

HOTELS (AMENDMENT) BILL, 2023

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HOTELS (AMENDMENT) BILL, 2023

A BILL FOR AN ACT TO AMEND THE HOTELS ACT

Enacted by the Parliament of The Bahamas

1. Short title and commencement.

- (1) This Act, which amends the Hotels Act (*Ch. 288*), may be cited as the Hotels (Amendment) Act, 2023.
- (2) This Act shall come into force on the 1st day of July, 2023.

2. Amendment of section 15A of the principal Act.

- (2) Subsections (7) and (8) of section 15A of the principal act are repealed and replaced as follows —
 - (7) Where the administrator of a property that forms a part of a condo-hotel or hotel rental pool files with the Chief Valuation Officer the return noted in subsection (3), and the net value added tax paid in the prior year in respect of that property does not exceed the amount of the condo-hotel tax due, the condo-hotel tax shall be the difference between the condo-hotel tax due and the net value added tax paid.
 - (8) Where any condo-hotel tax becomes due and payable under subsection (7), the administrator shall be entitled to deduct and pay the amount of the condo-hotel tax from the rental proceeds collected in respect of that property.
 - (9) Where any condo-hotel tax due under this Act has remained unpaid for a period of thirty days after becoming so due, the provisions of sections 23 to 25E of the Real Property Tax Act (*Ch. 375*) shall apply as if the condo-hotel tax was a tax under the Real property Tax Act (*Ch. 375*)

- (10) Where any condo-hotel tax filing or payment becomes due or payable under this section, a surcharge in the sum of ten percent of the rate of unpaid tax shall be payable per annum.
- (11) The annual condo-hotel tax payable under subsection (2) shall not exceed one hundred and fifty thousand dollars.
- (12) In this section —
- “**administrator**” means the operator or other person responsible for the administration of a condo-hotel or other residential accommodations that form a part of the hotel rental pool;
- “**Chief Valuation Officer**” has the meaning ascribed to it in the Real Property Tax Act (*Ch. 375*);
- “**hotel rental pool**” means any collective rental arrangement by which properties not owned by a hotel form a part of the hotel's bedroom inventory;
- “**net valued added tax**” means the value added tax payable by a registrant in accordance with section 46 of the Value Added Tax Act (*No. 32 of 2014*) and where the administrator is the registrant, the net value added tax in respect of the administration of the each property for which the administrator is responsible shall be determined in accordance with directions from the Comptroller;
- “**Tax Appeal Commission**” means the Tax Appeal Commission established under section 3 of the Tax Commission Appeal Act, 2020 (*No. 3 of 2020*);
- “**value**” means —
- (a) the value of property as assessed by the Chief Valuation Officer under the Real Property Tax Act (*Ch. 375*) at the time that the condo-hotel tax is due;
 - (b) where the value has been successfully disputed by the owner in accordance with the provisions of the Real Property Act (*Ch. 375*), the value as varied by the Tax Appeal Commission or the Court or reassessed by the Chief Valuation Officer in accordance with directions by the Tax Appeal Commission or the Court.”.

OBJECTS AND REASONS

Clause 1 of the Bill sets out the short title and commencement.

Clause 2 of the Bill seeks to —

- (a) prescribe a maximum annual condo-hotel tax of one hundred and fifty thousand dollars,
- (b) provide where the net value added tax paid in the prior year in respect of a condo-hotel property is less than the condo-hotel tax payable, the tax will be chargeable on the difference between the value added tax paid and condo -hotel tax due;
- (c) entitle the administrator of a condo-hotel or rental pool to deduct applicable taxes from the the rental proceeds which are due; and
- (d) implement penalties for late filing and late payment of condo-hotel tax returns.