

AIRBNB IS SUSPECTED OF TAX EVASION IN ITALY



The Milan prosecutor's office has accused Airbnb of not paying a tax imposed on short-term rentals from 2017 to 2021. This tax usually amounts to around 21% of the price of overnight stays. Airbnb claims it does not need to pay this tax regularly but only when professional rental companies rent the homes. However, this argument was rejected by the Italian courts, who ordered the seizure of €780 million from the company. The investigating judge in charge of the case has accused the company of deliberately choosing not to pay this tax.

Airbnb has been in a legal dispute with Italy over taxes for several years, but unfortunately, it has not yet been resolved. In December 2022, the Court of Justice of the European Union ruled in favor of Rome. Recently, in October, the Italian government announced its plan to intensify the crackdown on short-term rentals that do not pay taxes. Furthermore, they plan to increase the taxation of property owners who offer multiple apartments on platforms like Airbnb.

During the government coalition summit, Vice-President of the Council Antonio Tajani announced an amendment to the 2024 draft budget. The amendment proposes the creation of a "national identification code" for tourist accommodation. This code will enable the tax authorities to track down any tourist accommodation that has not been declared.

Headwinds for Airbnb

The U.S. company has been accused of driving up prices and reducing the availability of homes for people living in certain areas worldwide. In February, Portugal froze new Airbnb rentals due to rising real estate prices, while in September, New York City began to impose strict regulations on vacation rentals offered through the platform. Additionally, Canada is currently preparing to impose restrictions on Airbnb.

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