

**From:** London, Sarah [Sarah.London@vermont.gov]  
**Sent:** Thursday, September 08, 2016 12:29 PM  
**To:** Johnson, Justin; Pallito, Andy; Springer, Darren; Allen, Susan  
**Subject:** Fwd: Air BnB

FYI

Sent from my iPhone

Begin forwarded message:

**From:** "Peterson, Mary" <[Mary.Peterson@vermont.gov](mailto:Mary.Peterson@vermont.gov)>  
**Date:** September 8, 2016 at 12:02:42 PM EDT  
**To:** Tim Ashe <[timashe@burlingtontelecom.net](mailto:timashe@burlingtontelecom.net)>  
**Cc:** Janet Ancel <[janetancel@earthlink.net](mailto:janetancel@earthlink.net)>, "Morgan, Candace" <[Candace.Morgan@vermont.gov](mailto:Candace.Morgan@vermont.gov)>, Sara Teachout <[Steachout@leg.state.vt.us](mailto:Steachout@leg.state.vt.us)>, "London, Sarah" <[Sarah.London@vermont.gov](mailto:Sarah.London@vermont.gov)>, "Keeton, Kirby" <[Kirby.Keeton@vermont.gov](mailto:Kirby.Keeton@vermont.gov)>, "Mousley, Gregg" <[Gregg.Mousley@vermont.gov](mailto:Gregg.Mousley@vermont.gov)>  
**Subject: RE: Air BnB**

I am sorry Tim, I did not see this email when I responded to Janet. I thought that you were looking for an estimate on the AirBnB agreement, which had been provided to the legislature.

We should be clear on the various facets of the agreement and the voluntary disclosure we will run in conjunction.

We have absolutely agreed that we will not hold AirBnB liable for MRT prior to the agreement. The law on whether AirBnB could be held to be an "operator" is unclear at best, quite possibly made more so by the use of the term "operator" in legislation last year.

The agreement with AirBnB does not prevent the Department from seeking past MRT from their hosts, who clearly are "operators". However, as we do from time to time at the Department on particular issues, we have decided that the best use of resource is to take this opportunity to bring all hosts into compliance with the incentive of forgiving any past liability to the extent it has not yet been assessed. We will not go back and assess for prior AirBnB listings if they were not already subject to audit, and likewise, we will not go back on non-AirBnB listings if the hosts come forward and register and begin collection/remittance. If we are successful in getting the industry as a whole into compliance, we can shift those audit resources that have been devoted to our very labor intensive "Room With A View" audit project to other projects with a higher ROI. So there is no net loss to the state, only gain.

As I responded to Janet, we conduct voluntary come forwards regularly, with various terms (we routinely offer forgiveness of penalty):

<http://tax.vermont.gov/help-and-resources/tax-audit-guide/voluntary-disclosure-program>

Ironically, Gregg, Candace and I spent the morning in a meeting with our Strategic Improvement team discussing a cross-divisional initiative to develop an enhanced audit selection process. Our leadership team has long targeted this area as one overdue for overhaul, for a variety of reasons. But relevant to the “cost” of a voluntary disclosure in terms of lost audit proceeds, the Department has not historically measured ROI on audit. Considerations have to include scope of the non-compliance in any given sector compared to other sectors, availability of records to establish liability, statute of limitations, collectability – all weighed against expenditure of internal resource and opportunity cost.

Hope that helps. Let me know if you still want more information.

Mary

**Mary N. Peterson** | Commissioner  
Vermont Department of Taxes  
133 State Street | Montpelier, VT 05633-1401  
o: 802.828.3763 | c: 802.279.2876 | [www.tax.vermont.gov](http://www.tax.vermont.gov)

**New email address:** [Mary.Peterson@vermont.gov](mailto:Mary.Peterson@vermont.gov)

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**From:** Tim Ashe [<mailto:timashe@burlingtontelecom.net>]  
**Sent:** Thursday, September 08, 2016 9:30 AM  
**To:** Peterson, Mary <[Mary.Peterson@vermont.gov](mailto:Mary.Peterson@vermont.gov)>  
**Cc:** Janet Ancel <[janetancel@earthlink.net](mailto:janetancel@earthlink.net)>; Morgan, Candace <[Candace.Morgan@vermont.gov](mailto:Candace.Morgan@vermont.gov)>; Sara Teachout <[Steachout@leg.state.vt.us](mailto:Steachout@leg.state.vt.us)>  
**Subject:** Re: Air BnB

The Legislature did not request an amnesty provision in the deal with Air BnB so it seems that the Administration should provide the estimate of that piece of it.

Tim Ashe  
State Senator

Chittenden County  
Chair, Senate Finance Committee

On Sep 7, 2016, at 9:33 PM, Peterson, Mary wrote:

Hi Janet:

We have routinely operated voluntary come forwards (staff eschews the word amnesty) under our general abatement powers.

Sara provided an estimate for the Misc. Tax Bill provision that directed us to continue negotiations with platforms - we defer to her (although Candace can provide the Tax estimate).

Best,  
Mary

Mary Peterson  
Commissioner  
Vermont Department of Taxes  
133 State Street  
Montpelier, VT 05633  
802-828-3763

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**From:** Janet Ancel <[janetancel@earthlink.net](mailto:janetancel@earthlink.net)>

**Sent:** Wednesday, September 7, 2016 8:23 PM

**To:** Peterson, Mary

**Cc:** Tim Ashe

**Subject:** Re: Air BnB

And do you have an estimate of the fiscal impact?

On Sep 7, 2016, at 8:19 PM, Janet Ancel <[janetancel@earthlink.net](mailto:janetancel@earthlink.net)> wrote:

Mary,  
What's the legal basis for the amnesty?  
Janet

On Sep 7, 2016, at 3:49 PM, Peterson, Mary  
<[Mary.Peterson@vermont.gov](mailto:Mary.Peterson@vermont.gov)> wrote:

As an FYI, as of today we have a signed agreement for AirBnB to start collection/remittance of meals and rooms tax as of Oct. 1. We are coordinating right now with their government relations and operational folks, and anticipate a press release in the next 10 days or so (by their host agreement, they need to inform hosts of collection as of Sept. 17 – in their experience, it is best for jurisdictions to wait for that host notification to avoid undue phone volume).

We will be immediately contacting other platforms for short term rentals to invite them to contract with us, and our press release will also announce a voluntary come forward for hosts listing on any platform other than AirBnB to register and avoid past liability.

Let us know if you have any questions or concerns.

Best,  
Mary

**Mary N. Peterson** | Commissioner  
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**New email address:** [Mary.Peterson@vermont.gov](mailto:Mary.Peterson@vermont.gov)

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**From:** Peterson, Mary  
**Sent:** Thursday, August 25, 2016 12:27 PM  
**To:** 'Janet Ancel' <[janetancel@earthlink.net](mailto:janetancel@earthlink.net)>; 'Tim Ashe' <[timashe@burlingtontelecom.net](mailto:timashe@burlingtontelecom.net)>  
**Cc:** Johnson, Justin <[Justin.Johnson@vermont.gov](mailto:Justin.Johnson@vermont.gov)>;

Morgan, Candace <[Candace.Morgan@vermont.gov](mailto:Candace.Morgan@vermont.gov)>;  
Allen, Susan <[Susan.Allen@vermont.gov](mailto:Susan.Allen@vermont.gov)>; London,  
Sarah <[Sarah.London@vermont.gov](mailto:Sarah.London@vermont.gov)>

**Subject:** RE: Air BnB

As noted earlier this week, we are close to an agreement with AirBnB. Just wrapping a couple details, and as long as it is signed by September 7<sup>th</sup> or so, collection/remittance will start October 1<sup>st</sup>.

Some further considerations – the agreement will provide “amnesty” (Dept staff hates that word) to hosts for outstanding tax liability on their AirBnB bookings predating the agreement. Candace and team are working on a parallel voluntary come forward that would forgive outstanding tax liability for bookings on other platforms if the host comes forward now to register, collect and remit. It will take some outreach and education – since we believe most hosts list on multiple platforms, and they need to understand that they remain individually responsible for those non AirBnB rentals.

Candace and team also are ready to contact other platforms offering to enter into similar global deal as with AirBnB. As discussed during the legislative session, it is not clear that all platforms are in a position to collect since they don’t all handle the payment transaction. As a side note, Candace and I had a very informative conversation with a large property manager down south (ski town markets) – they have gotten out of the nightly rental business, but gave us a great deal of information about how the models run.

Finally, as we all expected, AirBnB insists on collection/remittance without revealing identifying information on their hosts. The way the audit provisions work, we think we can work with this. However, it does conflict with the new provision in the Miscellaneous Tax Bill requiring platforms to provide information on all of their hosts to the Tax Dept. We have represented to AirBnB that we will seek repeal of this provision. Candace will reach out to Sen. Sorotkin to explain our reasoning before this agreement goes public.

Let us know if you have any questions or concerns.

Best,  
Mary  
**Mary N. Peterson** | Commissioner  
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**From:** Peterson, Mary  
**Sent:** Monday, August 22, 2016 2:37 PM  
**To:** 'Janet Ancel' <[janetancel@earthlink.net](mailto:janetancel@earthlink.net)>; 'Tim Ashe' <[timashe@burlingtotelecom.net](mailto:timashe@burlingtotelecom.net)>  
**Cc:** Johnson, Justin <[Justin.Johnson@vermont.gov](mailto:Justin.Johnson@vermont.gov)>; Morgan, Candace <[Candace.Morgan@vermont.gov](mailto:Candace.Morgan@vermont.gov)>; Allen, Susan <[Susan.Allen@vermont.gov](mailto:Susan.Allen@vermont.gov)>; London, Sarah <[Sarah.London@vermont.gov](mailto:Sarah.London@vermont.gov)>  
**Subject:** Air BnB

On another note, our negotiations with AirBnB to have them collect/remit on behalf of their hosts are going well – we expect to have an agreement going into effect as soon as Oct. 1. Stay tuned!

**Mary N. Peterson** | Commissioner  
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