



## COMPLETING THE ACCOMODATION TAX RETURN

**NOTE:** *This information is intended to provide general information concerning the Accommodation Tax By-law No. 1772-2008 as amended. Every effort has been made to ensure the contents of this circular accurately reflect the By-law. However, it is important to note that this information has no official status and does not have the force of law. Unofficial versions of the Accommodation Tax By-law No. 1772-2008 and any amending by-laws may be viewed on-line at [www.thompson.ca](http://www.thompson.ca). For an official version of the Accommodation Tax By-law No. 1772-2008 or any amending by-laws, contact City Hall 677-7910.*

This document is a guide to help you complete the Accommodation Tax Return. For general information concerning the Accommodation Tax By-law 1772-2008 and its amendments, including where and how to file your tax return, please see the Information Sheet on the City of Thompson website at [www.thompson.ca/dbs/cityhall](http://www.thompson.ca/dbs/cityhall)

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## Due Date

The requirement to remit taxes and the monthly/quarterly tax return must be met no later than the 20<sup>th</sup> day of the month/quarter following the period in which the taxes were payable and for which the tax return is applicable.

## Nil Returns

You have to file your tax return for every reporting period (every month or every quarter – please advise the City of Thompson of your choice) *even if you have no net tax to remit*. In other words, even if you have no taxable sales in a reporting period, you still have to file a tax return.

Complete the tax return as follows:

- Complete Steps 1 and 2
- For Step 3, complete the section as described below in “Step 3 – Room Revenue Subject to the Tax”, with the following exceptions:
  - In **Box B**, enter “0” if you had no sales in the period.
  - In **Box C**, enter “0” if you had no sales in the period.
  - In **Box D**, enter “0” if you had no sales in the period.
- For Step 4, enter “Nil” in **Box E**.
- For Step 6, enter “Nil” in **Box J**.
- For Step 7, enter “Nil” in **Box K**.
- For Step 8, enter “Nil” in the box for amount paid.

**Please note:** Adjustments in Step 5 cannot be taken when filing a nil return. If you have adjustments to claim, you need to apply to the City of Thompson for a refund. To apply for a refund, see the Application for Refund form on the City of Thompson website at [www.thompson.ca/dbs/cityhall](http://www.thompson.ca/dbs/cityhall). Failure to file a nil return may result in the City of Thompson estimating the amount of Accommodation Tax due based on previous sales you have submitted, including any applicable interest and penalties.

## Completing the Tax Return

### Step 1 – Accommodation Establishment Information

Enter the legal name and full address of the establishment subject to the Accommodation Tax.

### Step 2 – Reporting Period

Enter the reporting period (month or quarter) for which the tax return applies.

The Accommodation Tax Return must be remitted to the City of Thompson at the end of every taxation period for each establishment operated by the 20<sup>th</sup> day of the month.



### Step 3 – Room Revenue Subject to the Tax

In **Box A**, enter the number of rooms that were available for rent in the reporting period. For clarification, this refers to the number of rooms that were “available” for rent, NOT the number of rooms actually rented in the reporting period. If the number of rooms available for rent varies over the reporting period, enter the greater number of rooms that were available for rent at any one time in the period.

In **Box B**, enter the total amount of all sales of accommodation made during the reporting period, including all taxable and non-taxable sales of accommodation.

In **Box C**, enter the total amount of all sales of accommodation made during the reporting period that is NOT subject to the Accommodation Tax per Section 3 of the By-law. The sales reported here should include the current reporting period only, and not any reductions for prior period adjustments (see Step 5 for adjustments).

In **Box D**, enter the total amount of all sales of accommodation made during the reporting period that IS subject to the Accommodation Tax (Box B less Box C).

**Please note:** Do not include the Federal Goods and Services Tax (GST) or the Provincial Retail Sales Tax (PST) in boxes B, C, and D.

### Step 4 – Tax Collectable on Sales

In **Box E**, enter 5% of the amount reported in Box D (room revenue subject to the tax). The reported amount should include:

- all Accommodation Tax collected on your sales, and
- the Accommodation Tax on all taxable sales made on credit.

### Step 5 – Adjustments

In **Box F**, enter the amount of Accommodation Tax that you previously remitted but later refunded to your customer because their stay was not taxable, as follows:

- You had charged (progress-billed) a customer for Accommodation Tax for a planned transient stay but the customer then stayed for a consecutive period of 61 nights or more. Tax will not be charged after the 61<sup>st</sup> night.

In **Box G**, enter the amount of Accommodation Tax that you previously remitted but later refunded to your customer because of an error or price adjustment, as follows:

- you charged too much Accommodation Tax because of a mathematical error and then refunded the customer for the amount overpaid.
- you adjusted a price for a customer and refunded them the difference in Accommodation Tax paid on the higher price e.g. you sold accommodation immediately before offering a special rate and the customer requested the special rate.



In **Box H**, enter the amount of Accommodation Tax that you previously remitted for accommodation sold on credit (i.e. reported in Box E of the Accommodation Tax Return and remitted in a prior month) and where you subsequently wrote off the debt.

If any or all of the amount written off in Box H is later paid, you are responsible for repaying the tax on the amount you received.

In **Box I**, enter the total adjustments (Box F plus Box G plus Box H).

**Please note:** For any adjustments taken in Step 5, the applicable revenue should not be included in Box C of Step 3. In other words, the adjustments taken in Step 5 are for the prior reporting period (as the tax was already remitted). Any current period adjustments should be properly reflected in the revenue amounts reported in Box B and Box C of Step 3 (prior to the calculation of current period taxes owing in Step 4).

If you believe you have overpaid the Accommodation Tax in circumstances not described here, you need to apply to the City of Thompson for a refund.

You cannot reduce the Accommodation Tax due to below zero. If your adjustments are greater than the Accommodation Tax due, you need to apply to the City of Thompson for a refund.

#### **Limitation on Adjustments**

- For Boxes F and G, you can only take adjustments for overpayments of Accommodation Tax that occurred in the period immediately prior to the current period. For example, if you are filing your October 2009 monthly tax return (due November 20, 2009), you can only take adjustments for overpayments of Accommodation Tax that occurred in September 2009. If you made an overpayment of Accommodation Tax before September 2009, you need to apply to the City of Thompson for a refund.
- Bad debt write-offs (Box H) are not subject to this limitation and can be taken up to one year from the remittance of the amount that was written off.

You must keep documentation supporting each adjustment taken. If documentation for the adjustment is not available during an audit or inspection, you will be liable for an assessment of the Accommodation Tax due, interest and possibly a penalty. If you have any doubts about whether you should take an adjustment, please contact our office.

#### **Step 6 – Commission**

In **Box J**, enter the total amount of commission you are eligible to receive. *Accommodation providers are only eligible to claim a commission when tax returns are filed on a monthly basis with the City and received by the due date of the 20<sup>th</sup> day of the month following the period in which the taxes were payable and for which the tax return is applicable.*

#### **Calculation of Commission**

- A commission is equal to fifteen percent (15%) of the first two hundred dollars (\$200.00) of the tax collectable, and one percent (1%) of the remaining tax collectable to a maximum commission of \$58.00 per period.



### Step 7 – Total Amount Due

In **Box K**, enter the total amount of Accommodation Tax payable per Box E less the total amount of adjustments per Box I and less the commission of Box J.

Box K is the amount of Accommodation Tax due to the City of Thompson for the reporting period. You must enclose payment for this amount when you file your tax return form.

### Step 8 – Remittance Amount

Enter the remittance amount that agrees to the cheque or money order payable to the City of Thompson. This amount should equal the amount due as reported in Box K at Step 7.

**Please note:** If you underpay your tax return (i.e. the amount paid is less than that amount reported in Box K), you will be issued an assessment for the tax due. Interest and penalties will apply on the unpaid balance for the reporting period until your account has been paid in full.

### Claimant Declaration

The person completing the Accommodation Tax Return should complete the declaration section. Remember to make a copy of the completed and signed tax return for your records. The original signed document must be filed with any remittance owing.

### Filing Your Tax Return

The one-page Accommodation Tax Return must be filed with your remittance. There is no separate remittance form to file. After completing Steps 1-8, the preparer should complete the Claimant Declaration section. Send in the original signed tax return (with any remittance owing) and keep a copy for your records.

For more information on where and how to file your tax return, please see the Information Sheet on the City of Thompson website at [www.thompson.ca/dbs/cityhall](http://www.thompson.ca/dbs/cityhall)

### How to Contact Us

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Thompson, MB R8N 1S6

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Phone: (204) 677-7928 Fax Number: (204) 677-7936

Hours of Operation - Monday to Friday, 9:00 am to 4:30 pm Closed on Statutory Holidays