

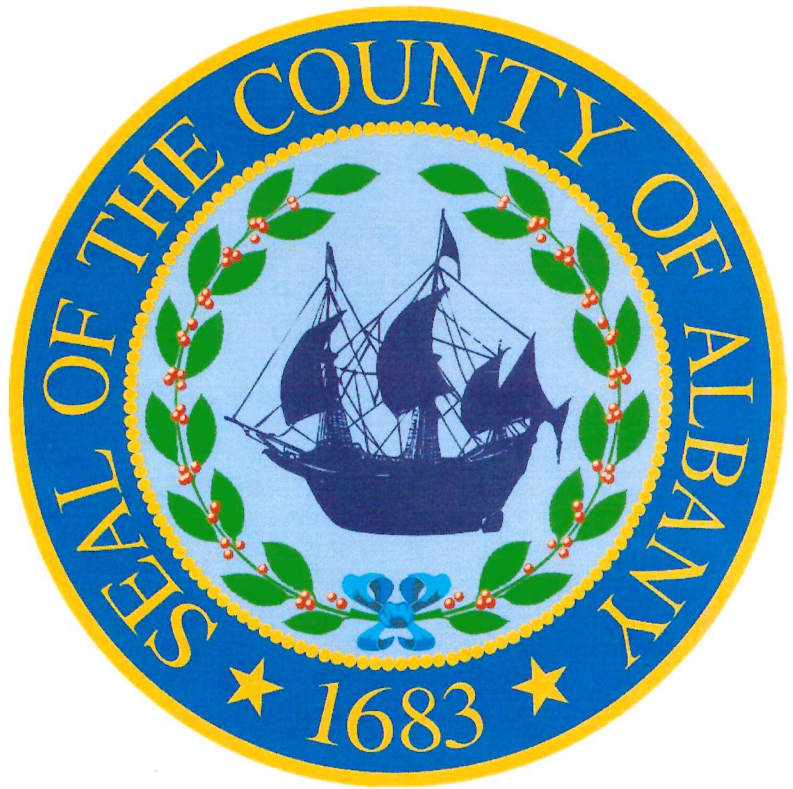
ALBANY COUNTY

Department of Audit and Control

Final Report

Hotel Occupancy Tax Audit

Spring 2026



July 2026

Susan Rizzo, Comptroller

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Audit Staff:

Edward Dott, Deputy Comptroller

Joseph Lydon, Auditor

Background

The Albany County Comptroller's Office performed an audit of Occupancy Tax Records related to tax collected by hotels and motels within the County. New York State and Local Laws¹ grant Albany County the authority² to impose and collect taxes on occupancy of hotel and motel rooms in Albany County and provides for the structure for the distribution of the funds collected. Occupancy tax collected equals the rate applied to the per diem rental rate charged to occupants for each hotel or motel room. During the first quarter of 2025 the Occupancy Rate in Albany County increased from six percent (6%) to six and one-half percent (6.5%). However, the effective date of the increase was optional between January and February with some locations collecting the new rate earlier than others. The additional one-half percent (.5%) is allocated to the Albany Alliance.

The whole of the monies collected are distributed as follows:

- Albany Convention Center Authority Fund – 46%
- Times Union Center (Civic Center) Debt Service Fund. – 31%
- Albany County Convention and Visitors Bureau – 15%
 - Up to ten percent of this amount is retained by Albany County to offset the administrative expenses related to the occupancy tax.
- Albany Alliance – 8%

The table below details occupancy tax collections for the first two quarters.

Collections Q1 & Q2 2025 / 2026				
	2025	2026	Variance	
1st Quarter Collections	\$ 1,804,103	\$ 1,940,365	\$ 136,262	8%
Late Payments	\$ 0	\$ 0	\$ 0	
2nd Quarter Collections	\$ 2,743,168	\$ 2,699,702	\$ (43,466)	-2%
Late Payments	\$ 963	\$ 0	\$ (963)	
Total	\$ 4,548,234	\$ 4,640,067	\$ 91,833	2%

¹ Local Law No. 3 for 1980 as amended by Local Law No. 8 for 1981, Local Law No. 3 for 1986, Local Law No. 3 for 2005, Local Law No. 11 for 2006, Local Law No. 8 for 2009, Local Law No. 10 for 2010, Local Law No. 2 for 2012, Local Law No. 4 for 2014 and Local Law No.8 for 2016 pursuant to Chapter 693 of the Laws of 1980 of the State of New York, Chapter 375 of the Laws of 1985 of the State of New York, Chapter 531 of the Laws of 2005 of the State of New York, Chapter 194 of the Laws of 2006 of the State of New York, Chapter 105 of the Laws of 2009 of the State of New York, Chapter 401 of the Laws of 2010 of the State of New York, Chapter 312 of the Laws of 2012 of the State of New York, Chapter 228 of the Laws of 2014 of the State of New York, Chapter 452 of the Laws of 2016 of the State of New York and Chapter 134 of the Laws of the State of New York and Chapter 58 of the Laws of the State of New York.

² Authority is granted for a term of two years and must be renewed by resolution through the Albany County Legislature.

Hotel and motel operators are required to keep current and accurate records of exempt and non-exempt revenue. Additionally, quarterly returns with payment in full must be filed in a timely manner through the Albany County Department of Finance. A penalty is imposed for the late filing of a quarterly return in the amount of five percent of the total amount owed for the first month past due. An additional one percent of the original amount becomes due at the start of each additional month past due. During the second month past due, a notice will be delivered stating that the operator must file the past due return (with payment) within 30 days to avoid the issuance of a warrant and lien against the property. Additional penalties are imposed for misclassification of exempt revenue in the amount of five percent of the amount owed as a result of the misclassification and one percent per month charged back to the date the original return and payment was due. Specific and flat rate fines are imposed in the amount of one thousand dollars for the following issues as observed during the audit process:

- Non-compliance with audit in terms of scheduling and participation with auditors
- Failure to have tax certificate displayed in the appropriate manner as required by law
- Operating an unregistered hotel or motel

Objectives

- Confirm that the hotel or motel is registered and is in compliance with tax certificate display requirements;
- Determine whether operator has accurately classified exempt and non-exempt revenue;
- Ensure that records provided related to exempt revenue are substantiated with appropriate documentation; and
- Determine amount of late fees, penalties and fines to be assessed, if any.

Scope

The scope of this audit includes all hotels and motels located and operating in Albany County that have 25 or more rooms. The Occupancy Tax Audit is performed twice annually and in total generally reviews between 20 and 40 of the existing locations. Locations are selected for audit on a two-year rotating basis. Any location observed to be in noncompliance is reviewed as part of subsequent audits continuously until compliance is established and verified, as such the total number of locations audited varies from year to year.

Audit work was substantially completed on July 15, 2026.

Approach

To accomplish these objectives the DAC performed the following:

- Schedule site visit with hotel or motel operators;

- Perform reconciliation of physical records provided against quarterly returns filed with the Albany County Department of Finance;
- Review sample of documentation provided to support exempt revenue;
- Issue an invoice for any and all late fees, penalties and fines imposed.

Observations

There were no observations: no hotels were billed as a result of this audit.

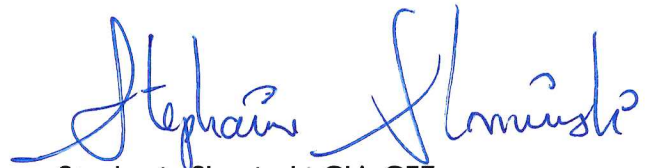
Conclusion

The DAC performed the audit of first and second quarter hotel occupancy tax collections at a total of 17 locations for the Spring of 2026. The auditors reviewed records for taxable room sales of \$21,041,828.62 which generated \$1,367,718.86 in Occupancy Tax. There are 10 additional hotels to be audited beginning in August 2026.

I would like to thank all participating hotels for their cooperation with our audit team in performing this review.



Susan Rizzo,
County Comptroller



Stephanie Slominski CIA CFE,
Chief Auditor

cc: Edward Dott, Executive Deputy Comptroller