

Warren County's Short Term Rental (STR) Law & the Impact of NYS's STR Sales Tax Law Lunch & Learn

In Partnership with the LGCC&CVB

April 9, 2024

Today's Warren County (WC) Short Term Rental (STR) Discussion Topics:

- A brief overview...
- Financial & Regulatory Landscape:
 - Where we are TODAY...
 - WHAT YOU NEED TO KNOW GO FORWARD: NYS STR SALES TAX LAW...
- WC Occupancy Tax Improvements and Communication along the way...
- Q&A!
- Appendices, Links & WC Contact Info

A brief overview of WC STRs:

- The WC Occupancy Tax (aka: “Bed Tax”) on Hotels/Motels & Resorts (H/M/Rs) has been in place for decades (our records date back to 2004)
- However, STRs are a rather recent phenomenon
 - While WC updated their Occupancy Tax Local Law (LL #5) in 2018 to include STRs, it wasn’t until 2021 that we saw a big impact (**\$84K in 2018 to \$923KM in 2021, 1000% growth**)
 - Exponential growth in a largely unregulated market (**2018: \$84K vs. 2024: \$1.8M; 2100% growth**)
 - NYS generates an estimated **\$1.1B annually** in the STR market (excluding NYC and Long Island)
 - The 4% Occupancy tax is consistently applied to both STRs and H/M/Rs

Financial & Regulatory Landscape: Where we are TODAY...

- *Current WC Occ Tax Local Law (LL #5):*
 - *Stricter enforcement of Occ Tax Law in 2024 & 2025:*
 - Working with third party consultants to identify STRs not registered with WC
 - First time enforcement of \$1,000 non-compliant registration fine (increasing go forward)
 - Aggressive collection of delinquents Occ Tax (\$250K collected in 2024, with another \$150K expected in 2025) & elimination of “Loop Holes”
 - Notice of Determination, once filed, attaches to your property, *much like a lien*, preventing your property from being sold until your Occ Tax obligation is paid
 - Systemically linking Occ Tax to property tax, so that no property in WC can be sold before both County tax obligations are paid in full
 - *Stricter enforcement go forward - get informed and get registered by Memorial Day 2025 or risk retroactive penalties & interest!*

Financial & Regulatory Landscape: WHAT YOU NEED TO KNOW...

- *2025 NYS STR Sales Tax Law Requirements:*
 - *New STR definition:*
 - Short-term [residential] rental unit" means an entire dwelling unit, or a room, group of rooms, other living or sleeping space, or any other space within a dwelling, made available for rent by guests for less than thirty consecutive days, where the unit is offered for tourist or transient use by the short-term rental host of the residential unit, AND WHERE SUCH UNIT IS LOCATED IN A COVERED JURISDICTION = WARREN COUNTY
 - *Elimination of past Occ Tax/STR exceptions:*
 - Bungalow exception,
 - 4 or less cottages, etc.

Financial & Regulatory Landscape: WHAT YOU NEED TO KNOW...

- *2025 NYS STR Sales Tax Law Requirements:*
 - *Clarification of STR Gross Revenue:*
 - ***Gross Revenue = Nightly Rent + Cleaning Fees + Extra Guest Fees + Animal Fees***
 - *Registration changes:*
 - One UNIQUE registration per INDIVIDUAL STR go forward
 - Renewal requirement every two years (STR & M/H/Rs)
 - NYS law now allows Counties to charge Occ Tax administration fees (registration through tax collection, enforcement and management) to Occ Tax Owners (STR & M/H/Rs) and booking platforms

Financial & Regulatory Landscape: WHAT YOU NEED TO KNOW...

- ***2025 NYS STR Sales Tax Law Requirements:***
 - It is ***EVERY STR OWNERS RESPONSIBILITY to UNDERSTAND ALL STATE, COUNTY & LOCAL MUNICIPALITY LAWS*** related to your business:
 - Despite agreements with platforms; and
 - Especially with regard to your ***INDEPENDENT*** bookings (non-platform bookings)
 - In addition, All STR Owners ***REMAIN ULTIMATELY*** responsible for:
 - Occ Tax due and payable to WC;
 - STR Sales Tax due and payable to NYS;
 - Regardless of your agreements with booking platforms

SPECIAL NOTE: Some platforms are ***ONLY*** collecting NYS Sales Tax as of ***March 15th*** (Airbnb) or ***April 1st*** (Expedia/VRBO). ***HOWEVER, STR Owners are RESPONSIBLE for COLLECTING SALES TAX as of MARCH 1st, 2025*** - please work with your STR Clients, your platforms and NYS Sales Tax professionals Jennifer.Hink@tax.ny.gov to ensure your compliance

BOTTOM LINE: YOUR ULTIMATE RESPONSIBILITY HAS NOT CHANGED

WC STR Improvements and Communications along the way...

- *We are in the process of streamlining and automating your Occupancy Tax experience through an end-to-end portal application by the end of 2025, which will include:*
 - On-line registration, management and tax payment process; and
 - Systematically linking Occupancy Tax and Property Taxes Due, so no WC property can be sold until both obligations are met.
 - In the interim, we will continue with our robust registration, collection, enforcement and management processes, as well as our excellent customer service!
- *While we are willing to Communicate “What We Know So Far” with regard to the NYS STR Sales Tax Law and how it applies to your WC STR and Occ Taxes due:*
 - *WC cannot speak definitively to the NYS STR Sales Tax Law, as it is not our law*
 - *Nor can WC speak to booking platforms interpretation and/or execution of this law*

Q&A...

- Q&A #1
- Q&A #2
- Q&A #3
- ...
- ...
- ...

Appendices, Links & Contact Info...

- WC Treasurer's Occ Tax Page with all Links & Contact Info:
<https://www.warrencountyny.gov/treasurer/bedtax>
- NYS STR Sales Tax Law: <https://www.nysenate.gov/legislation/bills/2025/S820>
 - NYS Sales & Use Tax Contact: Jennifer.Hink@tax.ny.gov
- NYSAC Resources: <https://www.nysac.org/issues/short-term-rentals/>
 - STR Webinars:
 - <https://www.nysac.org/issues/short-term-rentals/> (March 27th, 2025)
 - <https://www.nysac.org/issues/short-term-rentals/#> (January 23, 2025)
 - FAQ - NYS STR Law:
<chromeextension://efaidnbmnnnibpcajpcglclefindmkaj/https://www.nysac.org/media/dhchq0e0/str-faq-3-28-25.pdf>

NYSAC Disclaimer: The above documents are not legal advice. NYSAC staff has attempted to provide information and answer questions to the best of their ability.