

Air BNB Accounting Questionnaire

Year End 31st March 2023

Name:

Airbnb Property Address:

Trading as: circle one Trust / Ltd Company / Partnership / Sole Trader

Airbnb is an excellent way to earn additional income by utilizing spare space in your home. It can also be used to rent a whole property. At Borrie Financial Group we understand the complex rules that apply to Airbnb properties.

Income earned from providing short-term accommodation is taxable in New Zealand. Generally you will be allowed a deduction for the costs of providing the accommodation. The calculation for deductible expenses will vary depending on the use of the property.

- If the property is used for both private purposes (your own accommodation) and business purposes (Airbnb) then the Mixed Use Asset (MUA) rules may apply to apportion the costs.
- The MUA rules apply to properties owned by individuals, partnerships, companies and trusts.
- Where properties are held in family trusts or companies, there may be requirements to charge a deemed market rental for private use.
- If Airbnb and rental income exceeds \$60,000 then you may be required to register for GST. You can voluntarily register at any income level and claim GST on the portion of Airbnb expenses.

1. How do you provide Airbnb accommodation. Please select one of the following options

- The Airbnb or short term stay property is a separate, stand alone property with a separate title from the private residence.
- The Airbnb or short term stay is a separate building or cottage on land which does not hold a separate title to your private residence.
- The Airbnb or short term stay is provided in a room within your private residence and guests do not have exclusive use of all of the house.

2. Considering the property, please identify the following

Areas which are exclusively private. These are areas that guests do not have access to at their discretion. This would include your bedroom, private bathroom and any other rooms or areas that guest are not provided unlimited access to. Note: If you occasionally invite a guest to dinner or allow use of a private pool, at your discretion then this may be considered private.

Areas which the Guest can use exclusively during their stay, this will include their room, private bathroom, or cottage.

Communal, shared or living area. These are rooms which can be used by both yourself and guests and may include a joint access bathroom, laundry or living areas.

Guest Accommodations used privately. Days in which you, or your friends or family have used the Airbnb for private purposes and paid less than the market rate for the accommodation.

If your Airbnb is a holiday home, we do not require floor area as there is no private or shared areas. Expenses will be apportioned based on usage. Please advise days available, days used privately and days rented.

| Room / Cottage | Floor Area | Business Use % | Days Rented | Days Available for Rental | Days used Privately* |
|-----------------------|------------|----------------|-------------|---------------------------|----------------------|
| Private Rooms or home | | 0% | | | |
| Guest Room or cottage | | 100% | | | |
| Shared living Area | | % | | | |
| Other | | % | | | |
| | | | | | |

3 Claiming Expenditure

Costs directly related to the Airbnb activity may be fully claimed. This may include commissions, power costs if on a separate meter, food, cleaning expenses and advertising. Costs, which cannot be directly attributed to the Airbnb are apportioned based on floor area and days available. Private costs are non-deductible. Please ensure private costs are clearly identified.

AIR BNB Information Checklist

Financial Transactions for the tax year

Online Software - Xero or MYOB

- Transactions are coded and reconciled
- BFG Granted online access
- access should be given to advice@borriegroup.co.nz and not a team member
- Copy of bank statement confirming bank balance as at year end.
- Details of any expenses paid privately

Manual Records - if you do not have online records

Manual records may take longer to process and incur a higher accounting fee. Talk to us about online accounting as this may save you significant time, money and stress

Please provide us with one of the following:

- a) Completed cashbook or summary of income received and rental expenses paid.
- b) Copies of all Rental bank statements for the year. Please ensure unusual or personal transactions are clearly marked.
Please provide **copies** of all rental invoices or receipts for purchases during the year. Please ensure only rental receipts are provided and they are in date order.
- c)

Loans / Mortgages and Bank Statements

We require copies of all bank statements, investments, loan and hire purchase agreements pertaining to the Airbnb property or business entity which confirm the balance as at end of financial year. For trusts and companies these must be in the trust or company name

- Confirmation of all Rental bank account balances at end of year
- Confirmation of all Rental loan balances at end of year

Personal Expense Reimbursement

| MOTOR VEHICLE EXPENSES | |
|---|-----------|
| For calculation of motor vehicle expenses to be claimed for business purposes, please provide the following for all vehicles. | |
| Total kilometres travelled whilst managing the rental property | km |

Please ensure you have provided **ALL THE INFORMATION** required to complete your tax return.

Please provide copies of the requested documents and ensure you keep the originals. You are required to keep these records for a minimum of seven years.

What Solutions do you require from us

Full financial statements

This provides a detailed summary of all transactions and assets. Full financial statements may be compulsory for Trusts and Limited Liability companies.

Tax Returns and Statements

We will complete the tax returns and filing with the IRD, along with any tax management throughout the year for the rental property and associated individuals

We cannot begin working on your Tax Return and Financial Statements until **ALL THE INFORMATION** in these worksheets have been filled out entirely despite how well we know you and your circumstances.

Please provide copies of the requested documents and ensure you keep the originals. You are required to keep these records for a minimum of seven years.

All information and worksheets can be emailed to:

records@borriegrup.co.nz

or delivered to:

1017 Heretaunga Street East, Parkvale, Hastings 4122