

# New rules for holiday home, short stay accommodation from 1 April 2024

Many New Zealanders rent out a holiday home, or parts of their home, for short-stay holiday lets.

From 1 April 2024, new rules fundamentally change the GST treatment of short-stay accommodation when booked through an online platform such as a website or an app (**platform**) that is operated by someone else (**operator**). There is no change to the rules where you are selling short-stay accommodation directly e.g. through your own website. The new rules also apply to certain ride sharing / hailing, and food and beverage delivery services, but this note concentrates on short-stay accommodation providers.

Short-stay accommodation booked through an online platform will attract GST at 15%, **regardless of whether or not you (the underlying supplier) are GST registered.**

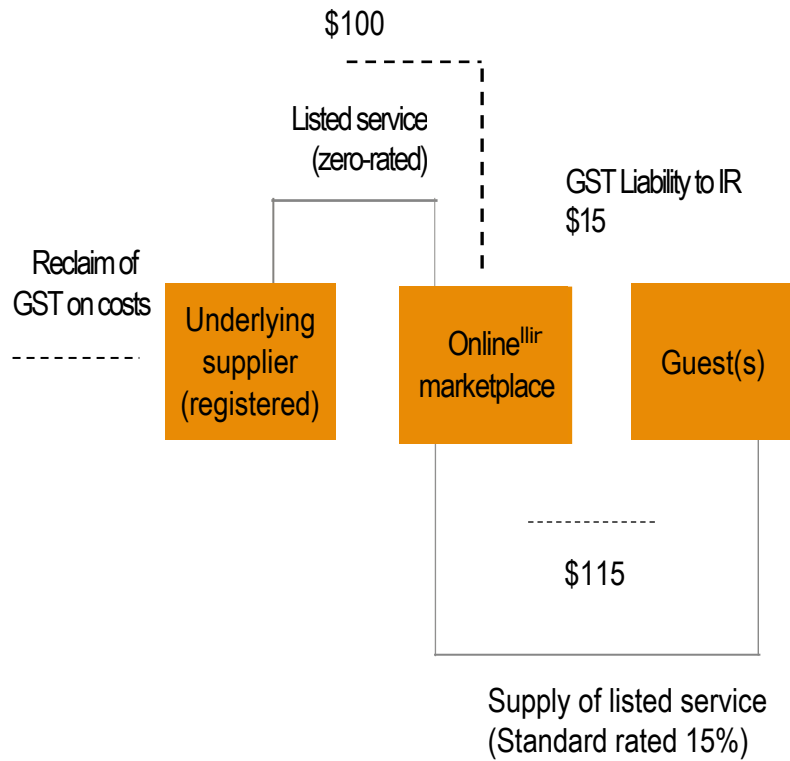
The **operator of the platform** will be the one who is responsible for charging the GST, paying it to Inland Revenue, and issuing taxable supply information (tax invoices) to customers.

## **If you are GST registered:**

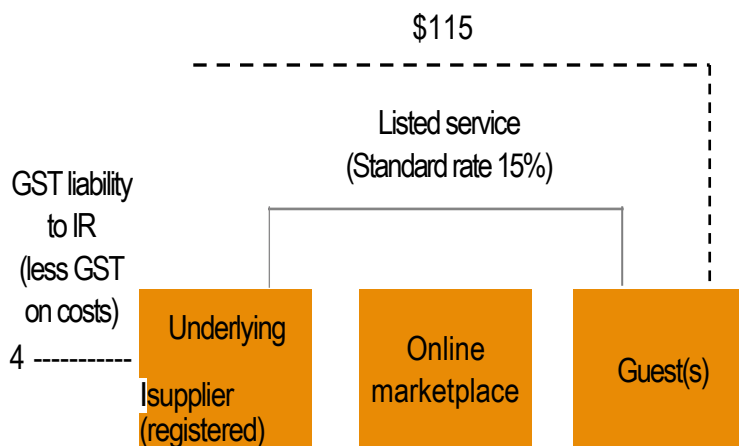
- You must let the platforms you use know that you are GST registered.
- You will no longer need to account for GST at 15% on your supplies of accommodation booked through a platform.
- You must instead report these in your GST return as zero-rated supplies.
- You don't need to issue taxable supply information / tax invoices to either the customer or the platform.

- You should still be entitled to claim GST on your costs in your GST return, as you have done previously. You will not receive any flat rate credit from the platform (discussed below).

## New rules for GST registered underlying suppliers



## Before



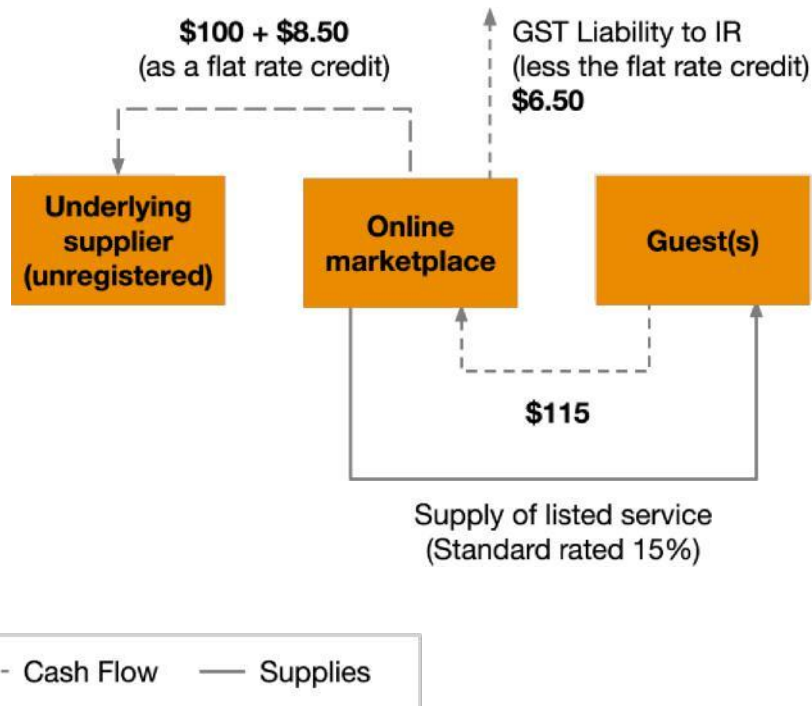
--- Cash Flow — Supplies

Please note that diagrams have been simplified and do not show commissions | fees | other flows between parties.

**If you are not GST registered:**

- If you are not currently required to be registered, this change does not mean you need to register or account for GST - the platform will do this. It also does not mean that your property will come into the “GST net” and become taxable on sale.
- However, you still need to monitor whether your supplies reach the GST registration threshold. If they do, you will still need to register for GST and must notify the platform of your change in GST registration status. Then the consequences above (“If you are GST registered”) will apply.
- You should receive extra money from the online marketplace, calculated at 8.5% of the GST exclusive price of your accommodation booking (**see the flat rate credit scheme** section below)

**New rules for non-registered underlying suppliers**



If you operate a platform, and have not yet had advice on the rules, we recommend seeking urgent advice regarding the impact of these rules on your business. This is also the case if you are a booking **agent** for property owners or **act as an intermediary** between owners and platforms that interact with guests - the rules are complex and if you are unsure, please seek advice from us urgently.