



Notice to Accommodation Providers in the City of Vancouver

Provincial Sales Tax Act

This notice explains how to charge the municipal and regional district tax (MRDT) on accommodation in the City of Vancouver, which will be increased from 2% to 3% on September 1, 2015.

If you sell accommodation in the City of Vancouver, you must collect the 3% MRDT as of September 1, 2015. This is in addition to the 8% PST that applies to sales of accommodation throughout British Columbia. For more information on how PST and MRDT apply to sales of accommodation, see [Bulletin PST 120, Accommodation](#).

Transitional Rules

Payment Due AND Paid on or after September 1, 2015 – 3% MRDT

You must charge the increased 3% MRDT rate on accommodation you sell in the City of Vancouver if:

- payment for the accommodation is due on or after September 1, 2015, and
- your customer pays for their stay on or after September 1, 2015, even if your customer stays **before** September 1, 2015.

Example:

You provide accommodation in the City of Vancouver for your customer from August 27 to September 1. Your customer pays for the entire stay on September 1, when payment is due. You charge 3% MRDT for the entire stay. However, your customer may be eligible for a refund (see below).

Payment Due OR Paid before September 1, 2015 – 2% MRDT

You must charge the 2% MRDT rate on accommodation you sell in the City of Vancouver if:

- payment for the accommodation is due before September 1, 2015, or
- your customer pays for their stay before September 1, 2015, even if your customer stays **after** September 1, 2015.

Example 1:

You provide accommodation in the City of Vancouver for your customer from August 27 to September 4. Your customer must pay for the entire stay when they arrive on August 27. You charge 2% MRDT for the entire stay.

Example 2:

You provide accommodation in the City of Vancouver for your customer from September 1 to September 4. Your customer pays for the entire stay by phone or online on August 27. You charge 2% MRDT for the entire stay.

Refund - MRDT Paid Due to Rate Increase

If you sell accommodation to your customer and charge 3% MRDT, your customer may be eligible for a refund from the ministry of some of the MRDT paid if, **before** the City of Vancouver increased its MRDT rate on September 1, 2015:

- you provided your customer with a written confirmation of the reservation,
- you entered into a written contract with your customer for the purchase of the accommodation, or
- your customer made a deposit on the purchase.

To qualify for a refund, the sale of the accommodation must have been for a specified number of days as set out in the confirmation, contract or covered by the deposit.

The refund is limited to the difference between the MRDT your customer paid and the MRDT they would have paid if the MRDT rate had not increased.

Example:

You provide accommodation in the City of Vancouver for your customer from September 1 to September 10. Your customer makes a \$100 deposit on the purchase on August 28, but does not pay for the entire stay until payment is due on September 10. You must charge 3% MRDT for the entire stay, but your customer may apply to the ministry for a refund.

Applying for a Refund

To apply for a refund, your customer must complete an *Application for Refund – General* ([FIN 355](#)) and provide the supporting documentation listed in the instructions to the form.

The ministry cannot issue a refund of less than \$10.

Reporting and Remitting MRDT

This section may apply to you if you have a quarterly, semi-annual or annual reporting period.

As a result of the MRDT increase on September 1, 2015, you may be subject to a one-time change in your reporting period. If you have a reporting period that starts before and ends after September 1, 2015, you must file separate PST **and** MRDT returns for:

- the portion of the period before September 1, and
- the portion of the period on and after September 1.

Example:

You have a semi-annual reporting period which starts July 1, 2015 and ends December 31, 2015. You must file separate PST and MRDT returns for the period of July 1, 2015 to August 31, 2015 and for September 1, 2015 to December 31, 2015. The due date for the July 1 to August 31, 2015 returns is September 30, 2015. The due date for the September 1 to December 31, 2015 returns is January 31, 2016.

Further Information

If you have any questions, please call us toll free at 1 877 388-4440 or email your questions to CTBTaxQuestions@gov.bc.ca

You can also find information on our website at gov.bc.ca/pst

Find information on how the additional MRDT revenue will be used on the Tourism Vancouver [website](#).

Subscribe to our [What's New](#) page to receive email updates when new PST information is available.

The information in this notice is for your convenience and guidance and is not a replacement for the legislation.