Overview
There are rules and regulations you must follow in order to legally rent out your residence. First, determine whether you are eligible to rent out your residence. If you meet the eligibility requirements, you must then consider details such as how long you would like to host guests and whether you will be on the premise when you have guests. These decisions affect how much you can earn and how many days per year you can rent out your residential unit.

Anyone in San Francisco who earns rent from a short-term residential rental is considered a business and may owe taxes. You must obtain a Business Registration Certificate and pay applicable taxes through the Treasurer and Tax Collector’s Office and register with the Office of Short-Term Rentals.

Host
Hosts rent a portion or the entire premise of their residential unit to guests for periods of less than 30 nights. Some hosts receive payment through online companies that handle short-term rental bookings and some receive payment directly from the guest. All of these transactions are subject to San Francisco tax laws.

Permanent Resident
A permanent resident can be either a property owner or a tenant. To qualify as a permanent resident, you must live in the unit for at least 275 nights of any given calendar year. Regardless of whether you are a property owner or tenant, you may only register the specific unit in which you reside. If you are a new resident, you must have lived in your unit for at least 60 consecutive days before you can apply to be on the Short-Term Residential Rental Registry.

Short-Term Residential Rental
Rental of all or a portion of your residential unit for periods of less than 30 consecutive nights is considered a Short-Term Residential Rental. If you rent out your unit while you are present, you may do so for an unlimited number of nights per year. If you are not present, the maximum is 90 nights per year.

Business Registration Certificate
All San Francisco businesses— even the small ones— must register with the Treasurer and Tax Collector. If you meet certain requirements as a short-term residential rental host, you can apply online for your Business Registration Certificate. Hosts who apply online will receive their temporary Certificate via email within minutes of registering.

Business Account Number (BAN)
When you receive your Business Registration Certificate, you will be given a BAN that can be used to complete online tax filings in the future. Hosts who apply for a Business Registration Certificate online will be given a temporary BAN in order to register with the Office of Short-Term Rentals.

Qualified Website Company (QWC)
Qualified hosting platforms can collect the TOT on behalf of the host and remit the taxes to the City and County of San Francisco. If you use one of these hosting platforms, then you do not have to obtain a Certificate of Authority or collect and remit TOT for any transactions booked through the site. Currently, Airbnb is the only hosting platform that is a Qualified Website Company.

NOTE We highly recommend that you familiarize yourself with the terms listed here and refer back to this section as you begin to set up your Short-Term Residential Rental business.

NOTE Anyone in San Francisco who earns rent from a short-term residential rental (less than 30 days) is considered a business and may owe taxes to the Treasurer and Tax Collector’s Office.
**Determine Your Eligibility**

In order to register on the Short-Term Residential Rental Registry, you must meet ALL of the following conditions:

- You must be the Permanent Resident (owner or tenant) of the residential unit that you wish to rent short-term.
- You must obtain a Business Registration Certificate.
- You must obtain liability insurance in the amount of no less than $500,000, or provide proof that liability coverage in an equal or higher amount is being provided by any and all hosting platforms through which you will rent your unit.
- Your residential unit must not have any outstanding Planning, Building, Housing, Fire, Health, Police, or other applicable City code violations.
- You may only register one residential unit where you are the Permanent Resident.
- You are NOT eligible to register if your residential unit is subject to the Inclusionary Affordable Housing Program, designated as below market rate (BMR), or contingent on income restrictions under City, State, or Federal law, or if the unit has been the subject of an Ellis Act eviction that occurred after November 1, 2014.

**Business Registration/Tax/Payment**

You can apply for a Business Registration Certificate ONLINE if you meet the following criteria:
- Your only business activity is as a short-term residential rental host.
- You do not have any payroll expense, i.e., you do not have any employees.
- You only receive rental income for the operation of one residential structure consisting of fewer than four units; a cooperative housing corporation; or one residential condominium.

If you do not meet the criteria for the online application, follow the instructions to register your business with the Treasurer and Tax Collector’s Office.

Declare use of Qualified Website Company and/or Small Operator

**Fulfill Your Tax Obligations**

**Transient Occupancy Tax (TOT):** Anyone in San Francisco who receives rent for a stay of less than 30 days must collect a 14% tax on the amount that they earn from their guests.

**Annual Filing:** If you make $40,000 or less from renting out your residence, then you can apply to be a “Small Operator” during the time of your business registration. Small Operators can file their TOT on an annual basis, and DO NOT need a Certificate of Authority. Declare you are a Small Operator to the Treasurer and Tax Collector.

**Monthly Filing:** If you earn more than $40,000 per year, then you must file your TOT on a monthly basis. To do so, you must obtain a Certificate of Authority in order to have the right to collect the TOT.

**Qualified Website Company (QWC):** If you rent out your unit using ONLY a Qualified Website Company (hosting platform that can collect taxes and remit on your behalf), then you do not have to collect and remit the TOT or obtain a Certificate of Authority.

**NOTE** Currently, the only hosting platform that is a Qualified Website Company is Airbnb. If you ONLY list your residence on Airbnb, you do not need to collect TOT or obtain a Certificate of Authority. If you list your residence on Airbnb and other hosting platforms, you must still follow the guidelines above to fulfill your tax obligations on earnings from non-Airbnb hosting platforms.

**How to Calculate TOT:** TOT is based on the total amount that a guest pays, including “service fees” and “advertising fees.” Example: A guest is charged $110 plus $20 “service fee.” Taxable rent = $130. Tax = 14% of $130, which is $18.20. The party that receives the rent adds TOT and collects both at the same time. The guest is charged $110 + $20 + $18.20 = $148.20. The party receiving payment from the guest must provide a receipt that separately states the amount of TOT collected.

Find all related permits and resources on the online version of this starter guide: businessportal.sfgov.org/start/starter-kits/short-term-rental
List Your Property
Now that you’ve completed all the steps above to be compliant, list your short-term residential rental on a hosting platform of your choice. Make sure that your Short-Term Residential Rental Registration Number is visible at the top of your listing’s description. Once you have finished your listing, email (str.confirmation@sfgov.org) the URL for the listing to the Office of Short-Term Rentals.

After Opening
Create or adjust your listing so that the registration number is visible above the description of your listing. The Office of Short-Term Rentals also recommends that hosts visibly display their certificates in their unit.

Send the Office of Short-Term Rentals an email (str.confirmation@sfgov.org) with links to your listing(s).

Renew your Business Registration Certificate on a yearly basis. Your business registration is valid from July 1-June 30 of each year. You must renew your business registration by May 31 each year in order for it to be valid on July 1 of the same year.

File and pay any TOT owed (not applicable for hosts who only do business via a Qualified Website Company). For Small Operators, your annual tax filing and payment is due by January 31st. For all other hosts, your filing and payment is due monthly. All TOT transactions are online.

Renew your Short-Term Residential Rental Registration every two years.

The rules and regulations around Short-Term Residential Rentals are complicated. You may still have questions on how to be compliant after reading this guide. We created a Starter Kit online that answers all of your frequently asked questions under the “What if” section.

businessportal.sfgov.org/start/starter-kits/short-term-rental
Important Terms You Should Understand

Are you a **permanent resident**?

A permanent resident can be either a property owner or a tenant. To qualify as a permanent resident, you must live in a unit for at least 275 nights of any given calendar year. If you just moved, then you must have lived in your unit for 60 consecutive days.

Because you rent, you need to pay the **transient occupancy tax**.

Anyone who receives rent for a stay of less than 30 days must collect a 14% tax on the rental amount that they charge their guests. This tax is paid by the guest, so the guest will be charged 14% on top of your listed rental fee.

You can do this through two ways:

1. **monthly transient occupancy tax**
   - The Certificate of Authority (COA) gives permission to collect taxes from guests and remit them to the City. Hosts are required to file and pay the Transient Occupancy Tax monthly. All hosts need a COA unless you only use a Qualified Website Company or you earn less than $40,000 in rent per year and request to be designated as a Small Operator.

2. **small operator**
   - Small Operators file and pay the TOT annually rather than monthly, and do not need a Certificate of Authority. To qualify, you must make less than $40,000 per location, per year (up to $250,000 combined annually) from renting out your residence. Hosts who have a Business Registration Certificate can apply online to be designated as a “Small Operator.”

To avoid this entirely, you can use a **qualified website company**

A Qualified Website Company is a hosting platform that can collect the TOT on behalf of the host and remit the taxes to the City and County of San Francisco. If you use a QWC exclusively, then you do not have to obtain a Certificate of Authority or collect and remit TOT for any transactions booked through the site. Currently, Airbnb is the only hosting platform that is a Qualified Website Company.

Find all related permits and resources on the online version of this starter guide: businessportal.sfgov.org/start/starter-kits/short-term-rental