

COUNCIL AGENDA SUMMARY

TO: Mayor Craft & Members of the City Council

FROM: Marcy Kichler, Revenue Supervisor

SUBJECT: Airbnb request for Amendment 1 to Voluntary Collection Agreement dated September 24, 2018

DATE: October 7, 2019

ISSUE: Airbnb has contacted the City requesting consideration and approval of a proposed Amendment 1 to the Voluntary Collection Agreement. The amendment states two main objectives:

1. Amend VCA to identify “an optional alternative tax remittance feature for certain hosts”
 - Allows certain users to become Registered Hosts.
 - Registered Hosts would be primarily responsible for remitting their own lodgings tax to the City.
 - Airbnb may provide the name, tax id, business id and gross bookings of all Registered Hosts to the taxing jurisdiction, once per consecutive 12-month period.
2. Amend VCA to “expand the scope of transactions which may be completed by Hosts and Guests on the Platform”
 - Airbnb is now adding “Experiences” to their booking platform.
 - States if they expand types of transactions on their platform and Airbnb decides in their sole discretion to collect and remit taxes, they will provide reasonable notice to the taxing jurisdiction.

BACKGROUND: Council authorized the Mayor to sign the Voluntary Collection Agreement with Airbnb in September 2018. Per the agreement, Airbnb began to collect and remit lodging tax for hosts utilizing their platform for bookings beginning November 1, 2018.

Tax payments received from Airbnb by the City during the course of the first 10 months of the agreement rank them among the top 5 taxpayers to the City.

PREVIOUS COUNCIL ACTION: Authorized Mayor to sign VCA on September 24, 2018

BUDGET IMPLICATIONS: No impact

RECOMMENDATION: The agreement has been reviewed by the Finance Committee and the City Attorney. Recommend Council authorize the Mayor to execute VCA Amendment 1

RELATED ISSUES: None

ATTACHMENTS: Amendment 1 to VCA dated September 24, 2018

DEPARTMENT: Finance and Admin

STAFF CONTACT: Marcy Kichler