

Goods and services tax on listed services

GST information for listing intermediaries including property managers and agents



Online marketplaces (also known as digital platforms) must collect GST on all listed services provided through their online marketplace. Find out what you need to do.

The listed services rules

Since 1 April 2024, GST registered online marketplaces that facilitate the sale of listed services by sellers must collect and pay GST of 15% when the service is performed, provided, or received in New Zealand.

What listed services are

Listed services include the sale of short-stay and visitor accommodation by an accommodation owner through an online marketplace.

Listed services do not include supplies of residential rental accommodation that are exempt from GST. This will generally be the case if the accommodation is used by the tenant as their home and there is a residential tenancy agreement.

GST must also be collected by the online marketplace on closely connected services provided by the same accommodation owner if they are made available through the marketplace. For example, holiday rental cleaning fees charged on top of the accommodation costs.

Services that are not provided through an online marketplace are unaffected by these GST rules. For example, the sale of visitor accommodation services sold through an accommodation owner's personal website, over the phone, by email or in person.

Listing intermediaries

The listed services rules apply to listing intermediaries.

You will be a listing intermediary if you are a GST-registered person who has entered into an agreement with a marketplace operator in your name to list or advertise visitor accommodation on behalf of the accommodation owner. Common examples are property managers and agents.

You will not be a listing intermediary if you only assist accommodation owners to make their own listings on an online marketplace, or if you are not registered for GST. If you are not a listing intermediary, and you have clients that are using an online marketplace, you will need to provide the online marketplace with your client's details.

You do not register with Inland Revenue for your listing intermediary activities separately from your other activities. There are no special GST returns for listing intermediaries for these activities.

If you also operate a website or app that allows guests to book accommodation from accommodation owners, you will be an online marketplace for those bookings. For more information about how the rules apply to online marketplaces, see our factsheet **Goods and services tax (GST) on listed services – AD278**.

Listing intermediaries' obligations

If you are a listing intermediary, you:

- need to administer the flat-rate credit scheme
- may need to help larger accommodation hosts opt-out
- may be able to agree with the online marketplace you will be responsible for the GST.

Administering the flat-rate credit scheme

If you are a listing intermediary, you will need to administer the flat-rate credit scheme for non-GST-registered accommodation owners. This scheme recognises the average costs these accommodation owners incur and would be able to recover if they were GST-registered.

Under this scheme, you must claim a flat-rate credit equal to 8.5% of the GST-exclusive price paid by the guest for the accommodation as a credit adjustment in your GST return. Calculate this on the full price paid to the accommodation owner. Do not reduce the flat-rate credit for any discounts provided by the marketplace to guests.

You must pass on this credit to the accommodation owner. You can choose when this is paid to fit in with your ordinary payments to them.

If the guest also pays you a fee, for example for booking or cleaning services you provide the guest, that amount is not included in the flat-rate credit calculation.

Example – Flat-rate credit calculation

Hannah is not GST-registered. She rents out a property on an online marketplace through a property manager. The property is in New Zealand and is available for holiday accommodation.

Hannah charges \$100 per night. The guest also pays the property manager a fee of \$20 per stay for cleaning.

The property manager claims a credit adjustment for a flat-rate credit of \$8.50 (8.5% of \$100 paid by the guest to Hannah). The \$20 cleaning fee is not a payment for listed services provided by the accommodation owner and so does not qualify for the flat-rate credit.

The property manager passes on the flat-rate credit to Hannah paying her \$8.50.

To calculate the flat-rate credit from:

- a GST-exclusive amount paid by a customer, multiply it by 8.5/100.
- a GST-inclusive amount, multiply it by 17/230. For example, if the total amount paid by a customer is \$115 including GST, the flat-rate credit is $\$115 \times 17/230 = \8.50 .

You must also provide a statement to the accommodation owner showing the flat-rate credits passed on to them. You need to do this at least once a month. The statement must show the accommodation owner the full amount of the flat-rate credit, it should not be reduced or offset by other fees or charges for services you provide to them. However, the statement can also show other payments made to the accommodation owner.

Be careful to **not** pass on the flat-rate credit to GST-registered sellers. If a GST-registered seller incorrectly receives a flat-rate credit, they may be liable for penalties.

You should have systems in place to record which accommodation owners are GST-registered and which are not. Accommodation owners need to give you their name, IRD number and GST registration status - including any changes to this.

You can contact us to verify the GST registration status provided to you by an accommodation owner. Similarly, we may tell you that an accommodation owner is GST-registered. If we do this, you will need to act on our notification as soon as practicable.

Assisting accommodation owners to opt-out

There are opt-out rules for large GST-registered accommodation owners. Accommodation owners who opt-out remain responsible for the GST obligations including providing taxable supply information to guests. Where a GST registered accommodation owner has opted out, the online marketplace does not need to collect and pay the GST to us.

You may need to assist an accommodation owner with coming to an agreement with an online marketplace to opt-out.

Listing intermediaries cannot opt-out themselves under these rules.

An accommodation owner can opt-out if 1 of the following applies.

- They are a non-individual and make more than NZ\$500,000 of supplies in a 12-month period. They need to tell the online marketplace in writing, for example by email, they are opting out. Online marketplaces will have different methods for doing this.
- They list or can reasonably expect to list more than 2,000 nights of accommodation on an online marketplace in a 12-month period. They can enter into an agreement with the online marketplace to opt out.
- They make more than \$60,000 of supplies of accommodation in a hostel or motel in a 12-month period. They can enter into an agreement with the online marketplace to opt out. To qualify, they must have been registered for GST before 1 April 2024, and provide accommodation through both an online marketplace and directly to their guests.

Note:

The 2,000-night threshold can be satisfied by a group of related companies. But it is not possible to combine accommodation nights across multiple online marketplaces.

In addition, a listing intermediary cannot choose to opt out on the basis that they manage a number of apartments owned by separate accommodation owners that in total would meet this threshold.

For an opt-out agreement to be valid, there must be a written agreement the accommodation owner will be responsible for the tax obligations under the GST Act for the supplies of listed services. This includes:

- providing guests with taxable supply information, if required
- identifying the accommodation owner as the supplier
- filing GST returns
- collecting and paying GST to us.

Keep all information relating to opt-outs in your records.

Choosing to collect and pay GST

In most cases the online marketplace will collect and pay GST of 15% on accommodation (and any closely connected services) supplied through their marketplace. This includes any services you supply to the guest for a fee through the marketplace, such as cleaning or providing fresh linen.

However, you can enter into an agreement with the online marketplace stating you will collect and pay GST of 15% on the supplies. To be able to do this, you must:

- be a New Zealand tax resident
- list the accommodation provided by the accommodation owner on more than one online marketplace
- use an electronic system that automatically manages guests' bookings. Common examples include Application Programming Interfaces (APIs) that send information between your system and the online marketplace, or property management software you use to manage the bookings.

The online marketplace will remain responsible for providing the guest with taxable supply information.

Receiving payments from guests

If you receive the payment from the guest, but you have not entered into an agreement with the online marketplace to collect and pay the GST, you will need to pass on to the online marketplace the funds necessary for it to pay the GST.

Completing your GST return

If you have not entered into an agreement with an online marketplace to collect and pay GST, you will be treated for GST purposes as supplying to the online marketplace the accommodation services provided by the accommodation owners.

These services should be treated as zero-rated supplies in your GST returns. To do this, if you are filing using myIR, choose the **total sales and purchases** filing option.

Include the value of listed services before GST in both **total sales and income** and **zero-rated supplies**.

If you are filing using a paper return, include the value of listed services before GST in box 5 and 6.

If you supply additional services to guests, such as charging a booking fee or providing cleaning services directly to the guest, these should also be included as **total sales and income** and **zero-rated supplies**.

You should continue to include income from other services made to the accommodation owners (for example management fees) as **total sales and income**.

To claim the flat-rate credits in your GST return using myIR, select yes for credit adjustments, and include them as **other adjustments** (box 13 on a paper return).

You can continue to claim GST on the costs you incur.

Example – Listing intermediary's GST return

Property Manager is a listing intermediary. It lists a property on an online marketplace on behalf of an accommodation owner, Tana. The property is in New Zealand and is available for holiday accommodation.

Tana charges \$100 per night. Property Manager charges the guest a fee of \$20 per stay for cleaning, and also charges Tana a fee of \$15 for its property management services. Property Manager has not entered into an agreement with the online marketplace to collect and pay GST.

Property Manager's GST return includes the following information.

- \$100 for the supply of accommodation as **total sales and income** and **zero-rated supplies** (box 5 and 6).
- \$20 for cleaning as **total sales and income** and **zero-rated supplies** (box 5 and 6).
- \$15 for property management fee, a standard rated supply, as **total sales and income** (box 5).
- \$8.50 for flat-rate credit (8.5% of \$100 paid by the guest to Tana) as a **credit adjustment** (box 13).
- Any costs incurred in making these supplies can also be claimed as **total purchases and expenses** (box 11).

If you agree with an online marketplace that you will collect and pay the GST, you need to include the total sales from listed services including 15% GST, as **total sales and income**. Include these with all other supplies you make such as services provided directly to guests. There is no separate box for listed services.

More information:

Visit:

- ird.govt.nz/sharing-economy
- taxpolicy.ird.govt.nz and refer to **Special report: GST on accommodation and transportation services supplied through online marketplaces**
- taxtechnical.ird.govt.nz and refer to **Determination (DET) 24/02: GST on accommodation supplied through electronic marketplaces – opt-out agreement criteria**

Email questions to platformeconomy@ird.govt.nz