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CONSENT CALENDAR  
 April 29, 2014

To: Honorable Mayor and Members of the City Council  
 From: Councilmember Kriss Worthington  
 Subject: City Manger Referral: Policy for Companies Such as Airbnb to Pay  
 Transient Occupancy Tax, as Currently Paid by Other Small Local  
 Businesses

### RECOMMENDATION

Refer to the City Manager creation of a policy for companies such as Airbnb to pay the Transient Occupancy Tax, as currently paid by other small local businesses.

### BACKGROUND

Under the Transient Occupancy Tax (TOT), sometimes referred as “hotel tax,” the City is able to collect 12 percent on the room charge for rental of transient lodging when the period of occupancy is less than 30 days from Airbnb. Airbnb customers would be responsible for paying the 12 percent tax.

The City has published in the Adopted Biennial Budget for 2014-2015 a projected increase of 2 percent from Fiscal Year 2014 to Fiscal Year 2016 in Transient Occupancy Tax. However, Airbnb posts thousands of listings for Berkeley tourists to rent and an additional tax from their sales could greatly increase this projection.

This issue was brought to our attention by local Berkeley resident, Helen Christensen. An article in S.F. Gate entitled, “Airbnb to collect hotel taxes for San Francisco rentals,” discusses Airbnb’s plans to begin paying San Francisco’s 14 percent Transient Occupancy Tax by the summer. San Francisco and Oregon will be the first cities where this “hotel tax” would be collected from Airbnb.

The City should follow suit in asking Airbnb to pay its fair share of taxes in Berkeley.

<http://m.sfgate.com/news/article/Airbnb-to-collect-hotel-taxes-for-San-Francisco-5365352.php>

### FINANCIAL IMPLICATIONS

None.

### ENVIRONMENTAL SUSTAINABILITY

Complies with the Environmental Sustainability Goals and has no negative environmental impacts.

### CONTACT PERSON

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