

# Airbnb & Occupancy Taxes

Multistate Tax Commission

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Beth Adair- Global Tax Director, Airbnb



# Why does Airbnb Collect Taxes on Behalf of its Hosts?

- **Hosts** : no longer need to worry about complicated occupancy taxes
- **Governments** : easier to collect from and audit one corporate taxpayer rather than thousands of individuals
- **Airbnb** : helping our users and removing friction for our communities

# In what Situations does Airbnb Collect Occupancy Taxes?

## Legal Obligation

- Where Airbnb is required by law to collect tax  
Examples: Chicago, North Carolina

OR

## Formal Agreement with Jurisdiction

- Where Airbnb has a formal voluntary collection agreement, or “VCA”, stating that Airbnb will collect and remit taxes on our Host’s behalf  
Examples: Connecticut, Colorado

# Voluntary Collection Agreement v. Legislation

- VCAs are often the fastest path to collecting and remitting.
- Airbnb wants to collect and remit taxes, and does not oppose legislation that requires it to do so.
- Airbnb provides input into proposed legislation focused on the following:
  - Applicability to all business models in the industry
  - Clarity in all language (definitions, tax base, responsibilities of all parties)
- Legislative process can be time-consuming and difficult.

## What is a Voluntary Collection Agreement? (VCA)

- A VCA is a legally binding agreement between Airbnb and a taxing authority to contractually assume the tax collection and remittance obligations of Airbnb Hosts for booking transactions completed on our platform.
- Airbnb does not assume obligations unrelated to tax (e.g., rental permitting, zoning, health and safety requirements, etc.)
- Airbnb registers as a taxpayer and reports/remits in the aggregate on a single return. Hosts cannot opt in/out.
- Airbnb currently has VCAs with over 200 jurisdictions in the US.

# How does Occupancy Tax Collection Work?

**Timing:** Occupancy Tax is collected from the guest at the time of **booking**

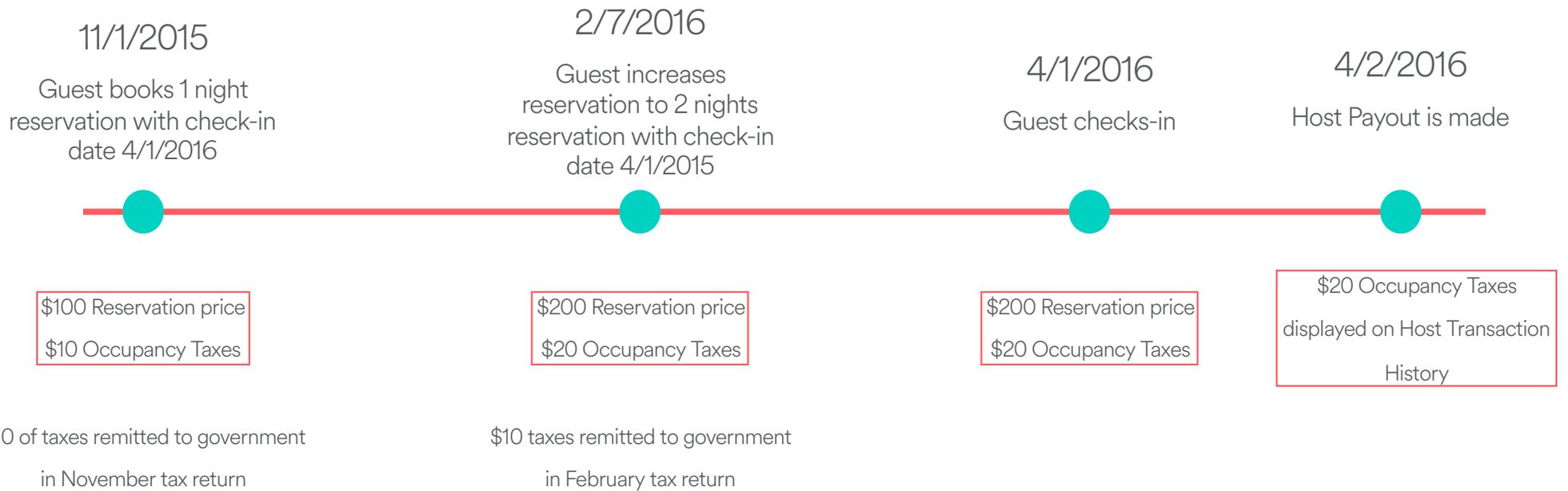
**All Listings:** Tax is collected on ALL listings. Hosts may **not** opt-out of tax collection.

**Remittance:** Occupancy Tax is paid to the jurisdiction at the **next tax return due date**.

**Presentation:** Occupancy Taxes are a separate line item on booking screens for the Guest (including the receipt)

**Alterations:** If a guest alters or cancels a reservation, Occupancy Taxes are recalculated with new reservation parameters

# Normal Scenario



## States in which Airbnb Collects

- Alabama
- Arizona
- Arkansas
- Colorado
- Connecticut
- District of Columbia
- Florida
- Idaho
- Illinois
- Kansas
- Louisiana
- Maine
- North Carolina
- Utah
- Oregon
- Pennsylvania
- Rhode Island
- South Carolina

# Sample Cities and Counties in which Airbnb Collects

- Anchorage, AK
- Cleveland
- Cuyahoga County, Ohio
- District of Columbia
- Humboldt County, CA
- Boulder, CO
- Chicago, IL
- Paris, FR
- Philadelphia, PA
- Jersey City, NJ
- Phoenix, AZ
- Portland, OR
- New Orleans, LA
- Reno, NV
- San Diego, CA
- Los Angeles, CA
- San Francisco, CA
- San Jose, CA
- Malibu, CA
- Santa Clara, CA
- Santa Cruz County, CA
- Santa Monica, CA
- Montgomery County, MD
- Santa Fe, NM
- Amsterdam
- Montpellier, FR
- Nantes, FR
- Ajaccio, FR
- Bordeaux, FR
- Cannes, FR
- Blanc, FR
- La Rochelle, FR
- Annecy, FR
- Lille, FR
- Saint-Malo, FR
- Marseille, FR

# QUESTIONS?



