



TAXES FOR AIRBNB OR RENTAL PROPERTIES IN COSTA RICA

Since June 30, 2023 AIRBNB, VRBO, BOOKING is reporting to the Government every rent made in Costa Rica and those platform already collect the 13% taxes on the commission to the host and owners.

All the vacation rentals in Costa Rica are subject to the 13% sales tax. We say *technically* speaking because not all vacation homes are properly registered in Costa Rica, which makes them somewhat “invisible” to tax authorities. (Note that this is strictly and clearly illegal and carries strong penalties, including of the financial variety. We do not advise renting under the table.)

All legal vacation rentals will include a 13% IVI tax in your rental fee. You need only pay it; the homeowner will be responsible for remitting this tax to the corresponding authorities.

If you don't add the taxes to the nightly rate the administration will understand the tax was already included on the rate.

Step 1: Collect IVI and/or IVA

Whether you work with a third-party booking platform (Airbnb, Vrbo, etc.), a property management company, or completely independently, you'll need to equip your payment system to add the 13% IVI charge. You will also need to equip your accounting to collect the 13% IVA tax on additional offered services.



In most cases, your accountant or property management company will emit a **factura electrónica, or digital invoice**, for each reservation; these invoices provide a virtual tax record and accounting continuity for the Costa Rica IVA tax for vacation rentals.

Step 2: Declare IVA

In Costa Rica, the fiscal month runs from the 1st through the end of the month. Tax remittance is due the following month, between the 1st and the 15th of the month.

In other words, if you collect the 13% IVI or IVA from a renter in May, you will declare and remit that tax the following month, between June 1 and June 15. To declare IVI and/or IVA, **you must be registered as an IVI and/or IVA taxpayer**, either as a company or as an individual.

Once you are registered as a VAT taxpayer, the IVA declaration process is fairly simple: Every month, you'll log into Hacienda's virtual portal to declare all IVA income and expenses for the month. There are several steps, which you'll have to complete for every good or service you provide and are duly registered for with Hacienda, and two pages (mostly yes/no questions) to complete, but they're fairly simple and you'll get the hang of it quickly.

Once you have added all your income and expenses, the system will auto-calculate how much IVA tax is due; as you collected these fees from your renters during the previous month, **you pay nothing out of pocket**, beyond your time and possible accounting fees, if you hire a professional to handle this process for you.



Be sure to always **save a copy of these declarations for your records.**

Step 3: Remit the IVA Tax

Once you have declared your monthly income and calculated IVA owed, you can visit your business banking portal; there, you'll navigate to the online bill pay section (naming conventions vary) and choose *Impuestos* (Taxes).

Under the *Impuestos* category, choose the option for *Impuesto del Valor Agregado*; as soon as you have made your declaration (Step 2), its corresponding IVA tax will appear here. Simply pay online, **save a copy of this payment for your records**, and you are finished.

Remember, you will need to repeat this process every month. Yes, every month. **Even if you have no rentals during a given month** (say, you were staying at your home personally), you will still need to declare \$0/¢0 income and \$0/¢0 IVI or IVA for that month.

Tatiana Mena
Coco Group Attorney

For more information email us

tatiana@cocogrouppm.com