



Crowe Soberman | Canada

Smart Decisions. Lasting Value.

# How Does GST/HST Apply to Airbnb?

Frédéric Pansieri, BBA, CPA, CA

Audit / Tax / Advisory  
Member Crowe Global

Chartered Professional Accountants  
[www.crowesoberman.com](http://www.crowesoberman.com)

**Airbnb** can be a great platform to generate more revenue from your place of residence. However, there are some GST/HST implications to consider.

The leasing of a residential unit, whether it is a house, a condominium unit or an apartment, is only exempt from GST/HST in either one of two cases:

- Where the residential unit is located in a residential complex and is leased for a continuous period of at least one month to the same individual, or
- Where the daily fee to occupy the unit does not exceed \$20

Given that Airbnb caters to short-term stays (less than one month), it is reasonable to expect that any income earned from the rental of residential units through Airbnb (or similar platforms) would be taxable for GST/HST purposes, unless the daily rate does not exceed \$20.

**The requirement to charge the GST/HST on the rental of the units is generally the responsibility of the owner of the unit.** Unless the owner qualifies as a “small supplier” for

GST/HST purposes, meaning, the owner makes less than \$30,000 of GST/HST taxable revenues annually, the owner will be required to register and start charging the GST/HST on the lease of the unit.

It is also relevant to note that the exemption based on the minimum one-month continuous occupancy period only applies if the residential unit is either a residential complex or a unit located in a residential complex. The definition of “residential complex” for GST/HST purposes explicitly excludes a building, or that part of a building that is a hotel, a motel, an inn, a boarding house, a lodging house or other similar premises that is not owned by an individual and used primarily as a place of residence of the individual--if all or almost all (90%) of the leases in that building or part of the building provides, or are expected to provide, for periods of continuous possession or use of less than 60 days.

As a result, it is conceivable that a building that looks like a house or a residential unit does not qualify as a residential complex and would be treated instead like a hotel with all the potential GST/HST implications including the possible application of change of use rules and self-assessment of tax.

For more information, please contact our **Indirect Tax** practice lead – **Frédéric Pansieri**.

*This article has been prepared for the general information of our clients. Specific professional advice should be obtained prior to the implementation of any suggestion contained in this article. Please note that this publication should not be considered a substitute for personalized tax advice related to your particular situation.*

## Connect with the Author

Frédéric Pansieri, BBA, CPA, CA, Frédéric Pansieri Professional Corporation  
Partner, Commodity Taxes

This article was prepared by Frédéric Pansieri, who is a partner of Commodity Taxes. If you have any questions relating to this article, we encourage you to contact him.

T: 416 963 7237

E: frederic.pansieri@crowesoberman.com

## About Crowe Soberman LLP

Based in Toronto, Crowe Soberman is one of the leading public accounting firms in Canada. The firm has been in business over 60 years and has built a strong reputation in the community because of the excellent work our teams of dedicated professionals produce.

Our core services are in Audit, Tax, and Advisory. Along with these, we have professionals who specialize in Business Valuation, Claims Valuation, Corporate Recovery & Turnaround, Forensics, Estates & Trusts, Global Mobility Services, HR Consulting, Commodity Tax (HST), International Transactions & Consulting, International Tax, Litigation Support, M&A Transactions, Management Services, Personal Insolvency and Succession Planning. Members of our various specialty services groups are available when required as a technical resource to assist the client service team.

Crowe Soberman is an independent member of Crowe Global. As a top 10 global accounting network, Crowe Global has over 200 independent accounting and advisory firms in 145 countries. For almost 100 years, Crowe has made smart decisions for multinational clients working across borders. Our leaders work with governments, regulatory bodies and industry groups to shape the future of the profession worldwide. Their exceptional knowledge of business, local laws and customs provide lasting value to clients undertaking international projects. At Crowe Soberman LLP, our professionals share one commitment: to deliver excellence.