

Suffolk plans hotel-motel room tax audit

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The Suffolk comptroller plans to launch an audit to make sure the county's 345 hotels and motels, as well as travel websites, are fully paying its 3 percent room tax.

Comptroller Joseph Sawicki disclosed the new audit before a legislative committee last week where he discussed his call for the county to terminate its contract with the Long Island Convention and Visitors Bureau. He has said that in 2009 and 2010, the bureau misspent \$806,000 in part by not promoting Suffolk destinations specifically.

Suffolk pays the bureau out of the hotel-motel tax, and Sawicki called the travel site audit a "natural progression. . . . We already get \$8.2 million a year and we want to make sure that there's not a substantial amount that is not being reported."

Sawicki's audit follows a court ruling last month granting class-action status to Nassau, Suffolk and upstate counties that levy room taxes in a lawsuit against travel websites. The suit claims the sites shortchange the counties by paying taxes based on the discounted prices hotels charge them for rooms instead of prices paid by retail customers. The Suffolk County attorney's office has not estimated potential losses.

Travel sites say they are only intermediaries and hotels are responsible for paying the tax.

Sawicki will be examining whether the county is losing money from online transactions by companies including Priceline, Expedia and Travelocity.

Those that fail to pay are charged 5 percent over the taxes due, plus an interest rate of 1 percent per month. Those who fail to register or pay the correct tax can be found guilty of a misdemeanor, punishable by up to a \$1,000 fine and a year in jail.

Legis. Jay Schneiderman (I-Montauk), himself a motel owner, said he doesn't expect the audit to find hotels or motels that are cheating the county. But he called it a good idea to examine the potential losses from travel websites.

Convention and Visitors Bureau president Moke McGowan has said the changes would not "bring in anywhere near the returns the bureau has been able to provide."