



**PRESS RELEASE FROM
JOHN M. KENNEDY, JR.
SUFFOLK COUNTY
COMPTROLLER**



FOR IMMEDIATE RELEASE:
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HOTEL/MOTEL TAX AUDIT REVEALS SUFFOLK COUNTY

TREASURER'S OFFICE UNABLE TO ENFORCE FULL COMPLIANCE

July 15, 2015 – Comptroller John M. Kennedy, Jr. announced today in an audit report for the period January 1, 2013 through December 31, 2013, that the Suffolk County Treasurer's Office does not have adequate staff to sufficiently monitor the hospitality industry and enforce the Hotel/Motel Tax law to ensure compliance and maximize tax revenues. The tax, authorized by State and County law, is paid by visitors occupying rooms in Suffolk County at the rate of 3 % and amounted to approximately \$9 million for the audit period. This revenue stream supports numerous cultural and recreational venues throughout Suffolk's 10 Towns, serving to enhance and support our vibrant tourism economy.

The audit revealed that the Treasurer's Office did not provide an optimum level of administration over the Hotel and Motel Tax and that the County is not realizing the maximum revenue from the tax. In addition, the audit reports that the administration and collection of the tax is done manually with very limited automation and that the Treasurer's Office does not utilize electronic banking practices which could save time, manpower and money.

The audit reports that the Treasurer's Office lacked adequate staff to sufficiently monitor the hospitality industry and enforce the Hotel/Motel Tax Law to ensure maximum compliance which may have resulted in the loss of tax revenue to the County. In addition, investigative measures were not regularly performed to ensure that the population of registered vendors is complete. Auditors found 2 hospitality establishments that were not registered and not collecting the tax and 6 cases of delinquent payers that were unresolved and never referred for legal action, representing a considerable amount of back taxes to the County.

The Comptroller's Office will be absorbing and consolidating the Treasurer's office by January 1, 2016. Comptroller Kennedy stated, "My office is aggressively involved in the Hotel and Motel Tax and we are not waiting until January. We expect those establishments to come clean or face steep fines." Further, "In this day and age of decreasing sales tax revenue and economic uncertainty, government must become more responsible, efficient and innovative. It is my duty to provide such assurance to Suffolk County taxpayers and businesses alike."

For questions call (631) 853-5040 or email comptroller@suffolkcountyny.gov

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