

Revised

POLICY NOTE

PPG No. 011/2019

Tourism Levy Bill

Value Added Tax Act, Cap. 87

Budgetary Proposals 2019

Tourism Levies

The Minister of Finance, Economic Affairs and Investment during the Budgetary Proposal and Financial Statement of March 20, 2019, stated:

“...the sector is now persuaded that an increase in the levy is preferred to increasing the VAT rate. As such, the room rate levy will be increased by 75% effective April 1, 2019 ...”

The Minister further advised that to maintain the parity of the levies, the Product Development Levy would be increased.

To give effect to the Minister’s proposals, the Barbados Revenue Authority (“the Authority”) advises that:

Room Rate Levy

With effect from April 1, 2019 the Room Rate Levy is increased as follows:

| Room Classification | Amount of Levy (BDS\$) |
|----------------------------|--|
| Apartment | 8.75 per bedroom per night |
| Guest House | 8.75 per bedroom per night |
| Hotel “B” Class | 8.75 per bedroom per night |
| Hotel “A” Class | 19.25 per bedroom per night |
| Hotel Luxury Class | 35.00 per bedroom per night |
| Vacation Rental Properties | 3.75% of the rate charged per night. However, where that amount exceeds BDS \$35.00 per night, the rate to be charged shall be BDS \$35.00 per bedroom per night. |

Product Development Levy

With effect from April 1, 2019, the Product Development Levy is increased to 3.75%.

Shared Economy Levy

The Shared Economy Levy remains at 10%.

Note:

All other provisions regarding the Tourism Levies remain in effect.

Value Added Tax

With effect from January 1, 2020 Value Added Tax on the supply of guest accommodation will be increased from 7.5% to 10%.

Administration

The Value Added Tax and Tourism Levies will be administered through the Tax Administration Management Information System (TAMIS) and collected by the Barbados Revenue Authority.

Policy and Planning

Barbados Revenue Authority

April 2019