

## Notice to Accommodation Providers in the Regional District of Alberni-Clayoquot

### *Hotel Room Tax Act*

This notice explains that the 2% municipal and regional district tax (MRDT) on accommodation will cease to apply in the City of Port Alberni and the Alberni-Clayoquot Regional District electoral areas B, D, E and F as of midnight January 31, 2012.

If you sell accommodation in one of these areas, you are not required to collect the MRDT on sales of accommodation on or after February 1, 2012.

You have made a sale of accommodation if you and your customer have a binding agreement under which your customer agrees to pay for the accommodation.

For example:

- If your customer checks into your hotel on January 31, 2012 and checks out on February 3, 2012, then you must collect the MRDT on the accommodation because your customer agreed to pay for the accommodation prior to February 1, 2012 when they checked into your hotel.
- If your customer pays for the accommodation before February 1, 2012, then you must collect the MRDT on the accommodation regardless of when the accommodation is used.
- If your customer makes a reservation before February 1, 2012 and your hotel has a no-cancellation policy, or a policy that the purchase price will be charged unless the cancellation occurs before a particular date, and the purchase price for the accommodation is charged under those policies<sup>1</sup>, then you must collect the MRDT on the accommodation regardless of whether the reservation was for accommodation before or after February 1, 2012.

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<sup>1</sup> **Please note:** if your customer makes a reservation and later cancels the accommodation, no MRDT applies to any cancellation fee because no sale of accommodation has taken place.

- If your customer makes a reservation before February 1, 2012 for accommodation after February 1, 2012 and your customer may cancel the reservation at any time without the purchase price being charged, then you are not required to collect the MRDT.

## Returns

The final MRDT returns will be mailed to you in March 2012. This return should only be used to remit MRDT that relates to a sale of accommodation made in January where you collected the MRDT in February (for example, because your customer checked into your hotel in January 2012 and checked out in February 2012). As noted above, if the sale of accommodation is made in February 2012, then you should not collect MRDT on the sale nor remit it on this final return.

If you collect MRDT after February 2012 (for example, because you made a sale of accommodation in January under a no-cancellation policy for a reservation in April), you must submit the MRDT using the *Municipal and Regional District Tax Return*, (FIN 401). The form is available on our website at [www.sbr.gov.bc.ca/documents\\_library/forms/0401FILLcalc.pdf](http://www.sbr.gov.bc.ca/documents_library/forms/0401FILLcalc.pdf)

## Further Information

For more information on the MRDT, please see our website at [www.sbr.gov.bc.ca/business/Consumer\\_Taxes/Hotel\\_Room\\_Tax/hrt\\_bulletins.htm](http://www.sbr.gov.bc.ca/business/Consumer_Taxes/Hotel_Room_Tax/hrt_bulletins.htm)

If you have any questions, please call us toll-free at 1 877 388-4440 or e-mail your questions to [CTBTaxQuestions@gov.bc.ca](mailto:CTBTaxQuestions@gov.bc.ca)

You can also find information on our website at [www.sbr.gov.bc.ca/business/Consumer\\_Taxes/consumer\\_taxes.htm](http://www.sbr.gov.bc.ca/business/Consumer_Taxes/consumer_taxes.htm)

The information in this notice is for your convenience and guidance and is not a replacement for the legislation. The *Hotel Room Tax Act* and Regulations are on our website at [www.sbr.gov.bc.ca/business/Consumer\\_Taxes/Hotel\\_Room\\_Tax/hrt\\_legislation.htm](http://www.sbr.gov.bc.ca/business/Consumer_Taxes/Hotel_Room_Tax/hrt_legislation.htm)