



Municipal Accommodation Tax

Frequently Asked Questions for Guests

January 1, 2025

By-law 74/2018 was approved by Thunder Bay City Council to implement a mandatory Municipal Accommodation Tax (MAT), which applies to the purchase of accommodations for a continuous period of less than 30 days. On October 7, 2024, the City of Thunder Bay passed By-law 351/2024, amending By-law 74/2018 to set the Municipal Accommodation Tax rate at 5%, effective January 1, 2025.

What is the Municipal Accommodation Tax (MAT)?

The MAT is added to the price paid for a room booked at a fixed roof accommodation in the City of Thunder Bay as required by law. The rate is 5% of the total room cost. The tax applies to all accommodation sold for a continuous period of less than 30 days in a hotel, motel, lodge, inn, hostel, bed and breakfast, dwelling unit and other place transient accommodation is provided operating within the City of Thunder Bay. The tax was effective September 1, 2018.

How is the Municipal Accommodation Tax applied to the purchase price of accommodations?

The amount of the tax must be clearly identified as a line item on your bill or invoice as "Municipal Accommodation Tax" The amount is 5% of the total accommodation cost.

Are other charges by accommodation providers exempt from the Municipal Accommodation Tax?

Yes. The Municipal Accommodation Tax is only applied to the total purchase price of your accommodation (i.e. room fee). It does not apply to amenity fees or service charges including meals, room incidentals, valet services or parking. However, to be exempt from the Municipal Accommodation Tax, these amenities and services charges must be separately itemized on the invoice/bill.

Is the payment of the Municipal Accommodation Tax optional?

No. The Municipal Accommodation Tax is mandatory as per City By-law. It must be paid at the same time you complete the purchase, in full, for your stay.

If I'm travelling for medical purposes, do I have to pay the MAT?

Yes. However, the Ontario Ministry of Health & Long-Term Care provides funding through the Northern Health Travel Grant for eligible applicants. For more information, visit the Ministry website.

<http://www.health.gov.on.ca/en/public/publications/ohip/northern.aspx>

What happens with the money collected through the Municipal Accommodation Tax?

The tax will generate funding to promote tourism within the City of Thunder Bay. 50% of the net revenue from the Municipal Accommodation Tax will go to tourism promotion and development with a focus on attracting more visitors to the City through sports and cultural events, conventions, enhanced attractions and outdoor activities.

The **Thunder Bay Community Economic Development Commission** (CEDC) administers 50% of this tax revenue to support continued tourism growth and development by providing funding through the **Tourism Development Fund**.

The other 50% of the net revenue is retained by the City of Thunder Bay and earmarked for infrastructure projects that promote tourism and that benefit residents and visitors.

For information on the Municipal Accommodation Tax, visit www.thunderbay.ca/MAT