

## NOTE

The information contained in this publication is only a guide for the taxpayer and not a comprehensive statement of the legislative requirements. The legislative requirements are contained in The Hotel Accommodation (Taxation) Ordinance and Amendments.



## Contact Us:

### **Inland Revenue Department**

Central Administration Complex

33 Admin Drive

P.O. Box 4634

Road Town, Tortola VG1110

British Virgin Islands

Telephone: (284) 494-3701 ext 2155

Fax: (284) 494-6516

Vanterpool's Building

The Valley, Virgin Gorda VG 1150

British Virgin Islands

Telephone: (284) 468-6564

Fax: (284) 468-6501

**Office Hours: 8:30 AM to 4:30 PM**  
**(Monday to Friday except on Public Holidays)**

**Email: [bvitaxes@gov.vg](mailto:bvitaxes@gov.vg)**

**Website: [www.ird.gov.vg](http://www.ird.gov.vg)**

**District Office** (Officers will be available to assist you on the **third Wednesday** of each month)

The Settlement, Anegada VG1140

British Virgin Islands

Telephone: (284) 495-8048

**District Office** (Officers will be available to assist you on the **third Friday** of each month)

Great Harbour, Jost Van Dyke VG1160

British Virgin Islands

Telephone: (284) 495-0241

*Designed by Taxpayer Services Unit of the Inland Revenue Department*

*Revised June 2012*



## Know Your Taxes...



## **Your Guide To Hotel Accommodation Tax**

**Prepared by:**

The Inland Revenue Department

Ministry of Finance

Government of the Virgin Islands



The Inland Revenue Department, headed by the Commissioner, is staffed with various units (Administration, Assessment, Collection, Taxpayer Services, Valuation and Audit).

Section 2 of the Hotel Accommodation (Taxation) Ordinance assigns the responsibility for collecting Hotel Accommodation Tax to the Commissioner of Inland Revenue or any person who is a designated collector for the purposes of this Ordinance by the Governor in Council as being a person authorized to collect tax under this Ordinance.

If after reviewing this guide, you discover that there are areas that you do not fully understand, we encourage you to contact us at any of the locations mentioned at the back of this guide and we will promptly respond to your enquiry or enquiries.

### **Which tax is this?**

This is Hotel Accommodation Tax.

Hotel Accommodation Tax is charged on all charges made to the person in respect of accommodation, and all services rendered to the person by or on behalf of the proprietor.

### **What is the governing legislation? Are there any amendments?**

The Hotel Accommodation (Taxation) Ordinance, (Cap. 205)

Various amendments were made to this Ordinance, including the Miscellaneous Amendments (SIGTAS) Act, 2005, which were made to amend various legislations in order to facilitate the tax computerized system (SIGTAS).

### **Who is the taxpayer associated with this tax?**

The proprietor or manager of any hotel, house, apartment, cottage, villa or similar facility that is ordinarily used for providing board and lodging or lodging only for a consideration.

### **What is the tax base for Hotel Accommodation Tax?**

The tax base is the figure to which the tax rate is applied.

### **How is the tax base calculated?**

The tax base is calculated by deducting the charges that are not associated with those made to the person in respect of accommodation, and all services rendered to the person by or on behalf of the proprietor from the gross amount collected for the month.

### **What is the tax rate?**

The tax rate is seven (7) per cent.

### **How does a proprietor register for the Hotel Accommodation Tax Account?**

Every proprietor of accommodation shall, within thirty days of the first date after the commencement of the Miscellaneous Amendments (SIGTAS) Act, 2005 on which he becomes liable for the payment of tax, register with the Collector and provide such information to the Collector as may be required to give effect to such registration.

### **Where can these forms/return be obtained?**

The Hotel Accommodation Tax Registration Form and the Monthly Hotel Accommodation Return for Proprietors can be retrieved from the Inland Revenue Department at any one of the locations listed on the back of this publication

### **Which Tax Return is associated with this tax?**

The Hotel Accommodation Tax Return for Proprietors, which was revised in March 2010.

### **What is the Due Date of Hotel Accommodation Tax Return?**

Every proprietor of accommodation liable for tax shall, no later than fifteen days after the month for which tax is due, deliver to the Collector a return reporting the amount of tax due for that month and such other information as the Collector may require on the return; and pay to the Collector the amount of tax due.

*For example, A return for the month of May would become due on or before June 15.*

### **What type of Penalty is associated with this return?**

Any person of accommodation who fails to file the required return on or before the date that is due shall be liable to pay a penalty equal to twenty per cent in addition to any other amounts for which he may be liable under this Ordinance.

*For instance, if you are submitting your monthly Hotel Accommodation Tax Return after the date that it is due and the tax base is \$7,500.00, the total amount due including the penalty would be calculated as follows:*

|  |                          |                        |
|--|--------------------------|------------------------|
| <i>Tax Due</i>                           | <i>\$7,500.00 X 7% =</i> | <i>\$525.00</i>        |
| <i>Penalty</i>                           | <i>\$525.00 X 20% =</i>  | <i>105.00</i>          |
| <i>Total Tax Due including Penalty =</i> |                          | <i><u>\$630.00</u></i> |

### **How long should records be retained?**

A person to whom this Ordinance applies who is required to prepare or retain records under this Ordinance or any other law which is relevant for the determination of his tax liability under this Ordinance shall retain such records for a period of seven years following the date on which the liability for the period in which the records were established was first assessed .