
**THE CITY OF NEW YORK
DEPARTMENT OF FINANCE
DIVISION OF TAX POLICY & DATA ANALYTICS**

**STATISTICAL PROFILE OF THE
NEW YORK CITY
HOTEL ROOM OCCUPANCY TAX**

TAX YEAR 2025

ZOHRAN K. MAMDANI, MAYOR

RICHARD LEE, COMMISSIONER

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**REPORT PREPARED BY THE
DIVISION OF TAX POLICY & DATA ANALYTICS
OCTOBER 2026**

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Introduction

Applicability

The Hotel Room Occupancy Tax must be paid on the occupancy, or the right of occupancy, of a room or rooms in a hotel. A “hotel” is a building or part of it that is regularly used for the lodging of guests, and includes an apartment hotel, a motel, boardinghouse, bed-and-breakfast, bungalow, or club, whether or not meals are served. The occupant of any room or rooms in a hotel must pay the tax. Hotel operators and remarketers (when a room has been rented through a reseller) collect the tax from the occupant. The Hotel Room Occupancy Tax is separate from the NYC Sales Tax on hotel room occupancy and is charged in addition to the Sales Tax.

A facility is not considered a hotel if, during any four consecutive tax quarters or any twelve-month period ending on the last day of February, rooms are rented on fewer than three occasions or for not more than 14 days in the aggregate. Rentals to permanent residents (residents who occupy a room for at least 180 consecutive days) are not taxable. Moreover, not-for-profit organizations formed and operated exclusively for religious, charitable, or educational purposes, or for the prevention of cruelty to children or animals, and government agencies and other organizations not subject to the sales tax on hotel room rentals are exempt from the Hotel Room Occupancy Tax.

The Hotel Room Occupancy Tax year starts on March 1 and ends on the last day of February of the following year.

Tax Rate and Liability

The Hotel Room Occupancy Tax is based on the rent charged for the room, as follows:

If the rent for the room is...	The tax will be...
\$10 or more, but less than \$20	50¢ per day + 5.875% of the rent for the room
\$20 or more, but less than \$30	\$1.00 per day + 5.875% of the rent for the room
\$30 or more, but less than \$40	\$1.50 per day + 5.875% of the rent for the room
\$40 or more	\$2.00 per day + 5.875% of the rent for the room

In the case of hotel suites, the tax is the fixed amount shown above for each room in the suite plus 5.875 percent of the rent for the suite.

2025 Summary

Hotel Room Occupancy Tax liability totaled \$817 million compared to \$769 million in tax year 2024, an increase of 6 percent. Seventy-six percent of tax year 2025 liability was incurred in Manhattan, 34 percent was incurred by taxpayers with liability of \$2.5 million or more, and 50 percent of liability was incurred in connection to rooms with average daily rent between \$250 and \$500.

The number of taxpayers, including remarketers, increased from 832 in tax year 2024 to 874, an increase of 5 percent. Rooms rented increased 2 percent, to 40 million. Remarketers represented 3.5 percent of taxpayers and 15 percent of liability in both years.

History

The rationale for the Hotel Room Occupancy Tax, first imposed in NYC in 1970, is that visitors should help pay the cost of basic services and tourism development initiatives that benefit them while here.

In 1970, the tax consisted of a flat fee based upon the daily rental value of the room. A 5.0 percent tax was imposed in addition to the flat fee in 1986; this tax was raised to 6.0 percent in 1990, then lowered to 5.0 percent in 1994, and increased to the current 5.875 percent in 2009. Also, in 2009, the tax was extended to apply to the markup on rooms rented through the internet and other hotel room occupancy resellers.

In 2015, local legislation adopted by the City Council extended the 5.875 percent rate through November 30, 2019. On November 27, 2019, the 5.875 percent rate was extended through November 30, 2023 and on November 17, 2023 it was extended another four years, to November 30, 2027.

Effective June 1, 2016, the application of the state and local sales tax and the city Hotel Room Occupancy Tax to remarketed hotel rooms was simplified by exempting from these taxes the rent paid by a room remarketer to the hotel operator. Hotel room occupants are taxed on the total rent they pay to a room remarketer. Formerly, a room remarketer was taxed on the rent it paid for the room to the hotel operator but was eligible for a credit or refund of the tax paid if certain conditions were met. As a result of the change in the law, room remarketers are no longer required to pay tax on the rooms they rent from the hotel operator.

On May 18, 2021, then-Mayor Bill de Blasio signed an executive order that eliminated the 5.875 percent portion of New York City's Hotel Room Occupancy Tax rate for the three-month period from June 1 to August 31, 2021. The purpose of this measure was to help tourism recover from the COVID-19 pandemic.

NYC Hotel Room Occupancy Tax Rates	
07/08/86 - 08/31/90	5.000%
09/01/90 - 11/30/94	6.000%
12/01/94 - 02/28/09	5.000%
03/01/09 - 11/30/13	5.875%
12/01/13 - 12/19/13	5.000%
12/20/13 - 05/31/21	5.875%
06/01/21 - 08/31/21	0.000%
09/01/21 - present	5.875%

**HOTEL ROOM OCCUPANCY TAX
TAX YEAR 2025**

**Table 1
DISTRIBUTION BY LIABILITY RANGE**
(NUMBER OF ROOMS RENTED AND DOLLARS IN THOUSANDS)

Liability Per Taxpayer	Number of Hotels	% of Total	Number of Rooms Rented	% of Total	Total Rent	% of Total	Liability			
							Daily Room Tax	Additional 5.875% Tax Due	Total	% of Total
Under \$10K	82	9.4 %	26	0.1 %	\$3,559	0.0 %	\$49	\$209	\$259	0.0 %
\$10K - \$25K	36	4.1	64	0.2	8,847	0.1	129	520	649	0.1
\$25K - \$50K	38	4.3	133	0.3	20,126	0.2	266	1,182	1,449	0.2
\$50K - \$100K	70	8.0	546	1.4	72,181	0.6	1,090	4,241	5,330	0.7
\$100K - \$200K	109	12.5	1,314	3.3	213,690	1.7	2,629	12,554	15,183	1.9
\$200K - \$300K	63	7.2	1,204	3.0	227,600	1.8	2,399	13,371	15,771	1.9
\$300K - \$400K	42	4.8	899	2.3	218,344	1.7	1,798	12,828	14,626	1.8
\$400K - \$500K	29	3.3	732	1.9	193,191	1.5	1,465	11,350	12,815	1.6
\$500K - \$1M	148	16.9	5,900	14.9	1,616,895	12.9	11,793	94,993	106,786	13.1
\$1M - \$1.5M	83	9.5	4,984	12.6	1,590,018	12.7	9,967	93,414	103,381	12.7
\$1.5M - \$2M	45	5.1	3,806	9.6	1,198,017	9.5	7,611	70,383	77,995	9.6
\$2M - \$2.5M	27	3.1	2,248	5.7	939,848	7.5	4,497	55,216	59,713	7.3
\$2.5M or More	71	8.1	10,518	26.6	4,393,130	35.0	21,036	258,096	279,132	34.2
Remarketers	31	3.5	7,176	18.1	1,852,447	14.8	14,350	109,141	123,492	15.1
TOTAL	874	100.0 %	39,550	100.0 %	\$12,547,893	100.0 %	\$79,079	\$737,499	\$816,578	100.0 %

**HOTEL ROOM OCCUPANCY TAX
TAX YEAR 2025**

**Table 2
DISTRIBUTION BY BOROUGH**
(NUMBER OF ROOMS RENTED AND DOLLARS IN THOUSANDS)

Borough	Number of Hotels	% of Total	Number of Rooms Rented	% of Total	Total Rent	% of Total	Liability			
							Daily Room Tax	Additional 5.875% Tax Due	Total	% of Total
Manhattan	582	66.6 %	27,222	68.8 %	\$9,598,755	76.5 %	\$54,431	\$563,927	\$618,358	75.7 %
Bronx	38	4.3	388	1.0	50,116	0.4	768	2,944	3,713	0.5
Brooklyn	90	10.3	1,757	4.4	435,735	3.5	3,514	25,599	29,113	3.6
Queens	119	13.6	2,809	7.1	569,547	4.5	5,617	33,461	39,078	4.8
Staten Island/Other	14	1.6	199	0.5	41,291	0.3	399	2,426	2,824	0.3
Remarketers	31	3.5	7,176	18.1	1,852,447	14.8	14,350	109,141	123,492	15.1
TOTAL	874	100.0 %	39,550	100.0 %	\$12,547,893	100.0 %	\$79,079	\$737,499	\$816,578	100.0 %

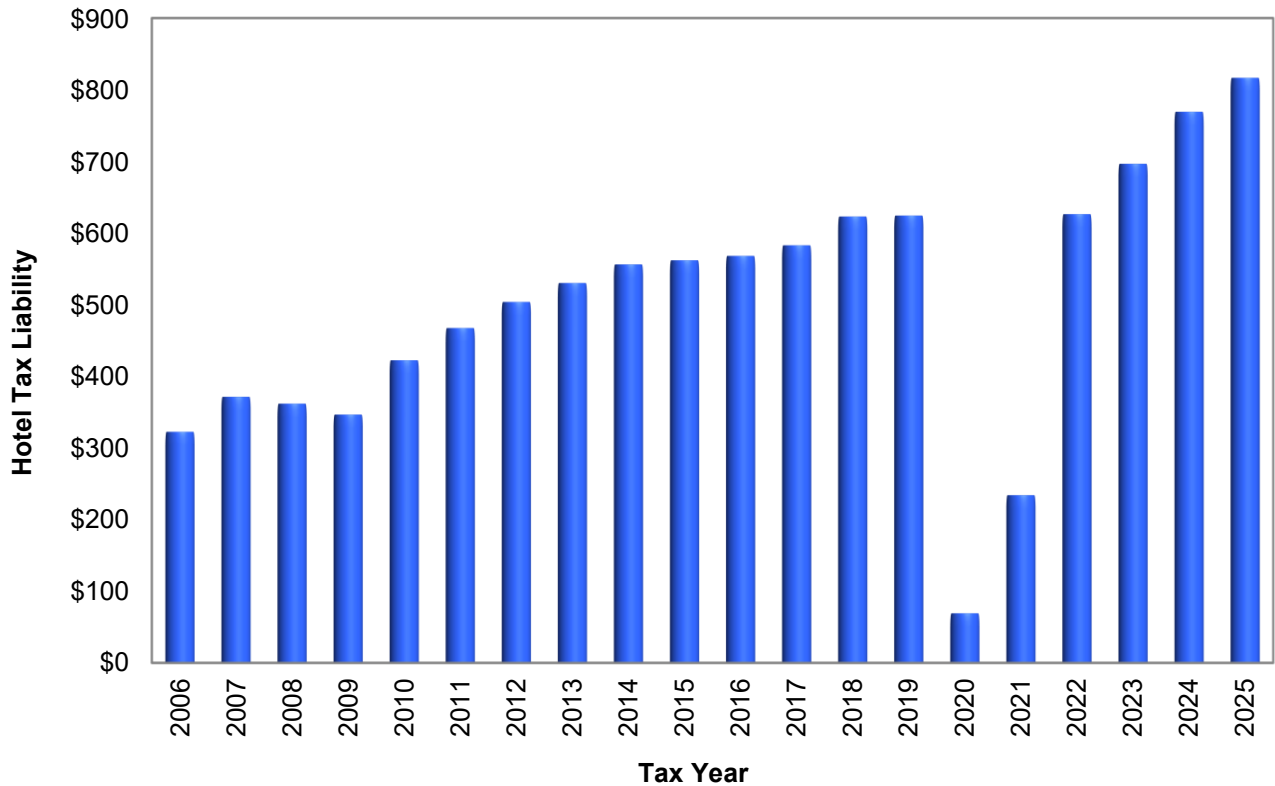
**HOTEL ROOM OCCUPANCY TAX
TAX YEAR 2025**

**Table 3
DISTRIBUTION BY AVERAGE DAILY ROOM RENT
(NUMBER OF ROOMS RENTED AND DOLLARS IN THOUSANDS)**

Average Daily Room Rent	Number of Hotels	% of Total	Number of Rooms Rented	% of Total	Total Rent	% of Total	Liability			
							Daily Room Tax	Additional 5.875% Tax Due	Total	% of Total
Under \$100 or Unavailable	89	10.2 %	1,135	2.9 %	\$88,368	0.7 %	\$2,258	\$5,192	\$7,450	0.9 %
\$100 - \$150	91	10.4	1,778	4.5	224,464	1.8	3,557	13,187	16,744	2.1
\$150 - \$200	130	14.9	3,238	8.2	577,493	4.6	6,468	33,928	40,395	4.9
\$200 - \$250	110	12.6	4,060	10.3	913,431	7.3	8,119	53,664	61,783	7.6
\$250 - \$300	117	13.4	5,921	15.0	1,653,825	13.2	11,842	97,162	109,005	13.3
\$300 - \$350	102	11.7	6,252	15.8	2,033,690	16.2	12,503	119,479	131,982	16.2
\$350 - \$500	118	13.5	6,578	16.6	2,615,545	20.8	13,155	153,663	166,818	20.4
\$500 - \$700	34	3.9	2,041	5.2	1,138,487	9.1	4,083	66,886	70,969	8.7
More than \$700	52	5.9	1,372	3.5	1,450,142	11.6	2,744	85,196	87,939	10.8
Remarketers	31	3.5	7,176	18.1	1,852,447	14.8	14,350	109,141	123,492	15.1
TOTAL	874	100.0 %	39,550	100.0 %	\$12,547,893	100.0 %	\$79,079	\$737,499	\$816,578	100.0 %

HOTEL ROOM OCCUPANCY TAX

Figure 1
TOTAL LIABILITY
TAX YEARS 2006 – 2025
(\$ MILLIONS)



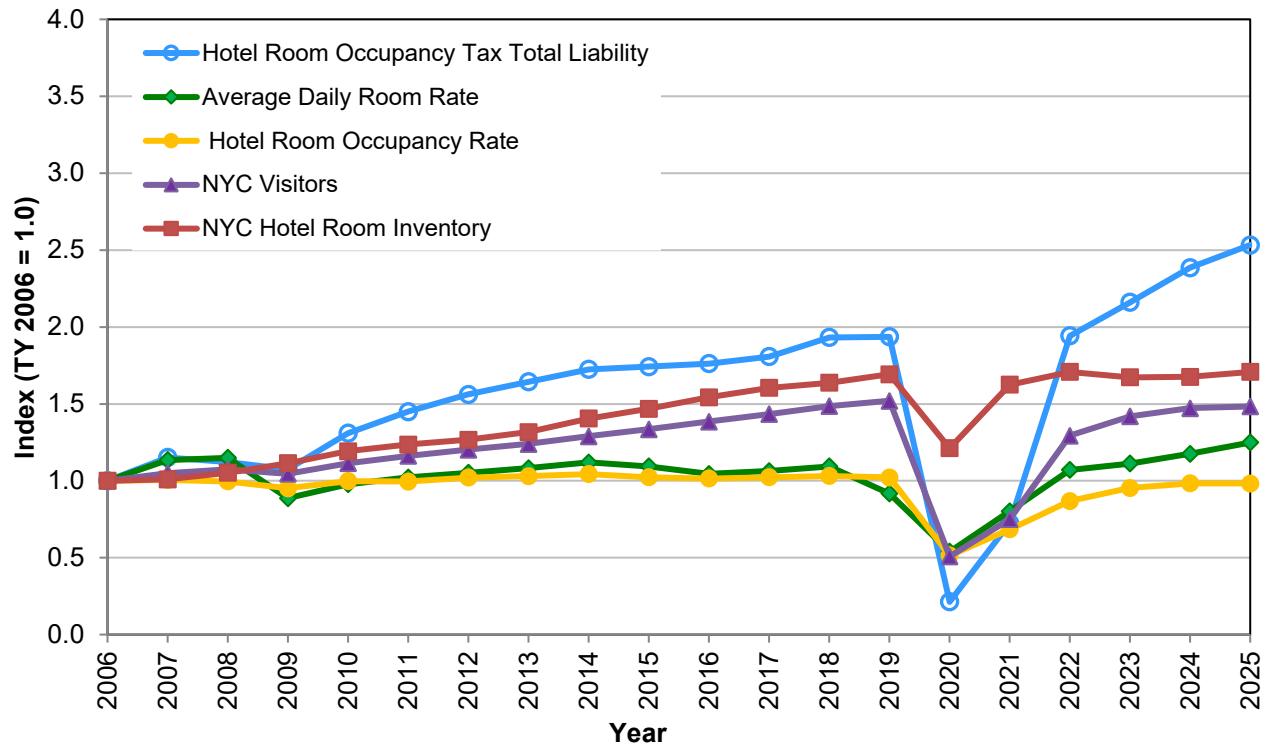
Note:

The additional tax due increased from 5.0 percent to 5.875 percent on March 1, 2009 and is currently at that rate. There were two periods when the tax was temporarily lowered: 5.0% from December 1 to December 19, 2013, and 0.0% from June 1 to August 31, 2021.

HOTEL ROOM OCCUPANCY TAX

Figure 2
TOTAL LIABILITY COMPARED TO NYC VISITORS,
AVERAGE DAILY ROOM RENT, ROOM INVENTORY, AND OCCUPANCY RATE
2006 – 2025

- In 2025, Hotel Room Occupancy Tax liability was the highest to date; growth was driven by a 4% increase in the average daily room rate (based on our data) and outpaced key tourism indicators.



Notes:

Liability is shown based on the Hotel Room Occupancy Tax year, which starts March 1 and ends the last day of February of the following year. For example, tax year 2025 started on March 1, 2024 and ended February 28, 2025. Tourism indicators are shown based on the calendar year.

The additional tax due increased from 5.0 percent to 5.875 percent on March 1, 2009 and is currently at that rate. There were two periods when the tax was temporarily lowered: 5.0% from December 1 to December 19, 2013, and 0.0% from June 1 to August 31, 2021.

Sources:

Hotel Room Occupancy Tax liability is sourced from NYC Department of Finance records. All other tourism data for years prior to 2025 are from New York City Tourism + Conventions; for 2025, tourism data is sourced from:

Thomas P. DiNapoli. July 2026. *The Hotel Industry in New York City*. Office of the State Deputy Comptroller for the City of New York. Albany, New York. <https://www.osc.ny.gov/files/reports/osdc/2026/pdf/nyc-hotel-industry-report-july-2026.pdf>

