

“Airbnb” owners will have to pay VAT on rentals across EU

Synopsis: Any owners of overseas property who rent out their foreign houses and apartments on third party platforms from 2025 will be caught by the rules, regardless of where they are resident.

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In future, VAT charges will be passed on to owners by the platform operators, therefore an average 20% VAT charge should be factored into running costs of rentals.

The EU plans to introduce the rules to create more tax equality in the industry, as hotels and standard taxi services are all charged VAT on sales.

Now that the UK has left the EU, the rules will not be introduced here but it is likely that the Chancellor will look at the EU developments with interest, if only to create more tax parity.

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