

Town of Gardiner Occupancy Tax Law

Public Hearing – 10/06/2026

Introduction

Michael Aiello and Robert Witkowski owners of The Inn at Kettleboro at 321 State Route 208

- House was built in the early 1800s within original land granted to the Dubois family
- Purchased by my grandfather in 1950, it became my family home when my parents married in 1955
- Following the passing of my parents, we decided to share this home with others in the form of a traditional Bed and Breakfast
- After an extensive renovation in 2013, we opened Memorial Day of 2014

Tourism and Business in Ulster County

Information from the Ulster County Department of Tourism Report

Tourist Spending:

- Over \$1 Billion spent making up 12.5 of UC GDP
- Regionally, UC ranked 3rd in spending behind Westchester and Orange, and just above Sullivan

3 Largest Areas of Spend:

- Lodging – over \$570 Million
- Dining – over \$210 Million
- Retail Goods and Services – over \$120 Million

Visitor Economy Drives:

- Small Business success
- Job creation
- Community revitalization
- Increased county and state tax revenue (UC Occupancy tax collected - \$8 Million)

Employment within this industry

- Comprises 12.5% of UC workforce
- Wages – over \$425 Million

Gardiner Has Benefited from Tourism

- New and established Lodging facilities (Wildflower Farms, Minnewaska Lodge, Watergrass Hill, Jellystone, Bernetta's, The Inn at Kettleboro, etc.)
- New and established Dining (Pitanga North, Disgruntled Chef, Café Mio, Lombardi's, Mountain Brauhaus, Clay, Pasquales, etc.)
- New and established Retail, Services, Event Spaces, Wineries, Distilleries, Breweries, Farms, and Services
- As well as all the businesses that support these businesses

Why jeopardize what we have with an additional tax on lodging?

- Lodgers may not know about the tax the first time they stay until they see it on their bill. Would they consider alternatives outside of Gardiner? Very likely
- And why just lodgers?
 - Should we consider additional tax on where they eat?
 - Should we consider additional tax on where they spend?
 - Should we consider additional tax on services and entertainment business?
 - Should we consider additional tax on products made and sold by business like those on Steves Lane and other parts of the town?
- NO, because it does not make business or common sense!
- So, why are we taxing lodgers?
- Additionally, if lodgers find alternatives, it impacts all our business. Would they be able to survive and thrive?
- NYS sales tax at 8%, UC lodging tax at 4%, Gardiner tax of 4%

Room Rate	Night Stay	Cost	Tax at 16%	CC Fee 4%	Total	Additional
\$1,500	2	\$3,000	\$480	\$140	\$3,620	\$120
\$1,000	2	\$2,000	\$320	\$93	\$2,412	\$80
\$400	2	\$800	\$128	\$37	\$965	\$32

Why This Law?

- What is driving the need for an additional 4% to lodging bills?
- What part of the town budget will the funds be targeted?
 - Municipal Services? What services?
 - Tourism Related Costs? Currently, no item exists in the budget for tourism
- Why now?
 - High Inflation
 - Adding more to the cost of everything

What Research Was Performed?

- How much revenue will be collected?
 - Have you taken into consideration uneven income streams year to year?
 - Will there be a dependency to collect this amount and what if it is not reached?
- How was this revenue number determined?
 - Number of annual room stays for Gardiner?
 - Lodging room rates?
- What is the expected cost to administer this tax?
 - Administration costs?
 - Law enforcement costs?
- What if a lodging business leaves the community for whatever reason?
 - Plan B?
- What Lodging Businesses have you reached out to for input?
 - What will their cost be to maintain another tax
 - What potential impacts will this tax have?
 - Loss of business
 - Limit their ability to raise rates
- What funding alternatives have been perused in leu of this tax?
 - A portion of the 4% levied by UC? Only a small portion collected goes towards tourism
 - A portion of the 8% levied by NYS?
 - Grant programs specific to special projects?

Questions Within the Proposed Law

Section 3. Imposition of Tax

- “A tax is imposed upon every occupant of a taxable lodging facility.”
 - Per Section 4. Definitions
 - “Occupant means any person occupying a lodging unit for consideration”
 - As read, if there are 2 occupants, the tax will be 8%. Is this correct?
- What is the definition of “tourist facility”?

Section 4. Definitions

- What is the relevance of defining a “Permanent Resident” as it is not referenced anywhere?

Section 5. Exemptions

- d. “RVs owned by the occupants” please explain
 - Does Jellystone fall under this law?
- d. How can this exemption be guaranteed in perpetuity?
 - If income from this tax is not what was expected, fearful of this being removed

Section 6. Registration

- How will you determine “All Lodging Facilities” that exist in Gardiner?
 - How will this be policed?
- What is the consequence of a “violation of the law” for not registering (not in Penalties)

Section 7. Administration

- Who will be administering collection and reporting? UC will not
- Who will be enforcing this law?

Section 8. Collection of Tax

- What information is expected on the “required return”
 - Names, information, and stay dates of Occupants? (as UC required once)

Other:

- Transparency:
 - What reporting will be provided to ensure the money collected is used as intended?

Closing

Although our business is not directly impacted by this proposed tax via 'exception', we're very concerned about the implementation of yet another tax on tourism by the town. Our concerns include:

- Adding an additional tax within our state that 2 weeks ago was identified as the most taxed state in the nation
- Adding this at a time when inflation and costs are skyrocketing
- Creating the prospect of dissuading tourists from staying in Gardiner (there are **many** venues that exist or are opening in the surrounding area)
- Creating the possibility for current venues to close or leave Gardiner
- Discouraging lodging venues from opening in Gardiner
- Disrupting hospitality businesses, their supporting business, and the many businesses frequented by guests
- The possibility of Gardiner changing the law in the future to include us to collect this additional tax
- The precedent being set by our town that could persuade other UC towns to follow thereby jeopardizing all tourism for the county

We hope we have conveyed a different perspective on this law worthy of serious consideration. Thank you.