

## Home Amenity Rental Sales and Use Tax

### I. General

Legislation passed in the 2023 session<sup>1</sup> altered the definition of “tangible personal property” to include a “home amenity rental.” The bill also altered the definition of “taxable price” to include, for the sale or use of a home amenity rental, the full amount of consideration paid by a buyer for the sale or use of a home amenity rental, and provided a collection and remittance scheme for all parties involved in the rental of a home amenity. In addition to the State sales and use tax, the bill also authorized local jurisdictions to impose tax on home amenity rentals. The law is effective July 1, 2024.

Beginning July 1, 2024, the sales and use tax is imposed on home amenity rentals in Maryland at a rate of 6% of the taxable price. Home amenity rental providers, home amenity rental platforms, and home amenity rental intermediaries are responsible for collecting and remitting Maryland sales and use tax on home amenity rentals in Maryland.

This Technical Bulletin provides guidance on the application of the State sales and use tax to home amenity rentals.

### II. Definitions

#### A. Home Amenity

A home amenity is any portion—indoors or outdoors—of a residential property that is occupied by the hour for not more than 15 consecutive hours. A home amenity does not include a bedroom, or any portion of a residential property intended for sleeping quarters. Examples of home amenity rentals include, but are not limited to, a backyard swimming pool, a backyard pickleball court, or an apartment building’s clubroom or rooftop deck.

#### B. Home Amenity Rental

A home amenity rental is the temporary use, in exchange for consideration of any kind, of a home amenity.

#### C. Home Amenity Rental Provider

A home amenity rental provider is a person who owns, operates, or manages a home amenity and makes the home amenity available for rental.

#### D. Home Amenity Rental Intermediary

A home amenity rental intermediary is a person, other than a home amenity rental provider, who facilitates the sale or use of a home amenity and charges a buyer the taxable price for the home amenity rental. Facilitating includes brokering, coordinating, or in any other way arranging for the sale or use of a home amenity by a buyer.

#### E. Home Amenity Rental Platform

A home amenity rental platform is an internet-based digital entity that advertises the availability of home amenities and receives compensation for facilitating reservations or processing booking transactions on behalf of the owner, operator, or manager of a home amenity.

---

<sup>1</sup> See [Maryland Chapter 805 of the Acts of 2023](#).

## **F. Marketplace Facilitator**

A marketplace facilitator is a person that facilitates a retail sale, including a rental, by listing or advertising for sale in a marketplace, collecting payment from a buyer, and transmitting the payment to a marketplace seller.<sup>2</sup> A marketplace may be either online or a physical marketplace.

## **G. Vendor**

A vendor is a person who sells or delivers tangible personal property, including a home amenity rental, a digital code, a digital product, or a taxable service in the State.<sup>3</sup> Vendor includes a home amenity rental provider, a home amenity rental intermediary, and a home amenity rental platform.

## **III. Licensing and Recordkeeping Requirements**

Maryland law requires vendors to obtain a sales and use tax license.<sup>4</sup> Instructions on registering for a sales and use tax license and opening other business tax accounts can be found here: <https://marylandtaxes.gov/mdtaxconnect/>. Vendors can also file sales and use tax returns online using Maryland Tax Connect.

Home amenity rental providers, intermediaries, and platforms are required to keep records of all sales and sales for use of home amenity rentals and retain the records for a minimum of four (4) years.<sup>5</sup> Records must include the taxable price on which the sales and use tax is computed and, in the case of a sale for use, the total value of the home amenity rental subject to the sales and use tax.

## **IV. Collecting and Remitting Sales and Use Tax**

The sales and use tax on the rental of a home amenity is 6% of the taxable price. The taxable price is the full amount of consideration paid by a buyer, excluding any tax that is remitted to the State or to a local jurisdiction, and excluding any commission paid by a home amenity rental provider to a home amenity rental intermediary or platform.

Sales and use tax returns must be filed according to the filing frequency assigned by the Comptroller, typically either monthly or quarterly based on sales volume. Free online filing is available through [mdtaxconnect.gov](https://mdtaxconnect.gov).

Failure to collect and remit the sales tax may result in the Comptroller holding the provider, as well as the intermediary or platform, liable for the unpaid tax. Additionally, if a home amenity rental provider uses an intermediary or platform and also makes direct sales (rents directly to a buyer), then the provider is required to collect and remit sales tax from their direct sales to buyers.

### **A. Rentals by a home amenity rental provider directly to a buyer**

When a home amenity is rented directly to a buyer, and not through an intermediary or platform, the home amenity rental provider must collect sales and use tax and remit the tax collected to the Comptroller.

A home amenity rental provider is not required to collect and remit sales and use tax if:

1. the home amenity rental provider uses a home amenity rental intermediary or platform; and

---

<sup>2</sup> Tax-General § 11-101(c-6).

<sup>3</sup> TG §§ 11-101(o), 11-701(c)(1).

<sup>4</sup> TG § 11-702.

<sup>5</sup> TG § 11-502.

2. the intermediary or platform collects and remits sales and use tax on the sale.

The provider is, however, responsible for verifying that the intermediary or platform has collected and remitted sales and use tax.

### **B. Rentals through a home amenity rental intermediary or platform**

Home amenity rental intermediaries and home amenity rental platforms are required to collect and remit the sales and use tax on each transaction they facilitate. Home amenity rental intermediaries and home amenity rental platforms must complete the Maryland sales and use tax return.

A home amenity rental intermediary or platform that is also a marketplace facilitator must also complete marketplace facilitator portion of the sales and use tax return. Additional information about marketplace facilitators can be found in the [September, 2019, Sales and Use Tax Alert on marketplace facilitators](#).

## **V. Examples**

### **A. Rental directly to a buyer**

The owner of a single-family home rents out their backyard pool by the hour during the summer. Owner advertises to and connects with potential buyers on a social media platform. A buyer rents the pool for three hours at the rate of \$100 per hour.

Result: The owner is a home amenity rental provider. The taxable price for this transaction is \$300. Owner must collect the \$18 sales and use tax from the customer and remit it to the Comptroller on their next sales and use tax return.

### **B. Rental through a home amenity rental platform**

The owner of a large apartment tower (“Owner”) rents out the building’s amenities. The amenities include the building’s lounge and roof-top deck. There is an additional mandatory cleaning fee for each rental.

Owner lists the amenities for rent with a third-party internet company called “Platform,” which operates a website and app. Platform advertises the space, books reservations, processes payments, and sends Owner payments from the amenity rentals. Owner makes no direct rentals of the building’s amenities to buyers; all rentals are reserved through Platform. Buyer rents the building’s lounge and rooftop deck for five hours at the rate of \$125 per hour and is also charged a cleaning fee of \$75. Platform charges Owner a commission of 5% after facilitating the rental.

Result: Owner is a home amenity rental provider. Platform is a home amenity rental platform.

The taxable price of this rental is \$700, which includes the hourly rate and the cleaning fee.

Platform must also collect \$42 in sales and use tax from the buyer, making the total amount paid by the buyer to Platform \$742.

5 hours at \$125/hour	\$625
+ Cleaning Fee	+ \$ 75
<b>Taxable Price</b>	<b>= \$700</b>
+ 6% Sales Tax	+ \$ 42
<b>Total From Buyer =</b>	<b>\$742</b>

Platform must remit \$42 in sales and use tax on their next sales and use tax return. If Platform fails to collect and remit sales and use tax, the Owner and Platform may be held jointly liable for the tax.

Platform's commission, 5% of the taxable price, is \$35. Platform deducts its commission from the payment sent to Owner.

Total From Buyer	\$742
- Tax to Comptroller	- \$ 42
- Commission to Platform	- \$ 35
<b>Total Paid to Owner</b>	<b>= \$ 665</b>

### **C. Direct sales and sales through an intermediary**

Homeowner A rents out their own swimming pool by the hour. Homeowner A also rents out the swimming pools of two neighbors, Homeowner B and Homeowner C. Homeowner A advertises by word-of-mouth. Homeowner A coordinates the rentals between the buyers and Homeowners B and C, and collects the rental payments. Homeowner A facilitates the rentals of the neighbors' swimming pools on a voluntary basis, and does not collect a commission.

Result: Homeowner A is both a home amenity rental provider and a home amenity rental intermediary. Homeowner A must collect Maryland sales and use tax for each home amenity rental transaction, including transactions facilitated on behalf of Homeowners B and C, and remit all sales and use tax on their next sales and use tax return. If Homeowner A fails to collect and remit sales and use tax on Homeowners B and C's transactions, A, B, and C may be held jointly liable for the tax.

### **VI. Other applicable law**

Depending on the circumstances, other taxes, including but not limited to, admissions and amusement tax and income taxes may apply to these transactions. For more information on other business taxes, see [marylandtaxes.gov](http://marylandtaxes.gov).