



## **Municipal Accommodation Tax**

### **Frequently Asked Questions for Guests**

At August 17, 2018

By-law 74/2018 was approved by Thunder Bay City Council to implement a mandatory Municipal Accommodation Tax (MAT) at a rate of 4% effective September 1, 2018. The By-law applies to the purchase of accommodations provided for a continuous period of less than 30 days.

#### **What is the Municipal Accommodation Tax (MAT)?**

The tax 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 4% 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 is 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 4% 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 annually 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 other 50% of the net revenue will be retained by the City of Thunder Bay, 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](http://www.thunderbay.ca/MAT)**