FACTURAFACTS

Tax Implications for Property Rentals & Airbnb in Mexico

A general summary of the basic tax implications of renting property in Mexico. For a personalized assessment, book a consultation at facturafacts.com.

Who has to report rental income in Mexico

- Anyone who receives income from renting property located in Mexico must declare it to the SAT, whether you are a Mexican resident, a foreign resident, or a non-resident owner.
- Short-stay rentals booked through platforms like Airbnb or Vrbo are treated differently from traditional long-term leases, and the platform itself has reporting and withholding obligations under Mexican law.
- Owning the property through a Mexican corporation (or a trust / fideicomiso) changes who declares and how, so the right structure matters before you start renting.

Two common regimes for individual owners

- RESICO (Régimen Simplificado de Confianza): a simplified regime with reduced ISR rates applied to gross rental income and simplified monthly filings. Availability depends on your total annual income.
- Traditional rental regime: ISR is calculated on net income, so deductible expenses (maintenance, property administration, local property taxes, insurance, interest on the property loan) reduce the taxable base.
- Which regime is better depends on your income level and how many deductible expenses you actually have - run the numbers before choosing.

IVA and digital platforms

- Short-stay lodging services generally carry 16% VAT (IVA) in Mexico. The way it is charged and withheld depends on how the platform processes the payment and your registration status.
- Digital platforms are required to withhold certain taxes from what they pay you and to report your earnings to the SAT. The withheld amounts must be reflected correctly in your monthly filings.
- If you also offer cleaning, management or other services to guests, those revenues have their own tax treatment and should be declared separately.

Foreign owners - extra considerations

- You will generally need an RFC (Mexican tax ID) to declare rental income properly - see our companion guide 'Obtaining an RFC in Mexico'.

- The US, Canada and Mexico have tax treaties that usually let you credit Mexican tax paid against your home-country return (or vice versa), so double taxation is usually avoidable with correct reporting on both sides.
- Non-resident owners have specific withholding and representative requirements in Mexico; getting this wrong is one of the most common (and expensive) mistakes we see.

Monthly rhythm you should expect

- Monthly tax declarations, typically due by the 17th of the following month.
- Filing even a $0 declaration in months with no income is usually required to keep your tax profile clean and avoid fines.
- Keep invoices (facturas) for every expense you intend to deduct - no factura, no deduction.

How FacturaFacts helps

We register you in the correct regime, handle your monthly filings, and reconcile what Airbnb withholds - so your Mexican rental income is fully compliant and treaty-efficient. Book a consultation at facturafacts.com/booking.

Disclaimer: This guide is general information for educational purposes and is not personalized tax advice. Rules, rates and procedures change; confirm your specific situation with a tax professional before acting. Last updated: September 2026.