	6.8	4,716	42,614	47,330	6.8
<b>\$2.5M or More</b>	57	6.5	8,744	23.8	3,338,318	31.5	17,488	196,126	213,614	30.7
<b>Remarketers</b>	29	3.3	5,974	16.2	1,591,976	15.0	11,947	93,529	105,476	15.1
<b>TOTAL</b>	<b>882</b>	<b>100.0 %</b>	<b>36,767</b>	<b>100.0 %</b>	<b>\$10,605,609</b>	<b>100.0 %</b>	<b>\$73,511</b>	<b>\$623,081</b>	<b>\$696,592</b>	<b>100.0 %</b>

**HOTEL ROOM OCCUPANCY TAX  
TAX YEAR 2023**

**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	Total Rent	% of Total	Liability			
							Daily Room Tax	Additional Tax Due	Total	% of Total
<b>Manhattan</b>	571	64.7 %	25,959	70.6 %	\$8,073,439	76.1 %	\$51,911	\$474,315	\$526,226	75.5 %
<b>Bronx</b>	37	4.2	417	1.1	46,334	0.4	820	2,722	3,542	0.5
<b>Brooklyn</b>	100	11.3	1,666	4.5	381,548	3.6	3,332	22,416	25,748	3.7
<b>Queens</b>	129	14.6	2,522	6.9	468,924	4.4	5,043	27,549	32,593	4.7
<b>Staten Island/Other</b>	16	1.8	229	0.6	43,388	0.4	458	2,549	3,007	0.4
<b>Remarketers</b>	29	3.3	5,974	16.2	1,591,976	15.0	11,947	93,529	105,476	15.1
<b>TOTAL</b>	<b>882</b>	<b>100.0 %</b>	<b>36,767</b>	<b>100.0 %</b>	<b>\$10,605,609</b>	<b>100.0 %</b>	<b>\$73,511</b>	<b>\$623,081</b>	<b>\$696,592</b>	<b>100.0 %</b>

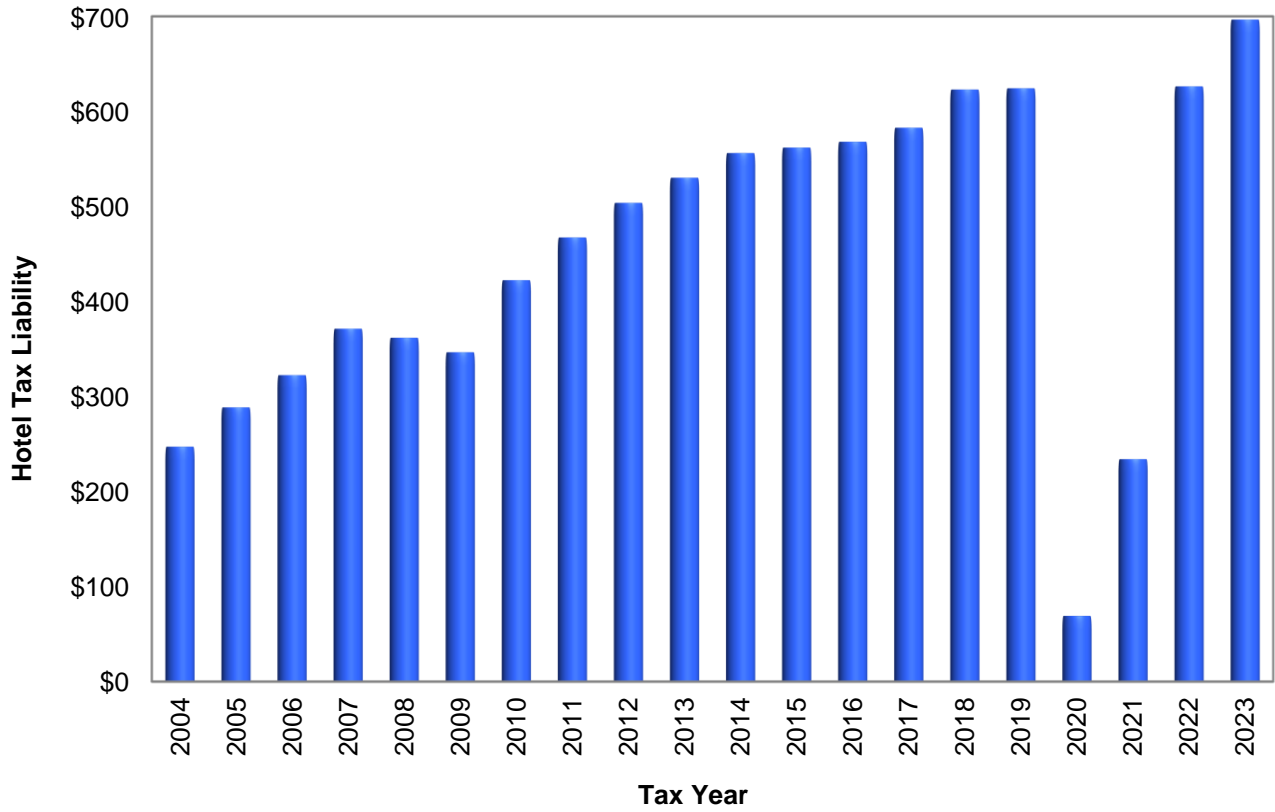
**HOTEL ROOM OCCUPANCY TAX  
TAX YEAR 2023**

**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	Total Rent	% of Total	Liability			
							Daily Room Tax	Additional Tax Due	Total	% of Total
<b>Under \$50 or Unavailable</b>	19	2.2 %	153	0.4 %	\$7,589	0.1 %	\$295	\$447	\$742	0.1 %
<b>\$50 - \$100</b>	98	11.1	1,750	4.8	141,435	1.3	3,488	8,309	\$11,797	1.7
<b>\$100 - \$150</b>	117	13.3	1,616	4.4	195,437	1.8	3,232	11,482	14,714	2.1
<b>\$150 - \$200</b>	124	14.1	3,383	9.2	595,481	5.6	6,767	34,984	41,751	6.0
<b>\$200 - \$250</b>	140	15.9	5,494	14.9	1,229,169	11.6	10,989	72,214	83,203	11.9
<b>\$250 - \$300</b>	118	13.4	6,507	17.7	1,784,457	16.8	13,014	104,837	117,850	16.9
<b>\$300 - \$350</b>	77	8.7	5,113	13.9	1,657,086	15.6	10,226	97,354	107,580	15.4
<b>\$350 - \$500</b>	88	10.0	4,655	12.7	1,837,973	17.3	9,310	107,981	117,291	16.8
<b>\$500 - \$700</b>	33	3.7	1,300	3.5	762,454	7.2	2,601	44,794	47,395	6.8
<b>More than \$700</b>	39	4.4	821	2.2	802,553	7.6	1,643	47,150	48,793	7.0
<b>Remarketers</b>	29	3.3	5,974	16.2	1,591,976	15.0	11,947	93,529	105,476	15.1
<b>TOTAL</b>	<b>882</b>	<b>100.0 %</b>	<b>36,767</b>	<b>100.0 %</b>	<b>\$10,605,609</b>	<b>100.0 %</b>	<b>\$73,511</b>	<b>\$623,081</b>	<b>\$696,592</b>	<b>100.0 %</b>

## HOTEL ROOM OCCUPANCY TAX

**Figure 1**  
**LIABILITY**  
**TAX YEARS 2004 – 2023**  
(\$ MILLIONS)

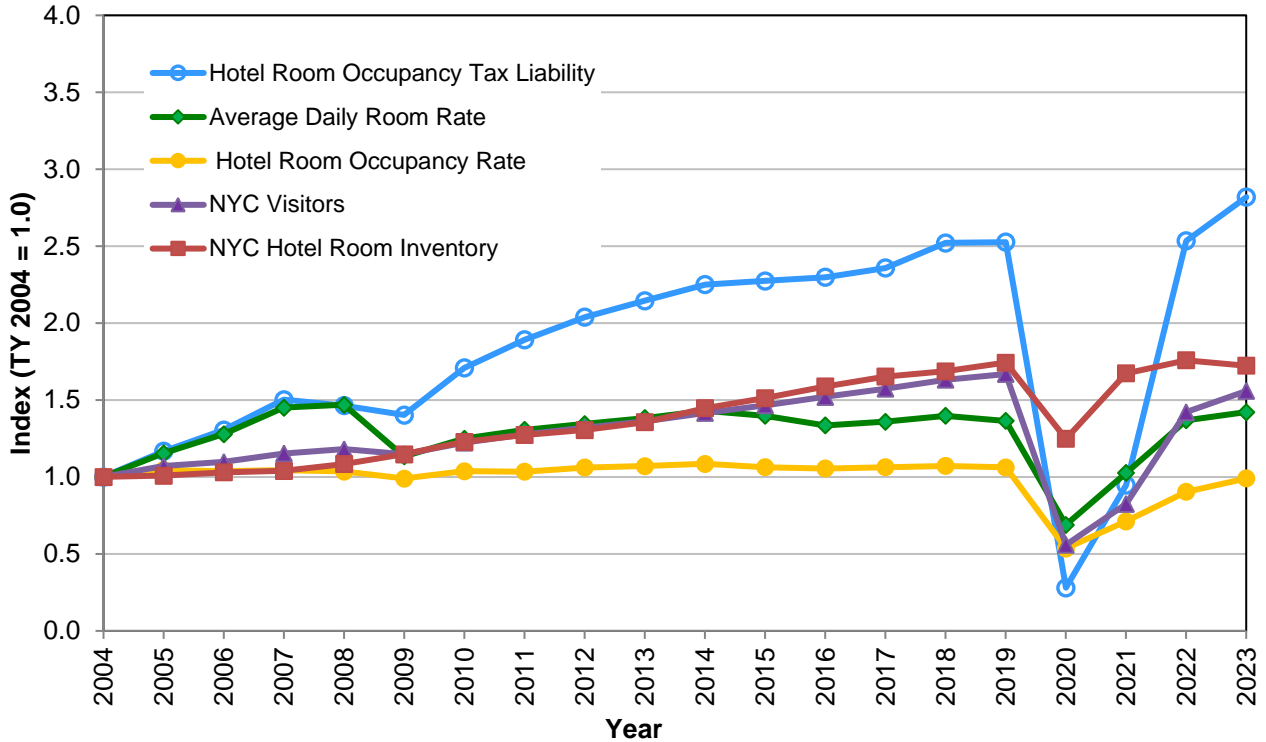


**Note:** The additional tax due increased from 5.0 percent to 5.875 percent on March 1, 2009 and was temporarily reduced to 0 percent from June 1, 2021 to August 31, 2021.

## HOTEL ROOM OCCUPANCY TAX

**Figure 2**  
**LIABILITY COMPARED TO NYC VISITORS,**  
**AVERAGE DAILY ROOM RENT, ROOM INVENTORY, AND OCCUPANCY RATE**  
**2004 – 2023**

- For 2023, Hotel Room Occupancy Tax liability was the highest ever; growth outpaced those of tourism indicators.



**Notes:**

Liability is shown based on the Hotel Room Occupancy Tax year, which starts March 1 and ends the last day of February of the following year. For example, tax year 2023 started on March 1, 2022 and ended February 28, 2023. Tourism indicators are shown based on the calendar year.

The additional tax due increased from 5.0 percent to 5.875 percent on March 1, 2009 and was temporarily reduced to 0 percent from June 1, 2021 to August 31, 2021.

**Sources:**

Hotel Room Occupancy Tax liability is from NYC Department of Finance records. All other data are from New York City Tourism + Conventions.