



3 Steps:

How to Increase Tax Revenue From Short-Term Rentals

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As COVID-19 restrictions are lifted, municipalities can expect to see a surge in those seeking vacations and travel. Citizens are more likely to opt for short-term vacation rentals amid widespread social-distancing guidelines. According to Bloomberg.com, short-term rental platforms like Airbnb are seeing more nights booked for U.S. listings than this time last year. At the same time, hotel searches are down 60%.

How do you suspend short-term rentals during crisis?

[Discover three lessons from the COVID-19 crisis.](#)

The short-term rental (STR) industry provides an opportunity for economic recovery for governments, whose small budgets have only shrunk due to COVID-19. By ensuring STR hosts are paying their fair share of transient occupancy tax (TOT) or similar taxes, local governments can offset the costs of regulating this growing industry and continue to fund important services and community projects.

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CREATE STRATEGIC SHORT-TERM RENTAL ORDINANCES

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ELIMINATE BARRIERS TO COMPLIANCE

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CREATE STRATEGIC SHORT-TERM RENTAL ORDINANCES

Why It Matters

Without strategic ordinances, the STR industry can be difficult to enforce. Your ordinances should be clear, enforceable, and align with the goals of your community. If your ordinances require high burdens of proof (e.g. catching violators by knocking on doors), it will be difficult, if possible, to enforce your codes. Violators are less likely to come into compliance and pay taxes without fear of repercussions.

What to Consider

You may have heard of Airbnb and HomeAway, but did you know that there are over one hundred STR platforms online? When implementing new policies, it's important to consider how you will monitor and enforce STR activity across a wide range of platforms. STR compliance software can help you determine number of stays and calculate taxes owed for STRs on multiple platforms, providing overall visibility and better insight into taxes owed.



Ask Yourself

- Are my ordinances clear, enforceable, and aligned with the goals of my community?
- Is evidence required to enforce ordinances based on advertisements?
- Do I have a tool to help enforce ordinances?



02

EDUCATE HOSTS ON COMPLIANCE REQUIREMENTS

Why It Matters

Education is an opportunity for government to inform citizens of local laws and their importance. Without education, only about 10% of STR hosts will come into compliance with local laws. Once hosts are aware of ordinances, most of them will get registered and begin to pay taxes.

What to Consider

Your website and social media only reach so far. You need to communicate with hosts directly to make sure you are being heard. STR compliance software can identify the addresses and property owners of STRs. Once you know who is operating – legally and illegally – and where, you can use software to send them letters that communicate your ordinances and how to become compliant.

Ask Yourself

- Do I know where STRs are in my community and who is operating them?
- Have I communicated ordinances directly to hosts?
- Have I informed them of ways to come into compliance?



03

ELIMINATE BARRIERS TO COMPLIANCE

Why It Matters

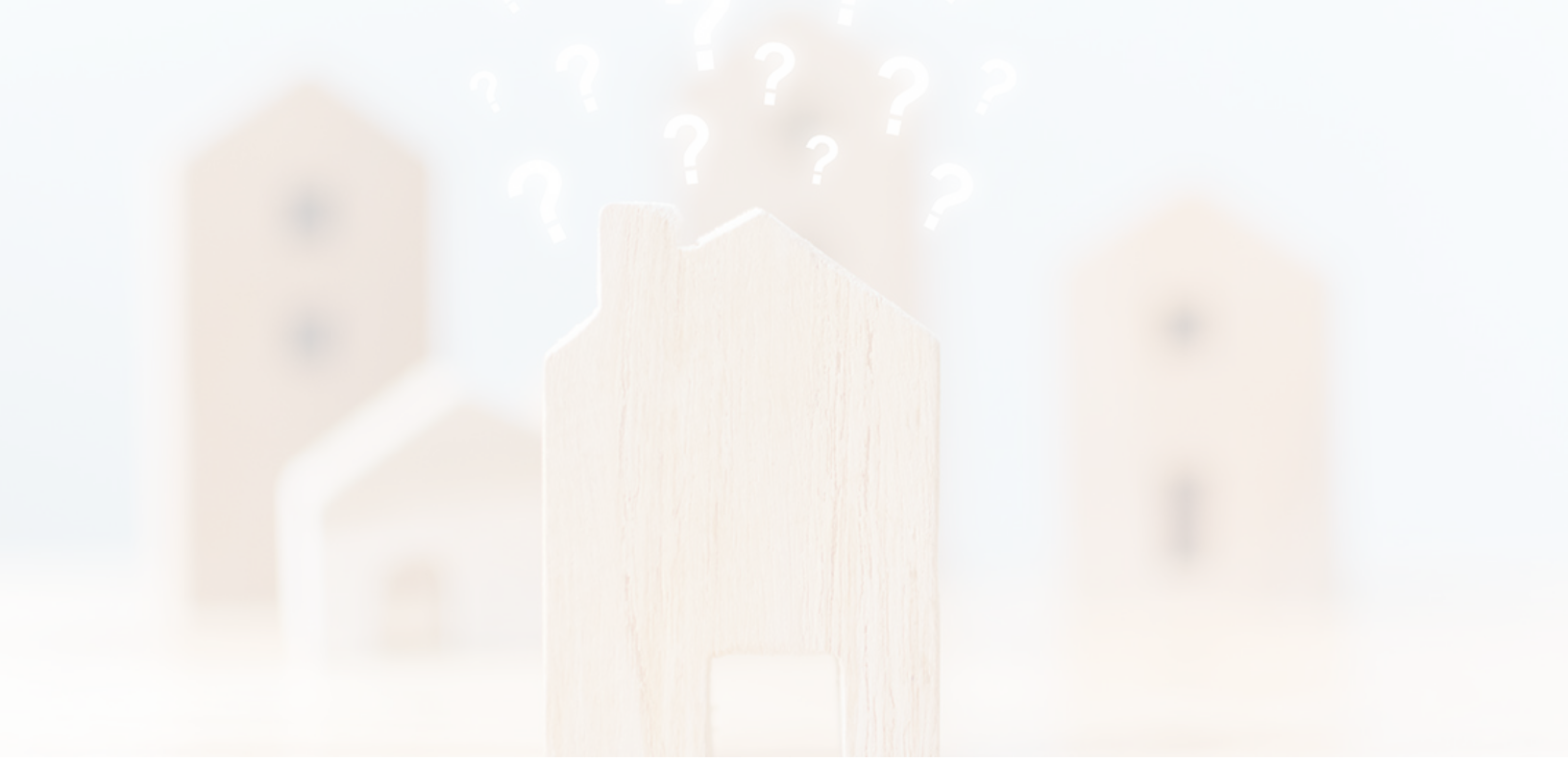
Most people dread waiting in line at a government office to do business. With COVID-19, some may not even feel it's safe. When you eliminate barriers, like waiting in lines or printing and mailing paperwork, and provide an easy registration and payment process, hosts are more likely to register for a permit and pay taxes.

What to Consider

A digital service process allows citizens to register for a permit and pay taxes when it's convenient for them and from the comfort of their homes. STR compliance software can provide an online portal for hosts and help you process and keep track of payments all in one system.

Ask Yourself

- Is the process for paying taxes convenient?
- Does the process for paying taxes offer a digital option?
- Is there an opportunity to streamline back-office processes to eliminate backlogs and wait times?



If you're experiencing budget shortfalls, you're probably seeking every opportunity to cover costs of operations. The STR industry is going to operate whether it is legal or not. By creating strategic regulations, educating hosts about compliance requirements, and eliminating registration and payment barriers, you can increase tax collection from STRs.

② Have Questions? Let's Talk

Our Host Compliance software can help you recover much-needed revenue while helping you regulate the industry.

Get Free Consultation:

<https://granicus.com/free-consultation-short-term-rental-compliance/>



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