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Nassau, Suffolk sales tax revenue rose in 2012

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Sales tax collections in Nassau and Suffolk increased last year, but revenue grew less than expected in Suffolk.

Though sales tax collections on Long Island rose overall in 2012, a local economist warned that the growth weakened as the year progressed. That reflected a slowdown in job creation, she said.

Nassau Comptroller George Maragos and Nassau's independent budget review office both reported on Wednesday that sales tax revenue increased 4.2 percent in 2012 compared with the year before. The county originally projected that revenue would grow by just 2.7 percent in 2012. As a result, the county

ended the year with \$21.9 million more in sales taxes than expected, the offices said.

In Suffolk, sales tax collections grew 3.1 percent over 2011, according to County Executive Steve Bellone's budget office. But the county had budgeted a 4.6 percent growth in 2012, so wound up with \$17.7 million less than it had planned for.

Maragos said: "From our point of view, it's been very healthy, very positive. . . . We've done very well."

Jon Schneider, deputy to Suffolk County Executive Steve Bellone, said that while the "we didn't necessarily share" the projections for 2012 by former County Executive Steve Levy, the effects of superstorm Sandy appear to be depressing sales tax growth further than projected. "This is just another challenge for Suffolk County government, and it's why we're working so hard to reduce costs by doing things like controlling overtime," Schneider said.



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Pearl Kamer, the chief economist for Long Island Association business group, warned that sales tax revenue overall on Long Island slowed as 2012 progressed.

She said collections year over year were up 7.9 percent in the first three months, increased by

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3.9 percent in the second quarter, then 2.9 percent in the third quarter and finally just 1.1 percent in the last quarter.

"While the overall growth was positive, it weakened throughout the year," Kamer said. "That's not a good sign. That reflected a slowdown in employment growth over the year."

She said that there is a "close correlation" between growth in jobs and growth in sales tax revenue.

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