



# This Week in State Tax (TWIST)

18th March 2024



To listen to the podcast please [click here](#)

## Multistate: States Consider Taxation of Short-Term Rentals and Obligations of Platforms

During the current legislative sessions, certain states are considering legislation addressing the taxation of short-term rentals and obligations of platforms that facilitate sales of accommodations. In New York, both the Governor's and the House and Senate's proposed budgets would "modernize the tax law to include the vacation rental industry" by imposing sales and use taxes and New York hotel taxes on vacation rentals. Further, the proposals would require a "vacation rental marketplace provider" to collect the applicable taxes. New York already has a law requiring room remarketers to collect taxes on facilitated sales of traditional accommodations. In Florida, enrolled Senate Bill 280 would require certain "advertising platforms" to collect and remit taxes on vacation rentals when guests use the platform's payment system to pay for a vacation rental. An "advertising platform" is a person that provides (1) a website or software through which a vacation rental in Florida is advertised as available for rent, (2) a marketplace for the renting of vacation rentals, and (3) a reservation or payment system and the person collects or receives, directly or indirectly, a fee in connection with the reservation or payment service. Any amount retained by the advertising platform for reservation or payment services is not taxable. To facilitate the remittance of such taxes, the Department and counties that have elected to self-administer local tourist development taxes shall allow advertising platforms to register, collect, and remit such taxes. In Alabama, House Bill 220 and Senate Bill 150 have been introduced that would require accommodations intermediaries (as defined) to collect taxes on sales of all types of accommodations, including short-term rentals. The taxes would be remitted by the intermediary and/or the accommodations provider, depending on the contract between the parties. In Minnesota, House File 3414 and Senate File 3976 would clarify that local lodging taxes apply to the entire consideration paid to obtain access to lodging, including any charges for services provided by an accommodations intermediary. The bills would also allow a local government that collects its own lodging tax to choose to limit the required filing and remittance of the tax by accommodation intermediaries to once per year. Finally, Georgia Senate Bill 534, which has passed the Senate, would require marketplace innkeepers to provide consumers with an itemized receipt detailing the amount and type of each tax and fee charged to the consumer in relation to the rental or lease of any room, lodging, or accommodation. Please contact [Sarah McGahan](#) with questions on these proposals.

Learn about us:



[kpmg.com](https://www.kpmg.com)