

Goods and services tax on listed services

GST information for online marketplaces (also known as digital platforms)



Online marketplaces must collect GST on all listed services provided through their online marketplace. Find out what you need to do.

The listed services rules

Since 1 April 2024, GST-registered online marketplaces that facilitate the sale of listed services by sellers must collect and pay GST of 15% when the service is performed, provided or received in New Zealand.

What an online marketplace is

You are an online marketplace if your business is an electronic platform (like a website, online booking system, app or internet portal) through which sellers can supply their goods and services to customers.

An online marketplace includes situations where the services are offered by or to a specific group of people, that is the platform does not have to be available to the wider public.

You will not be an online marketplace if you:

- supply your own services directly to customers through your website or app and use employees or contractors to provide the services (for example food deliveries)
- operate a website that advertises sellers' services but does not allow customers to purchase or book listed services on that website
- operate a website that is only a messaging board or only processes payments.

Note:

If you are unsure if you are an online marketplace, you can apply for a ruling to confirm your own GST treatment as well as the GST treatment of the sellers who supply their goods and services through your platform. To do this, apply for a product or private ruling. For more information, go to ird.govt.nz/apply-for-ruling

What listed services are

Listed services are:

- ride-sharing and ride-hailing
- food and beverage delivery
- short-stay and visitor accommodation.

Listed services do not include supplies of residential rental accommodation that are exempt from GST. This will generally be the case if the accommodation is used by the tenant as their home and there is a residential tenancy agreement.

You must also collect GST on closely connected services provided by the seller or a listing intermediary, if they are made available through your marketplace. For example, holiday rental cleaning fees charged on top of the accommodation costs.

When you are treated as the supplier

You will be treated as the supplier of listed services if you do one of the following:

- authorise a charge for the supply to the customer
- authorise the delivery of the supply to the customer
- set any terms or conditions for the supply, whether directly or indirectly.

This applies whether you are resident or non-resident for GST purposes in New Zealand.

When to register for GST

You need to register for GST if the total sales from all your taxable activities are more than, or are expected to be more than, NZ\$60,000 in any 12-month period.

When determining if you meet this threshold, you will need to consider all the sales of listed services facilitated through your marketplace, as well as all other goods and services you supply in New Zealand, such as:

- the supply of remote services (for example facilitation services for connecting sellers and buyers)
- amounts paid by customers for services such as insurance and your fees.

Note:

Non-resident marketplaces can use a fair and reasonable method for converting foreign currency amounts to New Zealand dollars to determine if the GST registration threshold is met.

How to register for and pay GST

If you are a New Zealand tax resident, you can register for GST in myIR. Choose your filing frequency by applying the ordinary rules for taxable periods. See ird.govt.nz/filing-frequency

If you are a non-resident (based offshore), use our online GST registration process for non-residents. You generally will need to file quarterly returns. See ird.govt.nz/register-nrgst

Once registered, file returns and pay GST through the myIR online system.

If you are already registered for GST in New Zealand and these rules apply to you, please let us know by emailing platformeconomy@ird.govt.nz

How much GST to collect

GST is always 15% for listed services and is generally collected on all amounts paid by the customer. This includes short-stay or visitor accommodation, which are not exempt supplies, regardless of how long the accommodation period is for.

The price of a supply of listed services is set by the parties to the transaction.

You must collect GST on all the listed services performed, provided, or received in New Zealand. GST must also be collected on any closely connected services that are charged by the seller or listing intermediary through your marketplace. Do this regardless of whether the seller of the listed services is registered for GST or not.

It doesn't matter if the customer is a non-resident. For example, a non-resident tourist staying in accommodation in New Zealand is required to pay GST on their accommodation.

Note:

A listing intermediary can enter into an agreement with you stating they will collect and pay GST on the supply of accommodation.

Flat-rate credit scheme for non-GST-registered sellers

A flat-rate credit is available to sellers (drivers, deliverers and accommodation owners), that are not registered for GST. This recognises the average costs these sellers incur and would be able to recover if they were GST-registered.

You need to collect and pay GST to us at the standard rate of 15%. Under this scheme, you pass on to the seller a flat-rate credit of 8.5% of the GST-exclusive price and claim a credit adjustment for this amount in your GST return.

To calculate the flat-rate credit from:

- a GST-exclusive amount paid by a customer, multiply it by 8.5/100
- a GST-inclusive amount, multiply it by 17/230. For example, if the total amount paid by a customer is \$115 including GST, the flat-rate credit is $\$115 \times 17/230 = \8.50 .

Do not reduce the flat-rate credit for any discounts you provide customers.

You must pass on flat-rate credits to all sellers who are non-GST-registered. You cannot agree or choose to not pass it on.

Note:

Do not pass on flat-rate credits to GST-registered sellers. If a GST-registered seller incorrectly receives a flat-rate credit, they may be liable for penalties.

You should have systems in place to record which sellers are GST-registered and which are not. Sellers need to tell you their name, IRD number and GST registration status - including any changes. They must do this before you claim a credit adjustment for the flat-rate credits you have passed onto them.

You can contact us to confirm the GST registration status provided to you by a seller. Similarly, we may tell you that a seller is GST-registered. If we do this, you will need to act on our notification of a seller's GST status as soon as possible.

At least once a month you must let sellers know the total amount of flat-rate credits you have passed on to them. The statement must show the seller and the full amount of the flat-rate credits – they should not be reduced or offset by other fees or charges for services provided to them.

There is no required frequency for how often the flat-rate credits are passed on to sellers.

Taxable supply information

You need to provide customers with taxable supply information within 28 days of the supply. An example of this is providing an invoice.

If the seller has opted out, they have to provide the taxable supply information.

Listing intermediaries - property managers and agents

A listing intermediary is a GST-registered person who lists short-stay and visitor accommodation on behalf of the accommodation owner. Common examples are property managers and agents.

To be considered a listing intermediary, they must have an agreement with you to list or advertise accommodation for the accommodation owner. The agreement must be in their name (or trading name).

A listing intermediary will administer the flat-rate credit scheme for non-GST-registered owners.

They can also agree with you they will collect and pay the GST on the accommodation (and any closely connected services) supplied through your online marketplace. To be able to agree to do this, they must:

- be a New Zealand tax resident
- list the accommodation provided by the owner on more than one online marketplace
- use an electronic system that automatically manages guests' bookings.

When a listing intermediary is liable to collect and pay the GST, you can also agree they will be responsible for providing taxable supply information. This agreement must be in writing and state that the listing intermediary's details (name and GST registration number) and not yours, will be included in the taxable supply information.

Opt-out rules

There are opt-out rules for large GST-registered sellers. Listing intermediaries cannot opt-out.

Sellers who opt-out remain responsible for the GST obligations including providing taxable supply information to customers. You do not need to collect and pay the GST.

Sellers can opt-out if 1 of the following applies.

- Non-individual sellers who make more than NZ\$500,000 of supplies in a 12-month period.
- Accommodation owners who list (or can reasonably expect to list) more than 2,000 nights of accommodation on your marketplace in a 12-month period. This threshold can be satisfied by a group of related companies. But it is not possible to aggregate accommodation nights across multiple online marketplaces.
- Accommodation owners who make more than \$60,000 of supplies of accommodation in a hostel or motel in a 12-month period. To qualify, they must have been registered for GST before 1 April 2024 and provide accommodation directly to their guests and through your marketplace.

Sellers making more than \$500,000 supplies in a 12-month period can tell you they are opting out. This needs to be in writing, for example by email. When a listing intermediary is involved, the seller must tell the listing intermediary instead. The listing intermediary will need to tell you about the opt-out if you are responsible for collecting and paying the GST.

Accommodation owners who meet 1 of the other criteria, must enter into an agreement with you to opt out. If a listing intermediary is responsible for collecting and paying the GST, the accommodation owner must enter into the opt-out agreement with the listing intermediary instead.

For an opt-out agreement to be valid, there must be a written agreement the seller will be responsible for the tax obligations under the GST Act for the supplies of listed services. This includes:

- providing the customers with taxable supply information, if required
- identifying the seller as the supplier
- filing GST returns
- collecting and paying GST to Inland Revenue.

Keep all information relating to opt-outs in your records.

Timing of GST on accommodation

Account for GST on the supply of accommodation no later than 7 days after the check-out date. Or, you can account for it on an earlier date (such as the check-in date) or use the normal timing rules for your accounting basis.

The same choice does not need to be made for all of your supplies and you can account for the GST at a different time to a listing intermediary or an accommodation owner who has opted out of the marketplace rules.

You do not need to tell us what you are choosing to do but records must be kept for at least 7 years.

If a flat-rate credit also applies to the supply, the deduction for the flat-rate credit cannot be claimed before the taxable period the GST on the related supply is accounted for.

Accommodation bookings before 1 April 2024

The rules for listed services started on 1 April 2024. This means GST applies to all bookings made from 1 April 2024.

In some cases, an accommodation booking may have been made before 1 April 2024 but the guest stays in the accommodation after that date.

For GST, the time of supply is the earlier of any invoice being issued or any payment, including a deposit or part-payment, being received. However, a special transitional rule may be applied.

If an accommodation booking was made before 1 April 2024 but the guest stays after that date, you can choose not to collect and pay GST. If you decide to use this rule, you need to tell the sellers, or listing intermediary if there is one, within a reasonable time. They will need to have enough information to collect and pay any GST on the relevant bookings.

For more information about this rule, go to ird.govt.nz/transitional-rule

How to complete your GST returns

You need to include the total sales from listed services that you are treated as making under these rules, including 15% GST, as **total sales and income**. Include these with all other supplies you make. There is no separate box for listed services.

To do this, if you are filing using myIR, choose the **total sales and purchases filing option**.

Filing option

Is this a nil return?

Yes No

Select an option

GST components

Total sales and purchases

Include the value of listed services you are treated as making including GST in **total sales and income** (box 5 on a paper return).

GST return

Filing option Sales and income

Sales and income Help

Total sales and income	<input type="text" value="0.00"/>	0.00
Zero-rated supplies	<input type="text" value="0.00"/>	0.00
Net GST sales and income		0.00
Total GST collected on sales and income		0.00

Claim a credit adjustment for flat-rate credits you have passed on to non-GST-registered sellers. To do this in myIR, select yes for credit adjustments, and include them as **other adjustments** (box 13 on a paper return).

Credit adjustments

Business use of private goods/exempt goods and services (annual or period-by-period)	<input type="text" value="0.00"/>	0.00
Private assets used for business costing less than \$18,000 (one-off adjustment)	<input type="text" value="0.00"/>	0.00
Change of accounting basis	<input type="text" value="0.00"/>	0.00
Credits at 12.5% GST rate (eg. late claims, debit and credit notes, finance lease payments)	<input type="text" value="0.00"/>	0.00
Other adjustments (eg. bad debts written off, GST content shown on Customs' invoices)	<input type="text" value="0.00"/>	0.00
Total credit adjustments		0.00

More information

Visit:

- ird.govt.nz/sharing-economy
- taxtechnical.ird.govt.nz and refer to **Determination (DET) 24/02: GST on accommodation supplied through electronic marketplaces – opt-out agreement criteria**
- taxpolicy.ird.govt.nz and refer to **Special report: GST on accommodation and transportation services supplied through online marketplaces**

Email questions to platformeconomy@ird.govt.nz