

**Date: October 26, 2018**

**To: Accommodation Rental clients, on [hornbyisland.com](http://hornbyisland.com)**

**Two very significant situations have developed this year, which accommodation service providers should be aware of.**

For years, bed and breakfasts and vacation rentals (STR) with three or fewer bedrooms were exempt from collecting the PST or MRDT that is collected by the hotel sector. On October 1, 2018, that changed, and all B&Bs and STRs grossing \$2,500 or more per annum must now collect and remit these taxes (Exclusive AirBnB hosts are excepted, as AirBnB is going to collect and remit them for their clients). Few enjoy the hassle of paperwork, but this is now B.C. Provincial law.

## **1. SALES TAX MANDATORY**

Starting October 1, 2018, all rental accommodation properties are required to register to collect PST, (Provincial Sales Tax), if their gross revenues exceeded \$2,500 over the previous 12 months, or if gross revenues over the next 12 months is reasonably estimated to exceed \$2,500.

Failure to register, and remit this tax, is subject to a 10% penalty. The 10% is cumulative from October 1, 2018 until when you are discovered to be non-complying. i.e. Even if the Provincial Tax Department does not ask for the money until 2020, you will be assessed 10% on the outstanding 8% owed, plus the accumulated 8%.

**For your ease of understanding the Provincial Sales Tax:**

<https://www2.gov.bc.ca/assets/gov/taxes/sales-taxes/publications/pst-120-accommodation.pdf>

## **2. ISLANDS TRUST ZONING ENFORCEMENT**

The Hornby Island Trust Committee has started an active review of Hornby Island Vacation Rental properties. For properties found in non-compliance, enforcement will ensue. The main areas to be reviewed are: numbers of guests, time of year rentals occur, frequency of renting, lack of parking and lack of signage. Hornbyisland.com is an advertising platform and is not responsible for your adherence to local bylaws, that is the owner's responsibility. We do request, that you adhere to local bylaws in your advertising, and are here to perform any updates you may need.

**For your ease of understanding the Hornby Island Land Use Bylaw:**

A summary of the requirements for Vacation Rentals can be found in this document, prepared by the Trust Staff:

[http://www.islandstrust.bc.ca/media/346354/ho-ltc\\_2018-07-11\\_vhr-faq\\_pub\\_final.pdf](http://www.islandstrust.bc.ca/media/346354/ho-ltc_2018-07-11_vhr-faq_pub_final.pdf)

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