



## **PST on Airbnb: Huge Victory for Saskatchewan's Hotel Industry**

We were very pleased to hear the March 9<sup>th</sup> announcement that the Saskatchewan Government had finalized a tax agreement with Airbnb that will force the company to collect and remit the 6% provincial sales tax on behalf of its hosts in the province.

It cannot be underscored enough how huge this victory is for the hotel industry, and the first significant step in leveling the "accommodation" playing field in Saskatchewan.

Airbnb and other "Digital Hotel" platforms have had a profound impact on hotel industry occupancies and revenues in the last 5 years. With 1,700 active listings in the province, Airbnb hosts have syphoned off over 70,000 customers and \$9 million in revenues from the hotel industry in 2019 alone.

Saskatchewan Finance Minister Harpauer commented, *"We want consumers to have a choice and a competitive marketplace when renting accommodations in Saskatchewan, and we also want fairness for all providers of these services in our province and for Saskatchewan taxpayers."* The SHHA applauds the Sask. Party's action and wholeheartedly agree.

The next big battle is for that same fairness to be applied in our municipalities. Cities must apply commercial tax rates to hosts that rent out secondary units, "Ghost Hotels", when they collect revenues from whole-home rentals. By allowing commercial operations to exist in our neighborhoods; increasing traffic, parking, bylaw enforcement and complaints that Airbnb brings, it puts unfair pressure on those that pay their residential taxes.

The SHHA strongly supports a regulatory framework that includes licensing that **restricts short-term rentals to "principal residences only"** allows for reporting and monitoring, zoning by-laws that mirror hotel standards, and proper taxation that levels the playing field with the hotel industry.

This has been a long and protracted battle with Airbnb and we sincerely appreciate the Minister and her staff's persistence in bringing about a balanced and fair approach to the taxation of the accommodation industry in Saskatchewan.