



ONTARIO, CA

**COCHRANE**

## MUNICIPAL ACCOMODATION TAX

### For Providers/Owners

#### Important details:

- *Implementation date of the Municipal Accommodation Tax (MAT) is July 1, 2019*
- *All guest invoices are to include a line for “Municipal Accommodation Tax” as of that date*
- *Remittances to the Corporation of the Town of Cochrane must be made through their defined process by the last business day of the month following the quarterly reporting period*
- *The four percent (4%) MAT applies only on the room cost portion of overnight accommodation of all guest invoices*
- *Late remittances will be charged an interest rate of 1.25% per month, in accordance with regular municipal interest rate for late charges*

On November 23, 2017, the Province of Ontario issued the Transient Accommodation Regulation 435/17, which came into force December 1, 2017 and provides the necessary provisions for municipalities across Ontario to implement a Municipal Accommodation Tax (MAT). On June 25, 2019, Cochrane Town Council approved the adoption of a mandatory Municipal Accommodation Tax of four percent (4%) effective July 1, 2019 in the Town of Cochrane.

As an accommodation provider doing business and/or facilitating business transactions within the boundaries of the Town of Cochrane, you will be obliged by law to collect and remit a four percent (4%) Municipal Accommodation Tax (MAT) on all rooms sold for overnight accommodation. Revenues generated from other hospitality services, including but not limited to such things as meeting room rentals, food & beverage, and room service, laundry services, internet access, parking etc. are excluded from the MAT.

The MAT is applicable to all accommodations under 30 days at hotels, motels, individual accommodators using a common platform marketplace service, as well as other accommodators not included in the exemption list. This exemption list is based on exemptions provided under the provincial regulation, as well as that approved by Cochrane Town Council,

All accommodation providers need to register their establishment with the Town of Cochrane by submitting a completed Accommodation Establishment Form with the Town before July 15, 2019. New establishments shall register within thirty (30) days of the date of the commencement of their business.

As a MAT collector, there will be some responsibilities placed upon you regarding verified annual room revenue statements to ensure the proper amount of taxes are collected and remitted.

Should you have any questions, please feel free to contact the Town of Cochrane at [mat@cochraneontario.com](mailto:mat@cochraneontario.com)

# Frequently Asked Questions(FAQ's) – Providers/Owners

## 1. What type of accommodations are exempted from the Municipal Accommodation Tax (MAT)?

- Accommodations that are rented by the month 30+ days
- Lodgings provided to students by a university, college or post-secondary while the student is registered at and attending the institution.
- Every hospital referred to in the list of hospitals and their grades and classifications maintained by the minister of Health and Long-Term Care under the *Public Hospitals Act* and every private hospital operated under the authority of a license issued under the *Private Hospitals Act*
- Every long-term care home as defined in subsection 2(1) of the *Long-Term Care Homes Act, 2007*, retirement home and hospices
- Accommodations paid for by a School Board as defined in subsection 1 (1) of the *Education Act*.
- Treatment centers that receive provincial aid under the Ministry of Community and Social Services Act
- Every house of refuge, or lodging for the reformation of offenders
- Every charitable, non-profit philanthropic corporation organized as shelters for the relief of the poor or for emergency
- Every tent or trailer sites supplied by a campground, tourist camp or trailer park
- Every accommodation supplied by employers to their employees in premises operated by the employer
- Every hospitality room in an establishment that does not contain a bed and is used for displaying merchandise, holding meetings, or entertaining

## 2.How much is the Municipal Accommodation Tax (MAT) and how is it applied?

The MAT rate is four percent (4%).

The MAT applies on the purchase price of accommodation(s) for continuous stays of 30 days or fewer. Revenues generated from ancillary services, including but not limited to such things as meeting room rentals; food and beverage; mini bar; internet; telephone; and room service will be excluded from the MAT.

All guest invoices should include a separate line for Municipal Accommodation Tax as of July 1, 2019.

If the accommodation was booked and paid in full prior to July 1, 2019, the tax will not be applicable. If it was booked before July 1, 2019 but paid on July 1, 2019 or later, the tax is applicable.

Harmonized Sales Tax (HST) is applicable to the MAT.

## 3.Is the Municipal Accommodation Tax (MAT) a voluntary or mandatory tax?

The MAT is mandatory pursuant to Town of Cochrane Bylaw 1377-2019

#### **4. How do I remit the Municipal Accommodation Tax (MAT)?**

Providers will use the remittance form and instructions to file their MAT return for the quarterly reporting periods.

<b>Quarterly Period</b>	<b>Due Date</b>
<b>January 1 - March 31</b>	April 30
<b>April 1 - June 30</b>	July 31
<b>July 1 - September 30</b>	October 31
<b>October 1 - December 31</b>	January 31

Where the deadline falls on a Saturday, Sunday or holiday, the deadline shall be the last business day of the month in which the remittance is due.

Payments must be made by way of cheque payable to The Corporation of the Town of Cochrane at the same time as the remittance form is due. Other options for payment such as EFT and electronic filings will be explored at a later date.

Payment of the MAT is not to be included with any other payments, such as property taxes.

#### **5. Where do I send my Municipal Accommodation Tax (MAT) remittance information?**

Providers may submit their remittance form with payment by mail to:

Corporation of the Town of Cochrane  
171 Fourth Avenue  
Cochrane, Ontario  
P0L 1C0

Alternatively providers are able to email their remittance form to [mat@cochraneontario.com](mailto:mat@cochraneontario.com) on or before the due date. Payment by way of Cheque will still be required to be delivered to the address noted above.

#### **6. Are bookings which were prepaid prior to the enactment of the by-law exempt from Municipal Accommodation Tax (MAT)?**

If the accommodation was booked and **paid in full** prior to July 1, 2019, the tax will not be applicable. If the accommodation was booked before July 1, 2019 but paid in part or in full on July 1, 2019 or later, the full MAT will be applied to the purchase price of the accommodation.

#### **7. What happens to the funds generated through the Municipal Accommodation Tax (MAT)?**

The MAT will support important Town of Cochrane tourism programs and contribute to a strong and vital community. One half of the net MAT revenue will be shared with

the Cochrane Tourism Association (CTA) to support their promotion and development of Cochrane tourism. The other 50% of net MAT revenue will remain with the Town to provide funding for future project/initiatives which aim to support tourism.

**8. How do refunds and no shows affect the amount of Municipal Accommodation Tax (MAT) I remit?**

If the Municipal Accommodation Tax was added to an invoice which was paid by a guest, and you subsequently issue a full or partial refund on that accommodation charge, the customer should also be refunded the applicable amount of MAT that corresponds to the refund amount. If the refund occurs after you have remitted the MAT, you can adjust the MAT submission the following month noting the refund in your submission documentation.

If you experience no shows and your policy is to charge a portion of the room rental as a penalty, then the MAT should also be charged to the no show portion.

**9. Do I need to prepare a monthly report if I did not collect any Municipal Accommodation Tax (MAT) that month?**

Yes, you will need to file a MAT remittance for each reporting period regardless of whether there was any MAT charged and collected.

**10. Is there an auditing process to verify monthly submissions?**

Yes, providers will be required to provide upon request documents necessary to support the information on their MAT remittances.

The Town or a third party designate shall be granted access to enter the business premises for the purpose of inspecting documents to ensure compliance with its by-law and will have the authority to audit and request information from any provider, including:

- Audit or examine the books and records that relate to the amounts payable to the Town; and
- Require a provider to produce all documents required by the Town for an audit and to answer all questions relating to the audit and give all reasonable assistance with the audit.

**11. Under what authority does the provider have to charge and collect the Municipal Accommodation Tax (MAT)?**

Pursuant to Town of Cochrane Bylaw 1377-2019. This bylaw is pursuant to Ontario Regulation 435/17.

**12. Are other hotel charges exempt from the Municipal Accommodation Tax (MAT)?**

Revenues generated from ancillary services, including but not limited to such things as meeting room rentals; food and beverage; mini bar; internet; telephone; and room service will be excluded from the MAT provided they are itemized separately on the invoice.

**13. Is HST charged on top of the Municipal Accommodation Tax (MAT)?**

Harmonized Sales Tax (HST) is applicable to the MAT.

**14. Does the Municipal Accommodation Tax (MAT) get applied to the rental of a hotel's boardroom or banquet room?**

Not necessarily, the MAT is applicable only to the purchase price of accommodation.

**15. What happens if I am late in submitting my return?**

Interest and penalties will apply on any overdue remittance as follows:

- Penalty calculated as 1.25% on the amount of any Municipal Accommodation Tax (MAT) due and owing on the first day of default; and
- Interest calculated as 1.25% per month on the amount of any MAT due and owing from the first day of each month subsequent to the date of default up to and including the month in which the tax is paid in full.

Failure to file and remit as required may result in MAT assessments imposed by the Treasurer. Interest and penalty will apply once amounts are determined.

**16. What if I have more questions.**

Please email inquiries to [mat@cochraneontario.com](mailto:mat@cochraneontario.com)

**17. Do I need to disclose the Municipal Accommodation Tax (MAT) on the invoice or receipt that is provided to the guest?**

All guest invoices should include a separate line for MAT as of July 1, 2019.

**18. Am I able to deduct commission or other charges paid to a 3rd party who collected the booking for the room revenue used to calculate the Municipal Accommodation Tax (MAT)?**

No the revenue used to determine the MAT is the gross purchase price of the accommodation. Costs incurred by the provider to secure the accommodation are not deductible against the MAT revenue base.

**19. What if a provider uses a 3<sup>rd</sup> party booking company to secure reservations?**

The party responsible for providing the accommodation is also responsible for the collection and remittance of the MAT.

**20. Is MAT charged for first 29 days and not on 30 days onward for stays greater than 30 days?**

No, the entire stay is exempt from the MAT.

**21. If a guest's stay begins prior to July 1, 2019 and ends after July 1, 2019, is the MAT charged when their stay begins?**

The MAT must be charged starting July 1, 2019 only.

The MAT is not applied to any nights prior to July 1, 2019.

**22. If a guest puts a deposit to hold a room prior to July 1, 2019 for a booking July 1, 2019 or later, does the MAT apply?**

Yes, if the final payment for a room occurs on or after July 1, 2019 the MAT applies to the accommodations rate regardless of any deposits made.

**23. Are indigenous peoples exempt from paying MAT?**

No, indigenous peoples are not exempt from paying the MAT.

**24. What happens with the funds generated through the Municipal Accommodation Tax?**

Funds generated through the Municipal Accommodation Tax are invested in sales, marketing, and development activities through Ottawa Tourism, the city's official destination marketing organization. Ottawa Tourism promotes Ottawa for leisure visitors, meetings and conventions, major events, media relations, tour operators, and travel trade. Ottawa Tourism also invests in long term destination development initiatives aimed at enhancing the visitor experience.

Municipal Accommodation Tax participants are entitled to complimentary membership with Ottawa Tourism, and have opportunities to become directly involved in various committees that guide the planning and budgeting of the organization.

**25. How do refunds and no shows affect the amount of Municipal Accommodation Tax I remit?**

If the Municipal Accommodation Tax was added to an invoice that was paid by a guest, and you subsequently issue a full or partial refund on that accommodation charge, the customer should also be refunded the applicable amount of MAT that corresponds to the refund amount. If the refund occurs after you have remitted the MAT, you can adjust the MAT submission the following month noting the refund in your submission documentation.

If you experience no shows and your policy is to charge a portion of the room rental as a penalty, then the MAT should also be charged to the no show portion. If, however, you have a flat administrative fee that is charged for no shows no matter what the room rate, then the MAT does not need to be applied.

**26. Do I need to prepare a monthly report if I did not collect any MAT that month?**

Yes, if all of your guests were for extended stay (30 days or longer) or another qualified exemption you must still submit a monthly report providing the details for the exception.