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related to sales tax, VAT and other transactional taxes, has acquired HotSpot Tax, Inc., a provider of tax compliance solutions for the vacation rental industry.

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[Avalara, Inc.](#), a provider of cloud-based software delivering compliance solutions related to sales tax, VAT and other transactional taxes, has acquired [HotSpot Tax, Inc.](#), a provider of tax compliance solutions for the vacation rental industry.

Sales & occupancy tax compliance has become a significant problem in the \$85 billion vacation rental and room sharing market. The growth of this industry has resulted in tax agencies targeting home renting marketplaces for tax compliance, and many vacation rental owners are simply unaware of or confused by their tax liabilities. Hotspot solves this problem.

HotSpot's software platform enables anyone renting a home or room to be fully tax compliant each month with just a few clicks. HotSpot currently serves thousands of properties across the U.S., managing all aspects of occupancy-related tax requirements, including obtaining and renewing required licenses, determining and collecting the appropriate taxes, preparing and filing tax returns, remitting payments, and tracking tax rate and law changes.

"Second home and room rentals represent a significant and growing segment of the new sharing economy, which presents a variety of tax and compliance complexities for micro businesses and private owners," said Scott McFarlane, founder and CEO at Avalara. "HotSpot Tax eliminates these challenges and is therefore a great entry into this market for Avalara. This acquisition aligns with our strategy of extending our reach into new industries, providing more businesses with a single place to turn for all of their transactional tax requirements."

“With its well-established leadership position in cloud-based tax compliance

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worldwide. This acquisition serving the vacation rental industry is Avalara's latest move to broaden and deepen its tax content.

“Well-researched and maintained content is the lynchpin for any accurate tax decision,” said McFarlane. “We look forward to leveraging HotSpot's expertise and content into related compliance markets, including hospitality, to accelerate the growth of our Compliance Cloud platform.”

Avalara plans to operate HotSpot under the new brand name Avalara MyLodge.

Sales Tax • Small Business

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