



MUNICIPAL ACCOMMODATION TAX
(HOTEL TAX)
FOR VISITORS
FREQUENTLY ASKED QUESTIONS (FAQ)

Municipal accommodation tax (hotel tax)

For visitors - Frequently asked questions (FAQ)

Summary

On November 23, 2017, the Ontario government passed Regulation 435/17 providing municipalities the authority to levy a transient accommodation tax (hotel tax). The purpose of this legislation was to recognize the importance of promoting Ontario as a destination for tourism and to ensure the vitality of Ontario's tourism sector while maintaining a balance between tourism and municipal sectors. The transient accommodation tax is applicable to all accommodations under 30 days at hotels, motels and individual hosts. At its regular meeting on June 26, 2018, Hearst Town Council adopted By-law No. 48-18, authorizing the municipality to collect a municipal accommodation tax on temporary lodging as of January 1, 2019. The funds generated by this tax will be invested in sales, marketing and development activities of the tourism industry in the region.

How much is the Municipal Accommodation Tax, and how is it applied?

The Municipal Accommodation Tax is 2%, comes into effect on January 1st, 2019 and will increase by 1% for the 2 subsequent years bringing it to 4% in 2021. It is only applicable to the room portion of the costs associated to overnight accommodations. All other revenues generated from the accommodation services including, but not limited to, meeting room rental, food and beverage, room service, laundry services parking etc. are excluded from the Municipal Accommodation Tax.

The HST is charged to the Municipal Accommodation if the business is an HST registrant.

I plan on staying at an AirBnB during my stay in Hearst, do I need to pay the Municipal Accommodation Tax for the stays in private residences?

Yes, beginning January 1, 2019 when booking your accommodations on AirBnB you will be charged 2% of your total. This tax rate will increase to 3% and 4% on January 1, 2020, and 2021 respectively.

Can I refuse to pay the Municipal Accommodation Tax?

No. The Municipal Accommodation Tax is mandatory and must be paid to the accommodation operator at the same time that you pay for the booking.

Prior to January 1, 2019, I prepaid for a future room booking, and no Municipal Accommodation Tax was added, will I have to pay this tax when I check-in?

No. Accommodations paid prior to January 1, 2019 are exempt. Reservations that were not pre-paid by this date are subject to the Municipal Accommodation Tax upon check-in and payment of the lodgings.

What happens with the funds generated through the Municipal Accommodation Tax?

The funds generated by the Municipal Accommodation Tax will be invested in sales, marketing and development activities of the tourism industry in the region through the Hearst Economic Development Committee in collaboration with the Hearst Tourism Committee whose mandate is to promote the Town of Hearst for visitors, meetings and conventions, important events and to the media, travel agents and the travel industry. The funds will also be invested in long-term destination development projects aimed at enhancing the visitor experience.