



# Tourism Levy Reporting Scenarios

To help operators and online brokers understand their obligations as of October 1, 2024

On October 1, 2024, changes to the *Tourism Levy Act* and Regulation will come into force, impacting who collects, reports and remits the tourism levy. Generally, the party that collects payment from the purchaser of the accommodation is required to collect, report and remit the levy.

## Who is an operator?

An operator is a person who sells, offers for sale or otherwise provides accommodation in either traditional commercial establishments (e.g., hotels, motels, inns, etc.), or residential units.

## Scenario 1: Purchaser pays the operator

The operator receives all payments from the purchaser for accommodation, whether booked directly with the operator (e.g., on the operator's website, phone, email, etc.) or through an online broker that does not collect payment.

### Who collects, reports and remits the tourism levy?

The operator reports all revenue on line 020 of their tourism levy return because they receive all payments directly.

## Scenario 2: Purchaser pays the online broker

The operator lists accommodation on an online marketplace and the online broker collects or facilitates collection of the payment directly from the purchaser(s).

### Who collects, reports and remits the tourism levy?

The online broker reports the revenue on line 020 of their tourism levy return for accommodation booked through their online marketplace as they have collected the payment.

An operator that files their own returns, as outlined in the scenarios below, excludes the revenue for the

accommodation on line 020 of their return if the online broker collected the payment.

## Scenario 3: Some purchasers pay the operator directly, other purchasers pay the online broker directly (different bookings)

Bookings are made both directly with the operator and through one or more online marketplaces. Depending on the online marketplace, the online broker may take payment immediately, later or not at all.

### Who collects, reports and remits the tourism levy?

The operator reports the revenue on line 020 of their tourism levy return for both the direct bookings for which they have directly collected payment from the purchaser and the revenue for bookings through an online marketplace for which they have directly collected payment (where payment is not made to the online broker).

The online broker reports on line 020 of their return the revenue for the accommodation booked through their online marketplace for which they have collected payment from the purchaser.

## Scenario 4: Purchaser makes partial payment to online broker and partial payment to operator (same booking)

The operator lists accommodation on an online marketplace and purchasers pay the online broker for part of the booking (i.e., pay a portion at the time of booking) and pay the operator the remaining balance (i.e., pay the balance at the time of the stay).

**Example:** The total purchase including tourism levy is \$1,560 (\$1,500 plus 4% tourism levy). The purchaser pays \$520 to the online broker at the time of booking (\$500 of the purchase price including fees x 4%) and pays the remaining \$1,040 to the operator upon checkout (\$1,000 of the purchase price including fees x 4%).

**Who collects, reports and remits the tourism levy?**

The online broker reports their \$500 portion of the revenue on line 020 of their tourism levy return, and the operator reports their \$1,000 portion of the purchase price on line 020 of their return. Each party remits the 4% tourism levy on their portion.

**Contact Tax and Revenue Administration**

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