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COVID STRIKES BLOW TO SUMMER TOURISM, ERIE COUNTY BUDGET

Hotel tax revenue down significantly through summer months as shutdown of economy causes more fiscal damage to the private sector and county budget

(ERIE COUNTY, NY) –The Office of Erie County Comptroller provided lawmakers with the latest data on hotel tax revenue, showing the county brought in significantly less through the first three quarters of 2020 compared to last year. Revenue collected from the bed tax is down 61.45% year to year.

For the first three quarters of 2020, Erie County collected \$3,320,581.01 in Hotel Occupancy tax. That's a decrease of \$5,293,996.35 from 2019. Last year Erie County collected \$8,614,577.36 in bed tax during the same period.

“The longer lawmakers keep the economy shut down, the longer the pain inflicted on the private sector and the county budget. This revenue that Erie County lawmakers rely on for funding in the budget each year continues to decline. It's indicative of how COVID-19 has impacted the travel and tourism industry in Erie County. Keeping the private sector shut down is not sustainable,” said Comptroller Stefan Mychajliw.

The hotel occupancy tax is paid primarily by out-of-town visitors. The tax is collected by hotels for Erie County government. Comptroller Mychajliw previously announced he would waive penalties for late payments, but by law he cannot waive interest.

In the budget, bed tax revenue was estimated to be \$11.6 million. With just one quarter to go, Erie County is almost \$8.3 million off of that projection. Visit Buffalo Niagara receives approximately \$3.5 million from the bed tax each year. In a typical year that would account for about 31% of total bed tax collected. This year, however, that will be a far bigger percentage, meaning there will be significantly less revenue from hotel occupancy tax to fund other programs and services in the Erie County budget.

“The negative impact from the loss of revenue like the bed tax will be felt for more than just one year. The hotel industry is hurting in Erie County and across the country,” concluded Comptroller Mychajliw.

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