Avalara MyLodgeTax Overview

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  • Co-founder HotSpot Tax
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SaaS Occupancy Tax Solution
• Filing for 9,000+ location
• Over 100,000 tax returns in 2015
• Partner with industry leaders
Lodging Tax Basics in The Sharing Economy
Definition of Hotel

City of Los Angeles, CA
Hotel means any structure, or any portion of any structure, which is occupied or intended or designed for occupancy by transients for dwelling, lodging or sleeping purposes, and includes any hotel, inn, tourist home or house, motel, studio, hotel, bachelor hotel, lodging house, rooming house, apartment house, dormitory, public or private club, or other similar structure or portion thereof, and shall further include any trailer court, camp, park or lot where trailer spaces, or combinations of such spaces and trailers, including mobile homes, are occupied or intended or designed for occupancy by transients for dwelling, lodging or sleeping purposes.

State of Texas
“Hotel” means a building in which members of the public obtain sleeping accommodations for consideration. The term includes a hotel, motel, tourist home, tourist house, tourist court, lodging house, inn, rooming house, or bed and breakfast.

City of Miami Beach, FL
Hotels, motels and roominghouses mean every building or other structure kept, used, maintained, advertised as or held out to the public to be a place where sleeping accommodations are supplied for pay to transient or permanent guests or tenants, whether or not there is in connection with any of the same, any dining rooms, cafes, or other places where meals or lunches are sold or served to guests.
Lodging Tax is Complex

Confusing & burdensome tax requirements:
- Determining tax rate & requirements confusing
- Multiple layers of taxation (city, county & state)
- Registration & licensing requirements (2 registrations usually required per location)
- Monthly & quarterly filing required (penalties if not filed on time and correctly)
- Average owner files 15 to 20 tax returns per year with two agencies
- Penalties for non-compliance

Sales tax plus additional layers of occupancy tax
Making sales tax less taxing

Complex & ever changing tax system

- **152 million** mailing addresses
- **12,400** jurisdictional rules
- **37,000** sales / use / rental tax rates
- **28 million** product / service exemptions
- **743,000** buyer / seller exemptions
The Home Renting & Home Sharing Marketplace
Making sales tax less taxing

Sizable & Growing Market

$85B market with 6.1 million units

- > 1.2 million units globally
- Majority in the U.S.
- Tax strategy: tax is customer responsibility
- HA is a marketplace
- MyLodgeTax long time partner

- > 1.5 million units globally
  - 30% U.S.
  - Huge growth (120k units in 2012)
  - 30% U.S.
  - Tax strategy: tax is customer responsibility, but will handle where Airbnb can
  - Airbnb in merchant of record
  - MyLodgeTax providing compliances services

- > 650,000 units globally
- Tax strategy: tax is customer responsibility, but will handle where required
- MyLodgeTax is filing SF & Portland, Chicago, San Jose, other markets

$85B market with 6.1 million units
What is (and isn’t) home sharing?

- Existed forever in resort areas
- Sharing does not mean free
- Technology has made easier
- Growth driven by traveler popularity
- Is not about ‘illegal’ rentals or tax avoidance
- Families & professionals (not ‘party houses’)
- Still in early stages, is going mainstream
- Industry committed to tax compliance
Reasons Why People Don’t Pay Occupancy Taxes

• I am not a hotel
• I don’t rent very much
• I don’t make a profit
• My accountant (or friend) said I don’t have to
• They don’t enforce that in my area

Millions of ‘individuals’ faced with business tax requirement
MyLodgeTax Solution

100% occupancy tax compliance—We Do EVERYTHING

• Tax rates
  • Completing rate content for U.S.
  • Rates only product
• Licensing & registration
• Tax return preparation & filing
• Notification management
• Guaranteed full compliance

Simple solution will facilitate broad compliance
Lodging Tax Resources

Tax rate fields, compliance messaging and tools to facilitate compliance are on industry leading sites.
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