

Short-term rentals frequently asked questions

Please check back to this page for more information in the future as it will be updated as guidance from the state is issued.

Overview

Legislation was recently signed into law which subjects short-term rentals of property to the room occupancy excise, G.L. c. 64G, as of July 1, 2019. You can find the new law on the [General Court Website](#). DOR anticipates issuing detailed guidance to explain the administration of the new law.

The new law imposes state and local excises on short-term rentals of property for more than 14 days in a calendar year, starting July 1, 2019 for which a rental contract was entered into on or after January 1, 2019.

All short-term rental operators will be required to register with DOR. Operators may choose to allow an intermediary or other agent to handle the rental of their property and register with and submit returns and tax due to DOR on their behalf. The DOR anticipates the registry to be up and running in March 2019.

Where can I get more information regarding the new law?

Many of the questions the town has received can be answered by referencing the Department of Revenue's website which includes an FAQ. You can find the FAQ on their website at: [DOR Frequently Asked Questions](#)

I am an operator of a short-term rental. Is there an organization I can contact that can assist me with understanding an operator's responsibilities under the new law?

The Cape & Islands Association of Realtors has issued this guidance for homeowners and managers of short term rentals: <https://www.cciaor.com/shorttermrentals/>

Further questions can be directed to Mr. Ryan Castle, CEO of the Cape Cod & Islands Association of Realtors at 508.957.4300.

Is there a Town of Barnstable employee I can contact with questions regarding the new law?

Mark Milne, Director of Finance, can be contacted at 508.862.4660.

Why is the Town of Barnstable's local excise tax on short-term rental 6%?

The local excise tax rate on short-term rentals in each community of the Commonwealth is set at the rate that is in effect for hotels, motels, Bed & Breakfasts, and lodging houses at the time the law was passed.

Do I pay the town the local excise tax?

No. The local excise tax collected by each operator/agent of a short-term rental is paid to the Department of Revenue.

Who do I pay the Cape Cod and Islands Water Protection Fund excise tax to?

This tax, along with the state excise tax and the local excise tax are all paid to the Department of Revenue.

What are the total taxes that need to be collected on a short-term rental located in Barnstable?

There is a state excise tax of 5.7%, a Town of Barnstable excise tax of 6% and the Cape Cod & Islands Water Protection Fund excise tax of 2.75% for a total of 14.45% tax that needs to be applied.

What is the Cape Cod & Islands Water Protection Fund?

This fund was created to assist the towns on Cape Cod and the Islands in addressing the area wide wastewater management plan under section 208 of the federal Clean Water Act. All 15 towns on Cape Cod are currently members. Nantucket and the communities on Martha's Vineyard are not currently members. [The following link provides FAQ's on the new fund.](#)

What is the Cape Cod & Islands Water Protection Board?

This board was created to oversee the Cape Cod & Islands Water Protection Fund. The board will consist of 1 member from each community that belongs to the fund. The management board duties include determining the method for subsidy allocation, including but not limited to, an equitable distribution among participating municipalities for projects in the form of a grant or debt relief. The Board ensures that monies from the fund are spent only for the purposes listed in the law.

Is there a process to ensure that revenue for projects and debt relief is evenly distributed to participating towns across the Cape and Islands?

Yes. The legislation includes the language that the management board's duties will include determining the method for subsidy allocation, including, but not limited to, an equitable distribution among participating municipalities consistent with revenue deposited from each municipality into the fund.

Are there any exemptions from the room occupancy excise?

The following establishments are exempt from the excise taxes:

- Certified alcohol and drug free housing
- Tenancies-at-will/month to month leases
- Lodging accommodations provided to seasonal employees by employers
- Employees of the U.S. Military from the excise on short-term rentals/transient accommodations
- while traveling on official orders.
- Time-share units to avoid double taxation

Is there anything further I need to do?

Yes. You need to register your rental property with the Town of Barnstable Health Division. Please see the link below for the rental application. This is an annual registration that needs to be submitted every year. If you have any further questions please contact the Health Division at 508-862-4644

[APPLICATION](#)