

ACCOMMODATION TAX IN PORTAGE LA PRAIRIE FAQ FOR HOTELIERS

Q. Why is the City of Portage la Prairie charging an Accommodation Tax?

A. Accommodation Tax has become common in urban areas as a means to raise additional funds to better able to support economic development and tourism initiatives and/or to be able to draw more events to the City. Currently in Manitoba, the municipalities of Winnipeg, Flin Flon, Thompson, Brandon and The Pas charge accommodation tax.

For the City of Portage la Prairie:

50% of the total net proceeds from this tax shall be used for Economic Development, Tourism and Marketing purposes and the remaining 50% of the total net proceeds from this tax shall be used for Saskatchewan Avenue upgrades and development

Q. How much do visitors to Portage and area pay for the Accommodation Tax?

A. The Accommodation Tax is 5% per night per room **effective April 1, 2014**. A percentage fee was chosen over a flat amount so that the amount does not need to change as often over time to offset inflation. Note that GST is applicable to any Accommodation Taxes paid, while PST is not.

Q. What is the responsibility of accommodation providers to collect the tax?

A. **Effective April 1, 2014**, the Accommodation Tax shall be collected on behalf of guests by all providers of accommodations (Hotels, Motels, Inns, Resorts and other places that will be defined by the By-law). Collections of Accommodation Taxes shall be remitted to the City of Portage la Prairie four times per year following the end of each fiscal quarter. The requirement to remit **Accommodation** Taxes and the quarterly Accommodation Tax return must be met no later than the 20th day of the month following the end of the quarter in which the Accommodation Taxes were payable and for which the quarterly tax return is applicable.

Fiscal Quarter	Remittance Date
January 1 – March 31	April 20
April 1 – June 30	July 20
July 1 – September 30	October 20
October 1 – December 31	January 20

Q. Who is exempt from paying the Accommodation Tax?

A. The accommodation tax **will not apply** to the following situations:

- where the accommodation is for a period of greater than 30 days;
- accommodations where the purchase price is \$30.00 or less per night;
- accommodations provided to patients or residents of a hospital, personal care home, or residential care facility;
- accommodations provided to patients and/or the family of patients while attending for medical care and treatment;
- accommodations provided to a student by a registered educational institution while the student is registered at and attending that institution;
- accommodation supplied for a person undertaking an apprenticeship or trade certification;
- accommodation supplied by employers to their employees in premises owned and/or operated by or on behalf of the employer;
- accommodation provided to evacuees or as provided on a temporary basis by the provincial or federal government, or any other agency;
- tent or trailer sites supplied by a campground, tourist camp or trailer park;
- hospitality rooms that do not include a bed;
- accommodations provided in establishments in which fewer than four (4) bedrooms are available for rent;

Q. How does a guest apply for an exemption refund?

A. Guests have one year in which to apply for an exemption refund. Guests can fill in a provided form to be available on the City websites or in person or by mail to City Hall.

Q. If I know someone is exempt from the Accommodation Tax as per the bylaw, can I as the operator simply not charge the Accommodation Tax to the guest?

A. In certain situations, yes. By definition, the operator will know that an exemption applies due to one or more of the following conditions:

- The accommodation is for 30 nights or more
- The room rental is \$30.00 / night or less
- The accommodation is provided to evacuees (as deemed by a Provincial or Federal body)
- The room is rented as a hospitality room or rented for a short-term purpose other than an overnight stay, e.g., birthday party, changing clothes, showering, computer access, etc.

In those cases, simply exempt the guest from the accommodation tax and if possible, list the reason why on the invoice.

However, in other situations, the Operator will not know whether or not an exemption applies, for example:

- When the accommodation is for those persons and/or the families of those coming to Portage for short-term medical care and/or treatment
- When the accommodation is for those persons undertaking an apprenticeship or trade certification

In those instances, the burden of proof is on the guest to prove that a bona-fide exemption exists. The operator is to charge the Accommodation Tax and the onus then falls on the guest to submit a request for refund of Accommodation Taxes paid to the tax collector, i.e., the City of Portage la Prairie.

Q. Does Accommodation Tax apply to rooms that are provided at no cost by the hotel/motel?

A. No, it does not. In this case do not apply the Accommodation Tax to the guest's invoice.

Q. Does the Accommodation Tax have to appear as a separate charge on a quest's invoice?

A. Yes it does. The By-law will state that *"the amount of the Accommodation Tax shall be shown as an Accommodation Tax (by the City of Portage la Prairie), and must be shown as a separate item or charge on a bill, receipt, invoice, or similar document issued by the operator in respect of accommodation on which the tax is imposed"*.

Q. Will the City provide assistance in the setup of the Accommodation Tax charge at my establishment?

A. Yes. The City will provide a \$500 rebate in the first quarter retained by the hotelier for set up fees of the tax (to be noted on the first claim).

Q. How does my establishment remit the Accommodation Tax?

A. A form will be available on the City of Portage la Prairie websites whereby the quarterly remittance information can be entered and printed.

Q. What do I do if I notice an error in the amount of Accommodation Tax that my establishment paid to the City of Portage la Prairie?

A. In that case, simply make an adjustment on your next quarter's remittance. List the reason(s) for the adjustment, provide backup documentation, and include the adjustment as part of your remittance. If you need any clarification, or assistance, please be sure to contact the City finance offices.

Q. Will the City of Portage la Prairie keep confidential any information that is submitted as part of the remittance process, e.g., room sales, etc.?

A. Yes. This information will only be used by the Finance Department as part of the remittance process. This information will not be shared with other City Departments, nor will it be shared, sold, or otherwise be made available to any other organization.

Q. Who do I contact if I have more questions about the Accommodation Taxes?

A. City: Jean-Marc Nadeau, City Manager (204) 239-8336 or email jmnadeau@city-plap.com or Nettie Neudorf, Director of Finance (204) 239-8305 or email nneudorf@city-plap.com