



MASSACHUSETTS SHORT-TERM RENTALS

1. WHAT QUALIFIES AS A SHORT-TERM RENTAL?

- a. A 'Short-Term Rental' is defined as a stay that is 31 days or less. Stays longer than 31 days are not taxed or regulated under this law. Please remember, stays longer than 31 days are subject to the Lead Paint Law, and stays longer than 90 days are subject to security deposit rules. Tenancies at will are exempt under the law.
- b. **EXEMPTION:** A property is exempt from the short-term rental tax if it is rented for 14-days or less per calendar year, the operator registers with DOR, and files a declaration stating that they intend to rent their property for 14-days or less. An operator with multiple properties can qualify for an exemption at each of them.

2. IF YOU ARE RENTING YOUR PROPERTY AS A SHORT-TERM RENTAL, WHAT ARE YOUR LEGAL AND FINANCIAL OBLIGATIONS?

- a. Owners/operators of short-term rental properties must register with the State
- b. Anyone who collects rent on behalf of an owner/operator must also collect and remit the taxes on the owner/operator's behalf to the state through the MA Department of Revenue's Mass Tax Connect. The returns are due monthly, on or before the 20th day of each month to report the previous month's taxes.
- c. The tax applies to the total consideration paid by an occupant, including any service, cleaning or other charge.
- d. Not every Town allows short-term rentals. If the Town does not have a bylaw allowing short-term rentals, and your neighbor reports you, the Town could issue you a cease-and-desist letter along with a fine. Check your local bylaws before you get yourself in trouble and you have to turn away tenants who have already booked with you.
- e. The Town/City may implement health and safety inspections for each rental.
- f. Owners/operators must maintain \$1 Million of liability coverage for each short-term rental stay. You should check with your insurance company to see if you are covered. Some insurance companies refuse to cover short-term rentals.

3. HOW MUCH ARE THE TAXES?

- a. In 2020, the MA State Tax is 5.7%
- b. Your local Town/City can set a tax rate up to 6%
- c. Community Impact Fee: Each Town is authorized to collect this fee up to 3%

This document serves as a general outline of the rules and regulations regarding short-term rentals in the Commonwealth of Massachusetts. For more information check out the State's website at: www.mass.gov and check out the zoning bylaws of your particular city or town.