

Ministry of Finance

Tax Notice



ISSUED: March 2010

Notice 2010-003

www.fin.gov.bc.ca/rev.htm

Notice to Operators

Hotel Room Tax Act

This notice explains that the additional 2% municipal and regional district (M&RD) hotel room tax will continue to apply after the introduction of the harmonized sales tax (HST) on July 1, 2010.

Effective July 1, 2010, the 8% component of the hotel room tax will generally cease to apply to sales of accommodation. For transition rules respecting the wind-down of the 8% component of the hotel room tax, please see our website at www.sbr.gov.bc.ca/business/Consumer_Taxes/Harmonized_Sales_Tax/hrt_transitional_rules.htm

However, if you offer taxable accommodation for sale in a participating municipality or regional district, then you must continue to collect and remit the additional 2% M&RD hotel room tax to the province using the *Municipal and Regional District Tax Return (FIN 401)*. The form is also available on our website at www.sbr.gov.bc.ca/business/Consumer_Taxes/Hotel_Room_Tax/hrt_forms.htm

Please note: As part of the transition to HST, the provincial hotel room tax will be eliminated from the federal Taxes, Duties and Fees (GST/HST) Regulations. As a result, the additional 2% M&RD hotel room tax will no longer be excluded from the GST/HST base. Therefore, if the accommodation is subject to both the HST and the additional 2% M&RD hotel room tax, the HST will apply to the additional 2% M&RD hotel room tax.

For a list of participating municipalities and regional districts, and general information on the tax, please see [Bulletin HRT 007](#), *Municipal and Regional District Tax*, available on our website at www.sbr.gov.bc.ca/business/Consumer_Taxes/Hotel_Room_Tax/hrt_bulletins.htm

For information on the application of the HST, please visit the Canada Revenue Agency website at www.cra-arc.gc.ca/tx/bsnss/tpcs/gst-tps/menu-eng.html or contact them at 1 800 959-5525.

Further Information

If you have any questions, please call us at 604 660-4524 in Vancouver, or toll-free at 1 877 388-4440, or e-mail your questions to CTBTaxQuestions@gov.bc.ca

You can also find information on our website at 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