



NEWS FROM THE OFFICE OF
ULSTER COUNTY COMPTROLLER
ELLIOTT AUERBACH

ELLIOTT AUERBACH
COUNTY COMPTROLLER
244 FAIR STREET
KINGSTON, NEW YORK 12401

PHONE: (845) 340-3529
countycomptroller@co.ulster.ny.us
www.youreyesonulster.com

FOR IMMEDIATE RELEASE

SHARING ECONOMY SHOULD PAY ITS FAIR SHARE OF TAXES
Comptroller Eyes Missed Local Revenue from Online Travel Companies

Kingston, NY (October 19, 2015) – Ulster County Comptroller Elliott Auerbach wants online short-term room and home rental companies such as Airbnb and VRBO to abide by the same local taxing rules that apply to traditional hotel operators. Under County law, a two percent Hotel and Motel Room Occupancy Tax is “imposed [. . .] upon the rent for every occupancy of a room or rooms in a hotel or motel in [Ulster].” However, there is significant reason to believe that the vast majority of short-term and vacation rental listings of private residences found in Ulster are not collecting and remitting these taxes to the County despite operating, for all intents and purposes, as hotels.

“The law in practice needs to catch up to what is going on around us in reality,” said Auerbach. “Business models constantly evolve but economic innovation often occurs before government has a chance to act. We need policies in place, especially with regard to occupancy tax, that level the playing field between online short-term room renters who are likely not paying their portion and conventional hotels that currently follow the rules.”

The Comptroller’s Office is investigating how to best deal with capturing the missing revenue that is not being submitted on behalf of private operators (or “hosts”) who rent out their residences to out-of-town guests. Although sites like Airbnb advise hosts to honor all state and local rules and regulations, penalties or corrective action usually falls on the shoulders of law enforcement, individual landlords, and others. Thus, a cursory look at room hosting websites reveals ample properties that are impermissibly being advertised and rented in violation of New York’s multiple dwelling law that deals with short-term rentals, as well as local taxing laws that require hotel room occupancy taxes.

“Legislation will be necessary in order to capture these new types of businesses under our somewhat antiquated tax structure,” stated Auerbach. “Though not sanctioned by the state, we know this type of commercial activity is occurring right in our backyard, and the County is not receiving its fair share. Irrespective of the safety, zoning, and affordable housing issues, these billion dollar corporate entities need to take on the responsibility of adequately gathering and submitting local taxes that already apply to our established hotel industry. The businesses themselves have the technology and capacity to obtain these fees at the point of sale rather than putting the burden on individual hosts, which is largely the process at this point in time. We will continue to work on modernizing our tax regime so that businesses are treated equitably and the County secures what it’s justly owed. I am looking forward to working with both the Ulster County Lodging Coalition and Legislature to resolve this matter.”

###

The mission of the Ulster County Comptroller’s Office is to serve as an independent agency of the people and to protect the public interest by monitoring County government and to assess and report on the degree to which its operation is economical, efficient and its financial condition sound.