

Airbnb to expand tax collection efforts

January 30 2015

Online lodging operator Airbnb is expanding its efforts to collect local taxes, responding to complaints that it competes unfairly with the hotel sector.

The San Francisco group which allows people to rent out their rooms, apartments or homes said this week it would begin collecting and remitting taxes in the US capital Washington and in Chicago on February 15.

The company said its agreement with the Dutch city of Amsterdam on tax collection would become effective this week along with a deal with San Jose, California.

"Over the past few years, Airbnb has been working with local lawmakers and regulators on ways that it can comply with local hotel tax and housing laws," Airbnb's David Hantman said in a blog post.

"Those efforts have been slow-going, as its public policy team has more or less had to work with each individual city to do so."

Hantman said that "it isn't always clear which taxes apply and to whom in our community. But as we learn more, we want to help more."

He noted that Airbnb has collected some \$5 million in taxes for San Francisco and Portland, Oregon.

He added that the company is "continuing our productive discussions on

a similar initiative in France."

The California-based startup was launched in 2008 and quickly became very popular.

But traditional hotel chains see it as a rival and accuse it of helping people avoid taxes and hosting illegal hotels on its website.

Authorities in the United States and France treat it with some suspicion.

In 2013, New York state Attorney General Eric Schneiderman subpoenaed Airbnb to determine whether its 15,000 hosts in the state were violating laws barring renters from subletting their homes for more than 30 days if they are not present there.

Airbnb, one of the leading groups in the so-called "sharing economy," last year raised \$450 million in capital which gave it a theoretical value of \$10 billion.

© 2015 AFP

Citation: Airbnb to expand tax collection efforts (2015, January 30) retrieved 2 May 2024 from <https://phys.org/news/2015-01-airbnb-tax-efforts.html>

<p>This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.</p>
