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**Curran and Schnirman Call on State Legislature to Level Playing Field for Local Businesses**

*Comptroller Releases Analysis Showing Increasing Growth of Internet Sales Tax*

**Mineola, NY** - Nassau County Comptroller Jack Schnirman today called for a renewed effort by state officials to implement rules that would protect local businesses from out-of-state online vendors who have been able to dodge paying local sales tax. New analysis from the Office of the Nassau County Comptroller shows that sales taxes collected from internet retail sales is becoming a larger portion of its overall collection total.

“New York State’s outdated tax laws have allowed an unfair playing field for our local businesses. If the legislature is to return to Albany for a special session this fall, this item must be on the agenda,” Schnirman said.

“While it’s very encouraging to see the higher than expected sales tax revenue, I will continue to move forward with my economic development vision and get our financial house in order the healthiest way possible by growing our tax base, creating jobs and developing for the future,” said Nassau County Executive Laura Curran. “The recent ruling by the Supreme Court has put the ability to collect sales tax from internet sales in the hands of the state and gives a tremendous boost of confidence to our local businesses that struggle to compete with internet commerce. I look forward to working with Nassau County Comptroller Jack Schnirman and will continue to support Governor Cuomo’s efforts to collect internet sales tax in New York State and level the playing field.”

Sales tax is the leading source of revenue for Nassau County—39.5 percent of the major operating funds in the 2018 budget, totaling \$1.183 billion dollars.

While sales tax is already being collected from large online retail sites, many out-of-state vendors have been able to use internet marketplaces to avoid local sales tax altogether. A recent ruling by the United States Supreme Court gave states the authority to collect sales tax on all online sales.

“Our new analysis shows this problem will only get worse in the years to come if no action is taken. If local businesses are forced to close or cut back staff due to this effect, the loss of jobs would have devastating impacts on our communities,” Schnirman said.

Sales tax receipts remain strong in Nassau County, with collections in the first sixth months beating projections made earlier in the year. Compared to 2017, there is a \$46 million increase in sales tax collection during the first six months of 2018. According to a review of prior year numbers, the County is projected to have its best year ever in terms of sales tax collection.

The analysis shows positive economic indicators both locally and nationally. In Nassau, the unemployment rate has steadily dropped, falling to 3.4 percent in May, the lowest level since May 2007. Economic development projects soon to be underway, namely the new developments at Belmont and the LIRR third track project, will continue to support these numbers with job creation and capital investment.

However, sales tax growth is expected to plateau in the years ahead. On Long Island, the State and Local Tax (SALT) deduction cap will ultimately have a negative impact on the economy, slowing the housing market, cutting down on disposable income, and eventually causing a drop in both consumer spending and sales tax collection.

In compiling the analysis, staff from the Comptroller's Office consulted with Moody's Analytics, who echoed the concern about the SALT deduction cap.

"The outlook for Nassau County sales tax collections is generally upbeat as rising incomes and progress in the regional economy help maintain healthy gains through the end of the decade," said Brittany Merollo from Moody's Analytics. "Collections will soften in later years, however, due to the negative impact of the new tax law on Nassau County's housing market and a slower national and regional economic expansion."

Among taxable sales and purchases, the retail trade sector continues to be the largest sector in the County, with total sales topping \$14 billion every year since 2013; comparatively, the second-largest sector is accommodation and food services, which has topped \$2 billion every year in the same period.

"The public wants to have the facts about their tax dollars in an easy-to-understand format," Schnirman said. "This is another example of talking honestly and transparently about County finances so that taxpayers know where their money is going, because we can't fix a broken system without confronting the problems and challenges head-on."