

AGENDA

Public Meeting - Municipal Accommodation Tax

Council Chambers/Zoom
Tuesday, November 21, 2023 at 4:40 PM

Please visit the [TKL YouTube Channel](#) for the live-stream of the meeting.

1. **Call to Order**
2. **Declaration of Pecuniary Interest**
3. **Summary of Reports**
 - 3.1. Municipal Accommodation Tax
Dan Laverdure, Manager of Economic Development and Tourism
4. **Confirmation of Notice**
5. **Correspondence Received**
6. **Comments/Questions from Members of the Public**
7. **Consideration of Proposed By-Law**

Proposed Direction: Council receive the comments/questions from members of the public; and that the draft Municipal Accommodation Tax By-Law as presented be brought forward for three (3) readings at the November 21, 2023 meeting of Council.
8. **Adjournment**



REPORT TO COUNCIL

Meeting Date: 07/11/2023	Report Number: 2023-FIN-012
Presented by: Lloyd Crocker and Dan Laverdure	Department: Corporate Services

REPORT TITLE

Municipal Accommodation Tax By-Law

RECOMMENDATION(S)

BE IT RESOLVED THAT Report Number 2023-FIN-012 entitled “**Municipal Accommodation Tax By-Law**” be received;

AND THAT Council direct that a Public Meeting be scheduled on November 21, 2023 at 4:40 PM to allow for comments on the proposed Municipal Accommodation Tax By-Law, as presented;

AND THAT a Reserve Fund be established for the Municipal Accommodation Tax;

AND FINALLY THAT the Municipal Accommodation Tax By-Law, as presented, be brought forward for three readings on November 21, 2023.

INTRODUCTION

The process of implementing a Municipal Accommodation Tax (MAT) in Kirkland Lake was directed by Council at its October 15, 2019, meeting. Public consultation was held, and Administration has thoroughly researched ways the MAT could be implemented.

The lack of a local organizations willing and able to partner with the Town to serve as an Eligible Tourism Entity (ETE) was identified as the significant obstacle in implementing the MAT process.

To overcome this barrier, at its August 16, 2022, meeting, Council directed the Chief Administrative Officer to create a Municipal Service Corporation to act as the ETE. The incorporation of the Kirkland Lake Tourism Development Corporation (KLTDC) was completed on March 1, 2023.

DISCUSSION

In 2017, the Province enacted [Bill 127, Stronger, Healthier Ontario Act, 2017](#) providing single and lower tier municipalities the authority to levy a transient accommodations tax or hotel tax.

Section 400.1 of the [Municipal Act](#), 2001, and Ontario Regulation [\(O.Reg.\) 435/17 Transient Accommodation Tax](#), provide a framework for the administration of a MAT.

Important notations of transient accommodations tax are as follows:

- The MAT only applies to short-term accommodations, comprising a continuous stay of less than thirty days in a lodging provided by an entity that sells, offers for sale, or otherwise provides accommodation. Mandatory exceptions include college residences, school board accommodations, hospitals, long term care homes and hospices.
- Revenue allocation: The municipality must share a minimum of 50% of the tax revenue collected from MAT, following deduction of administrative costs, with an ETE. The latter is defined in O. Reg. 435/17 Transient Accommodation Tax as “*a non-profit entity whose mandate includes the promotion of tourism in Ontario or in a municipality*”. The ETE must use the amount provided for tourism promotion such as: marketing; the development of tourism products, programs and services that support growth in the local tourism sector; and increase tourism’s economic impact. The remaining percentage of the revenue generated stays with the municipality to be used towards economic development opportunities as per Council’s direction.
- Administrative Guidance: Municipalities must pass a by-law directing the implementation of the MAT. The by-law must state: the subject of the tax to be imposed; the tax rate or amount of tax payable; the way the MAT is to be collected, including the designation of any persons or entities authorized to collect the tax on behalf of the municipality; and any collection obligations of persons or entities who are required to collect the tax for remittance to the municipality. Municipalities may set the tax rate at their discretion. A rate of 4% plus HST appears to be the norm. A financial accountability agreement must be in place between the municipality and the eligible tourism organization prior to any funds being transferred to that entity. The agreement may provide for other matters as well, such as other types of assistance or operational expectations.

The proposed Municipal Accommodation Tax By-Law for the Town (Attachment 1) adheres to the direction provided by Section 400.1 of the [Municipal Act](#), and specifically, it defines:

- Administrative responsibility
- MAT rate (%)
- Applicability and exemptions
- How the MAT will be collected
- Interest and penalties
- Enforcement

The following summarizes the relevant points of the by-law as presented, recognizing that it is Council's prerogative to provide alternative direction on any item.

MAT Start Date

Administration proposes that local accommodation providers be registered with the Town by December 31, 2023, and collection of the MAT commence on January 1, 2024. This will allow sufficient time for the accommodation providers to make any changes in their booking/invoicing systems. This timeframe will also allow Treasury to put into place the processes and procedures to administer the new tax.

Administrative Responsibility

The proposed by-law delegates authority to administer the MAT to the Town's Treasurer and/or their designate(s). The Treasurer has the authority to establish and amend interpretation guidelines, procedures, forms, agreements, and schedules to the by-law. The Treasurer may determine what is required to implement and administer the by-law.

MAT Rate

The proposed tax rate is four (4) percent plus HST of the purchase price of the accommodation provided for a continuous period of less than 30 days. For clarity, staff have defined "a continuous period" as being more than four (4) hours of uninterrupted stay. The charge applies to rooms used for accommodation only and will not apply to ancillary charges. The charge applies to any lodging that is paid for at whatever rate is paid, whether the lodging is used or not. The 'continuous period' is not disrupted/cancelled by the purchase of different rooms/lodgings in the same establishment.

Applicability

Section 400.1 of the *Municipal Act*, and O.Reg. 435/17 Transient Accommodation Tax, leave it to the individual municipality to determine the types of short-term accommodation to which the tax will apply.

The proposed by-law as presented, applies to all transient and short-term accommodations, be that in a hotel, motel, cottage, lodge, inn, bed and breakfast, dwelling unit, or any place an accommodation is provided in exchange for a fee. This includes short term accommodations (STA) in residential units, whether marketed directly by the owner/provider or through online platforms such as Airbnb. This ensures that the MAT is equitably and fairly applied and reflects the importance of such informal accommodations in the marketplace.

As with the hotels, the onus is on the owner/operator of each STA to remit the MAT directly to the Town. This includes those that are marketed through online platforms such as Airbnb. The option does exist for the Town to arrange for some of the online platforms to collect and remit the MAT on behalf of their local providers. This is not recommended as the track record of platforms in honouring these agreements is volatile and the Town's recourse in such situations is very limited.¹

Exemptions

As noted above, Section 400.2 of the *Municipal Act*, defines mandatory exemptions to the MAT. The proposed by-law identifies additional exemptions, such as: campsites and campgrounds for RVs; facilities providing refuge or shelter; lodgings operated by an employer for the sole benefit of their employees; premises owned or operated by the Town; and accommodations used by the Town or its agents for shelter accommodation purposes.

Collection Process

Upon Council's approval of the proposed by-law, the Town will endeavour to notify all eligible accommodation providers of MAT implementation. They will be expected to complete a Registration Form (Attachment 2) and a Revenue Reporting document (Attachment 3).

Accommodation providers must clearly identify the MAT on every invoice and receipt. The providers are responsible for collecting and remitting the MAT. The proposed by-law states that remittances shall be monthly.

Interest and Penalties

Interest and penalties will be levied on unpaid amounts. Uncollected amounts will be registered in the name of the provider or owner of the property. These amounts will be collected in a like manner as property taxes and shall constitute a lien upon the lands. Failure on the part of an accommodation provider to remit the MAT will result in them being held liable for the amounts that should have been collected and remitted.

¹ See for reference: <https://www.intelligencer.ca/news/airbnb-owners-withholding-mat-payments-panciuk>

Enforcement

The Town Treasurer may make a repayment arrangement with an accommodation provider to recoup any outstanding MAT, interest, and penalties.

If a repayment agreement is not deemed to be in the best interests of the Town, then any past due penalties and interest owing, will be deemed to be in arrears; and may be added to the tax roll of the property and constitute a lien upon the property.

Collection may be through the courts, referred to a collection agency, or other remedies available through law. Section 15 of the proposed by-law specifies further possible actions.

Next Steps

Should Council approve the proposed by-law as presented, the following next steps are required:

1. Hold a Public Meeting

In accordance with the *Municipal Act*, its regulations, and the Town's Notice Policy (By-Law No. 22-047), a Public Meeting shall be held prior to the approval of any new fee or charge, and such notice shall be provided at least 14 days before the passage of the by-law. Administration intends to publish a Public Notice the evening of November 7, 2023 subject to Council approval.

2. Public Education Process

In accordance with the Town's Notice Policy (By-Law 22-047), posting notice of the Town's intent to pass the proposed by-law on the website and social media channels is required. This would also include posting MAT FAQ information (Attachment 4) on the Town's website.

3. Register Accommodation Providers

An information mail-out to the existing hotels to introduce the MAT and to provide each with the Accommodation Establishment Information (Attachment 2) and the Municipal Accommodation Tax Return (Attachment 3).

4. Establishment of a MAT Reserve Fund

Fifty percent (50%) of the net revenue from the MAT will go to the Town and directed into a Reserve Fund to be used towards economic development opportunities.

The other fifty percent (50%) of the MAT net revenue will be directed to the KLTDC.

As an ETE, the KLTDC will administer the funds for tourism product development, marketing, promotion, and sector development. A reasonable percentage of these funds may be used to offset the costs of administering the MAT program.

These amounts do not have to be spent in the year they are collected. The funds can be allowed to accumulate.

In the interests of transparency and accountability, however, the accumulated net revenue is to be segregated in a MAT Reserve Fund.

OTHER ALTERNATIVES CONSIDERED

Council may choose to make a multitude of changes to the intent of the proposed by-law or the specific items within the by-law. Council should be aware; however, this may result in further research, postponement of statutory meetings and notices, thus delaying the implementation of the MAT.

If Council decides not to proceed with the MAT, this will hinder the development of the local tourism sector, compromise the operations of the KLTDC, and result in lost tax revenue for the Town.

Council may opt not to establish a MAT Reserve Fund. This is not recommended as the Reserve Fund promotes transparency and accountability.

FINANCIAL CONSIDERATIONS

For consistency purposes, the same estimated revenue calculation is used in this report, as was presented to Council in 2019. The estimated revenue calculations below are founded on 204 rooms in use based on room counts provided by MPAC in 2022 for MicroTel, Comfort Inn, and the Super 8 Hotel. The calculations assume an estimated 60% occupancy rate and an estimated nightly room rental rate of \$150.00 is used:

204 (2022 MPAC room counts) x 60% (occupancy rate) = 122 rooms
\$150.00 (estimated nightly rental rate) x 4% (MAT) = \$ 6.00 tax

Therefore: 122 rooms x \$6.00 = \$732.00 tax revenue/ per night

Therefore: \$732.00 x 365 days per year = \$267,180.00 tax revenue / per year

\$267,180.00 x 5% Administration (estimated) = \$13,359.00

\$267,180.00 - \$13,359.00 = \$253,821.00 Net Revenue split between Town and KLTDC

- Town: \$126,910.50. These funds may be used at Council’s discretion. A reasonable percentage may be used to offset costs of collecting and administering the MAT; or used to offset costs associated with rendering assistance to the KLTDC.
- Kirkland Lake Tourism Development Corporation (KLTDC): \$126,910.50
- Costs to administer the program (5% Administration): \$13,359.00.

All above-noted calculations are estimates only and are subject to change.

Potential revenue from Short Term Accommodation providers is difficult to assess with any degree of accuracy. Thus, any potential revenue generated from STA providers is not included in the above-mentioned calculations.

ALIGNMENT TO STRATEGIC PRIORITIES

Strategic Priorities: Growth; Efficiency

Goals: Promote Economic Growth; Achieve Sustainable Operational Excellence

Objectives: Invest in Kirkland Lake; Aim for Financial Sustainability

ACCESSIBILITY CONSIDERATIONS

Not Applicable.

CONCLUSION

The introduction and passing of a by-law to authorize and regulate the collection of a Municipal Accommodation Tax is a requirement under Section 400.1 of the *Municipal Act*, 2001.

As per Section 400.1, the proposed by-law identifies the subject of the tax to be imposed; the tax rate; and the way the tax is to be collected.

The proposed MAT is to apply to all transient accommodation properties, including those in private homes.

To adhere to the Town’s Notice Policy and the Municipal Act and its regulations, a public meeting shall be held to provide the public with the opportunity to comment on the proposed by-law prior to the creation of a new charge.

To adhere to the principles of accountability and transparency, a new Reserve Fund is required to segregate MAT revenues.

CONSULTATIONS

Town of Kirkland Lake Senior Management Team

Program Manager – Procurement and Risk Management

Wilfred Hass, Consultant

ATTACHMENTS

Attachment 1– Proposed MAT By-Law

Attachment 2 – Schedule A to By-Law - Accommodation Establishment Information

Attachment 3 – Schedule B to By-Law - Municipal Accommodation Tax Return

Attachment 4 – MAT FAQ



THE CORPORATION OF THE TOWN OF KIRKLAND LAKE

BY-LAW NUMBER 23-_____

BEING A BY-LAW TO ESTABLISH A MUNICIPAL TRANSIENT ACCOMMODATION TAX (MAT) WITHIN THE TOWN OF KIRKLAND LAKE.

WHEREAS Section 400.1 of the *Municipal Act*, S. O. 2001 c. 25, as amended (the "Act") provides that Council of a local municipality may pass By-Laws imposing a tax in respect of the purchase of transient accommodation within the municipality;

AND WHEREAS pursuant to section 400.1 of the Act and Ontario Regulation 435/17, Council of the Corporation of the Town of Kirkland Lake wishes to establish a tax rate and to levy the tax on the purchase of transient accommodation within the Town of Kirkland Lake;

AND WHEREAS pursuant to Section 400.1 (3) and 400.4 of the Act, Council can establish enforcement measures as Council considers appropriate if an amount assessed for outstanding tax, penalties or interest remains unpaid after it is due;

AND WHEREAS at its October 15, 2019 meeting, Council directed for the establishment of a Municipal Accommodation Tax (MAT) to be imposed on the purchase of accommodations of short duration within the Town of Kirkland Lake, which will generate revenue to be shared with designated non-profit entities to promote local tourism;

AND WHEREAS on November 7, 2023, Council directed that a Reserve Fund be established for the Municipal Accommodation Tax;

AND WHEREAS on November 21, 2023, in accordance with the Town's Notice Policy (By-Law 22-047), a Public Meeting was held to allow for comments respecting the Municipal Accommodation Tax By-Law prior to its passage;

NOW THEREFORE BE IT RESOLVED THAT THE COUNCIL OF THE CORPORATION OF THE TOWN OF KIRKLAND LAKE ENACTS AS FOLLOWS:

1. DEFINITIONS

1. In this Agreement,

- a) "**Accommodation**" means the use or possession or the right to the use or possession; for dwelling, glamping, lodging or sleeping purposes in a room or suite of rooms containing one or more beds or cots, whether in a hotel, motel, motor hotel, lodge, inn, resort, cottage, yurt, bed and breakfast or other establishment providing Lodging, or in all or part of a dwelling unit and whether or not additional amenities, services or the right to use additional space in the establishment or dwelling unit are provided, where such rights are acquired for a Purchase Price, whether or not the Lodging is actually used;
- b) "**Ancillary Charges**" means charges related to the purchase of Transient Accommodation including for food, room service, mini bar products, internet, movie rentals, and phone charges.

- c) **“By-Law”** means this By-Law including, as applicable, its schedules and any amending By-Laws.
- d) **“Broker”** means any individual, partnership, or corporation acting as a Short-term Accommodation Broker that, for compensation, markets and brokers the booking, reservation, or rental, of a Short-term Accommodation on behalf of a Short-term Accommodation Provider by a means of a website or digital application.
- e) **“Council”** means the Council of The Corporation of the Town of Kirkland Lake.
- f) **“Continuous Period”** means an uninterrupted stay in a Dwelling comprising a minimum of four (4) hours to a maximum of thirty (30) days.
- g) **“Dwelling”** means one or more habitable rooms designed, occupied, or intended to be occupied as living quarters.
- h) **“Eligible Tourism Entity”** has the meaning given to it in Ontario Regulation 435/17, as amended.
- i) **“Establishment”** means a physical location, a building, or part of a Dwelling that provides Accommodation.
- j) **“Lodging”** includes: the use of a bedroom, a suite of rooms containing a bedroom, or the use of a bed within a bedroom; as well as the use of one or more additional beds or cots in a bedroom or suite.
- k) **“Municipality”** means The Corporation of the Town of Kirkland Lake.
- l) **“Municipal Accommodation Tax”** or **“MAT”** means the tax imposed under this By-Law.
- m) **“Person”** includes an individual, a sole proprietorship, a partnership, an unincorporated association, a trust, and a corporation (be it for profit or not-for-profit).
- n) **“Point of Purchase”** means the time at which payment for Accommodation is made by the Purchaser.
- 1. **“Provider”** means a Person or an entity that sells, offers for sale, or otherwise provides Accommodation, and includes agents, hosts or others who sell, offers for sale or otherwise provides Accommodation. Where the Provider cannot easily be determined, the owner of a property providing Accommodation is deemed to be the Provider.
- o) **“Purchaser”** means a person who gives money or other consideration in exchange for Accommodation.
- p) **“Purchase Price”** means the price for which Accommodation is purchased, including the price paid, and/ or other consideration accepted by the Provider in return for the Accommodation provided, but does not include the goods and services tax imposed by the Government of Canada or by the Province of Ontario.
- q) **“STA”** means Short-term Accommodation.
- r) **“Short-term Accommodation”** means a temporary accommodation in all or part of a Dwelling that is provided in exchange for payment, and includes a bed and breakfast, but does not include a hotel, motel, inn, resort, hostel, lodging house, or rooming house.
- s) **“Short-term Accommodation Broker”** means any individual, partnership, or corporation that, for compensation, markets and brokers the booking, reservation, or rental, of a Short-term Accommodation on behalf of a Short-term Accommodation Provider by a means of a website or digital application.

- t) **“Tax Collection Agent”** means the person or persons from time to time appointed by Council or by the Town’s Chief Administrative Officer pursuant to section 16 to collect from Providers the Municipal Accommodation Tax.
- u) **“Town”** means The Corporation of the Town of Kirkland Lake.
- v) **“Treasurer”** means the person appointed by Council from time to time as the Treasurer for the Town and includes their authorized designates.
- w) **“Transient Accommodation”** means Accommodation for a Continuous Period; this Continuous Period is not disrupted by the purchase of different rooms, suites, beds or lodging in the same Establishment. For greater certainty, the Continuous Period is not disrupted by the purchase of different rooms, suites, beds, or other lodging in the same Establishment in the course of the Continuous Period.

2. REGISTRATION OF ACCOMMODATION ESTABLISHMENT

1. Providers who operate an Establishment prior to the enactment of this By-Law shall register their Establishment with the Town by submitting a completed Accommodation Establishment Information Form (Schedule “A”) with the Town before December 31, 2023.
2. Providers who begin to operate an Establishment subsequent to the enactment of this By-Law shall register their Establishment with the Town by submitting a completed Accommodation Establishment Information Form (Schedule “A”) within thirty (30) days of the date of commencement for their operation.
3. Where there are any changes to the information provided, Providers shall update and submit the Accommodation Information Form (Schedule “A”) to the Town within thirty (30) days of the change.

3. APPLICATION OF THE TAX

1. The amount of four per cent (4%) shall be established as the tax rate for the Municipal Accommodation Tax to be imposed on the Purchase Price of Accommodation provided for a continuous period of 30 days or less provided in any place in which Accommodation is provided, inclusive of STA but exempting those facilities and establishments identified in section 5.
2. The Municipal Accommodation Tax shall apply to Accommodations only.
3. The Municipal Accommodation Tax does not apply to Ancillary Charges that are itemized separately on the Purchaser’s receipt.
4. Where the Provider of Transient Accommodation fails to separately itemize Ancillary Charges, the Municipal Accommodation Tax will apply to the total amount of the purchase price.

4. TAX COLLECTED BY PROVIDERS

1. The Purchaser shall pay the Provider the total amount of the Municipal Accommodation Tax at the Point of Purchase of the Accommodation.
2. A Provider shall clearly indicate as a separate item on every invoice and receipt the value of the Municipal Accommodation Tax that was imposed and collected for the purchase of Transient Accommodation and shall identify such amount as the “Municipal Accommodation Tax”.
3. The Provider shall remit to the Town the amount of the MAT collected as outlined below through the Municipal Accommodation Tax Return Form (Schedule “B”).

4. A Provider shall, on or before the last day of the month following the previous month, remit to the Municipality the amount of the MAT collected for the previous month and shall submit the Municipal Accommodation Tax Return Form (Schedule "B") as required for the purposes of administering and enforcing this By-Law.
5. When a due date falls on a Saturday, a Sunday, or a public holiday recognized by the Canada Revenue Agency, the payment is considered on time if received on the next business day.
6. A Provider who collects an amount as or on account of tax under this By-Law is deemed, for all purposes and despite any security interest in the amount, to hold the amount in trust for the Town, separate and apart from the property of the Provider and from property held by any secured creditor of the Provider that, but for a security interest, would be property of the Provider, until the amount is remitted to the Town.
7. Where a Provider fails to submit a Municipal Accommodation Tax Return Form (Schedule "B") on or before the due date prescribed at subsection 4.4, the amount is determined on the basis of the following calculation: (amount of revenue that would have been generated had the Establishment experienced full occupancy for the period) x (4%) (the amount MAT that is due and unremitted). This amount shall be assessed on the first day of default.
8. A Provider who fails to collect any amounts owing for the Municipal Accommodation Tax from the Purchaser at the Point of Purchase, or otherwise fails to remit such amounts to the Town on or before the due date prescribed at subsection 4.4 shall be liable for such amounts as should have been collected and remitted.
9. At the Treasurer's sole discretion and based on the type of Accommodation and number of Accommodations being provided annually, the Treasurer may modify the remittance period set out in subsection 4.4.
10. Providers shall provide any information as required by the Treasurer for the purposes of enforcing this By-Law.

5. EXEMPTIONS

1. The Municipal Accommodation Tax does not apply to the following types of Accommodations:
 - a. accommodations provided by the Crown, every agency of the Crown in right of Ontario or every authority, board, commission, corporation, office or organization of persons a majority of whose directors, members or officers are appointed or chosen by or under the authority of the Lieutenant Governor in Council or a member of the Executive Council.
 - b. accommodations provided by any board as defined in subsection 1(1) of the *Education Act*, R.S.O 1990 c E. 2, as amended.
 - c. accommodations provided by any university in Ontario or any college of applied arts and technology and post secondary institution in Ontario whether or not affiliated with a university, the enrolments of which are counted for purposes of calculating operating grants entitlements from the Crown.
 - d. accommodations provided by any 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*, R.S.O 1990, c. P.40, as amended, and every private hospital operated under the authority of a license issued under the *Private Hospitals Act*, R.S.O 1990, c. P.24, as amended, and upon

proclamation of the Lieutenant Governor of the amendment to paragraph 4 of subsection 400.2 of the Act, to any community health facility within the meaning of the *Oversight of Health Facilities and Devices Act*, S. O. 2017, c.25, as amended, that was formerly licensed under the *Private Hospitals Act*.

- e. accommodations provided by any long-term care home as defined in subsection 2(1) of the *Long-Term Care Home Act*, S. O. 2007, c.8, as amended.
- f. accommodations provided by any retirement home as defined in the *Retirement Home Act*, S. O. 2010, c.11, as amended.
- g. accommodations provided by any home for special care within the meaning of the *Homes for Special Care Act*, R.S. O. 2190, c. H.12, as amended.
- h. accommodations provided by any non-profit hospice occupying land for which there is an exemption from taxation determined in accordance with section 23.1 of Ontario Regulation 282/ 98 made under the *Assessment Act*, R.S. O. 1990, c. A.31, as amended.
- i. accommodations provided by any Person or entity as prescribed by regulation under the Act, as exempt from payment of MAT.
- j. accommodations provided by any treatment center that receives provincial aid under the *Ministry of Community and Social Services Act*, R.S. O. 1990, c. M.20, as amended.
- k. every hospitality room in a Dwelling that does not contain a bed and is used for displaying merchandise, holding meetings, holding hearings, or entertaining.
- l. accommodation bookings with signed contracts prior to the date that this By-Law takes effect, whether paid partially or in-full.
- m. accommodation provided:
 - I. in a house of refuge or lodging for the reformation of offenders;
 - II. by charitable or not-for-profit corporations or by the Town or its contractors or agents for the purpose of providing or operating a shelter or emergency shelter for the relief of the poor; or for the benefit of persons who are fleeing situations of physical, financial, emotional or psychological abuse; or for other persons who are suffering from homelessness;
 - III. as a tent site or a trailer site lawfully supplied by a campground, tourist camp, or trailer park;
 - IV. by an employer to its employees in premises operated by the employer; or
 - V. in premises owned or operated by the Town;
 - VI. every hotel or motel room used by the Town or its contracted service providers for shelter accommodation purposes.

6. ADMINISTRATION

1. This By-Law takes force and effect upon execution thereof.
2. The Treasurer is provided delegated authority to implement and administer this By-Law, to collect the MAT, and to take all actions and make all decisions required of the Treasurer under this By-Law. Without limiting the generality of the foregoing, the Treasurer is delegated the authority to:
 - a. establish and amend from time to time, such interpretation guidelines, protocols, procedures, forms, documents, agreements and schedules to this

By-Law, as the Treasurer may determine are required to implement and administer this By-law and to collect the MAT;

- b. perform all administrative functions and conduct all enquiries, audits, assessments, approvals, referred to herein and those incidental to and necessary for the due administration, implementation and enforcement of this By-law and collection of monies owing hereunder and authorize refunds in accordance with this By-Law;
 - c. authorize, establish terms of and sign any repayment agreements provided for herein and any ancillary or related documents, and to amend, extend or terminate or otherwise administer or enforce such agreements; and
 - d. carry out all duties assigned to the Treasurer under this By-Law.
 - e. Ensure that all records related to the Municipal Accommodation Tax are kept and secured in the form as established by the Head of Records for the municipality, being the Municipal Clerk.
3. The Treasurer may delegate the performance of any one or more of their functions under this By-Law to one or more persons, from time to time, as the occasion requires, and may impose conditions upon such delegation and may revoke any such delegation. The Treasurer may continue to exercise any function delegated during the delegation.

7. PENALTIES AND INTEREST

1. Penalties and interest at a monthly rate of interest applicable to overdue accounts receivable invoices shall apply to any outstanding Municipal Accommodation Tax.
2. Where a Provider has submitted a Municipal Accommodation Tax Return Form (Schedule "B") that allows for the determination of the actual amount of the MAT that should have been collected and is owing, the prescribed interest and penalties shall be assessed as of the first day of default in addition to the amount of the MAT that is due and that remains unremitted.
3. Where a Provider has not submitted a Municipal Accommodation Tax Return Form (Schedule "B") on or before the applicable due date, the interest and penalties shall be assessed pursuant to the calculation as prescribed at subsection 4.7 of this By-Law and shall be assessed on the first day of each month, and for all subsequent months, following the first day of default for any amount of the MAT that is owing and that remains unremitted.

8. LIENS

1. All MAT penalties and interest owing under this By-Law that are past due shall be deemed to be in arrears, and may be added to the tax roll for any real property in the Town registered in the name of the Provider to be collected in a like manner as property taxes and shall constitute a lien upon the lands, but such lien shall not be a priority lien for the purposes of Sections 1(2.1), (2.2) and (3) of the Act, and such lien will not have higher priority than it would otherwise have in law in relation to other claims, liens, or encumbrances.

9. REPAYMENT AGREEMENTS

1. Where discretionally the Treasurer determines that is in the best interests of the Town to do so, the Treasurer is authorized to enter into a repayment arrangement with any Provider, providing for terms of payment of any MAT and interest and

penalties thereon, which were not paid in accordance with this By-Law, on such terms as may be established by the Treasurer. while the repayment agreement is in good standing no further collection efforts shall be taken, despite section 10 hereunder. The Treasurer is not obligated to authorize a repayment agreement.

2. The repayment agreement shall terminate automatically upon breach of any provision thereof.
3. Interest shall continue to accrue on the amount of MAT outstanding during the term of the repayment agreement.

10. COLLECTION

1. All MAT provided for under this By-Law and related penalties and interest that are past due shall be deemed to be in arrears and a debt owing to the Town. The Treasurer is authorized to take any one or more steps available to the Town to collect any such amount including without limitation:
 - a. adding the amount to the tax roll for any real property in the Town registered in the name of the Provider to be collected in like manner as property taxes and constituting a lien upon the lands;
 - b. bringing an action in the name of the Town for the recovery of the amount in the court of appropriate jurisdiction;
 - c. referring the collection of the amount to a collection agency; and
 - d. exercising any other remedy available pursuant to the Act, or otherwise available at law.
2. The remedies provided for the recovery and enforcement of the payment of any amount required under this By-Law are in addition to any other remedies existing at law.

11. AUDIT AND INSPECTION

1. The Provider must keep, for a period of no less than seven (7) years, books of account, records, and documents sufficient to provide the Town or its agent with the necessary particulars of sales of Accommodations and the amount of MAT which should have been collected and remitted.
2. The Treasurer or their designate may inspect and audit all books, documents, transactions, and accounts of the Provider and require the Provider to produce copies of any documents or records required to be kept for the purposes of administering and enforcing this By-Law.

12. ADJUSTMENT BY TREASURER

2. Where the Treasurer determines as a result of audit of the Provider's records that MAT which accrued within a period of two years prior to the date of the audit, was not reported and paid by that Provider in accordance with this By-Law, the Treasurer may make a determination of the amount of MAT properly payable for that period, adjust the Town records appropriately to reflect the adjustment, and notify the Provider in writing:
 - a. of the period for which MAT was adjusted;
 - b. of the basis for the adjustment;
 - c. of the amount of MAT actually paid and the amount payable for the period of adjustment;

- d. of the amount now owing to the Town or overpaid to the Town; and
 - e. where applicable, that payment of any amount owing to the Town is due within 15 days of the date of the notice; and
 - f. in the event that an audit reveals an overpayment, the Treasurer, in his or her discretion, will provide: a refund of the amount of MAT overpaid; a credit against future obligations to pay MAT; or a credit against any debt then owing to the Town by the Provider, whether or not related to MAT. No interest shall be paid on the amount of the overpayment.
3. In the event the Treasurer establishes that a Person has made any misrepresentation that is attributable to neglect, careless or willful default or has committed a fraud in supplying any information under this By-Law, the Treasurer's right to adjust the MAT is not restricted to a two-year period, despite subsection 12.1.

13. APPLICATION FOR REFUND

1. Where a Purchaser has paid an amount that is not payable, the Treasurer may, upon receipt of satisfactory evidence, make a determination that the amount was wrongly paid, and if such a determination is made, the Treasurer shall refund or credit all or part of the amount, but no refund shall be made unless an application is made within twenty-four (24) months after the payment date.
2. Where a Purchaser has applied for a refund and the person's claim is in whole or in part refused, the Treasurer shall provide a statement of disallowance in such form as determined by the Treasurer, and the statement shall specify the amount of disallowance and the reasons for the disallowance.
3. Where a Provider remits a surplus in error, the Treasurer, may upon receipt of satisfactory evidence, make a determination that an amount was wrongly paid, and if such a determination is made, the Treasurer shall refund all or part of the amount, but no refund shall be made unless an application for such a refund is made within twenty-four (24) months after the date of remittance.
4. The onus of proof shall be on the Purchaser or Provider claiming a refund to provide to the Treasurer such information as the Purchaser or Provider intends to rely on in support of the application. No application for a refund will be accepted if the applicant is not current in filing of MAT Remittance Reports.
5. Any refund authorized shall be limited to the amount overpaid by the Purchaser or Provider during the two-year period prior to the date of the application and while the Provider owned the Establishment which provided the accommodation.

14. FALSE STATEMENT

1. No Person shall:
 - a. make a false, inaccurate or intentionally misleading statement or representation in any document, statement or request provided for by this By-Law; or
 - b. file a document, statement or request provided for in this By-Law where such Person knows or believes it contains a false, inaccurate or intentionally misleading statement or representation, whether or not such statement or representation was made by the Person filing the document or application.

15. NO INTERFERENCE

1. No Person shall hinder or obstruct, or attempt to hinder or obstruct, any Person exercising a power or performing a duty under this By-Law.

16. OFFENCES AND PENALTIES

1. Every Person who contravenes any provision of this By-Law is guilty of an offence and is liable to a fine and such other penalties as may be provided for in the *Provincial Offences Act*, R.S. O. 1990, c. P. 33 and the Act, each as amended.
2. For the purposes of subsection 15(1), each day on which a Person contravenes any of the provisions of this By-Law shall be deemed to constitute a separate offence under this By-Law.
3. Every Person who contravenes any provision of this By-Law is guilty of an offence as provided for in subsection 429(1) of the Act, and all such offences are designated as continuing offences as provided for in subsection 429(2)(a) of the Act.
4. A Person who is convicted of an offence under this By-Law is liable, to a minimum fine of \$500.00 and a maximum fine of \$100,000 as provided for in subsection 429(3), paragraph 1 of the Act.
5. A Person who is convicted of an offence under this By-Law is liable, for each day or part of a day that the offence continues, to a minimum fine of \$500.00 and a maximum fine of \$10,000.00 and the total of all of the daily fines for the offence is not limited to \$100,000, as provided for in subsection a 429(3) paragraph 2 of the Act.
6. When a Person has been convicted of an offence under this By-Law, the Superior Court of Justice or any court of competent jurisdiction thereafter may, in addition to any penalty imposed on the Person convicted, issue an order:
 - a. prohibiting the continuation or repetition of the offence by the Person convicted; and
 - b. requiring the Person convicted to correct the contravention in the manner and within the period that the court considers appropriate.

17. ENFORCEMENT

1. This By-Law may be enforced by any person as so designated by the Treasurer.

18. GENERAL

1. If any section, subsection, part or parts of this By-Law is declared by a court of competent jurisdiction to be bad, illegal or ultra vires, such section, subsection, part or parts shall be deemed to be severable and all parts hereof are declared to be separate and independent and enacted as such.
2. Nothing in this By-Law relieves any Person from complying with any provision of any federal or provincial legislation or any other By-Law of the Town.

19. CONFIDENTIAL INFORMATION

1. All information submitted to and collected by the Town, will, except as otherwise provided in this section, be available for disclosure to the public in accordance with the *Municipal Freedom of Information and Protection of Privacy Act*, R.S. O. 1990, c. M.56, as amended ("MFIPPA").

2. In the event that any Person in submitting information to the Town or to the Treasurer in any form, as required under this By-Law, where such information is confidential or proprietary or otherwise may be exempt from disclosure under the MFIPPA, the Person submitting the information shall so identify that information upon its submission to the Town or the Treasurer and shall provide sufficient details as to the reason for its purported exemption from disclosure.

20. SHORT TITLE

1. This By-Law may be referred to as the "Municipal Accommodation Tax By-Law"

READ A FIRST, SECOND AND THIRD TIME AND FINALLY PASSED THIS 21ST DAY OF NOVEMBER, 2023.

Stacy Wight, Mayor

Jennifer Montreuil, Municipal Clerk

DRAFT



Accommodation Establishment Information

Important: This Form must be completed by Providers who operate accommodation establishments within the Town of Kirkland Lake and must be submitted to the Town before the latter of:

- (i) December 31, 2023; or
- (ii) 30 days after the Establishment commences operations.

Note: It is the responsibility of the provider to update and submit any changes to the information that was provided to the Town.

Legal Name of Provider:	
Operating Name of Establishment:	
Legal name of Property Owner:	
Tax Roll Number:	
Property Location:	
Mailing Address (if different):	
Contact Name:	
Contact Phone Number:	
Contact Email:	
Total number of available rooms for rent:	
Business Number:	
Average Annual occupancy rate for the previous year:	
Average daily rates for the previous year:	
Agent or Internet Booking Platform(s) Used:	

Name

Position

Authorized Signature

Date

Personal information on this form is collected under the authority of the Municipal Freedom of Information and Protection of Privacy Act (MFIPPA), R.S.O. 1990, c. M.56, as amended, and will be used for the purposes of administering the Town's Municipal Accommodation Tax Program in accordance with the Municipal Act, S.O. 2001, c.25, as amended. Questions about this collection should be directed to the Municipal Clerk, P.O. Box 1757, 3 Kirkland Street West, Kirkland Lake, ON P2N 3P4, clerk@tkl.ca, or by telephone at 705-567-9361 x. 238 during regular business hours.

Note: Instructions to complete Form found on Page 2.

Accommodation Establishment Information

Legal Name of Provider:	
Operating Name of Establishment:	
Business Number:	
Property Location:	
Contact Name:	
Contact Phone Number:	
Contact Email:	

Reporting Period

Month	Day	Year	Month	Day	Year

Municipal Accommodation Tax Calculation

A	Accommodation Revenue for the above reporting period <i>(if no revenue was earned, enter "NIL" in Box A)</i>	A	
B	Exemptions <i>(provide explanation in section below)</i>	B	
C	Adjustments <i>(provide explanation in section below)</i>	C	
D	Total Accommodation Revenue Subject to Accommodation Tax A-B-C=	D	
E	Total Amount of Municipal Accommodation Tax Owing D x 4%=	E	
F	Tax Remitted on Your Behalf <i>(provide name of agent or internet booking platform(s) in section below)</i>	F	
G	Total Amount of Municipal Accommodation Tax to be Remitted	G	

Explanation of Exemptions, Adjustments, or Tax Remitted on Your Behalf

Please include reason for the exemption, adjustment, or tax remitted on your behalf and to which reporting period the items pertain to.

Attach additional sheets, as required.

Claimant Declaration

By signing below, I certify that the information provided in this form and any accompanying attachments are true, complete, and accurate.

Name

Position

Authorized Signature

Date

Instructions for Completing Your Municipal Accommodation Tax Return Form

Reporting Period

The Provider shall remit the amount collectable for the previous month on or before the last day of every month, and shall submit the Municipal Accommodation Tax Return Form to the Town.

Municipal Accommodation Tax Calculations

In Box "A": Enter the amount of revenue received for the reporting period (if no revenue was earned in the reporting period enter "NIL" in Box "A").

In Box "B": Enter the amount of exemptions claimed in the reporting period.

In Box "C": Enter the amount of adjustments claimed in the reporting period.

In Box "D": Deduct the amounts in Boxes "B" and "C" from Box "A".

In Box "E": Enter the amount obtained by multiplying the amount in Box "D" by 4%. This amount is the Municipal Accommodation Tax owing for the period.

In Box "F": Enter the amount of the Municipal Accommodation Tax which has been collected and remitted by a third-party on your behalf (e.g. Agent or internet booking platform).

In Box "G": Deduct the Municipal Accommodation Tax which has been collected and remitted by a third-party found in Box "F" from the Municipal Accommodation Tax owing in Box "E". This is the amount that must be remitted to the Town.

Exemptions or Adjustments

Please provide an explanation of the exemption (e.g. accommodation provided for a continuous period of 30 days or greater), adjustment (e.g. refunds) or tax remittances paid by a third-party on your behalf (e.g. agent or internet booking platform) claimed and to which reporting period the exemption, adjustment, or tax remittance pertains to.

Payment and Submission Information

Form and payment must be received by the Town by the last day of the month for the previous month's reporting period. Late payment charges will be charged on outstanding balances as prescribed.

By Electronic Funds Transfer: To set up for EFT, please contact 705-567-9361 Ext. 260 treasury@tkl.ca.

In Person or by Mail

The Corporation of the Town of Kirkland Lake
Attn: Treasurer
P.O. Box 1757, 3 Kirkland Street West,
Kirkland Lake, ON P2N 3P4
Payment Options: Cash, Debit, or Cheque

This form must accompany payments made by mail or in person.

EFT Payments

EFT Payments are also available once you have registered (see above)

For more information, visit us at: www.kirklandlake.ca

Personal information on this form is collected under the authority of the Municipal Freedom of Information and Protection of Privacy Act (MFIPPA), R.S.O. 1990, c. M.56, as amended, and will be used for the purposes of administering the Town's Municipal Accommodation Tax Program in accordance with the Municipal Act, S.O. 2001, c.25 as amended. Questions about this collection should be directed to the Municipal Clerk, P.O. Box 1757, 3 Kirkland Street West, Kirkland Lake, ON P2N 3P4, clerk@tkl.ca, or by telephone at 705-567-9361 x. 238 during regular business hours.

Municipal Accommodation Tax FAQs

On _____, Council of The Corporation of the Town of Kirkland Lake approved the implementation of a mandatory 4 per cent (4%) Municipal Accommodation Tax (MAT) effective January 1, 2024.

The Municipal Accommodation Tax (MAT) is a fee imposed on accommodations of 30 consecutive days or less.

In accordance with By-Law 23-_____. MAT will apply to the purchase of accommodation provided for a continuous period of 30 days or less.

FAQ's for Accommodation Guests

1. How is the MAT applied to the purchase price of accommodation?

The 4 % is only applied to the purchase price of the accommodation (i.e., room fee) and it does not apply to amenity fees or service charges.

2. Is the payment of the MAT optional?

No, as noted above, the MAT is mandatory. It must be paid at the same time you are paying the accommodation provider.

3. Why do I have to pay the MAT?

Payment of the MAT is mandatory and is authorized by Town of Kirkland Lake By-Law 23-_____. The Province enacted Bill 127, *Stronger, Healthier Ontario Act*, 2017, providing single and lower tier municipalities the authority to levy a transient accommodations tax (or hotel tax). Section 400.1 of the [Municipal Act, 2001](#) and [O. Reg. 435/17](#) Transient Accommodation Tax provide a framework for the administration of a MAT.

4. 5. Do I still need to pay the MAT if I do not show up for the reservation?

If you are charged for the accommodation whether or not you actually occupy it, then MAT will apply. If you do not cancel your room reservation and you are charged for accommodation (no-show included) the MAT will be charged. If you are not charged for the accommodation but subject to a cancellation fee, the MAT would not apply.

5. 6. What happens with the money collected through the MAT?

Fifty per cent (50%) of the net revenue from the MAT will go to the municipality and directed into a reserve fund to be used towards economic development opportunities.

The other fifty percent (50%) of the net revenue will go to The Kirkland Lake Tourism Development Corporation (KLTDC). As an eligible tourism entity (ETE) the KLTDC will administer the funds for tourism promotion and development, including a focus on attracting people to the Town, and more.

A reasonable percentage of the monies collected will be used to offset the costs of administering the MAT program.

FAQ's for Accommodation Providers

General Questions

1. When do I start collecting the MAT?

The MAT must be collected beginning January 1, 2024.

2. What is the authority to charge the MAT?

The municipality is authorized per Section 400.1 of the [Municipal Act, 2001O. Reg. 435/17](#) to establish and to collect the MAT. On November ____, 2023, Town Council passed By-Law 23-____, which provides for mandatory collection and remittance of the Municipal Accommodation Tax within the Town of Kirkland Lake.

3. What is the purpose of the MAT and how will the revenue be used?

Fifty per cent (50%) of the net revenue from the MAT will go to the municipality and directed into a reserve fund to be used towards economic development opportunities.

The other fifty percent (50%) of the net revenue will go to The Kirkland Lake Tourism Development Corporation. As an eligible tourism entity (ETE) the KLTDC will administer the funds for tourism promotion and development, including a focus on attracting people to the Town, and more.

A reasonable percentage of the monies collected will be used to offset the costs of administering the MAT program.

4. What are considered reasonable costs of collecting and administering the MAT program?

Costs incurred by the municipality directly related to the administration and collection of the MAT are recoverable. Best practices recommend that costs for staffing, development of forms, systems, information technology cost, banking/point of sale fees, audit or third-party costs including legal and collection agency costs to collect funds owing would be included in the costs recovered prior to revenue sharing.

Applicability and Exemptions

1. What accommodations are affected by the MAT?

Accommodation providers, including hotels, motels, motor hotels, lodges, inns, resorts, bed and breakfast or other establishments providing lodging in all, or part of a dwelling are required to collect and remit the Municipal Accommodation Tax on accommodations of thirty days or less. For clarity:

- Hospitality rooms and meeting rooms that do not contain a bed are not considered accommodation and would not be subject to the MAT.
- Amenity fees and service charges including meals, room incidentals, valet services or parking are not subject to the MAT, provided they are separately itemized on the invoice.

2. What accommodations or purchasers are exempt from the MAT? (Items below are summarized)

Accommodations

- For a period of more than 30 consecutive days.
- Provided by a university or college.
- Provided by hospitals, long term care facilities, retirement homes and hospices.
- Provided by shelters, treatment centres and lodging of reformation of offenders
- Provided at tent and trailer sites.
- Supplied by employers to their employees in premises operated by the employer.

Purchasers

- Province of Ontario
- School Boards

Refer to By-Law 23-_____ to view the complete list of exemptions.

3. Are Provincial or School Board Employees exempt from paying MAT?

1. Individuals who work for the Province or School Board pay the MAT.
2. The MAT is exempt only when the Province or School Board is invoiced or pays the provider directly.

4. What if I give a discounted rate for an overnight accommodation? What is the rate that the MAT is to be collected on?

The MAT is charged on the rate that is paid by the guest and therefore the 4 per cent MAT would be applied on the discounted rate.

5. What if I have long term contracts with businesses that exceed 30 days, even though the business may authorize its employees to stay for various periods of time less than 30 days?

MAT applies to purchasers that utilize the accommodation for 30 consecutive days or less. The purchaser, per the MAT by-law, is the guest in the room and therefore the MAT would apply and must be collected.

6. What if I have existing contracts with businesses with a fixed room rate?

MAT applies to accommodations purchased on or after January 1, 2024. If payment occurs on or after January 1, 2024, for accommodation occupied on or after January 1, 2024, MAT applies even if provided through a corporate contract.

7. Do we charge MAT for a Late Room Fee?

If the fee is on a separate line item on the guest folio, you do not charge MAT on that fee.

Purchaser Invoicing Information

1. Do I need to disclose the MAT on the invoice or receipt that is provided to the Purchaser?

Yes, include on every bill, receipt, invoice, or similar document for the purchase of Accommodation, a separate item identified as “Municipal Accommodation Tax” showing the rate at which the MAT is calculated (4 %) and the amount of the MAT imposed.

2. Is HST charged on the MAT?

If the provider is registered for HST, the accommodation provider is responsible for collecting and remitting the HST on the entire charge including the MAT and remit the HST directly to the Canada Revenue Agency (CRA). Contact the [CRA](#) or your advisers if you have further HST questions.

3. Is the MAT applicable to guests that do not show up for their reservation?

If a guest is charged for accommodation (no-shows included) the MAT is to be collected and remitted. If the guest is not charged for the accommodation but is required to pay a cancellation fee, the MAT would not apply to the cancellation fee.

4. What revenue does MAT apply to if I charge a fee that includes accommodation and meals (such as bed and breakfast)?

The accommodation provider would be responsible to allocate the revenue between the overnight accommodation and other services, amenities, or other charges separately on the invoice and collect and remit the MAT on the overnight accommodation portion of the fees. If the fees are not separately listed on the invoice, the MAT will apply to the entire invoice.

5. Can I deduct commission paid to a third party who collected the booking from the room revenue used to calculate the MAT?

No, the revenue to be used to calculate the MAT is the purchase price of the accommodation. Costs incurred to secure or provide the accommodation are not deductible.

Collection and Remittance

1. How do I report the MAT that I collected?

You must complete the MAT Remittance Report on a monthly basis. These can be submitted via email at MAT@tkl.ca. The report is located on the Town's website and includes due dates.

2. When do I have to submit my Report to the Town on the MAT I collected?

You are required to submit a Municipal Accommodation Tax Remittance Report at the end of each month for the MAT collected in the previous month. Payment would then be do no later than the following month thereafter. For instance, the Remittance Report for MAT collected in January will be due no later than the last day in February. Payment will be due no later than the last day of the following month, March 31st.

3. What happens if I am late to submit my Report to the Town by the required due date?

If you are late to submit the Municipal Accommodation Tax Remittance Report by the required due date the amount is automatically determined based on the following calculation: (amount of revenue that would have been generated had the Establishment experienced full occupancy for the period) x (4%) (the amount MAT that is due and unremitted). This amount shall be assessed on the first day of default.

4. How do I remit the MAT that I collected?

Payment to the Town can be made via the following methods:

- *Online Banking*
- *EFT*
- By Mail – Cheques only
- In person – Debit, Cash or Cheque

Payments must be received in the office by the last day of the following month.

Please allow sufficient time for mail delivery. Mail to:

Town of Kirkland Lake
Attention: Accounts Receivable
P.O. Box 1757, 3 Kirkland St. W.
Kirkland Lake, ON P2N 3P4

Please make cheques payable to "Town of Kirkland Lake"

Payments which are returned will be subject to a dishonoured payment fee in accordance with the Town's User Fee By-law.

5. What happens if I am late in submitting my payment for MAT collected?

Any late or incomplete remittances will be charged an interest rate of one percent (1%) per cent per month in accordance with the Town's User Fee By-Law.

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

Adjustments from prior reporting periods can be made in the period the refund was returned.

7. Do I need to prepare a Monthly Remittance Report if I did not collect any MAT that month?

Yes, you will be required to submit the Municipal Accommodation Tax Remittance Report for the period indicating no MAT was collected. If all your guests were for extended stays (31 days or longer) or another qualified exemption, you must submit a monthly report providing the details for the exemptions.

8. Will the Town have an audit process to verify monthly Remittance Reports from the Providers?

The Town and/or its agent 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 for a period of no less than seven (7) years.

9. Why do I need to complete an Accommodation Establishment Information Sheet?

The Accommodation Establishment Information Sheet will be used by the Town to set up your establishment name, address, and contact information correctly in our accounting system and provide you with a customer ID. This customer ID will then be used to associate your monthly remittances and payments with the proper establishment.

10. Why are you asking for the average daily rates for the previous year?

If the MAT Remittance Report is not completed and submitted when due, the Town will assess the MAT based on the average daily rate provided on the Accommodation Establishment Information Sheet multiplied by the number of accommodations available each day during the period which the remittance was due as though all the accommodations had been purchased throughout the period.

11. Do I have to pay MAT monthly?

Yes, you have to report and pay monthly.

12. Do we stop charging the MAT from day 31 onward or do we have to go back and reverse the tax off of the guest folio for the first 30 days?

If a guest stays 31 + days, the stay would be exempt from the MAT. The MAT would need to be adjusted/reversed from the guest folio for the entire stay.

13. What if a 3rd party booking site is used and it does not collect the Municipal Accommodation Tax on my behalf? Is the accommodation exempt?

No, the MAT is mandatory and must be collected by the accommodation provider, whether through a 3rd party, or directly from the customer.

14. I have questions about the Municipal Accommodation Tax. Who can I contact?

Please contact the Town at 705-567-9361 Ext. 260 or by email at MAT@tkl.ca .

Transition Questions

1. Do I have to charge the Municipal Accommodation Tax if a guest has booked their stay prior to January 1, 2024, when the MAT is implemented?

- If the accommodation was booked and paid for prior to January 1, 2024, the MAT is not applicable.

- If the accommodation was booked before January 1, 2024, but paid for on or after January 1, 2024, the MAT is to be charged, collected and remitted.
2. If a guest's stay begins prior to January 1, 2024, and ends after January 1, 2024, do I charge the MAT when their stay begins?
 - The MAT must be charged starting January 1, 2024, only.
 - The MAT is not to be applied to any nights prior to January 1, 2024.

3. If a guest puts a deposit to hold a room prior to January 1, 2024, for a booking January 1, 2024, or later, does MAT apply?

Yes, if final payment for room occurs on or after January 1, 2024, MAT applies to the accommodation rate, regardless of any deposits made.

If the deposit is applied to the purchase price of the accommodation provided on or after January 1, 2024, MAT will apply to the purchase price, including the deposit.

4. When is my first remittance due?

The MAT collected for the month of January must be reported to the Town by the Last Day in February 2024 and the related payment is due March 31, 2024, and every last day of the month thereafter.