

Short Term Rental Taxation Information

Denver imposes a tax on the sale of lodging, which includes the sale of short-term lodging (less than 30 days) at a private residence. Individuals or businesses engaged in the sale of short-term lodging have certain tax requirements which are outlined below.

What taxes do I need to register for?

- Lodger's Tax - which includes a license fee
- Occupational Privilege Tax
- If applicable, Sales tax (see below for more information)
- Business Personal Property Tax

How do these taxes and fees work?

- The Lodger's Tax license is issued on a bi-annual basis. The fee is \$50.00 for two years and is prorated based on when your business starts within that two-year period. The proration schedule is listed on the application or online if you file through Denver's eBiz Tax portal.
- The Denver Lodger's Tax rate is 10.75% of the entire amount charged for the lodging.
- The Denver Occupational Privilege Tax (OPT) is a tax imposed on businesses operating in the City and on employees who perform sufficient services to receive as compensation at least five hundred dollars for a calendar month. In addition, OPT is also imposed upon owners, partners or proprietors engaged in business in Denver.
 - Taxable employees are liable for the Employee OPT to be withheld by the employer at a rate of \$5.75 per month. The employer is also required to pay the Business OPT at a rate of \$4.00 per month for each taxable employee.
 - Owners (proprietors), partners or managers engaged in business in Denver are subject to the Business OPT at a rate of \$4.00 per month for each owner, partner or manager. There is no minimum earnings requirement for owners, partners, or managers.
- Business Personal Property Tax is assessed on assets used in conducting business in Denver. The tax rate is calculated on the established value of the personal property. Information on Business Personal Property Tax can be found on the Denver Assessor's website at: <https://www.denvergov.org/content/denvergov/en/assessors-office/business-personal-property.html>
- Additional information on these and other Denver taxes can be found at: <https://www.denvergov.org/treasury>

How do I register for these taxes?

- You can register online at: <https://www.denvergov.org/ebiztax/>
- To register for Business Personal Property Tax, contact the Denver Assessor's office at 720-913-4067.

How do I collect Lodger's Tax?

- If you are making sales of short-term rentals through a platform that does not collect the Denver Lodger's tax, you are still required to collect and remit the Lodger's tax on those sales as described in the next bullet point.
- Effective April 1, 2018 – AirBnB is a licensed vendor platform who will remit the Lodger's Tax portion of your sales to the city and effective October 1, 2019 HomeAway, VRBO and Vacations By Owner will also be a licensed vendor platform. If you use these licensed platforms, you may deduct those corresponding sales in your Other Deductions line on the Lodger's Tax Return.

- The proper way to complete your lodger's tax return is to list your TOTAL sales on line 1 (including

AirBnb, HomeAway, VRBO and Vacation By Owner). Then take deductions on lines 3A through 3E for any applicable amounts not subject to tax. Use Line 3E “Other” to report those sales on which the licensed vendors noted above collected and remitted the lodger’s tax on your behalf. Any remaining sales amount is what you owe lodger’s tax to Denver on.

- For example, if ALL your sales were done by AirBnb, then you would show the same amount on line 1 and as a deduction on line 3E. It is appropriate that your taxable sales amount would then be zero since all sales had been reported by AirBnb.
 - Alternatively, if you had some sales through platforms OTHER THAN those listed above, who do not collect and remit the Denver tax on your behalf, that would be the amount that would fall to Line 4 as taxable sales and Denver tax would be due.
- The Lodger’s Tax rate of 10.75% is based on the total amount charged for the lodging, which includes any fees or charges that are required in order to obtain the lodging. Lodger’s Tax is to be collected at the time of sale, regardless of when the lodging occurs.
 - As an example, if a customer books a room in October for short term lodging that will occur the following February, the Lodger’s tax is to be collected in October (the time of sale) and remitted on the Lodger’s tax return for the month of October.
 - If the customer cancels the transaction after the tax has been remitted, and it can be documented that the lodger’s tax was refunded to the customer, you may apply for a refund.

Example:

Your total STR sales for January was \$1,000. Of that amount, \$800 was AirBnb and \$200 was through a different short-term rental platform. Here is your return:

Total Lodging Sales	\$1,000 (Line 1)
Other Deductions	800 (Line 3E – Next to line, type in “Sales reported by AirBnb” as
explanation) Total Taxable Sales\$	200 (Line 4)
X tax rate	x 10.75%
Total Tax Due	\$21.50 (Line 5)

When are tax returns due?

- Lodger’s Tax returns may be filed on an annual, quarterly or monthly basis. Filing frequencies are based on the following:
 - Monthly filing is required if the average monthly tax liability for the previous six months exceeds \$300.00. The return is due on the 20th day of the month following the taxable month. (Ex – Return for November is due by December 20th)
 - Quarterly filing is allowed if the monthly tax liability for the preceding six months averages \$300.00 or less. Due dates are April 20, July 20, October 20 and January 20.
 - Annual filing is allowed if the monthly tax liability for the preceding six months averages \$15.00 or less. The return is due on the 20th day of January following the taxable year.
- If the due date for a return falls on a holiday or weekend, the return will be considered due on the next business day.
- Business Personal Property Tax is paid annually. The due dates are the same as real property in Denver. If paying in full, the due date is April 30th. If paying in halves, the first half is due by February 28th and the second half is due by June 15th.

What other taxes may be due?

If you are engaged in selling items at retail, (such as food or other items) then Denver Sales tax may be applicable. Information on Denver Sales tax can be found at: <https://www.denvergov.org/treasury>

What other resources does the City have for learning more about taxation for businesses?

- The City of Denver has online tax guides. The purpose of these guides is to help businesses understand how taxes are imposed, collected and remitted. It contains nearly 100 topics which explain tax requirements in laymen's terms. Please visit the tax guide online at:
<https://www.denvergov.org/content/denvergov/en/denver-department-of-finance/our-divisions/treasury-division/business-taxes/denver-ordinance-tax-rules-and-tax-guide.html>
- Additionally, the City of Denver has a general tax information booklet available online at:
<https://www.denvergov.org/content/dam/denvergov/Portals/571/documents/TaxGuide/GeneralTaxInformationBooklet.pdf>