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# SPECIAL REPORT

## DUTCHESS COUNTY 2023 SALES TAX REVENUE



*APRIL 2024*



OFFICE OF THE  
DUTCHESS COUNTY COMPTROLLER

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Dear County Officials and Taxpayers,

Sales tax continues to be a substantial revenue source for Dutchess County Government, being 42% of the total revenue collected in 2023. The County received **\$253,598,560** in sales tax revenue in 2023, a decrease of **\$815,541** from the previous year. Regardless of the minor decrease, actual revenue for 2023 was 1.2% or \$3.1 million higher than the adopted budgeted amount, following the trend of previous years.

In December 2023 the Dutchess County Legislature requested permission from New York State to increase the sales tax rate. As Dutchess County is one of only six counties still operating at a 3.75% county sales tax rate, the Legislature requested that the County be permitted to increase its sales tax rate to 4% in order to be in line with other New York counties and provide recurring revenue necessary to offset increasing costs. Approval from the state is still pending as of the release of this report.

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

Respectfully submitted,



A. Gregg Pulver  
Dutchess County Comptroller

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## Revenue Summary

Sales tax revenue for the year ended 2023 was **\$253,598,560**, which was **\$815,541** lower than the previous year (2022). This decline contrasts with the \$3.9 million increase that occurred in 2021. Of the estimated **\$604,422,693** million in budgeted revenue for 2023, sales tax comprised 42% of the total income received by Dutchess County last year.

Net Sales Tax Revenue	
Year Ended 12/31	Amount
2021	\$250,439,927
2022	\$254,414,101
2023	\$253,598,560

Years	Amount Change	% Change
2021 vs. 2023	\$3,158,633	1.3%
2022 vs. 2023	<b>\$(815,541)</b>	-0.3%

The 2023 sales tax rate in Dutchess County is 8.125%, with 3.75% going 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 1**.

## Budget to Actuals Comparison

Over the past decade, the actual sales tax revenue has surpassed the budgeted projections in eight out of the ten years. However, in 2020 sales tax revenue experienced a notable decline of \$11 million due to the impact of the COVID-19 pandemic. Conversely, 2021 marked a record-breaking year coming in at 22.2% or \$45.4 million above the budgeted amount. In 2022, the actual sales tax revenue exceeded the budgeted amount by 5.9% or \$14.1 million, while in 2023, the actual sales tax revenue was 1.2% or \$3.1 million higher than the adopted budgeted amount.

Sales tax revenue is projected to be **\$266,747,518** in the 2024 Adopted Budget.

The last decade of sales tax receipts between Budget and Actual:

Year	Sales Tax Revenue				
	Adopted Budget	Modified Budget	Actual Receipts	Difference	Adopted Budget (%)
2013	\$144,859,676	\$144,859,676	\$141,428,124	<b>\$(3,431,552)</b>	-2.4%
2014	\$182,240,361	\$182,240,361	\$175,811,195	<b>\$(6,429,166)</b>	-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	<b>\$(11,032,269)</b>	-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%
2023	\$250,500,000	\$252,500,000	\$253,598,560	\$3,098,560	1.2%

## Exemption of Sales Tax on Clothing and Footwear

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

The estimated annual revenue loss from this exemption in sales tax is approximately \$6 million.

## 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. It was adopted by the Legislature via Resolution No. 2022072 on April 11, 2022, and it took effect March 1, 2023.

The current agreement gives the Cities a set percentage of gross sales rates for the next 10 years:

- The City of Poughkeepsie receives 5.41% and will gradually increase to 6.02% by 2030.
- The City of Beacon receives 2.35% and will gradually increase to 2.62% by 2030.
- The remaining municipalities will split 9.5% of the total sales tax based on population and assessed value where there is a Village within a Town.

The new agreement distributes the sales tax based on payments received, as opposed to waiting until the end of the year to determine a growth payment. This provides positive cashflow for the municipalities, as they no longer have to wait until the following year for a portion of the distribution based on growth.

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 distributions each year.

On December 14, 2023, Dutchess County requested Home Rule approval from New York State via Resolution No. 2023230 in order to impose an additional quarter percent increase in sales and compensating use tax, taking the sales tax rate from 3.75% to 4%. Approval from New York State is still pending as of the release of this report.

A listing of all payments made to municipalities over the last 5 years is included in **Exhibit II**.

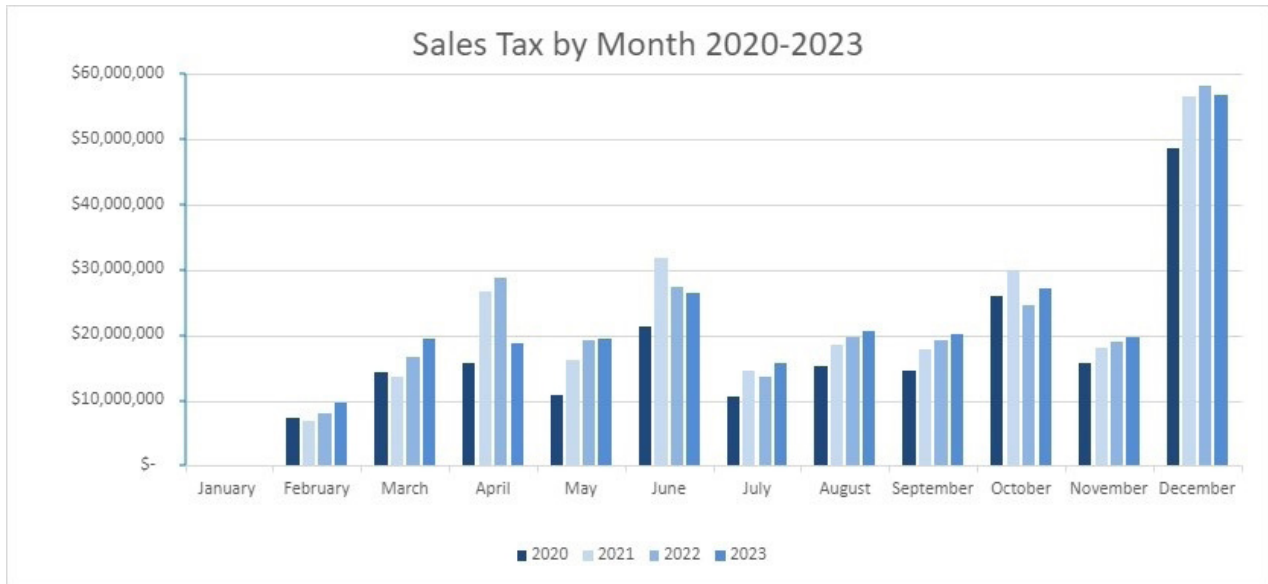
The Comptroller’s Office will continue to monitor and report on these changes and how it impacts the sales tax revenue streams to the County as well as the municipalities.

## 2023 Budget Adjustments

The Dutchess County Legislature approved a budget increase through Resolution No. 2023235 on December 14, 2023. This increase, totaling \$2 million, was requested by the Commissioner of Finance in response to an increase in sales tax revenue projections. The additional funds are intended to cover the increased distribution needs to municipalities.

## Exhibit 1 - Sales Tax Receipts by Month (2020-2023)

	2020	2021	2022	2023
January	\$-	\$-	\$-	\$-
February	\$7,210,174	\$6,907,914	\$7,909,429	\$9,711,279
March	\$14,316,376	\$13,535,563	\$16,544,432	\$19,399,977
April	\$15,746,783	\$26,626,871	\$28,758,751	\$18,642,969
May	\$10,836,956	\$16,070,633	\$19,323,119	\$19,347,471
June	\$21,212,642	\$31,804,907	\$27,482,153	\$26,409,168
July	\$10,593,870	\$14,551,417	\$13,547,169	\$15,716,362
August	\$15,152,379	\$18,572,084	\$19,794,973	\$20,511,837
September	\$14,625,687	\$17,780,975	\$19,202,445	\$20,190,096
October	\$26,069,555	\$29,956,743	\$24,645,297	\$27,084,624
November	\$15,613,148	\$17,971,738	\$19,033,631	\$19,727,500
December	\$48,727,238	\$56,661,083	\$58,172,703	\$56,857,278
<b>Calculated Total</b>	<b>\$200,104,807</b>	<b>\$250,439,927</b>	<b>\$254,414,101</b>	<b>\$253,598,560</b>



## Exhibit 2 - Payments to Municipalities

Municipality	2019	2020	2021	2022	2023
City of Poughkeepsie	\$10,384,129	\$10,219,375	\$11,225,277	\$14,303,535	\$13,419,682
City of Beacon	\$4,543,314	\$4,465,838	\$4,882,113	\$4,916,237	\$5,959,566
Town of Amenia	\$315,473	\$291,931	\$380,697	\$376,965	\$353,854
Town of Beekman	\$1,039,792	\$962,200	\$1,389,924	\$1,417,446	\$1,330,545
Town of Clinton	\$306,654	\$283,770	\$398,899	\$403,770	\$379,016
Town of Dover	\$618,641	\$572,476	\$825,655	\$841,646	\$790,046
Town of East Fishkill	\$2,064,437	\$1,910,382	\$2,880,850	\$2,971,216	\$2,789,055
Town of Fishkill	\$1,415,328	\$1,310,594	\$2,021,909	\$2,104,966	\$1,978,391
Town of Hyde Park	\$1,534,051	\$1,419,575	\$2,059,302	\$2,102,464	\$1,973,566
Town of LaGrange	\$1,118,660	\$1,035,182	\$1,551,596	\$1,597,776	\$1,499,820
Town of Milan	\$168,545	\$155,968	\$221,266	\$224,539	\$210,773
Town of North East	\$181,831	\$168,155	\$244,729	\$249,989	\$234,783
Town of Pawling	\$507,673	\$469,025	\$664,664	\$674,401	\$633,194
Town of Pine Plains	\$175,871	\$162,747	\$221,259	\$221,838	\$208,238
Town of Pleasant Valley	\$687,837	\$636,508	\$952,212	\$980,069	\$919,984
Town of Poughkeepsie	\$3,110,346	\$2,875,882	\$4,307,168	\$4,465,046	\$4,190,955
Town of Red Hook	\$587,901	\$544,748	\$730,046	\$744,882	\$686,323
Town of Rhinebeck	\$376,928	\$343,920	\$501,033	\$515,966	\$484,501
Town of Stanford	\$271,877	\$251,589	\$361,604	\$368,264	\$345,686
Town of Union Vale	\$346,834	\$320,952	\$450,551	\$455,879	\$427,930
Town of Wappinger	\$1,719,360	\$1,594,715	\$2,428,815	\$2,482,995	\$2,330,795
Town of Washington	\$276,203	\$255,141	\$363,667	\$370,485	\$348,481
Village of Fishkill	\$223,833	\$206,247	\$314,824	\$318,053	\$296,078
Village of Milbrook	\$60,959	\$56,861	\$81,358	\$81,793	\$44,151
Village of Millerton	\$33,722	\$31,313	\$45,964	\$47,162	\$76,069
Village of Pawling	\$94,185	\$87,920	\$125,095	\$126,938	\$119,017
Village of Red Hook	\$135,832	\$125,475	\$167,117	\$150,178	\$153,970
Village of Rhinebeck	\$159,859	\$152,810	\$238,123	\$243,765	\$228,653
Village of Tivoli	\$81,232	\$74,674	\$100,183	\$100,412	\$94,149
Village of Wappingers	\$296,361	\$272,945	\$411,356	\$421,935	\$396,387
<b>Annual Total</b>	<b>\$32,837,668</b>	<b>\$31,258,917</b>	<b>\$40,547,257</b>	<b>\$44,280,611</b>	<b>\$42,903,658</b>

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