BIA Assessment Pass-through Election for Airbnb and Vrbo
Frequently Asked Questions

Where can I find the BIA Ordinance?

The Sonoma County Tourism Business Improvement Area (BIA) Ordinance is codified in Sonoma County Code Chapter 33, found here:
https://library.municode.com/ca/sonoma_county/codes/code_of_ordinances?nodeId=CH33SOCOTOBUIMAR

Why is this change taking place?

Historically, Airbnb and Vrbo have not had a mechanism to collect BIA on behalf of operators due to system limitations. Sonoma County Tax Collector has been working with Airbnb and Vrbo to fully enforce the BIA ordinance. Recently, both Airbnb and Vrbo implemented changes that allow operators subject to BIA to opt-in to collect the BIA assessment through the booking process. (See opt-in instructions on page 4)

Section 33-5 of the Tourism BIA Ordinance states that e*ach operator of a lodging establishment generating total rent during the preceding fiscal year (July 1 to June 30) of greater than $350,000 shall pay as an assessment a sum equal to 2% of the rent charged by the operator.*

When will this change take place?

Operators subject to BIA must opt-in to the BIA assessment on Airbnb and Vrbo before July 1, 2025, if you want BIA to be paid by your guests for bookings made on or after July 1, 2025. Early enrollment is encouraged.

How will I know if I'm subject to BIA for fiscal year 2025/2026?

In accordance with the BIA ordinance 'Each operator of a lodging establishment generating total rent during the preceding fiscal year (July 1 to June 30) of greater than three hundred fifty thousand dollars ($350,000.00) shall pay as an assessment a sum equal to two percent (2%) of the rent charged by the operator'.

As a courtesy, the Sonoma County Tax Collector will notify operators in May of 2025 if your earnings are on track to be subject to BIA.

How does this change affect operators?

Operators subject to BIA must opt-in to having Airbnb and Vrbo include the 2% BIA assessment to their bookings if you want BIA to be paid by the transient. The Assessment will be collected by the respective platforms and remitted directly to the operator who will then remit to the County Tax Collector along with the TOT & BIA Return.

How do I opt-in to the BIA assessment for Airbnb and Vrbo reservations/bookings?

Please see opt-in instructions attached to this document.

Can I opt-out of BIA?

No, if you meet the annual $350,000 gross receipts threshold for the prior year, you cannot opt-out of the BIA assessment in the following year.

If I don't opt-in what happens?

As the operator, you will be responsible for remitting the 2% BIA assessment to the County Tax Collector for all Airbnb and Vrbo reservations/bookings made on or after July 1, 2025, even if not collected from your guests.

I'm already remitting the Assessment for Airbnb and Vrbo – what's changed?

If you are already remitting the Assessment, you may now elect to have the Assessment passed through to your guests directly through the Airbnb and Vrbo platforms. (See opt-in instructions on page 4)

Can I continue to pay the BIA myself, rather than passing it through to my guests?

Yes, you may continue to remit the BIA assessment directly to the County Tax Collector.

I have Airbnb and Vrbo bookings that were made before July 1, 2025, that will take place later next year, do I have to collect the Assessment for those existing reservations?

No, operators subject to BIA are only required to opt-in to the BIA assessment on Airbnb and Vrbo for reservations/bookings made on or after July 1, 2025. Early enrollment is encouraged. (See opt-in instructions)

Can I make the election prior to July 1, 2025?

Yes, the opt-in mechanism on Airbnb and Vrbo Platforms are available now and early enrollment is encouraged. (See opt-in instructions on page 4)

Do I need to submit additional supporting documentation?

No, the Airbnb Gross Earnings report and the Vrbo Lodging Tax Report will provide all the necessary details to determine TOT and BIA assessment.

How will I complete my return?

Please refer to page 1 of the TOT return for instructions on how to complete the return, located here; https://sonomacounty.ca.gov/acttc-tot/biaforms.

Will Airbnb and Vrbo remit the BIA Assessment for me?

No, both Airbnb and Vrbo will remit the BIA Assessment directly to you. When filing your TOT & BIA Return, you will remit the BIA Assessment to Sonoma County Tax Collector. Airbnb will include the Assessment passthrough on the *Gross Earnings Report* and Vrbo on the *Lodging Tax Report*.

Airbnb and Vrbo will continue to remit TOT to the Sonoma County Tax Collector on your behalf.

How do I know how much I owe?

Airbnb and Vrbo reports will provide a breakdown of the BIA assessment that was collected for each reservation.

I am a property manager (PM), how will this affect me?

- If you are a PM using a centralized booking system for Vrbo, you will continue to remit the TOT to Sonoma County in addition to the BIA Assessment.
- If you are a PM who generates the Lodging Tax Report through Vrbo, you will continue to take the Vrbo adjustment for the TOT but will be responsible to remit the BIA Assessment and TOT & BIA Return to the County Tax Collector.
- If you are a PM using Airbnb or Vrbo, you will no longer claim the Airbnb or Vrbo adjustment on the BIA section of the return for reservations/bookings made on or after July 1, 2025, or once the election has been made, whichever comes first.

Does this change how TOT is Collected through Airbnb and Vrbo?

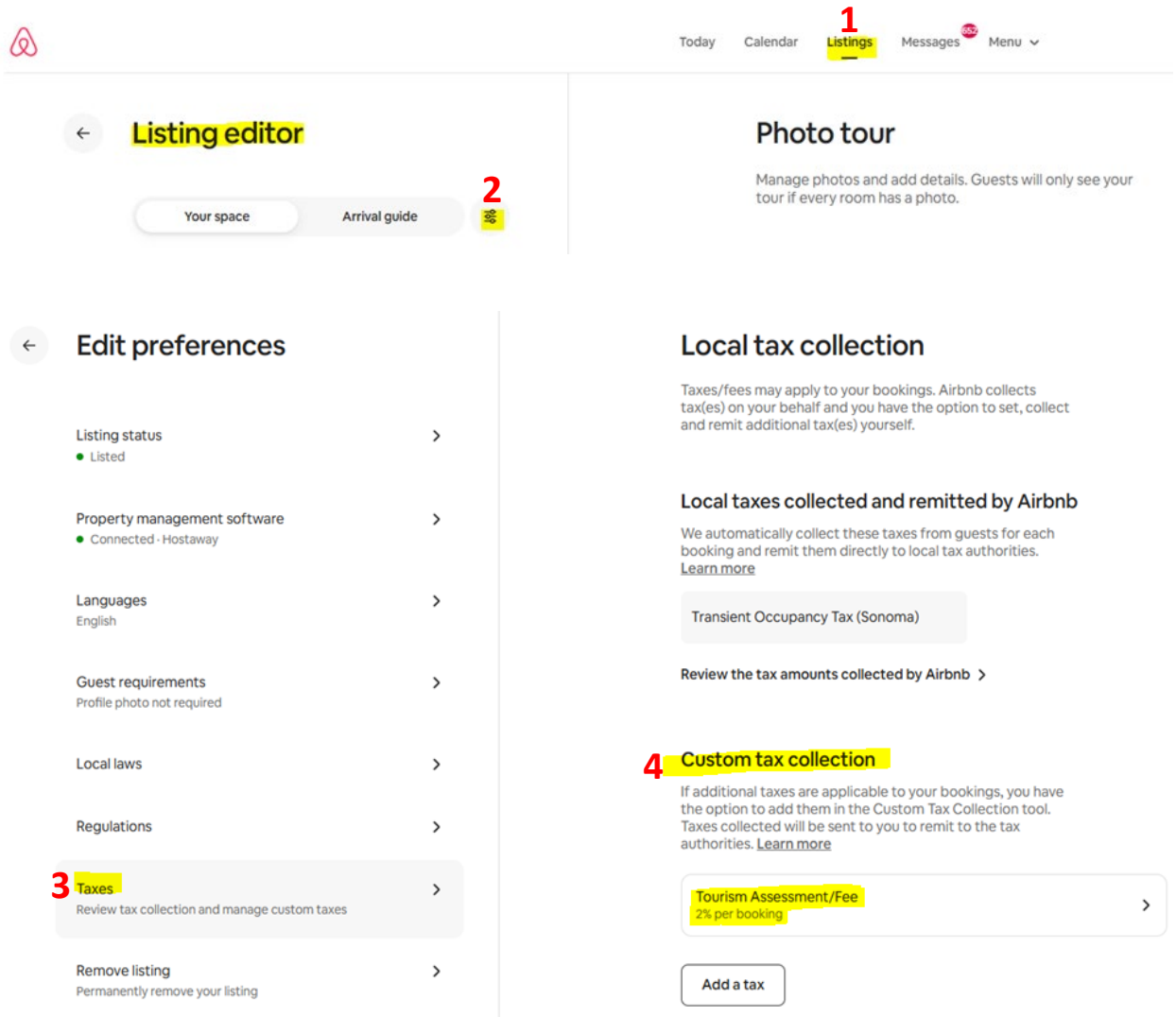
No, this does not affect TOT.

Instructions to elect the Assessment through Airbnb and Vrbo

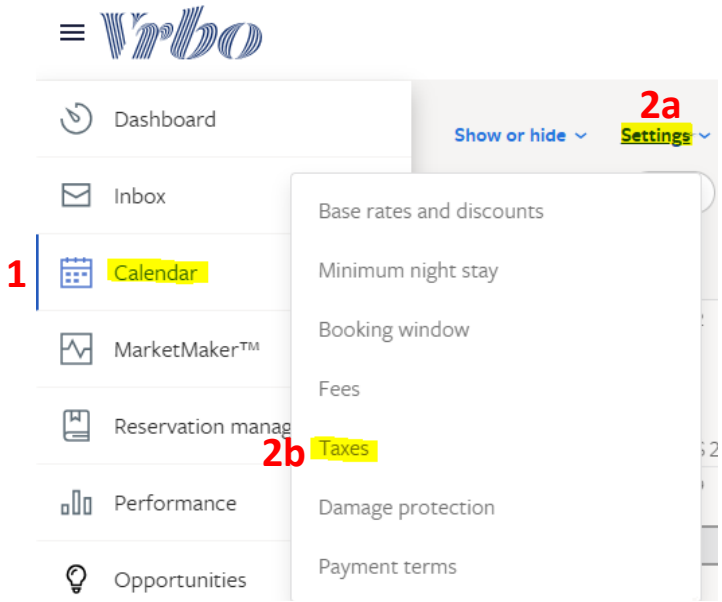
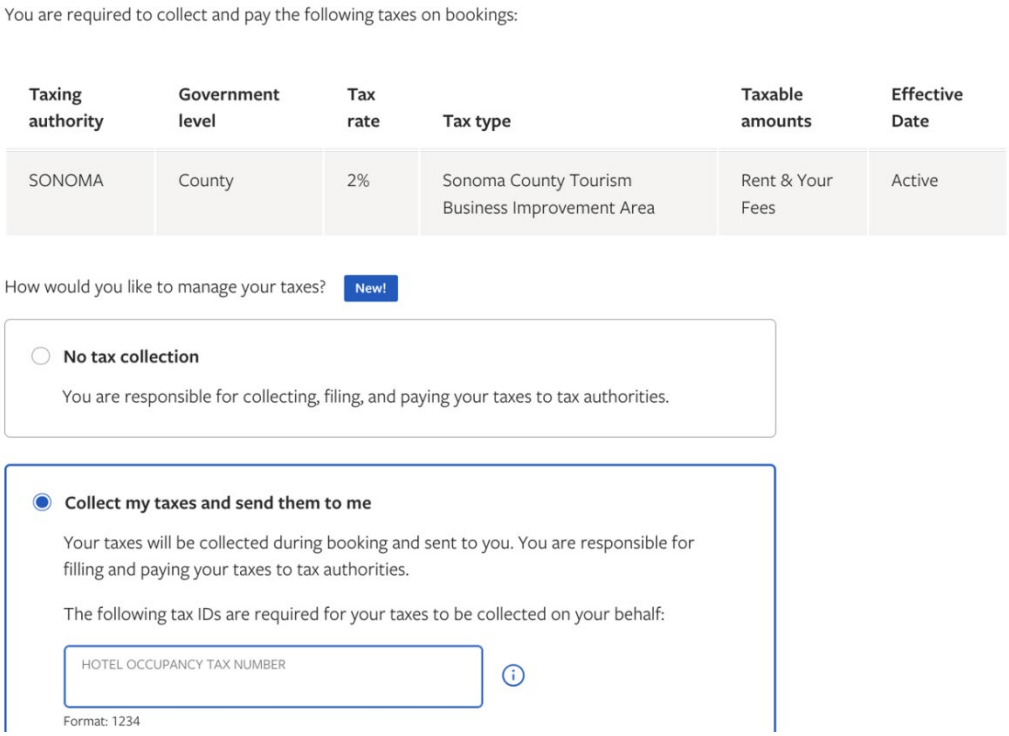
Airbnb:

To elect the Assessment from guests:

1. Select 'Listings' from the administration panel at the top of your screen
2. Under 'Listing Editor' there are 3 dots next to 'Arrival Guide' – please click on the dots
3. Under 'Edit Preferences' select 'Taxes'
4. Select the options under 'Custom Tax Collection' and choose "Tourism Assessment/Fee" to be 2% per booking



Vrbo

To elect the Assessment from guests:

1. Select 'Calendar' from the left tool bar
2. Above the calendar select the 'Settings' dropdown and click on 'Taxes'
3. Select 'Collect my taxes and send them to me'. For the Hotel Occupancy Tax Number, please enter your TOT Certificate number.