

This guide has been prepared by an independent third-party accounting firm and reviewed and updated by a third party law firm

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SWEDEN – TAX CONSIDERATIONS ON SHORT-TERM LETTINGS

The following information is a guide to help you get started in learning about some of the tax requirements that might apply to you when providing short-term accommodation in Sweden.

Tax can be tricky and it is important to ensure that you keep up to date with your tax obligations and remain tax compliant. The timely preparation, filing and payment of taxes are your responsibility.

If you are supplying short-term accommodation in Sweden, you should make sure that you understand each of the following types of taxes, and pay the ones that apply to you;

- Income taxes
- Value added tax (VAT)

We draw your attention to the fact that Airbnb may have an obligation to report income earned by users of the platform. Therefore, if there is a mismatch between the information reported by Airbnb and the income you reported in your annual income tax return, the tax authorities may ask you questions.

Please understand that this information is not comprehensive, and is not intended to be legal advice. If you are unsure about your local tax obligations, we encourage you to check this with official local sources, or to seek advice from qualified professionals.

Please note that we do not update this information in real time, so you should confirm that the laws or procedures have not changed recently.

Please note that special rules apply for short-term letting to your own company, a family member, a family member's company or employer.

INCOME TAX

Where you earn income in Sweden, it is likely that you will be required to pay a percentage of the tax on this income to the Swedish tax authority. Below is a brief outline of the tax that may arise on income earned from short-term lettings in Sweden and some information on how this tax can be paid over to the Swedish tax authorities.

Sweden's tax year runs from 1 January to 31 December.

Coming within the charge of income tax in Sweden.

Annual rental income below or equal to SEK 40,000 per property is not subject to tax. The SEK 40,000 is proportioned per month if you have acquired the property during the tax year. For example, property acquired in March 2022 gives right to deduction of SEK 30,000 in 2022. This threshold only applies to income received from renting out a private property. Permanent homes and vacation homes are regarded as private property. Other type of real estate is deemed and taxed as commercial property.

Cash and non-cash compensation received from the tenant for the short-term rental should be included in calculation of income. For example, if the tenant contributes to renovation or maintenance of the rented property, the value of this contribution should be included as taxable income from rent. Fixed fee for Wi-Fi, electricity, gas etc. is included in the rental income. However, reimbursement for actual expenses for Wi-Fi, electricity, gas etc. is not.

Capital income tax (30%) is charged on proceeds (actual rent less real estate charges paid by the property owner) from short term lettings of your home exceeding SEK 40,000.

Since Airbnb is only providing agency services, your proceeds from the short term letting are calculated disregarding provision fees retained to Airbnb for its services.

Reporting tax in Sweden.

A Swedish income tax return can be filed using a form INK1.

Reporting tax - filing deadline.

You are obliged to file your income tax return by 2 May in the year following the income year (e.g., the 2022 income tax return would be due for filing on 2 May 2023).

The above filing deadline applies to both paper and online filing.

Reporting tax - payment deadline.

Once your income tax return has been handled by the Swedish tax authorities and they have issued you with a final assessment, you have 90 days to pay any associated liabilities.

You may choose to make a prepayment of any expected tax liability in order to avoid interest

charges. Interest will be levied on any tax liability exceeding 30,000 SEK as of 14 February the year following the income year, regardless of the fact that you have not yet been issued a final assessment. The current interest rate is 2.5%.

Swedish Tax Authority's contact details.

The contact details for the Swedish Tax Authority are as follows:

- Address - Skatteverket, Solna Strandväg 26, 171 94 Solna, Sweden
- General phone number: +46 771 567 567 (it is possible to select English as the language for the phone call).
- [E-mail: skatteverket@skatteverket.se](mailto:skatteverket@skatteverket.se)
- Swedish tax authority website: [Startsida | Skatteverket](#)

Swedish income tax rates.

Rental income is subject to capital income tax at a rate of 30% in Sweden.

Sweden specific rules applicable to income earned in relation to short-term lettings.

A rental agreement will be considered short-term if it lasts for less than 4 months. If multiple short-term lettings occur during the same year, to different tenants, and if the combined time the property has been rented amounts to more than 16 weeks, then the subletting will usually be considered commercial and will be subject to VAT.

Typical expenses that can be deducted from an individual's income in relation to short-term lettings.

When renting out apartments and condominiums, the monthly rent/fee paid is tax deductible (e.g., in case of subletting).

For small houses and privately held apartments, a general deduction of 20% of the received rental income is usually tax deductible.

Mortgage expenses cannot be deducted from rental income, but may be deducted separately in the income tax return. Further to this insurance fees, expenses for construction, maintenance, furniture, appliances and fixtures cannot be deducted from rental income.

When renting out apartments and condominiums in an untrue house community (Sw. *oäkta bostadsrättsförening*), you are entitled to deductions of actual monthly fee, dividend of housing benefit (Sw. *utdelning i form av bostadsrättsförmån*), expenses for wear and tear connected to the short term rental, short term lease fee paid to the house community.

If the short term rental results in a loss after deductions, it is not possible to deduct the loss from other types of income (e.g., salary from a job) in the tax return.

Deductions available for tax depreciation (e.g. capital allowances / wear and tear).

There are no deductions available for tax depreciation for private homes.

Swedish income tax obligation for non-resident individuals.

If you are non-resident and you are in receipt of Swedish source income, you are obliged to file a tax return and pay tax in Sweden.

Swedish income tax obligations for a Swedish individual in receipt of foreign rental income.

Whether or not you have an obligation to pay income tax in Sweden if you are in receipt of foreign rental income, depends on the following:

- the applicable double taxation treaty between Sweden and the foreign country, if any, and
- whether you are considered a tax treaty resident of Sweden or not.

General property taxes payable.

Property tax must be paid on houses. The full tax rate is 0.75% of the property's taxation value. The maximum amount payable is capped at 8,874 SEK (rate for income year 2022). No property tax is levied on apartments.

Capital taxes in Sweden.

For private properties, capital gains resulting from the disposal of a property are taxable at a rate of 22%. Only 50% of the loss is tax deductible for private properties.

For business properties 90% of a gain made on the disposal of a property is taxable and 63% of the loss is tax deductible.

Sample Tax Computation 1

Elsa owns a 2 bedroom house. She rents out the spare room during the weekends.

The total gross rent received for 2022 was 72,682 SEK.

Elsa incurred the following expenses in relation to this house in 2022: house insurance 5,154 SEK, local property tax 3,608 SEK, mortgage interest 26,701 SEK and electricity 6,185 SEK.

		SEK
Gross rental income:		72,682
<i>Less allowable expenses:</i>		
	General deduction (40,000 SEK)	(40,000)
	Additional deduction (20%)	(14,536)
Taxable rental income		18,146

Sample Tax Computation 2

Elsa owns a 1 bedroom condominium that she is renting out in its entirety.

The total gross rent received for 2022 was 72,682 SEK.

Elsa incurred the following expenses in relation to this house in 2022: house insurance 5,154 SEK, local property tax 3,608 SEK, mortgage interest 26,701 SEK, electricity 6,185 SEK and condominium fee 12,460 SEK.

		SEK
Gross rental income:		72,682
<i>Less allowable expenses:</i>		
	General deduction (40,000 SEK)	(40,000)
	Condominium fee (100 €/month)	(12,460)
Taxable rental income		20,222

VALUE ADDED TAX

Value added taxes can be complicated and you should take time to understand the rules as they apply to you and your particular situation.

Broadly speaking, Value-Added Tax (VAT) in Sweden is a tax on consumption. Most goods and services supplied in Sweden are subject to VAT.

A person who supplies goods and/or services in Sweden may have to charge VAT and pay this to the Swedish tax authority. As with all taxes, we encourage you to consult with a tax advisor regarding your potential VAT obligations in Sweden.

If you are currently renting a room to guests, you may be required to apply VAT to your rental charge and to pay this VAT amount to the Swedish tax authorities. As Airbnb is not supplying the rental, it is the responsibility of the host to consider local VAT obligations of the rental charge.

Coming within the charge of VAT in Sweden

In general, individuals who are considered to be in business in Sweden need to charge VAT on their supplies, once they meet the criteria for VAT registration.

Currently, in Sweden, you are required to register for VAT if you supply goods and/or services which are considered to be subject to VAT in Sweden.

VAT liability arises if you are considered as a taxable person. The following would normally indicate that you are a taxable person:

- you are considered the landlord (i.e., responsible for renting out the property);
- the short term rental has a maximum duration of 4 months per tenant;
- the property is advertised with a daily/weekly price with complementary guest service (cleaning, fresh linen, etc.); and
- the property is rented out for more than 112 days and the total rent amount for rent exceeds SEK 50,000 (before 30 June 2022); or
- the property is rented out for more than 112 days and the total rent amount for rent exceeds SEK 80,000 (after 1 July 2022)

If your rental income does not exceed SEK 80,000 per year and person, you can generally be relieved from VAT. For example, if for an apartment owned by two persons generates rental income of SEK 160,000 per year can generally be released from VAT. You will still need to apply for an relief with the Swedish tax authority.

If you are an individual who is not resident in Sweden, but your accommodation is located in Sweden, then you should also register for Swedish VAT as no registration threshold applies to

you.

We encourage you to consult a tax advisor if you need assistance in determining whether you need to register for and charge Swedish VAT.

For further guidance on registering for VAT, please see the Swedish tax authorities' [website](#).

VAT applies to me. How do I determine how much tax I need to collect from my guests?

VAT rates differ per country and change periodically. We recommend you to check on a regular basis with the local tax authority to get the most up to date VAT rates for the country where you are required to pay VAT.

For example, at the date of issuance of this document, the Swedish VAT rate applicable to supplies of accommodation is 12%.

We recommend that you confirm with a local tax advisor the VAT rate applicable to your supplies.

VAT applies to me. How do I collect VAT from guests?

If you determine that you need to charge VAT on the supplies that you make to guests, please keep in mind that you have to collect this VAT from your guests and report and remit this VAT on a VAT return to the Swedish tax authorities. In Sweden, the VAT return can either cover a yearly, quarterly or a monthly period, depending on the level of turnover involved; yearly (0-1 million SEK), quarterly (1-40 million SEK) and monthly (over 40 million SEK).

The VAT payment is required to be made on the same day that the VAT return is required to be filed.

For yearly VAT returns, the deadline for filing the return is the 26th day of the second month after the end of the VAT return period, or the 27th day of the second month if the return is due in December. An individual filing the VAT return yearly shall report per calendar year, i.e. the VAT return shall be filed in February of the year following the calendar year of the VAT taxable letting.

For quarterly VAT returns, the deadline for filing the return is the 12th day of the second month after the end of the VAT return period. If the VAT return is due in January or August it must be submitted by the 17th day of the second month after the end of the VAT return period.

For monthly VAT returns, the deadline for filing the return is the 12th day of the month after the end of the return period.

Some formalities, such as issuing a receipt or an invoice to your guests, may be required. There may also be requirements around whether you use VAT-inclusive or VAT-exclusive pricing. We recommend that you check your obligations in terms of pricing and the applicable invoice requirements with a local tax advisor.

For further guidance on filing returns, please see the Swedish tax authorities' [website](#).