

The Town of Rhinebeck Hospitality or Occupancy Tax

Introduction

As tourism increases as a contributing force in the state's city and town economies, the expenses of maintaining tourism appeal and municipality services are increasing. In 2023 NYS Governor Kathy Hochul signed several home rule legislation request bills allowing for city and town municipalities to implement their own hotel occupancy tax. As a result, there are now over 40 municipalities that have a hotel occupancy tax in addition to their county's hotel's occupancy tax. Hotel occupancy taxes are becoming more common as alternatives to increased property taxes, providing a new and needed source of revenue for municipalities.

Implementing a Hotel/Short Term Rental Occupancy Tax: City of Auburn, New York, March 21, 2024 ¹

Hotel Occupancy Tax rates for Cities in New York State (other than NYC)

City of Beacon	5%	City of Niagara Falls	5%
City of Binghamton	5%	City of Peekskill	3%
City of Canandaigua	3%	City of Port Jervis	3%
City of Geneva	3%	City of Poughkeepsie	5%
City of Hudson	4%	City of Rye	3%
City of Ithaca	5%	City of Saratoga Springs	5%
City of New Rochelle	3%	City of White Plains	3%
City of Newburgh	5%	City of Yonkers	3%

Hotel Occupancy Tax Rates for NYS Towns & Villages

Ardsey	3%	Mount Kisco	3%
Briarcliff Manor	3%	Mount Pleasant	3%
Cold Spring	5%	North Castle	3%
Cornwall	5%	Nyack	3%
Dewitt	2%	Port Chester	3%
Dobbs Ferry	3%	Ryebrook	3%
Elmsford	3%	Skaneateles	5%
Goshen, Town	5%	Tarrytown	3%
Greenburgh	3%	Tuckahoe	3%
Harrison	3%	Wallkill	5%
Hastings on Hudson	*	Weedsport	7%
Irvington	3%	Woodbury, Town	5%
Lockport	5%	Woodbury, Village	5% **
Mamaroneck	3%	Poughkeepsie, Town	3% **
		Fishkill, Town	2.5% ***

¹ Hotel/STR Occupancy Tax, City of Auburn, NY, found at https://www.auburnny.gov/sites/g/files/vyhlf4131/f/pages/consideration_of_hotel_occupancy_tax_03-21-2024.pdf_1.pdf

- * Hastings has only adopted resolutions in support of hotel occupancy tax bills for its neighboring municipalities.
- ** Separate information, not part of the City of Auburn report.
- *** Town of Fishkill is looking to add a 2.5% occupancy tax.

The Town of Rhinebeck Hospitality or Occupancy Tax

At the March 10, 2025 Rhinebeck Town Board (TB) meeting, the TB passed Resolution 2025-089, requesting to have the New York State Legislature authorize the Town to impose a hotel occupancy tax (up to 3%) within the town and village. Sponsored by State Senator Michelle Hinchey, NY S08188 Bill contains the following.

This bill authorizes the town of Rhinebeck to establish a hotel and motel occupancy tax of up to 3% on each room rental, whether the room is rented daily or for a longer period. The tax can be collected by the town's chief fiscal officer and would apply to various types of lodging accommodations like hotels, motels, inns, and tourist homes. The bill specifies that certain entities are exempt from the tax, including government entities (military personnel), non-profit organizations, veteran organizations, and permanent residents (defined as someone staying in a hotel or motel for at least 30 consecutive days). The local law establishing the tax can only be in effect for up to two years, after which it can be renewed. Any revenues generated from this tax will be deposited into the town's general fund and can be used for any lawful purpose. The bill also provides detailed provisions for tax collection, review of tax determinations, and potential refunds, ensuring a structured approach to implementing this local taxation authority. The tax authorization is set to expire on December 31, 2027, unless renewed by local legislation.²

The tax revenue collected would go toward the general fund and would be used to improve projects that serve the community. The town needs to add garage space for maintenance, a records retention room, improve our water-front park, and begin a Capital Plan Fund for renovations and addition of office space to the Town Hall.

According to the *Daily Catch's* calculations, the town could bring in roughly \$300,000 if 2023 annual gross receipts of some \$9 million, without Airbnb, held steady and the 3% rate were to be applied. Supervisor Spinzia claims that raising the same amount (\$300,000) solely through property taxes would require increases of more than 12% for Town residents and 17% for Village residents.

If authorized by the State, the proposed town/village hotel occupancy tax would be added to the existing 5% Dutchess County occupancy tax, increasing the total hotel occupancy tax levy on short-term stays up to 8%. Overnight visitors using accommodations in either the town or village would be required to pay a combined (county & town) occupancy tax rate of up to 8% on their lodging bills. For a one-night stay of \$300, the combined **hotel occupancy taxes** of 8% would come to \$24.00. Of that amount, the proposed town occupancy tax (3%) would be \$9.

² New York Legislature Bill (NY S08188), "Bill Track 50," found at <https://www.billtrack50.com>

Visitors would also be charged a combined state and county **sales tax** of 8.125%, making the total combined taxes of about 16.125% (\$48.37), for a one-night stay of \$300.

Rhinebeck's hotel occupancy tax is still in the exploratory stage. The TB will be discussing this publicly and is asking for input and data from local hotels, merchants and businesses, and residents, so that the TB can make a reasonable and balanced decision for all involved.

Village of Rhinebeck Response

The Village of Rhinebeck adopted a resolution in opposition to the Town's hotel occupancy tax plan. Drawing on data from Dutchess County Tourism, the Village resolution states that 98% of all lodging spending in Rhinebeck, along with 53% of all retail and 48% of restaurant sales, come from visitors outside the County. The resolution states: "The Village Board refuses to allow our business community and residents to bear the costs of the Town's desire to fund town projects through taxation or policies that would damage our tourism-dependent economy."

Village leaders expressed anger that they were not consulted about the Town's proposal, despite the Village's central role in Rhinebeck's tourism industry. Trustee Slaby said that the Village, not the Town, provides the bulk of the infrastructure and services for tourism, referring to fire, police, and emergency response, along with the upkeep of roads and sidewalks in the business district where most tourism activity is concentrated.

Public Comments in Opposition to the Occupancy Tax

The following comments are from *The Daily Catch*.

- Melanie Rottkamp (Dutchess Co. Tourism) raised concerns about the broader implications of increasing a town's occupancy tax, given the already existing county tax. She believes Dutchess County has seen a shift toward day-trippers because overnight stays are becoming too expensive.
- According to Rottkamp, the key issue is how the tax revenue is distributed and, thus, who benefits from it. A countywide occupancy tax helps fund programs that benefit all parts of the county, even those without hotels, by supporting county government initiatives.
- Between July 2023 and 2024, the percentage of overnight visitors (throughout the county) decreased by 29%, according to Dutchess Tourism.
- Luciano Valdivia, president of the Rhinebeck Area Chamber of Commerce, said that out of more than a dozen local businesses he consulted, all expressed opposition to the tax. He said he fears it will reduce spending in local businesses. "Ultimately, the business community suffers." Valdivia also said that the tax could lead tourists to stay in nearby communities such as Kingston instead.

Public Comments in Support of the Occupancy Tax

- Ronald Hicks, Assistant Dutchess County Executive, said that he has not seen evidence that an individual occupancy tax in the single digits, such as the one proposed by Rhinebeck, has impacted the local economy or tourism significantly.

- Spinzia told *The Daily Catch* that if Dutchess County is concerned about this tax hurting tourism and Rhinebeck, it should lower the county's occupancy tax and allow the town to collect the difference. The county raised its occupancy tax by an additional 1% (from 4% to 5%) last January.
- "County taxes are three or four times the amount of town taxes, and the services we get from the county are negligible," Spinzia said. "The county should not be prospering off our tourism."
- Spinzia said. "Please remember that Village residents are Town residents, and the feedback we've gotten about seeking an occupancy tax is overwhelmingly positive."

The County Hotel Occupancy Tax

According to Supervisor Spinzia, Dutchess County collects almost \$5 million a year in Hotel Occupancy Taxes, close to \$400,000 a year from Rhinebeck and Rhinecliff alone, at the old rate of 4%, (the new rate as of January, 2025 is 5%). However, the town and village do not directly see the benefit of this tax revenue.

In response to Supervisor Spinzia's comments and those comments that appeared in the *Daily Catch*, attempts were made to learn more about the County's Occupancy Tax by reaching out to the County's Comptroller's Office and the Office of Finance via email and phone messages asking the following:

- Aside from the Town of Poughkeepsie, are there any other municipalities in the County that have adopted or planning to adopt the Hotel Occupancy Tax?
- How much revenue did the County receive in 2024 from its 4% Hotel Occupancy Tax?
- How was the revenue used or applied? Was it dispersed back to any of the municipalities from where the revenue came?

Both offices did not respond to these outreaches.

Town/Village Hotel Occupancy Tax in NYS

In response to some of the opposition comments claiming that a town-imposed Hotel Occupancy Tax would have adverse effects on local hotels, inns and short-term rentals, emails were sent out to 27 towns and villages listed in the City of Auburn Report that have adopted such a tax. The emails asked the following:

- Has the tax had any negative impact affecting tourism in your community?
- Have hotels, inns, STR's, etc. seen decreased occupancy?
- Have any community groups approached your departments, asking that the tax be stricken or lowered?

So far, 11 of these municipalities responded, stating the following:

- None of the municipalities claimed that there was any negative impact affecting tourism in its community.

- None of the municipalities received reports stating that hotels, inns, STR's, etc. had seen decreased occupancy as a result of the tax.
- None of the municipalities stated that community groups had approached their offices asking that the tax be stricken or lowered.

The following are some additional comments provided by two of the responding municipalities.

“We have three hotels and get about \$200K/yr in revenues. We use 50% of our hotel tax revenues to promote special event marketing efforts. The program helps build Nyack’s brand as a tourism destination. The whole project is very popular.”

- *Village of Nyack*

“The hotel industry in our area and region has seen (negative) changes over the past 10 years. However, we would not attribute the hotel tax to those impacts. The COVID pandemic had significant impacts on travel, and in my opinion, we are seeing a reduction in hotel stays due to the impacts of short term stay programs like Airbnb, although that would have to be studied.”

- *Village of Tarrytown*

Supplementary Information Sources

“Check In, Check Out, Chip In: Rhinebeck Eyes 3% Lodging Tax Despite Some Local Concerns.” *The Daily Catch*, March 14, 2025.

“Rhinebeck Village Board Votes to Oppose Town’s Proposed Hotel-Motel Occupancy Tax, Calling it Economically Risky.” *The Daily Catch*, June 12, 2025.

Town of Rhinebeck Information Letter, April, 2025, found at <https://ecode360.com/RH0960/document/753148983.pdf>