

# Tourism Levy

## 2021 Program Changes

How the tourism levy applies to short-term rentals including stays booked using online brokers.

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### Taxable Accommodation

Effective April 1, 2021, the tourism levy of 4% applies to all **accommodation** provided in Alberta, excluding those listed below. This includes stays in **residential units** listed on an **online marketplace**.

### Excluded Accommodation

The tourism levy does not apply to lodging that is:

- not listed on an online marketplace and has a purchase price of less than \$30 per day or \$210 per week.
- provided by a person who does not list the lodging on an online marketplace and whose gross revenue from the provision of the lodging is less than \$5,000 over 12 months.
- occupied by the same person for a continuous period of 28 days or more.
- provided in a social care facility, nursing home, or hospital.
- a licensed supportive living accommodation.
- provided on a reserve in Alberta to a person or entity exempt from tax under the federal *Indian Act*.
- purchased by the Government of Canada for the Government's use.
- purchased by a Diplomat for the Diplomat's use.

### Who must register?

You must register if you sell accommodation in Alberta unless you only provide accommodation that is excluded, as listed under 'Excluded Accommodation.'

You must register as an accommodation host if you sell, offer for sale or otherwise provide temporary accommodation that is a residential unit in Alberta.

### How to Register

Complete and submit the [online Tourism Levy Registration form](#).

Traditional operators (hotels, motels, inns, bed and breakfasts, camps, etc.) must register each facility or location separately.

Accommodation hosts (residential units) only need to submit one registration form, regardless of the number of units or physical locations.

### Calculating the Tourism Levy

The tourism levy is calculated on the total purchase price of the accommodation. Total purchase price is the total amount that a guest pays for the right to use the accommodation, including any additional charges for extra beds, cots, cribs, linens, pets and cleaning, but not including the federal goods and services tax (GST).

## Calculating the tourism levy example:

Your hotel is located in Banff and you provide a room in your hotel for \$200 per night. Your region charges a regional destination marketing fee (subject to the tourism levy).

Purchase Price	\$ 200.00
Destination Marketing Fee	\$ 10.00
<u>Tourism Levy (\$210 x 4%)</u>	<u>\$ 8.40</u>
Total (not including GST)	\$ 218.40

## Providing Accommodation in Exchange for Services

If you provide accommodation for free to a contractor who is providing you with services (e.g., trades person or entertainer), the tourism levy is payable by the contractor based on the purchase price of similar lodging rented to another person on the same day.

## Discounts/Reduced Rates

If you accept coupons or provide discounts or reduced rates either to particular guest or as part of a general advertising campaign or promotion, you charge the tourism levy as follows:

- If a third party (e.g. a franchiser) reimburses you for the discount, you charge the tourism levy on the full price of the accommodation before the reduction.
- If a third party does not reimburse you for the discount, you charge the tourism levy only on the consideration actually received from your guest (e.g. the discounted or reduced rate.)

## How to Report the Tourism Levy

All accommodation providers that provide accommodation on a regular basis, must file a return each collection period, as follows:

- Monthly, if there are 50 or more rooms available for rent
- Quarterly, if there are less than 50 rooms available for rent

Accommodation hosts must file a return only in respect of collection periods (can be monthly or quarterly depending on the total number of sleeping rooms available for all properties) for which tourism levy was collected. These returns are due no later than 28 days after the end of the respective collection period in which the tourism levy was collected. An accommodation host is not required to file a return for a collection period in which no tourism levy was collected.

**Only entities registered prior to April 1, 2021 are eligible to file paper returns. All new registrants must file returns online through [TRACS](#).**

## How to Remit the Tourism Levy

Payments can be made online through most financial institutions. See the [About Making Payments to Tax and Revenue Administration page](#) for more information.

**Payments are due on the 28th day of the month following each collection period.**

## Online Brokers

Any online broker may apply to TRA to enter into an agreement that authorizes them to register, collect and remit the tourism levy payable on accommodation sold through their online marketplace.

### For more information:

- [Information Circular TL-1  
Overview of the Tourism Levy Program](#)
- [Information Circular TL-2  
Information for Operators and Online Brokers](#)