New Tax Rules for Short-Term Rentals

December 31, 2024 Tax Year

# What are the new rules?

The **2023 Fall Economic Statement** introduced new tax measures that disallow certain rental expense deductions for owners of short-term rental properties if they are not compliant with local short-term rental regulations. These changes came into effect **January 1, 2024.**

# What does this mean?

CRA may disallow **all** rental expenses if you are found to be non-compliant. There could be significant tax consequences.

# Does this impact you?

In Canada, a **short-term rental property** for tax purposes generally refers to a rental property that is rented out for **less than 30 consecutive days at a time**. These rentals are typically offered through platforms like Airbnb, VRBO, and similar services, and are often geared toward vacation or temporary accommodation rather than long-term housing.

# What to do now?

You have until **December 31, 2024** to comply with your municipal rental regulations. Make sure you have the required permits and licenses to operate in your municipality.