AUDIT / TAX / BUSINESS ADVISORY

IMPORTANT NOTICE TO OWNERS OF RENTAL PROPERTIES WHO DO BUSINESS WITH AIRBNB

A supplier/owner of rental properties who <u>is registered for the GST/HST/QST</u> and who provides taxable rentals via an accommodation platform, such as Airbnb, is required to remit to Revenu Quebec the GST/HST/QST collected from the rentals. The platform may collect the GST/HST/QST from the renter but must transfer the collected amounts to the supplier/owner, who subsequently remits them to Revenu Quebec.

In practice, however, compliance with these new rules is poor. For example, we observed that the widely-used platform Airbnb frequently remits the GST/HST/QST directly to Revenu Quebec even when the supplier/owner is registered for GST/HST/QST and provided Airbnb with his/her GST/HST/QST account numbers.

Suppliers/owners of rental properties who are not in compliance with the law are at risk of being assessed by Revenu Quebec for taxes that have been collected but not remitted even if these taxes were remitted to Revenu Quebec by Airbnb.

It is therefore imperative that all suppliers/owners of rental properties who are registered for the GST/HST/QST configure their profile on Airbnb to ensure that they receive the taxes collected by Airbnb on rentals instead of Airbnb directly remitting the taxes to Revenu Quebec.

Unfortunately, the Airbnb platform is not user-friendly and it is not obvious where to enter tax information to ensure proper profile set-up. We prepared this communication to assist our clients and business partners in complying with the law and avoid disputes in future tax audit. This communication illustrates the steps required for the supplier/owner to correctly configure his/her tax profile on Airbnb. Detailed instructions can be found in Sections 1 and 2 on the following pages.

Note that in situations where the supplier/owner **is not registered for GST/HST/QST**, Airbnb is required to remit the GST/HST/QST collected from the renters.

An agreement concluded in 2017 between Airbnb and Revenu Quebec allows Airbnb, with some exceptions, to collect and remit the Tax on lodging directly to Revenu Quebec on behalf of all suppliers/owners, regardless of whether or not they are registered for this tax.

An agreement concluded in 2017 between Airbnb and Revenu Quebec allows Airbnb, with some exceptions, to collect and remit the Tax on lodging directly to Revenu Quebec on behalf of all suppliers/owners, regardless of whether or not they are registered for this tax.

Section 1

Adding GST/HST/QST registration numbers to the supplier/owner's profile on the Airbnb website

Step 1: Go to the "account" section of your profile



Step 2: Click on "Taxes"

🖉 airbnb			Airbnb your home	θ	=	0		
	Account	Go to profile						
	AB Personal info Provide personal details and how we can reach you	Cogin & security Update your password and secure your account	Payments & payouts Review payments, payouts, coupons, and gift cards					
	Taxes Manage taxpayer information and tax documents	Notifications Choose notification preferences and how you want to be contacted	Privacy & sharing Manage your personal data, connected services, and data sharing settings					
	Global preferences Default language, currency, and time zone	Travel for work Add a work email for business trip benefits	Professional hosting tools Cet professional tools if you manage several properties on Airbrid					
	Referral credit & coupon You have \$0 CAD referral credits and coupon.							

Step 3: Click on "Add tax info"

Γ	Mtps://www.aitbrb.ca/account-antings	Taxes/Taxpayers		P	A 0 0 0	b 4	0
	🚫 airbnb		Airbnb your home	e = (1		
		Account > Taxes Taxpayers Tax documents					
		Taxpayer Information Tax info is required for most countries/regions. Learn more Add tax info					
		Value-Added Tax (VAT) If you are WAT-registered, please add your WAT ID. <u>Learn more</u> Add WAT ID Number					
		Need help? Get answers to questions about taxes in our <u>Help Centre</u> .					

Step 4: Enter the requested information (Taxpayer info, GST ID, QST ID, HST ID). Please note that "HST ID" is the same number As "GST ID"

 C (0 http://www.aideb.ck/topsyce.infg 			N C
&			Cancel
	Canada Taxes Add a few details about your taxpayer status		
	Taxpayer Name	Ŷ	
	Taxpayer Last Name	Why add my Canada Tax Information?	
\longrightarrow		Under the Canadian Fall Economic Statement 2020, Airbnb is required	
	Taxpayer Business Name (Optional)	to charge GST, HST, and GST on bookings effective July 1, 2021.	
	E.g. Dusiness Name	 Adding your OST, HST, or QST numbers may exempt you from 	
	OSTID	on our service fees and the	
\longrightarrow	123456789 RT 0001	 If you are a First Nations person, 	
	0151	please enter your to-digit registry number as found on your status card.	
\rightarrow	123456789 RT 0001		
	GST ID (Optional)		
\rightarrow	999999999 TQ-0001		
	First Nations Identity Number		
	1234567891		
	Seve		

Section 2

Configuring the supplier/owner's Airbnb profile to ensure that the taxes collected by Airbnb are remitted to the supplier/owner instead of Revenu Quebec

Step 1: Still in the "Account" section of your profile, click on "Professional hosting tools"



Step 2: click on "Manage" and then "Use professional tools"

Mtps://www.airbnb.ck/ixcount-settings/professional-hosting				PRQ	\$ 0	a 👳
🖉 airbnb		kirbnib your home	0 (E	C		
Account > Professional hosting tools Professional hosting tools						
Company Edit your company info and manage your listings at scale	Manage					
Allow me to use an email alias to reach guests Lattest that I will use the email alias only for the following reasons: Enced to send document attachments required by local laws Enced to send rental agreements as an attachment, Enced to send check-in-guides as an attachment, Enc	×					
Funderstand that my use of the email alias is subject to Airbnbrs <u>Qff-</u> Platform.Policy.						

← C © https://www.aideb.ca/uers/lettings			<i>№</i> Ω	00	4	۰. ۵
Q Search		Become a host	Saved Trips	Messages	Help	0
	Account settings > Professional hosting tools					
	Professional hosting tools					
	Professional hosting tools					
	Explore tools designed to help you host more efficiently, whether it's just you or a team. Try them out and switch back if they're not right for you <u>Least more about the tools</u>					
	Une professional tools					
	B) © 2023 Airbeb, Inc. All rights reserved.					

Step 3: Return to your profile and select "Manage listings"

7 0 (airbnb.c	alaccount-settings		5	Q ∆ ☆ ⊙ ≯ □ witch to besting ⊕ ≡ ●
	Account	Go to profile	G	Messages Notifications* Trips Wishlists
	Personal info Provide personal details and how we can reach you	Cogin & security Update your password and secure your account	Payments & payouts Review payments, payouts, cour cards	Manage liptings Company dashboard Account
	Taxes Manage taxpayer information and tax. documents	Notifications Choose notification preferences and how you want to be contacted	Privacy & sharing Manage your personal data, con services, and data sharing setting	Log out
	Global preferences Default language, currency, and time zone	Travel for work Add a work email for business trip benefits	Professional hosting tools Get professional tools if you man properties on Airbrid	nage several

Step 4: Click on "Menu" and then "Listings"

C Q	airbnb.ca/hosting						<u> </u>	3
		Today	Inbox [®] Calend	lar Insights	Meny v 🕇	-		
	Welcome back,				Get Early Access (1999) Listings Reservations Create a new listing			
	Your reservations Currently hosting (5) Upcoming (43)	Pending review (9)	Checking out (0)	Arriving soon ((Team Tasks Activity Guidebooks	All reservation	ns,(48) < >	
	Currently hosting	Currently hosting	۲	Currently	Pro-marketing page Transaction history Explore hosting resources Connect with Hosts near you	Currently hosting	60	
	Message	Mess	age		Message	Messag	10	

Step 5: Select the listing for which you want to add tax information and then click on "Pricing and availability"



Step 6: Go to the "Taxes" section and click "edit"

← → C O (a airbnb.ca/hosting/listing	s/ pricing-and-availability	ର ଓ 🖈 🛈 🌒 ।
Ø	Today Inbox Calendar Insights Menu 🗸	۵ 🌔
11 listings v (+)	Management fee Not set	fait.
Q, Search listings	Community fee Not set	Edit
- D	Extra guest fee After 1 guest, \$50 CAD per person, per night.	Edit
Modified 4 days ago	Weekend nightly price Not set	Edit
• Modied Jon. 4	Taxes	
Modified May 27	Trip length	2.
Mudfled May 30	Minimum stay 31 nights	Edt
	Maximum stay	Edit.

Step 7: click "Add a tax"



Step 8: for GST/HST:

- 1. Select VAT/GST
- 2. Tick all the boxes in "Taxable base" whether or not these charges are invoiced
- 3.Add your GST/HST number in the box "Business tax ID"
- 4. Add your tax on lodging number in the box "Accommodation tax registration number". if you do not have this number, please write "N/A"
- 5. Please consult your tax advisor to determine what to include in the section "Long term stays" outlined in red. Your tax obligations will vary depending on the type of building and rental you provide.

← → O O (a airbrb.ca/hosting/listings		pricing-and-availability/taxes	a e 🖈 🛛 🜒 i
۵	A	Add a tax	e : 🔍
11 listings T (+)	C Back to edi in	his tax will be collected for any new bookings. If this tax is remitted you, you are responsible for submitting, paying and reporting the orrect amount to the tax authorities. In some jurisdictions, we will stead remit this tax directly to local tax authorities. Refer to the ricing and availability section for more information.	
	Occupancy to po Terret apply to po Occupancy Ta	ax type VAT/GST V	n are shown has amounts as part of the booking total.
The second second second	We externation T Tourism Tax ICar Review the tax a	ype of charge Amount Percentage per booking. 5 %	normen Learninger
	Custom tax co	axable base	
• •	Addatax	Base price Management fee Community fee	nen popul regort. Lanta men
·	O Howky	Linens fee Resort fee Cleaning fee	
• • • • • •		Pet fee taximum cap per person per night	
		\$	



Step 9: For QST:

- 1. Select Sales tax
- 2. Tick all the boxes in "Taxable base" whether or not these charges are invoiced
- 3.Add your QST number in the box "Business tax ID"
- 4. Add your tax on lodging number in the box "Accommodation tax registration number". If you do not have this number, please write "N/A"
- 5. Please consult your tax advisor to determine what to include in the section "Long term stays" outlined in red. Your tax obligations will vary depending on the type of building and rental you provide.

← → C ☆ (a airbnb.ca/hosting/listing		pricing-and-availability/taxes	۹ ۵ 🖈 🛯 🌒 :
۵		Today Inbox Calendar Halphis Menu v	• •
11 listings T +	C Back to ed Occupancy Toess apply to p Occupancy To We automatical Tourism Tax (Co Besiew the tax) Custom tax of Will collect add	✓ Add a tax This tax will be collected for any new bookings. If this tax is remitted to you, you are responsible for submitting, paying and reporting the correct amount to the tax authorities. In some jurisdictions, we will instead remit this tax directly to local tax authorities. Refer to the pricing and availability section for more information. Tax type Sales tax ✓ Type of charge Amount Percentage per booking. 9.975 %.	n are shown has amounts as part of the booking total. Northies Learn more
Bottled. Jon 4	VAT/OST IIIs Percentage (Add a tax	Taxable base Learn more	Patrices.
(Q. Searchistops		Onn't forget to re-assess your nightly rate	
	Occupancy to Taxes apply to yo Occupancy Ta We automatically Tourism Tax (Can Besters the tax o	Business tax ID You can find this number on your tax registration documents I do not have a business tax ID Accommodations tax registration number	n are shown that amounts as part of the booking total.
	Custom tax co Writ collect add Add a tax	You can find this number on your tax registration documents N/A I Learn more Does your jurisdiction provide exemptions for long-term stays? Tax may not apply to bookings longer than a certain number of days. Learn more	nete payout report. Learn mare
· · · · · · · · · · · · · · · · · · ·	Howing	Yes (long-term stay exemption) Yes (conditional exemption) No Terms for adding taxes I confirm this tax amount is correct, and I will pay this tax once remitted	

Step 10: Once finished, confirm that the items "VAT/GST" and "Sales tax" (outlined in blue) appear on the reservation page of the listing to validate that the previous steps were completed.

← → C O (a airbnb.ca/hosting/listings)	pricing-and-availability/taxes Q、 仓 全	🧿 🛪 🖬 📵 🗄
Q	Today Inbox [©] Calendar Insights Menu ~	۵ 🔘
11 listings v (+)	< Back to editing	
Q Search listings	Occupancy tax collection Taxes apply to your nightly price and fees for bookings, and we include them in your earnings report. Guests are shown tax amounts as part of the booking to	tal.
Mudfied 2 days ago	Occupancy Taxes collected and remitted by Airbnb We automatically collect these taxes from guests for each booking and remit them directly to local tax authorities. Learn.more	
Mago Mudfed 4 days Apr	Tourism Tax (Can - Quebec Hotel) Review the tax amounts collected by Airbob	
Modified 2 days ago	Custom tax collection www. We'll collect additional taxes from guests on new bookings, remit them to you, and include details in a separate payout report. Learn more	
· III Holded Jack	VAT/GST 5%. Percentage per booking. Edit	Remove
Indified May 27	Sales tax 9.975%. Percentage per booking. Edit	Remove
Modified May 30	Add a tax	

IMPORTANT:

Please note that you will have to complete all the steps in section 2 <u>for each rental</u> <u>unit that you list on Airbnb.</u>

The information contained in this communication is of a general nature. The rules governing the application of GST/HST/QST to rental properties can be complex. For questions regarding your specific situation, you are advised to consult the relevant articles of law or consult with an indirect tax professional.



