

## STR Tax topics from owner emails

I got an email from Airbnb stating that they will begin collecting the 2% sales tax, 2.35% lodging tax and 5% excise tax beginning Feb 1st 2023 for Frisco. I wanted to confirm this and it will no longer need to be remitted by owners?

Please refer to Airbnb email [communication sent on January 19, 2023](#). Airbnb will start collecting and remitting taxes for the new bookings as of 2/1/23. For stays after 2/1/2023 that were booked before 2/1/2023, owners must still remit the Town's taxes.

Will you be able to obtain a report from Airbnb for our individual properties so that we can see that the tax was correctly collected and remitted?

No, Airbnb will file in bulk for all owners for bookings made on or after 2/1/23. Owners will still have to file/pay Town taxes for prior bookings to 2/1/23 for a stay after 2/1/23. You should be able to pull a report from Airbnb to show your taxes collected/remitted.

Our gross revenue was \$1843.55. However, I see Occupancy Tax fees totaling \$97.54 that were charged to the customers. Is that part of the Gross Sales?

Sometimes a business might overcharge sales tax incorrectly to a customer, in this case the business cannot keep the sales tax – they either have to refund the customer or file & pay it to the Town.

What is an example of EXCESS SALES TAXES COLLECT- Line 6 – The “how to’s say, To report the amount of tax collected in excess of the effective rate of tax levied on rental sales.

Sometimes a business might overcharge sales tax incorrectly to a customer, in this case the business cannot keep the sales tax – they either must refund the customer or file/pay it to the Town.

We did process what we thought was the completed form on the due date of January 20th. We submitted the form online. For some reason it does not seem to be complete or incorrect.

In Govos/Munirevs, if you don't do the checkout, your return is not filed. Even if you are filing a \$0 return. Please make sure, you get to the point of seeing the status of your return as “completed”. You should also receive an email confirmation after you submit your tax return.

Airbnb bookings PRIOR to 2/1/2023: I have been paying on the monthly tax form to the Town of Frisco but I am confused if I have calculated this correctly.

### **Guest paid**

\$460 x 2 nights	\$920.00
Cleaning fee	\$190.00
Guest service fee	\$156.71
Occupancy taxes	\$70.76
Property use taxes	\$92.92
Total (USD)	<b>\$1,430.39</b>

### **Host payout**

2 nights room fee	\$920.00
<u>Show breakdowns</u>	
Cleaning fee	\$190.00
Host service fee (3.0%)	-\$33.30
Property use taxes	\$92.92
Total (USD)	<b>\$1,169.62</b>

For the booking in the print screen you need to report and pay taxes to the Town using line 1 of your tax return:  $\$920 + \$190 + \$156.71 = \$1266.71$ . These are all required charges to your renter, so they are considered the price of lodging and then subject to all taxes: sales, lodging and STR excise tax.

Airbnb bookings PRIOR to 2/1/2023: Same as print screen as above: where was the \$70.76 in this example remitted?

It is our understanding that the occupancy tax Airbnb collects is the State of Colorado sales tax, Summit County sales tax & Special District taxes. The \$70.76 has been filed for you to the State of Colorado by Airbnb.

Do I need to include the cleaning fee in the gross rental revenue?

Gross short-term rental revenues include all compensation received for occupancy including all non-optional fees (other than taxes) such as booking/reservation fees; cleaning fees; pet charges; fees for extra vehicles, people, or beds; etc.; and any amounts received from lodging companies or managers. All fees, except for the tax portion, collected from the renter are taxable. If a fee is optional to the renter, then it's not taxable.

I need to amend my STR tax return.

Please email [STRsupport@townoffrisco.com](mailto:STRsupport@townoffrisco.com) the tax period you need to amend. We will follow up by email once the return gets loaded to your account for you to file, it will be labeled "AMENDED".

I processed a refund for a STR cancellation, what taxes do I need to pay the Town?

Example 1: if a renter cancels and doesn't have availability to stay at your place at all, whatever penalty the renter doesn't get refunded is non-taxable. All taxes should be refunded to the renter.

Example 2: the renter cancels and had access to your place (say they stayed one night only, or you gave them the key but didn't spend the night), and you decide to refund part of the stay – in this example the stay is taxable.

I was under the impression that the monthly taxes for STR would be paid or taken out by Airbnb and sent to you. I am still recovering monthly tasks to remit taxes on my own.

Airbnb is filing taxes directly to the Town for the NEW bookings starting 2/1/23. Any stays after 2/1/23 with a booking date prior to 2/1/23 you still need to pay the taxes directly to the Town. Airbnb is filing in bulk to the Town without providing details for each property. Owners are still required to file a return with the Town and report any other rental revenue for other listing sites they might have. If you only use Airbnb and would like to file quarterly instead of monthly. Please email us to [STRsupport@townoffrisco.com](mailto:STRsupport@townoffrisco.com) requesting an update on filing frequency.