

# If I rent out my cottage, do I need to include it as income when I file my taxes?

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*If I rent out my cottage, does this money need to be included as income when I file my income tax return? A friend told me it does not need to be claimed. -Lee Dupuis, Algonquin Highlands, Ont.*

Sadly, this friend is wrong. “Generally speaking, any activity undertaken for the purpose of earning income, including renting a cottage, should be included as income when filing an income tax

return,” says Neil Shalapata of the Canada Revenue Agency (CRA). Even if your renters are paying you with Monopoly bills or chocolate coins, you have to declare it. (That’s right: Bartered items must be declared.)

Of course, by declaring the income, you have an opportunity to write off some cottage expenses, explains Chad Tranter, a financial planner with [CottageSuccession.ca](http://CottageSuccession.ca) in Toronto. These may include regular maintenance, advertising, utilities, and insurance, but “it really depends on the scope of what you’re doing.” The government says these expenses should be “reasonable.”

If you only rent the cottage out for one week per year, says Tranter, “it might be hard to justify claiming, say, a \$10,000 boat.” (Dang.) If you’re not sure what you can deduct, consult your accountant or financial planner, or the CRA.

