

Peer-to-Peer Rentals

Peer-to-Peer Rental Economy

Peer-to-Peer (P2P) rental of property is a growing business model for people who own real estate, cars, clothing, sporting goods, or other property that they choose to temporarily rent to another person for a fee. These transactions are usually facilitated through the use of a third-party service accessed through a website or phone app that allows the property owner to list the property available to rent for a specified fee. People wishing to rent property can use the service to view available listings in their area, select property to rent, arrange for payment of rental fees and arrange to take possession of the property. Third party companies that facilitate P2P transactions through their websites or phone apps are considered marketplace facilitators and are subject to collecting Mississippi sales tax on the rental transactions they facilitate.

When does a Peer-to-Peer rental company have to register to collect Mississippi sales tax?

Peer-to-Peer rental companies with a physical presence in Mississippi must register to collect Mississippi sales tax when their businesses begins. P2P companies located outside Mississippi with no physical presence in Mississippi are required to register to collect Mississippi sales tax when transactions facilitated in Mississippi exceed Two Hundred Fifty Thousand Dollars (\$250,000.00) in any consecutive twelve-month period.

Peer-to-Peer rentals of homes, condominiums, or other lodging accommodations

Rentals of personal homes, condominiums, or other lodging accommodations are subject to Mississippi sales tax as a hotel service. "Hotel" means and includes any entity or individual engaged in the business of furnishing or providing one or more rooms intended or designed for dwelling, lodging or sleeping purposes that at any one time will accommodate transient guests and that are known to the trade as such and includes every building or other structure kept, used, maintained or advertised as, or held out to the public to be, a place where sleeping accommodations are supplied for pay or other consideration to transient guests regardless of the number of rooms, units, suites or cabins available.

