



# Airbnb and Taxes

Airbnb recognizes that the tourism industry is an incredibly important economic driver around the world. We have studied the economic impacts of home sharing and are proud of how Airbnb helps distribute tourist spending to more residents, businesses and neighborhoods than ever before. We also recognize that tourism is an important source of revenue for local governments. That's why, when it comes to taxes, we believe in helping our community pay its fair share.

## How money moves through the business and our community

Airbnb is an online platform and marketplace that connects guests to hosts with unique accommodations everywhere in the world. Airbnb allows individuals to locate each other, communicate, and make financial transactions in a safe and secure manner.

Airbnb provides a secure payment processing service for Hosts to receive payments from Guests. These accommodation fees are released to hosts 24 hours after a guest checks in. Airbnb also receives service fees from guests and hosts:

- **Guest service fee:** We add a 6-12% service fee to guest payments every time a reservation is booked to cover the cost of running our site and services. The exact percentage depends on the subtotal of the reservation.
- **Host service fee:** We deduct a 3% service fee from host payouts every time a reservation is booked at their listing. This covers the cost of processing guest payments.



\* In remitting payment to Host, Airbnb nets the Service Fee from the Accommodation Fee.

## **Making taxes simple for our community**

We believe in helping our community pay its fair share. However, our hosts are not the same as hotels. In fact, 81% of our hosts are individuals sharing the home in which they live just a few weeks a year - they have other full-time jobs and don't have the expertise or means to understand complicated tax laws. In fact, we've heard from hosts who want to pay their taxes, but have been turned away by local authorities.

We recognize that every jurisdiction is different and that there is no one-size-fits-all model. We're committed to working collaboratively and finding solutions that work for everybody. So far, we've developed a few key approaches that help make tax collection more straightforward for everyone.

## **Local communications**

Whenever possible, we communicate with hosts via our website and email to help them understand their responsibility to adhere to local laws that apply to them. In our most populous regions we maintain up-to-date descriptions of those local regulations, with links to government resources and forms.

## **Helping our community pay income tax**

We provide all hosts with easy access to the information needed to report the income they make sharing their home. We remind hosts in several countries to pay their taxes each year.

## **Collecting and remitting tourist tax**

We have been working with cities and counties to add more communities to the list of places where we collect tourist taxes from guests, on behalf of hosts, and remit the taxes directly to the cities.

In cities such as San Francisco, Paris, and Amsterdam, guests now see a new line item on their Airbnb receipt for city transit occupancy taxes. Airbnb then remits those taxes to cities on behalf of our hosts

## **Working with cities to simplify all rules for home sharing**

While clarifying what taxes apply to home sharing and how they should be collected and remitted, it is also a good idea to clarify other ordinances that regulate home sharing. Revenue authorities can greatly increase remittance compliance by working with their colleagues to simultaneously clarify and update zoning and permitting rules.