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Airbnb to Start Paying Taxes on Behalf of its Hosts in Alabama

MONTGOMERY, Feb. 17, 2016 – On March 1, Airbnb, a San Francisco-based tech company that provides an online place to list, find and rent short-term lodging, will begin collecting and remitting taxes for its hosts in Alabama.

Pursuant to an agreement with the Alabama Department of Revenue, Airbnb will collect the state's Transient Occupancy Tax, as well as local lodgings taxes if the responsibility for collection of those taxes has been assigned to the Department. With the agreement, Alabama joins a handful of states and taxing jurisdictions where Airbnb has agreed to collect and remit lodgings taxes.

This development is a huge benefit for the state. The agreement with Airbnb, and the community marketplace's growing presence in the state, means additional, much-needed revenues for the state and many Alabama cities and counties. While properties rented through Airbnb were always subject to state and local lodgings taxes, the responsibility was on the host to remit, and Department oversight of those collections was administratively burdensome.

"This agreement will increase compliance in this area, and I commend Airbnb's willingness to take the steps necessary to ensure that the appropriate taxes are being remitted," said Revenue Commissioner Julie Magee. "It's a win for both the state and for Airbnb customers."

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