

# FRANCE: TAX ON RENTALS FOR AIRBNB REACHED 93 MILLION EUROS



This year, Airbnb paid €93 million in tourist tax on rentals to French communes, compared to €58 million in 2019. The company did not disclose the amount for 2020 when its revenues plummeted due to the health crisis.

The largest amounts of tourist tax were collected **in Paris (9.4 million euros), Marseille (1.9 million), Nice (1.2 million) and Cannes (1 million)**, according to the company statement. Out of some 29,000 municipalities that collected the tax on rentals via Airbnb, those with fewer than 3,500 inhabitants shared 27 million euros or 29% of the total.

## France, the Second Largest Market for Airbnb

This data concerns the period from November 1, 2020, to October 31, 2021, says the platform, which makes its second-largest turnover in the world in France after the United States. Airbnb, on the other hand, invoked its status as a listed company to no longer publish the number of accommodations offered in France, nor specify what the rentals brought in for the hosts.

Required, like all platforms since 2019, to transmit to the municipalities the data on these stays (number of travelers, duration and amount of reservations, price per night, addresses of rented properties ...) Airbnb will provide in December the data from May to October 2021.

The communities set the level of the tax on rentals between 1% and 5% of the price of accommodation excluding tax per night per person, and a number of them have raised it this year.

## More Than 200,000 Euros in Taxes

They can collect up to 4.10 euros per night, the rate of palaces, on these rentals, since the legislator allowed it in November 2020 - an "iniquitous decision" had then stated the UNPLV, which represents several platforms (Airbnb, Abritel, TripAdvisor, LeBonCoin ...). At the same time, 17 cities have set up a mandatory registration number to better control these rentals, including Paris, Lyon, Bordeaux, Aix-en-Provence, Saint-Malo or Annecy.

"Full implementation" of this measure has been delayed until February 2022 in Marseille due to "difficulties" of "some hosts" in "creating their user account on the city's website," Airbnb claims.

The same is true in Nice, where the system "raises serious legal issues," according to the platform, "with municipal officials investigating hosts before issuing the registration number" instead of providing it automatically.

On the tax front, Airbnb France paid €204,662 in corporate tax for 2020, compared to €193,398 for 2019: **only the marketing services billed by Airbnb Ireland to its French subsidiary - very marginal compared to the platform's overall activity in France - are taxed.**

Revenues generated by the rental of tourist accommodations in France go to Airbnb Ireland and are thus subject to Irish taxation, which is much more favorable, but Airbnb specifies that it pays "VAT"

and "tax on digital services" in France.

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