Tasmania Short Stay Levy

Discussion Paper

December 2025

Department of Treasury and Finance

Tasmanian Government

An electronic copy of this report is available at www.treasury.tas.gov.au

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Background

In the lead up to the 2024 State election, the Tasmanian Government announced as part of its election policy *Making it easier for Tasmanians to own their own home – 5 % Short Stay Levy* that it would introduce a 5 per cent levy on short stay accommodation in Tasmania.

The broad parameters announced included:

- 100 per cent of the levy will go directly to assisting first home buyers;
- the levy will be introduced on short stay accommodation such as those advertised on Airbnb and Stayz;
- the levy will not apply to accommodation operators such as hotels, pubs, bed and breakfasts, and caravan parks; and
- the short stay levy will be paid by those using short stay accommodation, not the property owners.

The Government has prepared the draft Short Stay Levy Bill 2025 to introduce the Short Stay Levy (SSL) in Tasmania and is seeking feedback on the mechanics of the SSL as outlined in the Bill. The draft Bill is available on the Department of Treasury and Finance website at: www.treasury.tas.gov.au.

This Discussion Paper provides an overview of the SSL model and addresses key aspects of the Bill. The Discussion Paper also highlights where the Bill aligns with similar levies introduced in Victoria and the Australian Capital Territory. Broad details of the levies implemented in these jurisdictions are summarised in Attachment A.

Consultation

Interested parties are invited to comment on the draft Bill.

Submissions should be provided to taxpolicy.advice@treasury.tas.gov.au by 5pm on 25 February 2026. All submissions will be treated as public documents and will be published on the Treasury website at www.treasury.tas.gov.au unless individuals or organisations request otherwise.[1]

Should you have any questions about the mechanics of the draft Bill, you may direct them to Treasury at: taxpolicy.advice@treasury.tas.gov.au.

[1] Automatic generated confidentiality disclaimers included in emails do not constitute a valid request for non-publication. Any requests received under the *Right to Information Act 2009* to make available any ‘confidential’ submissions will be assessed in accordance with that Act.

Overview

The Tasmanian Short Stay Levy (SSL) is a 5 per cent charge applied to the total booking fee of a short stay accommodation booking in Tasmania. The total booking fee can include any additional fees such as cleaning but does not include: any amount credited or refunded; charges relating to the payment method used; or the SSL itself.

The SSL will apply to short stay accommodation[2] where stays are less than 28 consecutive nights.

Liability for the SSL arises on the day that the short stay is completed, that is when the guest(s) is required to vacate the accommodation. No liability arises if the total booking fee is waived, credited or refunded.

A SSL payer can be a either a booking platform or a person taking direct bookings for short stay accommodation in Tasmania. A SSL payer will be required to register with the State Revenue Office (SRO) and lodge a return and pay the levy to the SRO on either a quarterly or annual basis depending on the person's prior year's total booking fees.

Supporting home ownership through a balanced SSL

The Government's statewide short stay accommodation policy has played a key role in supporting the growth of Tasmania's visitor economy. At the same time, the Government remains committed to protecting the rights of Tasmanians to use their properties to generate income - whether through short stay or long-term rental - and does not support restrictive measures such as arbitrary caps on short stay listings.

Instead, the Government will introduce a 5 per cent SSL on short stay accommodation. This approach reflects a balanced policy response that supports both economic activity and housing affordability.

Helping Tasmanians into home ownership is a central priority for the Tasmanian Government. Revenue from the SSL - estimated at approximately $11 million annually - will be directed toward initiatives that assist first home buyers to enter the housing market.

The SSL is designed to ensure that Tasmania continues to strike the right balance between supporting our vibrant visitor economy, respecting the right of Tasmanians to use their home to earn income and improving access to affordable housing for Tasmanians.

[2] Defined in section "Key terms used in the Bill".

Commencement of the SSL

The Government is targeting 1 July 2026 as the commencement date for the SSL.

The SSL will apply to all bookings made from that date. That is, if a booking is made before 1 July 2026, the booking will not attract the levy even if the stay begins after that date.

Example 1 - Commencement of the SSL on 1 July 2026

Date booking made	Date of stay	Will the SSL apply?
3 March 2026	1-4 September 2026	No
10 July 2026	12-15 August 2026	Yes
30 June 2026	1 July 2026	No

While this approach may encourage forward bookings to avoid the SSL, this approach provides important clarity to customers, operators and platforms.

This approach aligns with the introduction of both the Victorian and ACT levies.

Bill reference:

Clause 20 .... Non-application of Act

Key terms used in the Bill

Part 1 of the Short Stay Levy Bill includes definitions and key terms used throughout the Bill. The following key terms are explained.

Short stay accommodation

Short stay accommodation is defined as any premises[3] that can accommodate a person other than:

- accommodation operations such as:
  - hotels, motels, inns or similar commercial premises;
  - traditional bed and breakfasts;
  - a hostel, boarding house, lodging house or similar commercial premises;
  - a caravan park, camping ground or similar premises; and
  - mobile accommodation such as caravans and campervans; and
- specialist accommodation such as:
  - accommodation provided by a health facility for a patient;
  - accommodation for housing support services, residential care accommodation and retirement villages;
  - student accommodation provided in connection with an educational institution;
  - emergency or crisis accommodation provided by the entity that owns or operates that accommodation;
  - employee accommodation;
  - accommodation on vessels mainly used for transport such as the Spirit of Tasmania vessels; and
  - other types of accommodation as determined by the Treasurer.

Definitions relating to particular terms are also included in this Part providing additional clarification.

For example, a bed and breakfast is defined as accommodation where a part of the premises is occupied by the owner (or operator) at the same time as a guest under a short stay booking, and breakfast is provided by the owner (or operator) at no additional cost to the guest each morning of the short stay.

It does not matter whether all or part of a property is used for short stay accommodation, the SSL will still apply. In this way the SSL differs from the Victorian levy which excludes an owner or renter's principal place of residence from the definition of short stay accommodation. Similarly, the ACT levy excludes hosted accommodation[4].

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[3] Premises is defined as the whole or any part of a building or caravan or other vehicle.
[4] Hosted accommodation means accommodation in a dwelling or building where the dwelling or building is occupied by its owner or occupier (or their agent) at the same time as it is occupied by a person under a booking or other arrangement.

The Treasurer will also be able to add to the list of excluded types of premises through a Ministerial Order when and if required.

Bill reference:

Clause 5 .... Meaning of short stay accommodation

Clause 21 .... Minister may declare premises as exempt premises

Supporting definitions:

Clause 3 .... Definition of premises

Clause 3 .... Definition of vehicle

Short stay booking

A short stay booking refers to a stay in short stay accommodation where the stay is for less than 28 consecutive nights.

The duration of the stay is calculated from the date that a person is allowed to occupy the accommodation and ends on the date that the person vacates the accommodation or the date that the person is required to vacate the accommodation under the terms of the booking, whichever is the later.

A booking for 28 consecutive nights or more, is not considered a short stay and is not subject to the SSL.

How do I calculate the duration of the booking?

Example 2

Person A makes a booking at short stay accommodation checking-in on 1 August at 3:00pm and checking-out on 8 August at 11:00am. The total stay is for seven consecutive nights (ie the accommodation is occupied for the nights of 1 August to 7 August, and check-out is during the day of 8 August). As the booking is for less than 28 consecutive nights, the SSL applies to the booking fee.

Example 3

Person A makes a booking at short stay accommodation checking-in on 2 August at 1:00pm and checking-out on 30 August at 2:00pm. The stay is for 28 consecutive nights (ie the accommodation is occupied for the nights of 2 August to 29 August, and check-out is during the day of 30 August). As the booking is for 28 consecutive nights or more, it does not meet the definition of a short stay and therefore the SSL does not apply.

The definition of short stay booking aligns with both Victoria and the ACT although these jurisdictions use “days” instead of “nights”. Nights have been used in this instance as stays are commonly referred to as nights.

Bill reference:

Clause 6 .... Meaning of short stay booking

Supporting definition:

Clause 3 .... Definition of short stay

Total booking fee

The SSL is payable at a rate of 5 per cent of the total booking fee. The total booking fee is the total amount payable for the booking (including any GST) less any amount that is waived, credited or refunded, any amount charged in respect of the payment method such as credit card fees and the SSL amount.

The total booking fee applies regardless of whether the person stays at the accommodation unless the full amount is waived, credited or refunded.

This definition differs from Victoria and the ACT where both include the levy as part of the booking fee to which the levy is then applied.

Example 4 – What is the total booking fee?

Person B books a short stay in short stay accommodation via a booking platform provider.

The booking is for five days at a daily rate of $200. Person B is also required to pay a cleaning fee of $150 and a booking fee of $150. The fees are inclusive of any GST payable. As Person B pays by credit card there is also a 1.75 per cent credit card fee to process the payment. The booking platform provider also includes a SSL of 5 per cent of the total booking fee.

In this case the total booking fee is $1 300.

The credit card fee for processing the payment and the SSL are not included in the total booking fee.

Bill reference:

Clause 7 .... Meaning of total booking fee

Booking platform

A booking platform is a service that facilitates requests to book a short stay in short stay accommodation and arranges or facilitates the acceptance of those requests on behalf of a provider.

It is irrelevant whether the service has a website, or other presence on the internet; whether they have automated their services; whether they take payment for the booking; or whether they are located in Tasmania.

This definition aligns with definitions used in Victoria and the ACT.

What is a booking platform?

Example 5

Website A is a listing service that advertises short-term accommodation in Tasmania.

However, to book the accommodation, the person is redirected to Website B which facilitates the request to book and arranges acceptance of the booking.

In this case, Website A is not a booking platform but Website B is a booking platform.

Example 6

Company B advertises a property within Tasmania as available for short stay accommodation. Company B arranges bookings of the accommodation for anyone who would like to stay at the property.

Company B does not directly receive the payment for any bookings made at any of the premises, the payments are instead managed by a third-party who remits Company B with their fee and pays the remainder of the booking fee to the owner of the property.

Company B is a booking platform despite not receiving the payment for the booking because they facilitated or arranged the booking.

Imposition of the SSL

Division 1 of Part 2 of the Short Stay Levy Bill covers those provisions that deal with how the SSL is to operate including who is liable for the SSL, when that liability arises, and who is required to pay the SSL.

Liability for the SSL

Booking platform providers and people that accept direct bookings (a short stay booking made without using a booking platform) will be liable for the SSL for bookings made for short stay accommodation through them or made directly with them.

Booking platform providers may be:

- major online booking platforms such as Airbnb, Booking.com or Stayz;
- smaller online booking platforms;
- boutique websites; or
- real estate agents.

As clarification, where the same short stay accommodation can be booked directly or by using a booking platform, the booking platform and the person taking direct bookings will have to pay the respective SSL for any bookings they accept.

Example 7 - Who is liable for the SSL?

Person C owns a shack and sometimes rents it out as short stay accommodation.

Over the course of a year Person C takes five bookings directly over the phone and fifteen bookings are made through an online booking platform.

Person C is liable to pay the SSL on the five bookings made directly over the phone while the online booking platform is liable to pay the SSL on the other fifteen bookings.

This approach aligns with the Victorian levy whereas the ACT levy only applies to bookings made through a booking platform (not direct bookings).

The Government's policy is that the levy should ultimately be paid by the customer, not the booking platform or the person taking the direct booking. Therefore, booking platforms and persons taking direct bookings are able to pass on the full cost of the SSL to the customer.

Liability for the SSL occurs on the day that the short stay is completed, however no liability arises if the total booking fee is waived, credited or refunded.

Example 8 – Booking fee waived, credited or refunded

A booking for short stay accommodation is made through booking platform ABC Pty Ltd for a period of seven nights.

The terms of this booking require payment of a deposit, with the remainder to be paid on the day of arrival at the accommodation. The guest cancels the booking prior to the arrival date and a full refund of all monies paid at the time of booking are refunded to the guest.

As the deposit was fully refunded there is no liability for the SSL.

Bill reference:

Clause 11 .... When does the liability for the short stay levy arise?
Clause 12 .... Who is liable to pay the short stay levy?

Supporting definitions:

Clause 3 .... Definition of direct booking
Clause 4 .... Meaning of booking platform

Calculation of the SSL

The SSL will be calculated at 5 per cent of the total booking fee paid by the customer, including any fees associated with the booking such as cleaning or booking fees (but excluding the SSL if it is passed on to the customer).

Example 9 - SSL paid by a customer

Person D books short stay accommodation for five nights at $200/night. Their bill is itemised and looks like this:

5 x nights at $200.00 per night	$1 000.00
Cleaning fee	$150.00
Booking fee	$150.00
TOTAL BOOKING FEE	$1 300.00
Short Stay Levy at 5 per cent of Total Booking Fee	$65.00
AMOUNT PAYABLE	$1 365.00

Example 10 - SSL paid by a customer

Person D books short stay accommodation for five nights at $200/night. Their bill is not itemised and looks like this:

AMOUNT PAYABLE	$1 365.00
TOTAL BOOKING FEE (Including per night cost, cleaning fee and booking fee)	$1 300.00
Short Stay Levy at 5 per cent of Total Booking Fee	$65.00

The 5 per cent rate proposed by the Tasmanian Government is less than Victoria's 7.5 per cent Short Stay Levy and is in line with the Australian Capital Territory's 5 per cent Short-Term Rental Accommodation Levy for platform providers only.

The SSL calculation differs from both Victoria and the ACT which include the levy as part of the total booking fee.

If the total booking fee is quoted in a foreign currency the total booking fee must be converted into Australian currency before the SSL is calculated.

Bill reference:

Clause 10 .... Short stay levy imposed
Clause 13 .... How to calculate levy if booking fee in foreign currency
Supporting definitions:
Clause 7 .... Meaning of total booking fee

Passing on the SSL to customers is a decision to be made by property owners. However, it is the Tasmanian Government's expectation that booking platforms and persons taking direct bookings would pass on the entirety of the 5 per cent SSL to customers.

The Government considers that the introduction of the SSL need not affect the bottom line of Tasmanians who own and operate short stay accommodation.

Payment of the SSL

Division 2 of Part 2 of the Short Stay Levy Bill covers those provisions that deal with how the SSL is to be paid including the requirement to be registered, the timing of payments, and lodgement requirements.

This section of the discussion paper sets out considerations that will guide the design of an online portal for registration and payment of the SSL.

Registration for payment of the SSL

To facilitate the collection of the SSL, booking platform providers and persons taking direct bookings for Tasmanian properties will be required to register as a SSL payer with the SRO.

The SRO will provide an approved form for this purpose.

Registration or an application for registration must occur before the end of the first return period in which booking platform providers and persons taking direct bookings are liable to pay the SSL (see the following section on the return period). Registration must be retained while the SSL payer is liable to pay the SSL. Failure to register in the required timeframe will be subject to penalties.

Registration for the SSL should not be mistaken as a licence or permit to operate short stay accommodation.

Registration to facilitate the collection of the SSL aligns with the registration requirements in both Victoria and the ACT.

Bill reference:
Clause 14 .... Registration for payment of the short stay levy

Return period for the SSL

The frequency of SSL returns to the SRO will depend on the total annual booking fees received by the booking platform or person taking direct bookings in the preceding year.

If total annual booking fees, in the immediately preceding year, is $75 000 or more the platform or person will need to lodge quarterly returns to the SRO (within 30 days after the end of each period).

If total annual booking fees is under $75 000, returns are to be remitted to the SRO on an annual basis (by 30 July each year).

The $75 000 is calculated based on all short stays completed in a financial year having regard to the following:

- for booking platforms, all short stays made through the platform; and
- for persons taking direct bookings, all short stays arranged through direct bookings to that person.

The dual return periods recognise the administrative burden on smaller short stay operators, allowing them to lodge the one return each year.

The calculation of the return period in this manner aligns with the Victorian levy.

For 2026-27 the return period for all SSL payers will be on an annual basis. From 2027-28 onwards the return period will be based on total booking fees in the preceding year.

> **Bill reference:**
>
> Clause 15 .... Return period for levy
>
> Clause 16 .... Lodgement of return and payment of tax

Lodgement of return and payment of the SSL

The SRO will provide an approved form to enable a return to be lodged. The return will require sufficient details to identify the SSL payer and information to assess their liability for the levy.

Lodgement of a return and payment of the SSL must occur within 30 days after the end of the relevant return period. Penalties may apply to late lodgements made after the 30-day period and non-lodgements.

For quarterly remitters, lodgement must occur before 30 October (for September Quarter), 30 January (for December Quarter), 30 April (for March Quarter) and 30 July (for June Quarter). For annual remitters lodgement must occur by 30 July.

Lodgement of a return will still be required even if no levy is payable within the return period. The Commissioner can request further information in respect of the return.

The lodgement and payment requirements align with the requirements of the Victorian levy and are similar to the requirements of the ACT levy.

> **Bill reference:**
>
> Clause 16 .... Lodgement of return and payment of tax

Administration of the SSL

Division 3 of Part 2 of the Short Stay Levy Bill covers those provisions that deal with the general administration of the SSL.

Person to notify Commissioner if no longer liable to pay the SSL

A registered SSL payer is required to notify the Commissioner:

1. if they are no longer incurring a liability to pay the SSL; and
2. do not expect to incur SSL liabilities in the future.

Notification is required within 14 days from either the return lodgement date (if there is a SSL liability) or from the change of circumstances in any other case. Failure to provide notification in the required timeframe is subject to penalties.

The Commissioner will cancel the registration of a payer that gives notice.

Bill reference:

Clause 17 .... Person to notify Commissioner if no longer liable to pay levy

Cancellation of registration for payment of the SSL

The Commissioner, by written notice, may cancel a SSL payer's registration for any reason that the Commissioner considers appropriate.

Bill reference:

Clause 18 .... Cancellation of registration for payment of short stay levy

Declaration that premises are no longer short stay accommodation

A person that uses a booking platform to take bookings for their short stay accommodation is required to provide the platform provider with a declaration (in an approved form) if the person intends to change the short stay accommodation to no longer be short stay accommodation on the platform.

A booking platform provider that receives a request must retain it for at least five years.

If the Commissioner determines that despite the declaration the premises are short stay accommodation the person that made the declaration and the booking platform are jointly and severally liable to pay the amount of unpaid SSL and any interest or penalty tax imposed under the *Taxation Administration Act 1997* in respect to the unpaid SSL.

A booking platform that pays an amount of unpaid SSL may recover the amount from the person who made the declaration as a debt due and owing in a court of competent jurisdiction.

Bill reference:

Clause 19 .... Declaration that premises are no longer short stay accommodation

These clauses align with applicable administrative provisions used for both the Victorian and ACT levies.

Miscellaneous

Part 3 of the Short Stay Levy Bill covers the miscellaneous provisions contained within the Bill including non-application of the Act (in terms of bookings), the Minister's power to declare exempt premises, the power to make regulations, responsibility for administration of the Act and consequential amendments to other legislation.

Miscellaneous provisions not already addressed in this Discussion Paper include:

- regulations may be made for the purposes of the Act (Clause 22);
- the Treasurer will be responsible for the administration of the Act with the Department of Treasury and Finance responsible to the Treasurer for administration of the Act (Clause 23); and
- consequential amendments (Schedule 1) to:
  - the *Residential Tenancy Act 1997* clarifying that the Residential Tenancy Act does not apply to any agreement giving a person a right of occupancy of the premises if the SSL is payable; and
  - the *Taxation Administration Act 1997* providing that the Act is a taxation law for the purposes of administration of the SSL.

Attachment A: Short stay levies other jurisdictions

State	Name	Commenced	Rates	Levy paid by	Legislation
Victoria	Short Stay Levy	1 January 2025	7.5 per cent of the total booking fee.	Booking platforms or owners and tenants that take direct bookings.	*Short Stay Levy Act 2024*
Australian Capital Territory	Short-Term Rental Accommodation Levy	1 July 2025	5 per cent of the total booking amount paid.	Booking platforms only. Direct bookings with an owner or occupier are not subject to the levy.	*Short-Term Rental Accommodation Act 2025*