Inland Revenue
Te Tari Taake

EXPOSURE DRAFT - FOR COMMENT AND DISCUSSION ONLY | HUKIHUKI HURANGA - MŌ TE TĀKUPU ME TE MATAPAKI ANAKE

Deadline for comment | Aukatinga mō te tākupu: **16 February 2026**

Please quote reference | Whakahuatia te tohutoro: **PUB00477**

Send feedback to | Tukuna mai ngā whakahokinga kōrero ki public.consultation@ird.govt.nz

FACT SHEET | PUKA MEKA

GST – Should I register for GST if I provide short-stay accommodation?

Issued | Tukuna: Issue Date

IS ##/## FS 1

This fact sheet accompanies *Interpretation Statement IS XX/XX: GST treatment of short-stay accommodation*, which discusses key GST considerations for hosts of short-stay accommodation. Supplies of short-stay accommodation are taxable supplies and are subject to GST if the host has a taxable activity and makes more than $60,000 of taxable supplies in a 12-month period. In some cases, a host may voluntarily register for GST without meeting the registration threshold. This factsheet addresses whether a host can choose to register for GST and the issues arising upon registration for GST.

Key terms | Kīanga tau tāpua

short-stay accommodation	means accommodation provided for up to four consecutive weeks in a dwelling that is not the guest's ordinary residence. It does not include accommodation provided to residential tenants, boarders or care home residents, and it does not include student or emergency accommodation
host	owners of a property that is rented out as short-stay accommodation, who might be a person, partnership, company or a trust
electronic marketplace	means an electronic platform like a website, app or internet portal that sellers use to market and sell their short-stay accommodation. It does not include an online marketplace that only processes payments.

Introduction | Whakataki

1. Hosts who supply short-stay accommodation generally use their own home or holiday home to make supplies of accommodation to guests. Hosts may rent out a room in their home, a separate dwelling on their property or their entire holiday home. A host may supply their short-stay accommodation through an electronic marketplace or directly to a guest. These have different GST obligations.
2. This fact sheet applies to hosts who are not required to register for GST, as they make less than $60,000 of supplies in a 12-month period. For hosts who are not required to register for GST, it can appear attractive to choose to register for GST to benefit from GST input tax deductions. However, there are ongoing consequences of GST-registration that should be considered before making the decision to register for GST.
3. To work out whether to register for GST, a host should consider the following:
   - What are the requirements for GST to apply to a supply of short-stay accommodation?
   - What are your on-going requirements if you are GST-registered?
   - What happens when you stop the taxable activity?

What are the requirements for GST to apply to a supply of short-stay accommodation?

4. There are some fundamental requirements that must be satisfied before you can register for GST in relation to providing short stay accommodation. These requirements are:
   - you must be providing short-stay accommodation to guests for money, this is known as making a supply; and
   - you must be carrying on a "taxable activity".
5. If these requirements are met, you can register for GST. That means that you charge GST on your supplies of short-stay accommodation to guests, and you may claim the GST on expenses you incur in providing short-stay accommodation.
6. You are making a supply of short-stay accommodation if you provide accommodation to a guest for up to four weeks in a property that is not the guest's principal place of residence.

Are you carrying on a taxable activity?

7. To register for GST, you must be carrying on a taxable activity. If you have an activity of providing short-stay accommodation to guests "continuously or regularly" you are considered to be carrying on a "taxable activity".
8. An activity is carried on "continuously" if it is carried on over an uninterrupted period. It must not have stopped permanently or have been significantly interrupted. An activity is carried on "regularly" if it is carried on at reasonably short intervals with steadiness or uniformity of action and is of a habitual nature and character. The activity must involve or intend to involve the supply of goods and services to another person for consideration. This means you must provide, or you intend to provide, short-stay accommodation to guests for money.
9. Sometimes you can have a taxable activity and register for GST before you start getting paying guests. That depends on the actions you take, your intentions, and the objective facts. That is, how likely it will be that you progress from preparation to carrying on a taxable activity. If you are registering because you intend to start carrying on a taxable activity, you must provide a commencement date to Inland Revenue.

10. If you do not host guests very often, it can be difficult to decide if the activity is continuous or regular enough to be a taxable activity. All of the circumstances need to be considered. Some factors that **may be** relevant include:

- the level of occupancy;
- the steps you have taken to start providing short-stay accommodation (business plans, advertising etc);
- if your property is listed on various websites and at an appropriate price;
- the location of your home or premises;
- whether you make the short-stay accommodation available over a sustained period; and
- future bookings.

11. If you do not have a taxable activity, then you cannot register for GST.

12. If you do have a taxable activity, you may choose to register for GST (unless you make supplies of more than $60,000 in a 12-month period, in which case you must register). If you are already GST-registered for another taxable activity, then a taxable activity of providing short-stay accommodation will be subject to GST.

Can you register for GST?

13. If you have a taxable activity, or several taxable activities, you are required to register for GST when the value of supplies you make in the course of carrying on **all** your taxable activities has or will exceed $60,000 (exclusive of GST) in any 12-month period. This is the total amount you receive before taking expenses into account. You need to be aware of two issues when calculating the $60,000 threshold:

- **All taxable activities are included.** Amounts you earn from other taxable activities are included in the registration threshold. This could apply if you have another taxable activity in the same name or entity.
- **Supplies to "associated persons" are included.** This can happen when a holiday home owned by a family trust and used for providing short-stay accommodation, is used by beneficiaries for no or reduced rent. The beneficiaries use of the property is valued at market rates and that counts towards the registration threshold.

14. If your supplies remain below the threshold and you are not required to register for GST, careful consideration should be given before voluntarily registering for GST.

What are your on-going requirements if you are GST-registered?

15. If you register for GST, you must file a GST return for each return period. You also need to satisfy the administrative requirements around taxable supply information and record keeping.

Output tax

16. Output tax is the GST charged on the supplies you make to others. If you register for GST, you need to account for output tax on all supplies you make of short-stay accommodation (including supplies to “associated persons” such as family members).
17. If you deal directly with the guest booking your short stay accommodation, you are required to account for GST output tax on the booking and return it to Inland Revenue.
18. If you list your short stay accommodation on an electronic marketplace (such as Airbnb or Bookabach), the marketplace operator returns the GST output tax to Inland Revenue. You must still return the value of those supplies as “zero rated supplies” (i.e. no GST payable by you) in your GST return. When you use an electronic marketplace to make supplies of short stay accommodation, you must tell the electronic marketplace about your GST registration status and provide other information requested by the marketplace operator.

Input tax

19. Input tax is the GST you pay on goods and services you acquire. You can claim input tax deductions for goods or services you acquire to make taxable supplies (or if they are intended to be used to make taxable supplies).
20. If the short-stay accommodation is provided in your own home or in a property that you also use privately, you usually need to apportion the expenses between taxable and private use. However, where goods or services cost less than $10,000 (excluding GST) and were acquired for the principal purpose of making taxable supplies, you can claim a full input tax deduction.

Apportionment

21. If the goods or services (such as the property) are used privately and for making taxable supplies, the amount that can be claimed is apportioned based on the

property's taxable use (or intended use). The percentage of intended taxable use is determined at the time the relevant goods or services are acquired. That percentage is applied to the GST component of the expense and claimed in the relevant GST return period. However, that intended use may change over time and adjustments may need to be made.

Change-in-use adjustments

22. You need to work out at the end of an adjustment period whether an adjustment is required for any difference between your intended use and the actual use of a property used for providing short-stay accommodation. An adjustment period is generally a year ending on your balance date. This calculation is repeated each year.

23. Not every change of use requires an adjustment provided the value and change of use are below certain thresholds. However, you need to consider whether there is a change of use for the whole time you own the property and remain registered. This means if you claimed GST input tax on the purchase price or construction of property, you need to make annual adjustments when actual use is different to that initial intended use. If there is a permanent change in use, you can perform a calculation that allows the full adjustment to be claimed at the end of the adjustment period when the change in use occurred.

What happens when you stop the taxable activity?

24. If you decide to register for GST, you need to be aware of what happens if you sell your property or stop providing short-stay accommodation from your property. In both cases, you need to pay GST. These consequences are set out below.

GST on the sale of a property

25. If you are GST-registered, you have to account for GST output tax on the sale of the property. Without planning for this, this can cause issues:

    - The output tax payable will usually be more than the initial input tax claimed because property prices tend to rise over time. This means the amount of GST payable if you stop your activity will be more than the amount you originally claimed.
    - You may not have available funds to pay the GST. If you stop your activity, you still need to pay the GST as if you had sold the property, but you won't have the sale money to pay the GST.

26. There are provisions that deal with supplies of a property. For example, if the buyer of your property is GST-registered and intends to use it to make taxable supplies, the zero-rating provisions charge GST at 0%. However, it is more common that sales of residential property are to non-registered persons and will be subject to GST. There is also a rule that allows you to elect to treat the property as not part of your taxable activity if you acquire and use the property mainly for private purposes. This only applies if you have not previously claimed GST on the property.

Cancelling GST registration

27. Cancelling GST registration happens in the following ways:
    - you can ask the Commissioner to cancel your registration if the value of your taxable supplies is below the registration threshold;
    - if you have stopped your taxable activity, you must notify the Commissioner within 21 days and your registration for GST will be cancelled; or
    - the Commissioner can cancel your GST registration if he is satisfied that you are not carrying on a taxable activity (usually if you continue to be registered but file only "nil" returns and no longer make any taxable supplies).
28. When you stop being eligible to be registered for GST, you must:
    - account for GST output tax on any goods and services forming part of the assets of your taxable activity immediately before you stopped being a registered person;
    - account for GST based on the open market value of your assets used in your taxable activity; and
    - pay GST output tax based on the value of your property if you stop providing short-stay accommodation.

Draft items produced by the Tax Counsel Office represent the preliminary, though considered, views of the Commissioner of Inland Revenue.

In draft form these items may not be relied on by taxation officers, taxpayers, or practitioners. Only finalised items represent authoritative statements by Inland Revenue of its stance on the particular issues covered.

Send feedback to | Tukuna mai ngā whakahokinga kōrero ki public.consultation@ird.govt.nz

About this document | Mō tēnei tuhinga

Some of the Tax Counsel Office's longer or more complex items are accompanied by a fact sheet that summarises and explains an item's main points. While it summarises the Commissioner's considered views, a fact sheet should be read alongside the full item to completely understand the guidance. Fact sheets are not binding on the Commissioner. See further Status of Commissioner's advice (Commissioner's statement, Inland Revenue, December 2012*)*.