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Procedure for collecting tourist due for landlords via *Airbnb* is changing

The Municipality of Vilnius has signed an agreement with the international short-term accommodation platform *Airbnb Ireland UC* to collect tourist fees to improve conditions for small local tourism businesses. Starting 1 February 2020, tourists visiting Vilnius will not pay the tourist tax – the so-called pillow tax – to the owner of the house they are renting, as they have done until now. Once the innovation comes into effect, *Airbnb* itself will collect a tourist tax of €1 per person per night. Flat owners have been responsible for collecting this tax since its inception in July 2018.

The new fee collection procedure will make the process easier for both tourists and flat owners using *Airbnb*. City guests booking an apartment in Vilnius from February 2020 will no longer need to make two payments; that is, to pay rental fees through *Airbnb* and the additional tax upon arrival to the landlord of the rented accommodation. From now on, tourists will only make one payment via the *Airbnb* platform.

“We are constantly looking for solutions to improve conditions for small businesses in the capital, including people who provide rentals through *Airbnb*. Therefore, the Tourism and Business Development agency “GO Vilnius” reached out to *Airbnb Ireland UC*, expressing its wish to cooperate with the platform in the same way it does with other cities around the world – to collect tourist fees on the platform itself. We are delighted that Vilnius has become the first city in North Eastern Europe to establish an agreement of this type with *Airbnb*,” – says *Inga Romanovskienė*, *Director of Go Vilnius Tourism and Business Development Agency*. According to *Inga Romanovskienė*, this agreement will contribute to a better quality of service while reducing the administrative burden for private accommodation providers.

The new changes will not affect rental accommodation owners who rent their properties out on other platforms – they will still be obliged to collect tourist fees and declare their tourist accommodation, then transfer collected fees to the Municipality of Vilnius. Any landlord who provides services through several accommodation reservation systems, including *Airbnb*, is obliged to declare any overnight stays on platforms other than *Airbnb*.

Changes for landlords through Airbnb

- *Simpler administration at no additional cost to landlords through Airbnb*

The owner of the rented property will require no further action once the new tourist tax collection scheme comes into force. On *Airbnb*, a tax payment of €1 per person per night will be deducted from the renter’s account and automatically transferred to the Municipality of Vilnius. The amount of money transferred from *Airbnb* to rental providers will remain the same as before, and the centralised tourist tax will have no impact on landlord revenue.

Once this new process comes into effect, residents who rent out their homes through *Airbnb* will also benefit from a reduced administrative burden, as they will no longer need to declare the overnight data provided through the *Airbnb* platform in the system of declaration and payment of tourist dues.

- *The terms of cooperation will not change*

Under the terms of the agreement between the Municipality of Vilnius and *Airbnb Ireland UC*, the terms of cooperation between private accommodation providers – landlords and *Airbnb* – will remain unchanged.

- *Airbnb itself will provide more detailed information*

Airbnb will notify landlords in Vilnius about all planned and upcoming changes via a separate notice on its system.

- *The new procedure will not take effect immediately*

Landlords must declare the details of any properties rented through the *Airbnb* platform and overnight stays by 31 January 2020 and pay according to the system's prior procedure of declaration and payment of tourist dues.

Changes for tourists

A person booking an apartment in Vilnius through *Airbnb* will be notified of the pillow tax in a separate message. This fee will be automatically charged to the joint rental invoice when booking an accommodation.

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