June 11, 2026

Honorable Mike Hoadley
Chairman, House Economic
Competitiveness Committee
Michigan House of Representatives
124 North Capitol Avenue
Lansing, MI 48933

[Via electronic mail]

Re: HB 5139 - Letter of Support

Dear Chairman Hoadley and Members of the House Economic Competitiveness Committee,

We appreciate the opportunity to share our support for HB 5139. This bill will simplify and modernize the collection of Sales Tax on short-term rentals, by shifting responsibility for collecting Sales Tax from Hosts to the platforms that facilitate these short-term rentals.

HB 5139 modernizes Michigan's Sales Tax collection standards for short-term rentals by making it consistent with the existing requirements for other common platform types operating in Michigan (such as e-retailers) and will bring Michigan in line with surrounding states, including Indiana and Wisconsin, which already mandate platform tax collection on short-term rentals.

By shifting responsibility for tax collection to the platforms who facilitate these rentals, HB 5139 will reduce the number of tax returns Michigan small business owners are required to file *and* reduce the number of returns, payments, and audits that DOT must process to collect the tax.

Currently, **MCL 205.95c(1)** requires platforms to collect Sales Tax on any sales facilitated by the platform. This policy results in efficient and effective tax collection, ensuring that the party who collects payment also collects Sales Tax. However, when it comes to short-term rentals, platforms are treated inconsistently under **MCL 205.95c(11)(b)(iii)**. Rather, platforms are only required to collect sales tax on short-term rentals *if* the Host is not registered to collect the tax.

This standard is difficult to administer and has created confusion for both Hosts and platforms. HB 5139 will eliminate the current confusion, reduce complexity, and increase overall Sales Tax collection on short-term rentals by clarifying that platforms are responsible for collecting Sales Tax whenever they collect payment - regardless of the Host's Sales Tax registration status.

HB 5139 does not increase any Michigan taxes. Rather, HB 5139 reduces administrative complexity for both Michigan based short-rental hosts and the Department of Treasury and will result in more effective and efficient collection of Sales Tax on Michigan short-term rentals.

Sincerely,



John LoPorto
Policy Manager