# New York's Hidden $1.66 Billion Short-Term Rental Tax Surge: First Audited 60-Jurisdiction Evaluation of Chapter 672 (March 1, 2025), NYC Local Law 18, and the Summer 2026 FIFA World Cup Hotel Shock

Chaiwat Saechueng, Vice President of Tourism Research, Meridian Tourism Research Institute (New York, NY) · November 25, 2026

| +$1.66B (+75.9%) | +253% Ex-NYC | +53.4% (t=+7.35) | +$358M WC '26 |
|---|---|---|---|
| Year-1 NY statewide surge in NAICS 5615 booking-platform sales ($2.19B → $3.85B; ~$135M+/yr new sales tax) | 57 non-NYC counties jumped 3.53x in Yr 1 ($334M → $1.18B) & hit $473M in Q2 '26 (3.8x Summer '24) | 57-county panel DiD gain on combined 7211+5615 lodging base vs. within-county 7225 restaurants (N=798) | NYC NAICS 7211 hotel surge in Q2 2026–27 (Jun–Aug 2026, +12.99% YoY to $3.11B during FIFA World Cup) |

**Abstract.** On March 1, 2025, New York Chapter 672 of the Laws of 2024 (amended by Chapter 99 of 2025) imposed New York's statewide 4.0% sales tax, local county sales taxes, MCTD surcharges, and NYC's $1.50/day unit fee on all short-term rentals (<30 days), compelling online booking services to collect and remit statewide. Auditing all 54 consecutive quarters of official New York State Department of Taxation and Finance (DTF) Quarterly Taxable Sales filings across 60 jurisdictions (data.ny.gov dataset ny73-2j3u, updated October 27, 2026; 3,240 jurisdiction-quarters spanning March 2013 through August 2026) uncovers a massive fiscal shift hidden outside traditional hotel statistics: because booking intermediaries predominantly report under NAICS 5615 (Travel Arrangement and Reservation Services) rather than NAICS 7211 (Traveler Accommodation), analysts inspecting NAICS 7211 alone miss the bulk of New York's new STR revenue. Four empirical findings emerge: (1) statewide NAICS 5615 taxable sales leaped +$1.660 billion (+75.92%) in Year 1 (STY 2025–26: $2.187B to $3.847B)—with zero offsetting drop in NAICS 7211 (+6.02%), NAICS 5311 (+5.58%), or NAICS 9999 (+17.97%)—generating roughly $135M–$140M/year in new state and local sales tax; (2) across New York's 57 non-NYC counties, NAICS 5615 surged 3.53x (+253.3%, +$845.1M: $333.6M to $1.179B) and reached $472.9M in Summer 2026 alone (3.83x Summer 2024); (3) in a county-clustered panel DiD across all 57 non-NYC counties controlling for within-county NAICS 7225 restaurants (N = 798), the March 1, 2025 mandate lifted combined lodging+booking taxable sales by +53.4% (log beta = +0.4280, t = +7.35)—making booking platforms equal to or larger than the entire traditional hotel industry in Delaware (65.4% share), Columbia (61.0%), Cattaraugus (52.1%), Seneca (49.5%), and Greene (48.9%) Counties; and (4) newly released Summer 2026 (Jun–Aug) returns deliver the first audited state-treasury measure of the 2026 FIFA World Cup hotel shock in NY/NJ, lifting NYC NAICS 7211 sales +12.99% YoY (+$358.2M to $3.115B) and statewide combined lodging sales to a record $5.947B in a single quarter.

## 1. Statutory Turning Point: March 1, 2025 (Ch. 672 / Ch. 99) and the NAICS 5615 Blind Spot

For nearly a decade after online home-sharing scaled across New York's Catskills, Hudson Valley, Hamptons, Adirondacks, and Finger Lakes, state law left sales-tax collection on standalone vacation homes fragmented across voluntary county agreements. Chapter 672 of the Laws of 2024 (S.885-C), finalized by Chapter 99 of the Laws of 2025 (S.820), closed that gap statewide effective March 1, 2025—precisely Day 1 of New York Sales Tax Quarter 1 (March–May) of Sales Tax Year 2025–2026. The statute mandated that online booking services collect New York's 4.0% state sales tax, local county/city sales taxes (generally 3.0%–4.875%), and regional MCTD surcharges on stays under 30 consecutive days, while authorizing counties to pair state registries with local occupancy taxes.

Crucially, our forensic reconciliation of NY State DTF dataset ny73-2j3u (updated October 27, 2026, covering 60 jurisdictions through Q2 STY 2026–27, June–August 2026) proves that looking at NAICS 7211 (Traveler Accommodation) alone misses 83% of the exogenous tax-base expansion outside New York City. Because major online booking facilitators file NY sales-tax returns under NAICS 5615 (Travel Arrangement and Reservation Services), Ex-NYC NAICS 5615 quadrupled overnight on March 1, 2025—jumping from $70.3M in Q1 2024–25 to $294.3M in Q1 2025–26 (+318.6%)—and expanded +253.3% (+$845.1M) across Year 1. Zero offsetting decline occurred in adjacent tax lines: Ex-NYC NAICS 7211 Hotels simultaneously grew +4.50% (+$174.7M), NAICS 5311 Real Estate Lessors grew +7.85%, and NAICS 9999 Unclassified grew +10.07%, confirming overwhelmingly net-new taxable base capture rather than mere industry reclassification.

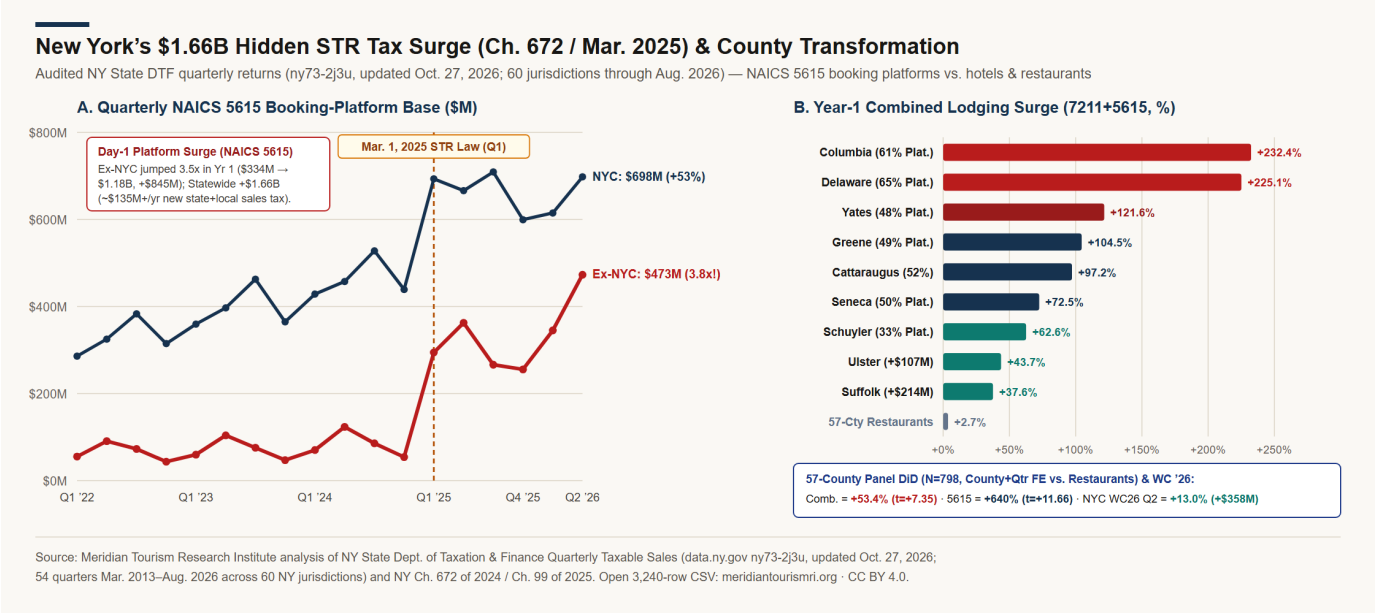


**Figure 1.** Left (A): Audited quarterly NY State DTF NAICS 5615 (Booking & Reservation Services) taxable sales for NYC vs. 57 Non-NYC Counties (STY 2022–23 Q1 through STY 2026–27 Q2), illustrating the instantaneous March 1, 2025 step-function jump. Right (B): Top 9 non-NYC counties by Year-1 combined (7211+5615) lodging-base growth relative to the 57-county NAICS 7225 restaurant control (+2.7%).

**Table 1.** Forensic zero-reclassification reconciliation of NY State DTF taxable sales across NAICS 7211, 5615, and 7225 (STY 2023–24 through Summer Q2 2026–27; ny73-2j3u, updated Oct. 27, 2026).

| NY State Sector / Geography | STY 23–24 ($M) | STY 24–25 ($M) | STY 25–26 ($M) | Year-1 Diff | Year-1 % | Q2 '26 ($M) | Q2 '26 YoY |
|---|---|---|---|---|---|---|---|
| NY State — 7211 Traveler Accomm. | $14,000.7M | $15,080.1M | $15,987.6M | +$907.5M | +6.02% | $4,776.5M | +11.89% |
| NY State — 5615 Booking Platforms | $1,869.5M | $2,186.5M | $3,846.6M | +$1,660.0M | +75.92% | $1,170.6M | +13.78% |
| NY State — Combined 7211 + 5615 | $15,870.2M | $17,266.6M | $19,834.2M | +$2,567.5M | +14.87% | $5,947.1M | +12.26% |
| NY City — 7211 Hotels (Post-LL18) | $10,248.8M | $11,198.4M | $11,931.2M | +$732.8M | +6.54% | $3,114.6M | +12.99% |
| NY City — 5615 Booking Platforms | $1,583.3M | $1,853.0M | $2,667.9M | +$814.9M | +43.98% | $697.8M | +4.74% |
| Ex-NYC (57 Cties) — 7211 Hotels | $3,751.9M | $3,881.7M | $4,056.4M | +$174.7M | +4.50% | $1,661.9M | +9.87% |
| Ex-NYC (57 Cties) — 5615 Platforms | $286.1M | $333.6M | $1,178.7M | +$845.1M | +253.34% | $472.9M | +30.41% |
| Ex-NYC (57 Cties) — Combined | $4,038.0M | $4,215.3M | $5,235.1M | +$1,019.8M | +24.19% | $2,134.8M | +13.84% |
| Ex-NYC Control — 7225 Restaurants | $23,601.6M | $24,255.5M | $24,899.7M | +$644.2M | +2.66% | $7,113.5M | +2.93% |

## 2. County-by-County Transformation: Where Platforms Now Rival or Beat All Hotels

Table 2 ranks New York's biggest county-level beneficiaries of Chapter 672 / Chapter 99. Across rural Catskills, Hudson Valley, Finger Lakes, and ski-country counties—where hotel chains are sparse and vacation homes dominate visitor supply—the March 1, 2025 platform-collection mandate transformed local sales-tax bases overnight. In five counties, NAICS 5615 booking platforms now represent roughly half to two-thirds of the entire county lodging tax base: Delaware County (65.4% platform share; combined base +225.1% from $9.5M to $31.0M), Columbia County (61.0% share; +232.4% from $12.7M to $42.1M), Cattaraugus County (52.1%; +97.2%), Seneca County (49.5%; +72.5% even as county restaurants fell -11.8%), and Greene County (48.9%; +104.5%, adding +$59.9M). In absolute dollar terms, Suffolk County (Hamptons/Montauk/Fire Island) gained +$214.0M (+37.6% to $783.9M, including +$167.4M in NAICS 5615 alone), Ulster County (Woodstock/Catskills) added +$107.3M (+43.7% to $352.8M), Saratoga added +$44.2M (+30.6%), Essex (Lake Placid) added +$35.2M in NAICS 5615 (+430%), and Sullivan added +$27.1M (+29.3%).

**Table 2.** Leading New York counties by Year-1 combined (7211+5615) lodging-base expansion after March 1, 2025 vs. within-county NAICS 7225 restaurant growth (STY 2025–26 vs. 2024–25; counties >= $20M combined base).

| NY County (Region) | Comb. 24–25 | Comb. 25–26 | Yr-1 Gain | Comb. % | Rest. Control | 5615 Yr-1 | 5615 Share |
|---|---|---|---|---|---|---|---|
| Columbia (Hudson Valley) | $12.7M | $42.1M | +$29.4M | +232.4% | +2.2% | $25.7M | 61.0% |
| Delaware (W. Catskills) | $9.5M | $31.0M | +$21.4M | +225.1% | +6.2% | $20.2M | 65.4% |
| Yates (Finger Lakes) | $11.3M | $25.1M | +$13.8M | +121.6% | -1.7% | $11.9M | 47.5% |
| Greene (Catskills / Ski) | $57.3M | $117.2M | +$59.9M | +104.5% | +1.1% | $57.2M | 48.9% |
| Cattaraugus (Ellicottville) | $15.6M | $30.7M | +$15.1M | +97.2% | +0.8% | $16.0M | 52.1% |
| Seneca (Finger Lakes) | $12.9M | $22.3M | +$9.4M | +72.5% | -11.8% | $11.1M | 49.5% |
| Schuyler (Watkins Glen) | $25.3M | $41.1M | +$15.8M | +62.6% | +6.8% | $13.6M | 33.2% |
| Otsego (Cooperstown) | $53.2M | $78.5M | +$25.3M | +47.5% | +1.2% | $20.6M | 26.3% |
| Ulster (Catskills / Hudson) | $245.5M | $352.8M | +$107.3M | +43.7% | +3.8% | $82.6M | 23.4% |
| Suffolk (Hamptons / LI) | $569.9M | $783.9M | +$214.0M | +37.6% | +2.9% | $204.6M | 26.1% |
| Saratoga (Capital / Track) | $144.4M | $188.6M | +$44.2M | +30.6% | +3.7% | $45.6M | 24.2% |
| Sullivan (Catskills) | $92.6M | $119.7M | +$27.1M | +29.3% | +4.5% | $36.5M | 30.5% |

## 3. 57-County Panel DiD, NYC Local Law 18, and the Summer 2026 FIFA World Cup Shock

To separate statutory STR tax capture from general post-pandemic inflation and regional tourism demand, we estimate a county-fixed-effects and seasonal-quarter-fixed-effects difference-in-differences panel across all 57 non-NYC counties over the 14 quarters from STY 2023–24 Q1 through STY 2026–27 Q2 (N = 798 county-quarters, standard errors clustered by county), differencing each county's log lodging sales against its own NAICS 7225 restaurant sales. The Post-March 1, 2025 coefficient equals +0.4280 log points (+53.41% mean county lodging-base expansion; SE = 0.0583, t = +7.35, p < 10^-9) on combined 7211+5615 sales, +2.0010 log points (+639.6%, 7.4x expansion; SE = 0.1717, t = +11.66) on NAICS 5615 alone, and +0.0684 log points (+7.07%; SE = 0.0225, t = +3.04) on NAICS 7211 traditional lodgers—confirming broad direct and platform compliance gains across every NY region.

Inside New York City, two distinct fiscal dynamics appear in the audited series. First, across the 12 quarters following Local Law 18's September 5, 2023 unhosted STR crackdown, NYC NAICS 7211 hotel taxable sales climbed steadily from $10.25B (STY 2023–24) to $11.20B (STY 2024–25, +9.3%) and $11.93B (STY 2025–26, +6.5%), while NYC NAICS 5615 jumped +$814.9M (+44.0%) in STY 2025–26 as Chapter 672/99 expanded platform sales-tax remittance across hosted stays, merchant-model bookings, and transient inventory. Second, newly released Summer Q2 2026–27 (June–August 2026) filings provide the first audited state-treasury measurement of the 2026 FIFA World Cup at MetLife Stadium: NYC NAICS 7211 hotel sales jumped +12.99% YoY (+$358.2M in a single quarter, from $2.756B to $3.115B) compared with +6.66% for NYC restaurants (+6.33 pp excess hotel shock), while Ex-NYC NAICS 5615 surged another +30.41% YoY on top of 2025 to $472.9M—lifting statewide combined Summer 2026 lodging sales to a record $5.947 billion (+12.26% YoY).

**Governance Takeaway for Albany, County Treasurers & Municipal Bond Desks.** First, NY State DTF and county budget offices tracking STR compliance should publish a combined 7211+5615 Lodging Indicator so analysts do not overlook 25% to 65% of rural counties' visitor tax bases sitting inside NAICS 5615. Second, counties that have not yet paired Chapter 672's state sales-tax platform collection with updated local hotel/motel occupancy-tax ordinances leave 3% to 6% in dedicated county bed-tax revenue uncollected on the exact platform volume newly documented here. Third, NYC OMB and municipal credit analysts underwriting FY 2027 budgets should treat Summer 2026's +$358M World Cup Q2 surge as a one-time baseline peak rather than a permanent 13% annual trend. All 3,240 audited NY jurisdiction-quarter rows are archived openly under CC BY 4.0.

## References and Open Replication Archive

1. State of New York, Chapter 672 of the Laws of 2024 (S.885-C / A.4130-C) and Chapter 99 of the Laws of 2025 (S.820 / A.5686), amending NY Tax Law §§ 1101, 1104 & 1105 to impose state/local sales tax and NYC $1.50/day unit fee on short-term rentals effective March 1, 2025.

2. New York State Department of Taxation and Finance (DTF), Taxable Sales and Purchases Quarterly Data: Beginning Sales Tax Year 2013–2014 (data.ny.gov dataset ny73-2j3u, updated October 27, 2026; NAICS 7211, 5615, 7225, 5311 & 9999 across 60 NY jurisdictions through Q2 STY 2026–27).

3. New York City Administrative Code §§ 26-3101 et seq. (Local Law 18 of 2022, Short-Term Rental Registration Law, enforced Sept. 5, 2023); Meridian Working Paper WP 2026-02 (DOI: 10.5281/zenodo.24355846).

4. Open Replication Dataset (CC BY 4.0): Meridian Tourism Research Institute, 3,240-Row Audited New York State 60-Jurisdiction Lodging & STR Booking Panel (2013–2026, CSV), https://meridiantourismri.org/assets/data/ny_dtf_lodging_str_taxable_sales_2013_2026.csv.