



Tax Administration Jamaica
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FREQUENTLY ASKED QUESTIONS GUEST ACCOMMODATION ROOM TAX



Published by

Tax Administration Jamaica

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October 2012

Imposition of the Tax

- Q1.** What is Guest Accommodation Room Tax?
A1. This tax is levied on occupied guest accommodations
- Q2.** What is a guest accommodation?
A2. Guest accommodation means a facility providing sleeping accommodation by itself or together with facilities for meals, and other amenities for the accommodation of transient guests, including tourists (within the meaning of the Tourist Board Act) and whether or not provided for reward; but shall not include:
Any letting for residential purposes
Any accommodation provided for persons under a contract of service with the operator
A house use room
- Q3.** What is sleeping accommodation?
A3. These are accommodations specifically designed or built for sleeping or intended for sleeping purposes.
- Q4.** What is a House Use Room?
A4. "House Use Rooms" means sleeping accommodation in a guest accommodation, which would normally be available for occupancy by transient guests as a guest accommodation room, but has been assigned to facilitate short stay accommodation for persons employed, contracted to or otherwise working within or for the guest accommodation such as:
- Permanent staff of the guest accommodation who are required to remain on property to facilitate overnight assignments
 - Staff employed to an entity connected to or who are on assignment in relation to the guest accommodation who are staying for the purpose of accomplishing assignments for the operator.

Filing

- Q49.** Can I file online?
A49. Not currently, but this filing option will be available in the future.
- Q50.** Can I file for more than one property on the same form?
A50. No, a separate form is to be used for each property.
- Q51.** How do I file for more than one property?
A51.
 - If you have more than one property you are required to file for each property on separate forms using your business TRN and appropriate branch numbers.
 - If you do not have a branch number for each property you need to apply to Tax Administration for a branch number.
- Q52.** Is there a penalty for not filing?
A52. Yes, any operator who fails to make a return shall be liable to a penalty of:
 - J\$2,000 dollars; or
 - An amount equal to 15% of the tax which was due and payable, in respect of the taxable period to which the return relates, whichever is greater.
- Q53.** Is there a penalty for filing late?
A53. Yes, late filing penalty is calculated in the same manner as **52** above.
- Q54.** When is the tax due and payable?
A54. Tax is due and payable no later than the last day of the month following the month in which the tax was charged.

DISCLAIMER: This booklet is a guide only and is not a substitute for this or any other relevant legislation.

- A46.** Rate for the month for which you are reporting.
◦ If you are filing a return for the month of September you are required to use the Weighted Average BOJ Buying Rate for the month of September.

Q47. What books and records am I to keep and/or produce?

- A47.** ◦ Every operator is required to keep and produce all accounts, books and records used in the normal course of the guest accommodation business including electronic records, and if required by an authorized person, produce at such time and place as the authorized person may specify, any accounts, books, records or other documents relating to guest accommodation.

◦ *An operator who:*

- a) Fails to keep proper books of accounts, records or other documents relating to any guest accommodation; or
b) Produce such books of account, records or other documents to an authorized person. Commits an offence and is liable on summary conviction in a Resident Magistrate's Court to a fine not exceeding two hundred thousand dollars or to imprisonment for a term not exceeding 6 months or to both such fine and imprisonment.

◦ *Any person who:*

- a) Knowingly gives to an authorized person any false information relating to the provision of guest accommodation by an operator; or
b) Falsifies any books of account, records or other documents relating to such guest accommodation.

Commits an offence and is liable on summary conviction in a Resident Magistrate's Court to a fine not exceeding two million dollars or to imprisonment for a term not exceeding 6 months or to both such fine and imprisonment.

Forms/Return

Q48. What form should I use?

- A48.** The prescribed Room Tax Form (RTO1)

- A4.** ◦ Staff of the guest accommodation who are accommodated in-house as temporary measure awaiting their permanent accommodation becoming available.
◦ Entertainers engaged to perform on property who remain on property overnight to facilitate their entertainment assignments.
◦ Staff of the guest accommodation or board members of the guest accommodation operating company who are on short term company related assignments.

Q5. Who is the tax imposed on?

- A5.** The tax is imposed on all operators of any guest accommodation, whether or not licensed under the Tourist Board Act.
◦ Guest accommodations include:
◦ Hotels
◦ Bed & Breakfast
◦ Villas & Apartments
◦ Resort-cottages
◦ Motels
◦ Guest Houses
◦ Time-shares

NOTE: Once the accommodation is offered as a guest accommodation the tax is applicable. The tax is applicable whether or not the operator is a registered taxpayer for the purposes of the GCT Act.

Q6. Who is an operator?

- A6.** An operator means the person who owns the business concerned with the operation of any guest accommodation and includes the manager or other principal officer of that business or any person deemed by the Commissioner General as the person responsible for the operation of the guest accommodation, whether or not that accommodation or operator is registered under the Tourist Board Act or General Consumption Tax Act.

Q7. Who is a guest?

- A7.** A guest is any person occupying a room on a temporary or transient basis.

Q8. Which Order governs this tax?

A8. ° The tax is governed under the Provisional Collection of Tax (Guest Accommodation Room Tax) Order, 2012
° This Order adopts the compliance features of the GCT Act (e.g. Penalty, Failure to File, Failure to Pay, Filing of Returns, etc).

Q9. When does this tax take effect?

A9. The tax took effect September 1, 2012.

Q10. What are the rates for this tax?

A10. The tax will be charged per night/per letting on all occupied guest accommodation, based on the size of the property as follows:
° 1 to 51 rooms - US\$1
° 51 to 100 rooms - US\$2
° 101 rooms and above - US\$4

Note that complimentary rooms attract the **GART**

Q11. If I let a room that does not provide food, drinks and other amenities am I to charge this tax?

A11. Once the room is intended for sleeping purposes and is occupied the tax becomes chargeable.

Q12. If I live and work on a hotel property am I to pay the tax?

A12. The tax is not applicable under these circumstances.

Exemptions

Q13. Who is exempt from paying this tax?

A13. This tax does not apply to:
° Letting for residential purposes
° Persons under a contract of service with the operator
° House Use Rooms
° Rental to diplomats where payment is made by Embassy
° Letting by educational institutions approved by the Ministry of Education
° Campsites.

Registration

Q41. Do I have to register to pay over this tax?

A41. There is no special registration requirement; however you are required to file and pay over the tax using the RTO1 Form.

Q42. When does registration take place?

A42. Registration takes place when:
° A return is first filed
° Payment is first made
° The Commissioner General's assessment is raised
° A TRN Branch Number is approved

Q43. Can I cancel my registration?

A43. Yes, by writing a letter indicating the closure of the business.

Reporting

Q44. How do I calculate this tax?

A44. The tax is calculated as follows:
° Rooms occupied "per night" hotel standard
i. Total number of occupied sleeping rooms per night for the period times the applicable GART rate
[Sum of occupied rooms per night per period x GART rate]
° Rooms occupied for "frequent lettings":
i. Total number of lettings for the period times the applicable GART rate
[Total number of lettings for the period x GART rate]

Q45. Can I claim a refund on this tax?

A45. Yes, if there is an overpayment you can claim a refund.

Q46. How do I find the applicable BOJ rate?

A46. ° The applicable rate is available on the BOJ's Web Site (www.boj.gov.jm)
° The applicable rate is BOJ's Weighted Average Buying

- A34.** [how do I account for the tax?](#)
If the stay is for over sixty (60) nights of unbroken occupancy, it would be classified as residential and therefore become non-taxable, as of the 61st night.
- Q35.** [If I book a guest in one room, but later transferred that guest to another room, how would I account for the tax?](#)
A35. Tax is not to be charged on the two rooms. For the purpose of recording, the tax from the other room should be transferred to the last room the guest stayed in. However if the person checked out and then checked in for which there is another charge, then GART is applicable on both rooms.
- Q36.** [Should GCT be charged on GART?](#)
A36. No, GCT is not charged on the GART.
- Q37.** [I booked a guest into a 5-Room Villa, and the guest has access to all five rooms, should I charge tax on all the rooms or on the one room occupied by the guest?](#)
A37. If the guest has access to all five rooms then tax is to be charged on the five rooms. If the 5-room villa is constructed where rooms can be rented to five separate individuals, then the tax is charged on the number of rooms occupied.
- Q38.** [If I booked two persons in one room, should both of them be charge GART?](#)
A38. No, GART is charged per room per night.
- Q39.** [If I convert a living room into a sleeping area to accommodate an additional guest, should I charge GART on the sleeping spaced?](#)
A39. No, a room set up for sleeping which was not specifically designed for sleeping is not subject to GART.
- Q40.** [Am I to charge tax on complimentary rooms given on a Day Pass?](#)
A40. Yes, Day Pass complimentary rooms are subject to tax.

- Q14.** [I rent my property to students at the university, am I required to pay this tax?](#)
A14. The tax is not applicable under these circumstances.
- Q15.** [I am a diplomat, do I pay this tax?](#)
A15. The tax is not applicable if the accommodation is being paid for by the Embassy, otherwise the tax is applicable.
- Q16.** [I run a campsite, am I to charge this tax?](#)
A16. No, campsites do not fall in the category of taxable guest accommodation.
- Q17.** [I operate a massage parlour, am I to charge GART?](#)
A17. No, there is no GART on supplying massage services; however, if the "parlour" has rooms which are let to clients and operate similarly to a motel, then the letting of the room is subject to GART.

Payment

- Q18.** [Should guests at a hotel, be charged this tax?](#)
A18. Yes, however the rate you are charged is dependent on the number of rooms in the hotel. See Question 10 above.
- Q19.** [Where do I pay over this tax?](#)
A19. Payment is made at any of the twenty nine (29) tax offices island wide.
- Q20.** [Why should I pay over this tax?](#)
A20. It is a requirement by law. Failure to pay will result in sanctions imposed under the Provisional Collection of Tax (Guest Accommodation Room Tax) Order, 2012.
- Q21.** [When should I pay over this tax?](#)
A21. You should pay over the tax to the Commissioner General no later than the last day of the month following the month in which the tax was charged using the prescribed form (RTO1).

- Q22.** If I rent occasionally, am I required to charge and pay over this tax?
- A22.** Yes, if your property falls under the definition of guest accommodation.
- Q23.** I have a house which I rent to persons coming from overseas, am I liable to charge and pay over this tax?
- A23.** Yes, the tax is applicable in these circumstances if the rental is short-term or transient.
- Q24.** The owner of the property lives abroad, who is responsible to pay over this tax?
- A24.** The manager or other principal officer of the business or any person deemed by the Commissioner General as the operator of the business is responsible to pay the tax.
- Q25.** When do I stop paying this tax?
- A25.** When the business ceases operation.
- Q26.** Is there a penalty for not paying?
- A26.** Yes, every operator who fails to pay the full amount of tax due and payable under sub-paragraph (1) in respect of a taxable period shall be liable to a penalty of 15% of the amount unpaid. The penalty is calculated on the principal tax payable.
Every operator who fails to pay the full amount of tax due and payable under sub-paragraph (1) in respect of a taxable period shall be liable to interest at the Bank of Jamaica average lending rate at the beginning of the calendar year on the amount of unpaid tax due.
- Q27.** Is there a penalty for paying late?
- A27.** Yes, late payment attracts a penalty of 15% of the unpaid tax which is due and payable (w.e.f. Sept 1, 2012)
- Q28.** Is interest charged for not paying?
- A28.** Yes, every operator who fails to pay the full amount of tax due and payable in respect of a taxable period shall be

- liable to interest at the Bank of Jamaica average lending rate at the beginning of the calendar year on the amount of unpaid tax due.
- Q29.** If a member of staff who uses company property which falls under the definition of guest accommodation for the purpose of vacation, should he/she be charged this tax?
- A29.** Yes they should be charged the tax; however the company is liable to pay over the tax to the government. It is up to the company to decide whether the tax is, in turn exacted on its employees.
- Q30.** I allow my staff to use company property for vacation free of charge, am I liable to charge and pay over this tax?
- A30.** If the property falls under the definition of guest accommodation, the company is liable to pay the tax on occupied rooms.
- Q31.** I have a property with 45 rooms and I am currently expanding to 100 rooms, what GART rate is applicable?
- A31.** The number of rooms established at the Tourist Board is to be used until expansion is completed. Your property with 45 rooms would attract the GART rate of US\$1.
- Q32.** I am a hotel operator and I bring down tour operators and travel agents for promotional exercises, they are given complimentary rooms should I charge and/or pay GART when rooms are occupied?
- A32.** Yes, you are liable to account for GART on the rooms occupied by tour operators and travel agents.
- Q33.** If a room was booked and held for a guest, but the guest did not turn up, meaning the room was not occupied, should I charge for the tax?
- A33.** Once there is a non-refundable charge, then GART is applicable.
- Q34.** I have a guest booked for short stay but this temporary arrangement has turned into a long stay (residential),