

The Town of Fort Frances will implement a mandatory 4% Municipal Accommodation Tax (MAT) effective January 1, 2019. The MAT will apply to the purchase of accommodations provided for a continuous period of less than 30 days.

The MAT must be identified as a separate item or charge on each bill, receipt or invoice.

Frequently Asked Questions - For Accommodation Providers

1. How much is the Municipal Accommodation Tax?

The Municipal Accommodation Tax (MAT) rate is 4% and must be applied to accommodations provided for a continuous period of less than 30 days. The MAT will be an additional charge on hotel & motel rooms, bed & breakfast accommodations and AirBnB's. The tax is applied to only the accommodation and should not be applied to other fees such as laundry service, parking, continental breakfast, etc.

2. When do I start collecting the tax?

The Municipal Accommodation Tax must be collected beginning January 1, 2019.

3. Is this a mandatory or voluntary tax?

The Municipal Accommodation Tax is a mandatory tax and must be paid to the accommodation operator at the same time that payment is received for the booking.

4. Under What authority does the Provider have to charge/collect the Municipal Accommodation Tax?

The Town of Fort Frances By-Law No. 54/18 to impose Municipal Accommodation Tax on the purchase of transient accommodation in the Town of Fort Frances is the authority to charge & collect the tax.

5. Are any guest or hotel charges exempt from the Municipal Accommodation Tax?

- i) Accommodations that are rented to a person or business for a period of 30 days or more.
- ii) Accommodations supplied by employers to their employees in premises operated by the employer.
- iii) Accommodations that are billed or are paid directly by the Ministry or Crown Agency
- iv) Hospitality rooms in an establishment that may or may not contain a bed and is used for displaying merchandise, holding meetings, or entertaining and not being used for accommodations.
- v) Fees such as laundry services, internet services, parking, continental breakfast, etc.
- vi) Summer camps where overnight stays are part of the programming

6. Is HST charged on the Municipal Accommodations Tax?

It is the Town's understanding that the accommodation provider is responsible for collecting and remitting the HST on the entire accommodation charge, including the MAT. Contact Canada Revenue Agency to confirm this information.

7. Does the Municipal Accommodation Tax get applied to the rental of a hotel's boardroom or banquet room?

No. The tax is only applied to a room that is being used for accommodation. However, the tax is exempt when a room that may or may not contain a bed is being used for displaying merchandise, holding meetings, or entertaining and not being used for accommodation.

8. Is the Municipal Accommodation Tax applicable to guests that do not show up for their reservation?

If the guest is being charged for the accommodation (no show included) the Municipal Accommodation Tax must be collected and remitted. If the guest is not paying for the accommodation but rather a cancellation charge, then it would not apply.

9. Do I have to charge Municipal Accommodation Tax if a guest has booked their stay prior to the implementation of the Municipal Accommodation Tax (January 1, 2019)?

Reservations booked for January 1, 2019 to August 31, 2019 will be eligible for MAT exemption if the establishment has submitted a listing of those reservations to the Town of Fort Frances Treasurer on or before October 24, 2018. Please note this list will be audited.

10. If a guest's stay begins prior to January 1, 2019 and ends after January 1, 2019, do I charge the MAT when their stay begins?

The Municipal Accommodation Tax must be charged beginning January 1, 2019 only. Any nights prior to January 1, 2019 should not be charged the MAT.

11. How and when do I remit the MAT I collect?

You must complete the Municipal Accommodation Tax Return Form indicating the revenue and MAT collected for the month or quarterly reporting period and remit payment to the Town of Fort Frances either in person or by mail. Payments are made payable to the Town of Fort Frances. Returns and payment are due the last day of the month for MAT collected in the prior month for monthly HST filers and the last day of the month for MAT collected in the prior quarterly period for quarterly HST filers. Quarterly HST filers may submit monthly reports and payments if they so choose.

12. What happens if I am late submitting my return or my payment was not honoured at my financial institution?

Late payment fees will be charged at a rate of 1.25% on the first day of default and the first day of each month until paid in accordance with the Town of Fort Frances Collection Policy. An additional fee, in accordance with the Town's Schedule of Fees, will be charged in respect of any remittances made by cheque that are not honoured by the financial institution upon which it is drawn.

13. What if a refund was issued to a guest after submitting the return?

Adjustments from the prior reporting periods can be made in a future return.

14. What if I did not collect any Municipal Accommodation Tax in the reporting period?

If no tax was collected, you will still be required to submit the return indicating that no tax was collected for that month's reporting period.

15. Will the Town be auditing the accommodation providers?

The Town 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 Town of Fort Frances.