

TOURIST ACCOMMODATION TAX BY-LAW

Presentation to Governance and Priorities Committee

November 25, 2024



What is the Tourist Accommodation Tax?

Tourist Accommodation Tax
SNWT 2018, c.14, s.2.

Definitions	<p>70.1. (1) In this section and sections 70.2 to 70.4,</p> <p>"daily accommodation rate" means the rate of remuneration that a tourist accommodation facility charges a person for accommodation within a 24-hour period; (<i>prix de l'hébergement quotidien</i>)</p> <p>"tourist accommodation facility" means any premises where accommodation is provided for remuneration; (<i>établissement d'hébergement touristique</i>)</p> <p>"tourist accommodation tax" means a tourist accommodation tax imposed under subsection (2). (<i>taxe sur l'hébergement touristique</i>)</p>
Authority to make bylaw	<p>(2) Subject to this section, a council may, by means of a bylaw, impose a tourist accommodation tax upon a person who provides remuneration for accommodation at a tourist accommodation facility within the municipality.</p>
What bylaw must state	<p>(3) A bylaw made under subsection (2) must state</p> <ol style="list-style-type: none">the subject of the tax to be imposed;the rate of tax or the amount payable, subject to subsection (4); andthe manner in which the tax is to be collected, including the designation of any persons or entities who are authorized to collect the tax as agents for the municipal corporation and any collection obligations of the persons or entities who are required to collect the tax.
Maximum rate	<p>(4) A council shall not impose a tax under this section that exceeds 4% of the daily accommodation rate.</p>

- A small amount added to the price paid for a short-term accommodation like a hotel or Airbnb
- For example, if a room cost was \$150/night and the levy is 4%, the additional cost added to the accommodation bill would be \$6.00

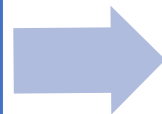
Tourist Accommodation Tax By-law: Background

Short Term Rentals

We need your input

2017/2018

- City applied for and received CanNor funding for project “Yellowknife Economic Diversification Plan: Destination Marketing”
- City lobbied for changes to CTV Act for authority to implement a levy
- City conducted engagement on regulation of short term rentals



2018

- CTV Act amended to grant authority to communities to implement a tourist accommodation tax

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“tourist accommodation tax” means a tourist accommodation tax imposed under subsection (2). (*taxe d’hébergement touristique*)



2022

- City adopts changes to Zoning By-law and Business Licence By-law to regulate short term rentals



2024

- City Council gives 1st reading to a Tourist Accommodation Tax By-law



Why a Tourist Accommodation Tax?

- The tax (or levy) will create funding to support tourism promotion and development
- Increased marketing funded by the levy will encourage more people to visit, strengthening our local economy



Who Pays for the Tourist Accommodation Tax?

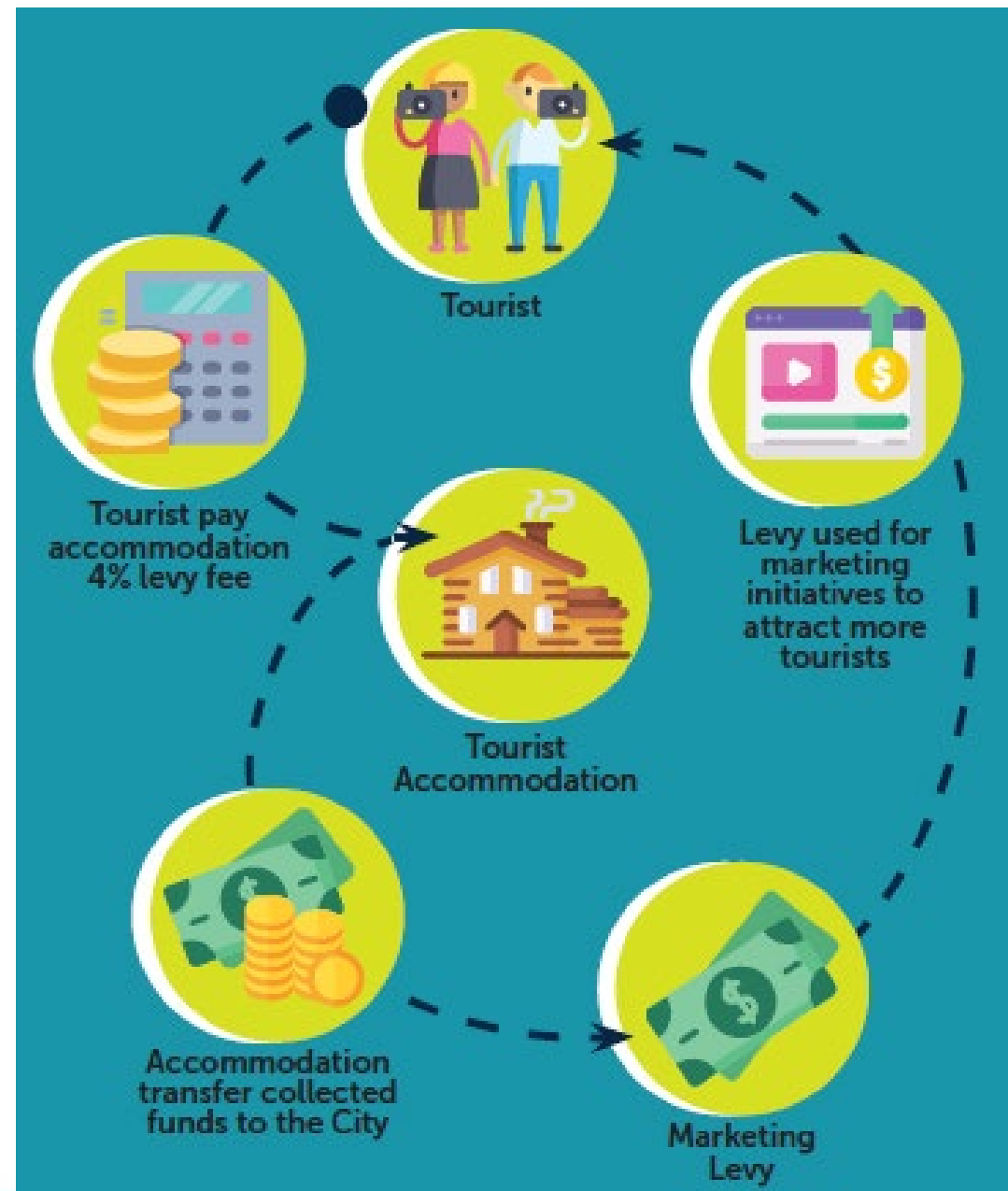
- Visitors when they stay in a tourist accommodation
- Tourist accommodation means “any premises where accommodation is provided for remuneration”
- Exemptions included in CTV Act are:
 - More than 30 days
 - Daily rate is less than \$20/night
 - Or the subject of the levy is the GNWT, a public agency as defined in the Financial Administration Act, person on medical travel, person staying in a hospital, or any other defined class.

Who Collects the Tourist Accommodation Tax?



- Operators of tourist accommodations
- Required to remit quarterly reports to the City

Reporting Period	Filing and Payment Deadlines
January 1 to March 31	April 30
April 1 to June 30	July 30
July 1 to September 30	October 30
October 1 to December 31	January 30 (of the following calendar year)



NEXT STEPS

January-March 2025

- Finalize Information Guides
- Schedule Information Sessions
- Continue work to ensure short term rentals are registered
- Update City website with online forms

February/March 2025

- Present DMO structure to GPC for consideration

April 1, 2025

Levy collection commences

