

Host2Host Advocacy Report

Portland STR Tax Changes

by Rob Hertert, Host2Host Executive Board Secretary, Co-founder of Host2Host, Advocacy Leader and Host in SW Portland

We have been reporting Portland tax changes to Host2Host.org members for the past few months. In June, City Council passed a resolution imposing new taxes that went into effect August 1, 2018. Readers can read about how these taxes came into being by looking at H2H newsletters from June, July and August, 2018.

All permitted Portland STR hosts should have received a letter in August from the City explaining the taxes that became active August 1. [Read the letter](#), but here is our summary:

1. New taxes began August 1, 2018
2. Taxes apply only to to City of Portland STR hosts.
3. The platforms are responsible to collect the taxes. BUT, if you accept direct bookings (off-platform), you will need to collect and report these taxes/fees directly so be sure to study your responsibilities.
4. The new taxes to be collected are:
 - a. 2% to the Travel Portland for promoting Portland as a tourism destination.
 - b. \$4/night to the Affordable Housing fund. The fee is applied to new bookings taken on or after August 1, 2018. If you have two rooms booked by one person, it's \$4/night; if separate parties book the two rooms, it's \$4/night for each party.
5. H2H strongly opposed the \$4/night at City Council due to it being a highly regressive flat fee regardless of the cost of the listing and recommended a percentage fee instead of a flat fee. We calculated that a \$40/night listing will be paying **25%** in combined Transient Lodging Tax, Tourism District tax, and the \$4/night flat fee. An \$80 listing will be paying on the order of 20%. Extremely high, no matter how you look at it. Host2Host will advocate for changing this flat fee to a percentage assessment in the future.
6. What do you need to do?
 - a. The platforms are responsible to collect these fees and taxes.
 - b. Because the new taxes took effect August 1, the 3rd quarter TLT filing will be different - the City letter indicates we should file one return for July, and file a second return for August and September. Both filings are due October 31.

In addition to the Portland tax changes, there is a survey in Lake Oswego asking people about short term rentals - we'll try to address this in the next newsletter.

In our August newsletter, we reported that the City was working on the new pass-through registration process. We don't have any update on this other than to say that the City Auditor was highly critical about how slow the process has been. The publicity put a lot of pressure on the Revenue Division to get the new process in place. This process, whenever it comes about, will be a major agent of change in the Portland STR market.