
SPECIAL REPORT

DUTCHESS COUNTY 2022 SALES TAX REVENUE



MARCH 2023



OFFICE OF THE
DUTCHESS COUNTY COMPTROLLER

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Dear County Officials and Taxpayers,

Sales tax continues to be the largest revenue source for Dutchess County Government, being **42%** of the total revenue collected in 2022. The County received **\$254 million** in sales tax revenue in 2022, up **\$3.9 million** or **1.6%** from 2021. Although this is a small increase compared to prior years, the 2021 exemption on clothing and footwear of less than **\$110** and the cap on sales tax on gasoline from June 1, 2022 until December 1, 2022, did not negatively impact the 2022 adopted budget. Actual revenue for 2022 was **\$14.1 million** higher than the adopted budgeted amount.

The New York State 2022-23 Enacted State Budget eliminated the Aid and Incentives for Municipalities (AIM) diversion, as well as the Distressed Provider Assistance (DPA) withholding from Counties sales tax revenue. These eliminated deductions effectively increased Dutchess County sales tax revenue by **\$2.5 million** in 2022.

In 2022 the County, the City of Poughkeepsie, and the City of Beacon negotiated and adopted a new sales tax sharing agreement which increased the annual growth payments to the cities over the next ten years. This agreement also increases the annual payments to the towns and municipalities. The agreement took effect on March 1, 2023, and will be beneficial to the cash flows of the cities, towns, and municipalities of the County going forward.

Our office will continue to monitor and report on the effects of the new sales tax agreement.

Respectfully submitted,



Robin L. Lois
Dutchess County Comptroller

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Revenue Summary

Sales tax revenue for the year ended 2022 was **\$254,414,101** up **\$4 million** from 2021 and **\$54 million** from pandemic levels in 2020. That is an increase of **1.6%** and **27.1%** respectively. All New York counties saw an increase in year-over-year growth in sales tax collections, mostly ranging from **4%** to **10%**. Dutchess County grew the least in the state at **1.6%**. Of the **\$611 million** in budgeted revenue for 2022, sales tax comprises **42%**.

Net Sales Tax Revenue	
Year Ended 12/31	Amount
2020	\$200,104,807
2021	\$250,439,927
2022	\$254,414,101

Sales Tax Presented Net of AIM and DPA deductions, explained below.

	Increase	Percent Increase
2020 vs 2022	\$54,309,294	27.1%
2021 vs 2022	\$3,974,174	1.6%

The current sales tax rate in Dutchess County is 8.125%; 3.75% goes to the County, 4% to the State, and .375% to the Metropolitan Commuter Transportation District (MTA).

Sales tax receipts by month are shown in Exhibit I.

Budget to Actuals Comparison

Actual sales tax revenue has exceeded budgeted amounts seven of the last ten years. 2020 sales tax revenue dropped **\$11 million** below the budgeted amount as a result of the COVID 19 pandemic. 2021 had a record-breaking year, coming in **22.2%** or **\$45.4 million** above the budgeted amount. In 2022 the actual sales tax revenue was **5.9%** or **\$14.1 million** higher than the adopted budgeted amount.

Sales tax revenue is projected to be **\$250,500,000** in the 2023 Adopted Budget.

The last decade of sales tax receipts budget to actual:

Year	Sales Tax Revenue			Difference from Adopted Budget	
	Adopted Budget	Modified Budget	Actual Receipts	Total	%
2013	\$144,859,676	\$144,859,676	\$141,428,124	\$(3,431,552)	-2.4%
2014	\$182,240,361	\$182,240,361	\$175,811,195	\$(6,429,166)	-3.5%
2015	\$174,375,000	\$174,375,000	\$176,781,835	\$2,406,835	1.4%
2016	\$176,858,000	\$178,288,000	\$179,795,180	\$2,937,180	1.7%
2017	\$183,595,250	\$183,595,250	\$184,155,859	\$560,609	0.3%
2018	\$190,210,428	\$192,210,428	\$199,614,941	\$9,404,513	4.9%
2019	\$199,511,000	\$202,511,000	\$208,660,332	\$9,149,332	4.6%
2020	\$211,137,076	\$211,137,076	\$200,104,807	\$(11,032,269)	-5.2%
2021	\$205,000,000	\$212,100,000	\$250,439,927	\$45,439,927	22.2%
2022	\$240,300,000	\$243,300,000	\$254,414,101	\$14,114,101	5.9%

Exemption of Sales Tax on Clothing and Footwear

In November 2021 the Dutchess County Legislature adopted Resolution No. 2021198, exempting sales tax on clothing and footwear items costing less than **\$110** beginning March 1, 2022. The tax exemption is in effect with no end date.

The impact of sales tax loss from this exemption was less than the projected **\$12 million** in the 2022 budget.

AIM & DPA Deductions

The Aid and Incentives for Municipalities (AIM) program provides state aid to all the New York cities (other than NYC), towns, and villages. This program is fully funded by NYS in the 2022-23 Enacted State Budget. In prior years beginning in 2019-2020 and through 2021-2022, the Office of State Comptroller (OSC) was required to withhold county sales tax revenues from the gross sales tax of Counties to fund the State's AIM program. In 2021 **\$1,293,704** was withheld from Dutchess County for AIM. There was one AIM deduction in 2022 in the amount of **\$111,825**.

Beginning in 2020, OSC also withheld Distressed Provider Assistance (DPA) funds to support financially distressed hospitals and nursing homes throughout the state due to the pandemic. The DPA withholding was discontinued in the 2022-23 Enacted State Budget. The 2021 DPA withholding was **\$1,204,734**. There was no withholding in 2022.

The discontinuance of these two sales tax withholdings effectively increased Dutchess County Sales tax revenue by approximately **\$2.5 million** in 2022.

Dutchess County municipalities have received **\$7,079,203** in AIM payments each year since 2019. The 2022 amount remained consistent, but is now being funded directly by NYS as it was in the past.

A list of municipalities and their payments can be found in Exhibit II.

Sales Tax Sharing Agreement with City of Poughkeepsie & City of Beacon

The 10-year Sales Tax Agreement, executed in June 2013 between the County and the Cities of Poughkeepsie and Beacon, expired on February 28, 2023. A new agreement was negotiated in 2022 and amended on March 7, 2022, adopted by the Legislature via Resolution No. 2022072 on April 11, 2022, and took effect March 1, 2023.

The expired agreement included a **\$25 million** base payment across municipalities with a “growth” payment that was determined by comparing the actual sales tax received vs. the base amount realized in 2012.

The current agreement gives the Cities a set percentage of sales tax for the next 10 years. The City of Poughkeepsie starts at 5.41%, increasing to 5.63% in 2026 and then 6.02% in 2030 for the duration of the contract term; the City of Beacon starts at 2.35% increasing to 2.45% in 2026, then to 2.62% for the duration of the contract term. The remaining municipalities will split 9.5% of the total sales tax based on population. Villages within the towns will receive a portion of the town’s allocation as determined by the portion of full valuation of real property in the village as a percentage of the entire town.

This new agreement will distribute more revenue to the cities and municipalities per year and decrease the wait time of each growth payment.

Additionally, the County amended the previous agreement to provide the City of Poughkeepsie with a **\$3 million** “advance” payment in 2022. This advance will be paid back over the 10-year term in **\$300,000** incremental deductions from their sales tax distributions each year.

A listing of all payments made to municipalities over the last 5 years is included as Exhibit III.

The Comptroller’s office will continue to monitor and report on these changes and how it impacts the sales tax revenue streams to the County as well as the municipalities.

2022 Budget Adjustments

A budget increase was approved by the Legislature via Resolution No. 2022244 on December 8th, 2022. This increase was requested by the Commissioner of Finance in anticipation of higher than budgeted sales tax resulting in a higher than budgeted amount required to make the annual growth payment to municipalities.

Cut and Cap County Sales Tax on Gasoline and Diesel Fuel

The tax rate on motor fuel and diesel fuel was capped for the period June 1, 2022 until December 1, 2022, and adopted by the Dutchess County Legislature on April 11, 2022 via Resolution No. 2022071. The temporary tax cap for the amount of county sales tax collected on each gallon of retail motor fuel was set at **\$.08**. Under the prior sales tax methodology, consumers paid 3.75% county sales tax on their total motor fuel purchase. This tax holiday was not extended and therefore expired on December 1, 2022.

EXHIBIT I – Sales Tax Receipts by Month 2019-2022

	2019	2020	2021	2022
January	\$-	\$-	\$-	\$-
February	\$6,652,609	\$7,210,174	\$6,907,914	\$7,909,429
March	\$13,133,276	\$14,316,376	\$13,535,563	\$16,544,432
April	\$19,034,058	\$15,746,783	\$26,626,871	\$28,758,751
May	\$15,007,833	\$10,836,956	\$16,070,633	\$19,323,119
June	\$24,254,564	\$21,212,642	\$31,804,907	\$27,482,153
July	\$12,236,791	\$10,593,870	\$14,551,417	\$13,547,169
August	\$15,939,030	\$15,152,379	\$18,572,084	\$19,794,973
September	\$15,854,015	\$14,625,687	\$17,780,975	\$19,202,445
October	\$22,893,544	\$26,069,555	\$29,956,743	\$24,645,297
November	\$15,802,825	\$15,613,148	\$17,971,738	\$19,033,631
December	\$47,851,787	\$48,727,238	\$56,661,083	\$58,172,703
Calculated Total	\$208,660,332	\$200,104,807	\$250,439,927	\$254,414,101

Sales Tax by Month 2019-2022



EXHIBIT II – AIM Payments to Municipalities

Aid and Incentives for Municipalities (AIM) and AIM-Related Payments						
Municipality	County	Class	FY 2019 Enacted Budget AIM (\$)	FY 2020 Enacted Budget AIM or AIM- Related (\$)	FY 2021 Enacted Budget AIM or AIM- Related (\$)	FY 2022 Enacted Budget AIM or AIM-Related (\$)
City of Beacon	Dutchess	City	\$1,537,478	\$1,537,478	\$1,537,478	\$1,537,478
City of Poughkeepsie	Dutchess	City	\$4,248,021	\$4,248,021	\$4,248,021	\$4,248,021
Town of Amenia	Dutchess	Town	\$37,309	\$37,309	\$37,309	\$37,309
Town of Beekman	Dutchess	Town	\$23,060	\$23,060	\$23,060	\$23,060
Town of Clinton	Dutchess	Town	\$17,390	\$17,390	\$17,390	\$17,390
Town of Dover	Dutchess	Town	\$29,468	\$29,468	\$29,468	\$29,468
Town of East Fishkill	Dutchess	Town	\$63,890	\$63,890	\$63,890	\$63,890
Town of Fishkill	Dutchess	Town	\$69,238	\$69,238	\$69,238	\$69,238
Town of Hyde Park	Dutchess	Town	\$188,012	\$188,012	\$188,012	\$188,012
Town of La Grange	Dutchess	Town	\$56,439	\$56,439	\$56,439	\$56,439
Town of Milan	Dutchess	Town	\$6,815	\$6,815	\$6,815	\$6,815
Town of North East	Dutchess	Town	\$11,220	\$11,220	\$11,220	\$11,220
Town of Pawling	Dutchess	Town	\$19,953	\$19,953	\$19,953	\$19,953
Town of Pine Plains	Dutchess	Town	\$9,838	\$9,838	\$9,838	\$9,838
Town of Pleasant Valley	Dutchess	Town	\$30,690	\$30,690	\$30,690	\$30,690
Town of Poughkeepsie	Dutchess	Town	\$252,679	\$252,679	\$252,679	\$252,679
Town of Red Hook	Dutchess	Town	\$33,205	\$33,205	\$33,205	\$33,205
Town of Rhinebeck	Dutchess	Town	\$24,865	\$24,865	\$24,865	\$24,865
Town of Stanford	Dutchess	Town	\$13,635	\$13,635	\$13,635	\$13,635
Town of Union Vale	Dutchess	Town	\$10,543	\$10,543	\$10,543	\$10,543
Town of Wappinger	Dutchess	Town	\$266,900	\$266,900	\$266,900	\$266,900
Town of Washington	Dutchess	Town	\$16,730	\$16,730	\$16,730	\$16,730
Village of Fishkill	Dutchess	Village	\$11,611	\$11,611	\$11,611	\$11,611
Village of Millbrook	Dutchess	Village	\$9,185	\$9,185	\$9,185	\$9,185
Village of Millerton	Dutchess	Village	\$7,402	\$7,402	\$7,402	\$7,402
Village of Pawling	Dutchess	Village	\$10,805	\$10,805	\$10,805	\$10,805
Village of Red Hook	Dutchess	Village	\$9,582	\$9,582	\$9,582	\$9,582
Village of Rhinebeck	Dutchess	Village	\$14,382	\$14,382	\$14,382	\$14,382
Village of Tivoli	Dutchess	Village	\$4,486	\$4,486	\$4,486	\$4,486
Village of Wappingers Falls	Dutchess	Village	\$44,372	\$44,372	\$44,372	\$44,372
			\$7,079,203	\$7,079,203	\$7,079,203	\$7,079,203

EXHIBIT III – Payments to Municipalities

Municipality	2018	2019	2020	2021	2022
City of Poughkeepsie	\$10,209,941.33	\$10,384,128.65	\$10,219,374.70	\$11,225,277.43	\$14,303,534.51
City of Beacon	\$4,461,401.46	\$4,543,313.55	\$4,465,837.53	\$4,882,113.46	\$4,916,237.08
Town of Amenia	\$290,583.08	\$315,472.60	\$291,931.01	\$380,696.95	\$376,965.14
Town of Beekman	\$957,756.78	\$1,039,792.31	\$962,199.53	\$1,389,924.27	\$1,417,445.72
Town of Clinton	\$282,459.90	\$306,653.67	\$283,770.15	\$398,898.71	\$403,770.12
Town of Dover	\$569,832.95	\$618,641.31	\$572,476.23	\$825,655.41	\$841,645.59
Town of East Fishkill	\$1,901,560.93	\$2,064,436.88	\$1,910,381.71	\$2,880,850.02	\$2,971,215.84
Town of Fishkill	\$1,296,330.77	\$1,415,328.21	\$1,310,593.95	\$2,021,909.35	\$2,104,966.38
Town of Hyde Park	\$1,413,020.56	\$1,534,051.16	\$1,419,575.14	\$2,059,301.96	\$2,102,464.19
Town of LaGrange	\$1,030,402.30	\$1,118,660.21	\$1,035,182.04	\$1,551,596.26	\$1,597,776.28
Town of Milan	\$155,247.82	\$168,545.42	\$155,967.97	\$221,266.03	\$224,538.78
Town of North East	\$167,594.95	\$181,831.41	\$168,154.73	\$244,728.83	\$249,989.46
Town of Pawling	\$468,305.01	\$507,672.64	\$469,025.43	\$664,663.99	\$674,401.14
Town of Pine Plains	\$161,995.56	\$175,871.07	\$162,747.01	\$221,259.35	\$221,838.27
Town of Pleasant Valley	\$633,569.46	\$687,837.13	\$636,508.40	\$952,212.45	\$980,069.35
Town of Poughkeepsie	\$2,861,566.14	\$3,110,346.27	\$2,875,882.17	\$4,307,167.77	\$4,465,045.94
Town of Red Hook	\$540,013.85	\$587,901.16	\$544,747.60	\$730,045.60	\$744,882.16
Town of Rhinebeck	\$347,484.10	\$376,928.15	\$343,920.11	\$501,033.35	\$515,965.88
Town of Stanford	\$250,427.30	\$271,877.40	\$251,588.96	\$361,604.40	\$368,263.52
Town of Union Vale	\$319,470.38	\$346,834.26	\$320,952.31	\$450,550.64	\$455,878.82
Town of Wappinger	\$1,583,564.72	\$1,719,359.50	\$1,594,714.95	\$2,428,814.58	\$2,482,995.09
Town of Washington	\$254,724.26	\$276,203.47	\$255,141.44	\$363,666.79	\$370,485.18
Village of Fishkill	\$213,506.69	\$223,832.61	\$206,247.24	\$314,823.70	\$318,053.44
Village of Milbrook	\$55,837.11	\$60,958.71	\$56,860.53	\$81,357.89	\$81,792.97
Village of Millerton	\$30,951.94	\$33,721.82	\$31,313.17	\$45,963.96	\$47,161.83
Village of Pawling	\$86,068.39	\$94,184.97	\$87,919.55	\$125,094.54	\$126,937.95
Village of Red Hook	\$125,104.18	\$135,832.11	\$125,474.65	\$167,117.44	\$150,178.41
Village of Rhinebeck	\$146,952.44	\$159,858.72	\$152,809.97	\$238,122.64	\$243,765.47
Village of Tivoli	\$76,338.55	\$81,231.98	\$74,673.75	\$100,182.94	\$100,411.64
Village of Wappingers	\$276,509.33	\$296,360.93	\$272,945.32	\$411,356.24	\$421,935.19
Annual Total	\$31,168,522.24	\$32,837,668.28	\$31,258,917.25	\$40,547,256.95	\$44,280,611.34

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