

Municipal Accommodation Tax Frequently Asked Questions

The City of Greater Sudbury passed By-Law **XX** implementing a mandatory 4 per cent Municipal Accommodation Tax (MAT) effective September 1, 2018. The MAT will apply to the purchase of accommodations provided for a continuous period of 30 days or less.

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Contact information

Contact the City of Greater Sudbury regarding the Municipal Accommodation Tax via the following methods:

- Call 311 and ask for Accounts Receivable;
- From out of town call 705-674-4455, extension 2430 to reach the Accounts Receivable mainline; or
- Email: MAT@greatersudbury.ca.

Municipal Accommodation Tax Frequently Asked Questions

For Accommodation Providers

General

1) What is the City of Greater Sudbury's Municipal Accommodation Tax (MAT)?

The Municipal Accommodation tax is a 4 per cent fee imposed on the cost of accommodations lasting 30 days or less. The MAT applies to the accommodation charge and does not apply to other associated charges, such as meals or room incidentals, provided that these amounts are itemized separately on the invoice.

2) When do I start collecting the MAT?

The MAT must be collected beginning September 1, 2018.

3) What is the authority to charge the MAT?

The municipality is authorized per section 400.1 of the [Municipal Act, 2001](#) and [Ontario Regulation 435/17](#) to establish and to collect the MAT. City of Greater Sudbury By-law # provides for mandatory collection and remittance of the Municipal Accommodation Tax.

4) What is the purpose of the MAT and how will the revenue be utilized?

The City is required to pay 50 per cent of the net MAT revenue to an eligible tourism entity to be used to promote tourism, including product development. Council designated The City of Greater Sudbury Community Development Corporation (operating as the GSDC) as the eligible tourism entity to receive and spend these funds.

The remaining 50 per cent of the net revenue will be transferred to a reserve fund to be used as Council directs. In the 2018 Operating Budget these funds were identified as a funding source for the debt financing of the new Arena/Event Centre.

5) What are considered reasonable costs of collecting and administering the MAT program?

Costs incurred by the municipality directly related to the administration and collection of the MAT are recoverable. Best practices recommend that costs for staffing, development of forms, systems, information technology cost, banking/point of sale fees, audit or third party costs including legal and collection agency costs to collect funds owing would be included in the costs recovered prior to revenue sharing.

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Applicability and exemptions

6) What accommodations are affected by the MAT?

Accommodation providers, including hotels, motels, motor hotels, lodges, inns, resorts, bed and breakfast or other establishments providing lodging in all or part of a dwelling are required to collect and remit the Municipal Accommodation Tax on accommodations of thirty days or less. For clarity:

- Hospitality rooms and meeting rooms that do not contain a bed are not considered accommodations and would not be subject to the MAT.
- Amenity fees and service charges including meals, room incidentals, valet services or parking are not subject to the MAT, provided they are separately itemized on the invoice.

7) What accommodations or purchasers are exempt from the MAT? (items below are summarized)

Accommodations:

- For a period of more than 30 consecutive days
- Provided by a university or college
- Provided by hospitals, long term care facilities, retirement homes and hospices
- Provided by shelters, treatment centres and lodging of reformation of offenders
- Provided at tent and trailer sites
- Supplied by employers to their employees in premises operated by the employer.

Purchasers

- Province of Ontario
- School Boards

Please refer to the MAT by-law www.greatersudbury.ca/mat/ for the complete list of exemptions.

8) What if I give a discounted rate for an overnight accommodation? What is the rate that the MAT is to be collected on?

The MAT is charged on the rate that is paid by the guest and therefore the 4 per cent MAT would be applied on the discounted rate.

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- 9) What if I have long term contracts with businesses that exceed 30 days, even though the business may authorize its employees to stay for various periods of time less than 30 days?**

MAT applies to purchasers that utilize the accommodation for 30 consecutive days or less. The purchaser, per the MAT by-law, is the guest in the room and therefore the MAT would apply and must be collected.

- 10) What if I have existing contracts with businesses with a fixed room rate?**

MAT applies to accommodations purchased on or after September 1, 2018. If payment occurs on or after September 1st for accommodation occupied on or after September 1st, MAT applies even if provided through a corporate contract.

Purchaser invoicing information

- 11) Do I need to disclose the MAT on the invoice or receipt that is provided to the Purchaser?**

Yes, include on every bill, receipt, invoice or similar document for the purchase of Accommodation, a separate item identified as "Municipal Accommodation Tax" showing the rate at which the MAT is calculated (4 per cent) and the amount of the MAT imposed.

- 12) Is HST charged on the MAT?**

If the provider is registered for HST, the accommodation provider is responsible for collecting and remitting the HST on the entire charge including the MAT and remit the HST directly to CRA. Contact the Canada Revenue Agency or your advisers if you have further HST questions.

- 13) Is the MAT applicable to guests that do not show up for their reservation?**

If a guest is charged for accommodation (no-shows included) the MAT is to be collected and remitted. If the guest is not charged for the accommodation but is required to pay a cancellation fee, the MAT would not apply to the cancellation fee.

- 14) What revenue does MAT apply to if I charge a fee that includes accommodation and meals (i.e. bed and breakfast)?**

The accommodation Provider would be responsible to allocate the revenue between the overnight accommodation and other services, amenities or other charges separately on the invoice and collect and remit the MAT on the overnight

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accommodation portion of the fees. If the fees are not separately listed on the invoice, the MAT will apply to the entire invoice.

15) Can I deduct commission paid to a third party who collected the booking from the room revenue used to calculate the MAT?

No, the revenue to be used to calculate the MAT is the Purchase Price of the accommodation. Costs incurred to secure or provide the accommodation are not deductible.

Collection and remittance

16) How do I report the MAT that I collected?

You must complete the MAT Remittance Report on a monthly basis. These can be submitted via email at MAT@greatersudbury.ca. The Report is located on the City's website www.greatersudbury.ca/mat/ and includes due dates.

17) When do I have to submit my Report to the City on the MAT I collected?

You are required to submit a Municipal Accommodation Tax Remittance Report at the end of each month for the MAT collected in the previous month. For instance, the Remittance Report for MAT collected in September will be due no later than October 31.

18) Can I submit Remittance Reports quarterly?

Eligible accommodation providers can apply for the Quarterly Reporting and Remittance program. Eligibility is determined on earnings and is subject to requirements to maintain status in this program. Please refer to the Municipal Accommodation Tax Policy and Procedures for additional information on the City's website www.greatersudbury.ca/mat/.

19) How do I remit the MAT that I collected?

Payment to the City can be made via the following methods:

- Preauthorized Debit:

A Preauthorized Debit Agreement must be completed prior to any withdrawal and is available with the Remittance Report. Withdrawals will occur on the 15 of the month following the remittance due date.

- By Mail

City of Greater Sudbury
Accounts Receivable
200 Brady Street
Sudbury, ON P3A 5P3

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Payments must be received in our office by the 15th of the following month. Please allow sufficient time for mail delivery.

- In Person

City of Greater Sudbury

- Citizen Service Centre 1st Floor (cash, cheque, visa, debit)
- Accounts Receivable 2nd Floor (cheques only)
200 Brady Street
Sudbury, ON P3A 5P3

Please make cheques payable to "City of Greater Sudbury"

Payments which are returned will be subject to a dishonoured payment fee in accordance with the City's [Miscellaneous User Fee By-law](#).

20) What happens if I am late in submitting my payment for MAT collected?

Any late or incomplete remittances will be charged an interest rate of 1.25 per cent per month in accordance with the City's [Miscellaneous User Fee By-law](#).

21) What if a refund was issued to a guest after submitting the return?

Adjustments from prior reporting periods can be made in the period the refund was returned.

22) What if I did not collect any Municipal Accommodation Tax in the reporting period?

If no MAT was collected you will still be required to submit the Remittance Report indicating that no MAT was collected in the reporting period.

23) Will the City have an audit process to verify monthly Remittance Reports from the Providers?

The City and/or its agent has the authority to inspect and audit all books, documents, transactions and accounts of accommodation Providers. Accommodation Providers must keep books of account, records and all documents related to the sale of accommodations, amount of the Municipal Accommodation Tax collected and remitted to the City for a period of seven years.

24) Why do I need to complete an Establishment Information Sheet?

The Establishment Information Sheet will be used by the City to set up your establishment name, address and contact information correctly in our accounting system and provide you with a customer ID. This customer ID will then be used to associate your monthly remittances and payments with the proper establishment.

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25) Why are you asking for the average daily rates for the previous year?

If the MAT Remittance Report is not completed and submitted when due, the City will assess the MAT based on the average daily rate provided on the Establishment Information Sheet multiplied by the number of accommodations available each day during the period which the remittance was due as though all the accommodations had been purchased throughout the period.

Transition questions

1) Do I have to charge the Municipal Accommodation Tax if a guest has booked their stay prior to September 1, 2018, when the MAT is implemented?

If the accommodation was booked and paid for prior to September 1, 2018 the MAT is not applicable. If the accommodation was booked before September 1, 2018 but paid for on or after September 1, 2018, the MAT is to be charged, collected and remitted.

2) If a guest's stay begins prior to September 1, 2018 and ends after September 1, 2018, do I charge the MAT when their stay begins?

The MAT must be charged starting September 1, 2018 only. The MAT is not to be applied to any nights prior to September 1, 2018.

3) If a guest puts a deposit to hold a room prior to September 1, 2018 for a booking September 1, 2018 or later, does MAT apply?

Yes, if final payment for room occurs on or after September 1, 2018 MAT applies to the accommodation rate, regardless of any deposits made. If the deposit is applied to the purchase price of the accommodation provided on or after September 1, 2018, MAT will apply to the purchase price, including the deposit.

4) When is my first remittance due?

The MAT collected for the month of September must be reported to the City by October 31, 2018 and the related payment is due November 15, 2018 and every 15th of the month thereafter.

Municipal Accommodation Tax Frequently Asked Questions

For Accommodation Purchasers (Guests)

1) What is the Municipal Accommodation Tax (MAT)?

The Municipal Accommodation Tax is a 4 per cent fee imposed on accommodations of 30 consecutive days or less. The commencement date of the MAT is September 1, 2018.

2) How is the MAT applied to the Purchase Price of accommodations?

The 4 per cent is only applied to the purchase price of the accommodation (i.e. room fee) and it does not apply to amenity fees or service charges.

3) Is the payment of the MAT optional?

No, the MAT is mandatory. It must be paid at the same time you are paying the accommodation provider.

4) Why do I have to pay the MAT?

Payment of the Municipal Accommodation Tax is mandatory and is authorized by Bylaw # of the City of Greater Sudbury.

5) If I'm travelling for medical purposes do I have to pay the MAT?

Yes, there is no exemption from the MAT for medical related travelling. Many accommodation establishments (including those in Greater Sudbury) offer compassionate rates that are applied at their own discretion.

The Ontario Ministry of Health & Long-Term Care provides funding through the Northern Health Travel Grant for eligible applicants, based on the distance to their closest medical specialist or Ministry funded health care facility able to provide the required health care services. For more information visit

<http://www.health.gov.on.ca/en/public/publications/ohip/northern.aspx>

6) Do I still need to pay the MAT if I do not show up for the reservation?

If you are charged for the accommodation whether or not you actually occupy it, then MAT will apply. If you do not cancel your room reservation and you are charged for accommodation (no-show included) the MAT will be charged. If you are not charged for the accommodation but subject to a cancellation fee, the MAT would not apply.

7) What happens with the money collected through the MAT?

Fifty per cent of the net revenue from the MAT will go to the municipality. The City will put its portion of the proceeds toward the new Event Centre as was included in the 2018 budget. The other 50 per cent of the net revenue will go to The City of

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Greater Sudbury Community Development Corporation. As an eligible tourism entity (ETE) the CGSCDC will administer the funds for tourism promotion and development, including a focus on attracting people to the city, support bid opportunities, and more.

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