



BARBADOS REVENUE AUTHORITY

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POLICY NOTE

PPG No. 001/2019

Shared Economy Levy

Budgetary Proposals 2018

The Minister of Finance and Economic Affairs during the Budgetary Proposal and Financial Statement of June 11, 2018, stated:

“.....Accordingly, we will introduce from August 1, 2018, a 10% shared accommodation levy on all fees charged for the shared accommodation sector...”

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

Commencement Date and Applicable Rate

1. The Shared Economy Levy takes effect from October 1, 2018 at the rate of 10% of the cost of tourist accommodation.

Who Charges the Shared Economy Levy?

2. A person who:
 - (a) Is not registered under the Value Added Tax Act, Cap. 87;
 - (b) Supplies tourist accommodation; and
 - (c) Is registered with the Barbados Tourism Product Authority,

is required to charge the Shared Economy Levy on the supply of tourist accommodation. This includes persons who advertise tourist accommodation via online platforms such as:

- Airbnb
- VRBO (Vacation Rental By Owner)
- Home Away
- Flipkey, and
- all other types of shared accommodation.

“Tourist accommodation” refers to an apartment, hotel, guest house, vacation rental property or villa which is registered with the Barbados Tourism Product Authority and is rented by guests for reward systematically or periodically in a calendar year.

Conditions

3. A person who provides tourist accommodation and advertises it online or otherwise is required to include in his advertisement notification regarding the payment of the levy.
4. A person who advertises tourist accommodation but does not include in his advertisement a notification regarding the payment of the levy is guilty of an offence and is liable on summary conviction to a fine of \$5,000.00.
5. A person who receives payment of the Shared Economy Levy but fails to submit the sums collected to the Barbados Revenue Authority, is guilty of an offence and is liable on summary conviction to a fine of \$10,000.

Administration

6. The levy will be administered through the Tax Administration Management Information System (TAMIS) and collected by the Barbados Revenue

Authority.

7. The Shared Economy Levy must be reported by entering the total cost of the accommodation for the period at line 380 of the VAT return. The levy payable will be calculated by the system.
8. Persons are also required to submit details of the Shared Economy Levy by completing the “*Summary sheet*” on the “**Room, Product and Shared Economy Levy Schedule**” located on the BRA’s website: <https://www.bra.gov.bb> or a schedule with the same details. Instructions for completing the Summary sheet can be found by selecting the “*Instructions*” tab on the said schedule.
9. Persons are required to save the ‘*Summary Sheet*’ as a pdf document and upload it as an attachment when filing the return.
10. To report the Shared Economy Levy persons are required to be registered in TAMIS and follow the steps below:
 - Log into TAMIS, select the “**Returns**” tab and then click the “**Add Return**” tab.
 - Select the Tax Type as “**Value Added Tax**”, then the “**Year**” and “**Period**” for which the return is to be filed. Click on “**Create Return**” and “**Start**”.
 - Click on the “**NEXT**” button which is located at the bottom of the screen until you reach page 3 of the form and enter the total cost of accommodation for the period at **Line 380**.
 - Select “**NEXT**” to upload the relevant attachment to the return. The submission of the attachment is mandatory.
 - Select “**NEXT**” to review the return; read and agree to the “**Declaration**” by clicking the **check box**.
 - Click the “**Submit**” button to complete the filing process.

11. The levy is to be paid to the BRA as specified by the Authority upon registration.

Penalties

12. The penalties for the Shared Economy Levy are applied as follows:

- i. The penalty for late filing is \$100.
- ii. The penalty for late payment is 10% of the levy that is payable; and interest at the rate of 1% per month for each month that the levy remains outstanding. The interest will be calculated on the levy and the 10% penalty outstanding using the simple interest method.

Keeping of accounts and records

13. Every person must keep appropriate records, information and accounts so as to enable the Barbados Revenue Authority to determine the amount of Levy payable for any payment period. The records must be kept for a period of five years. Failure to do so is an offence and is liable on summary conviction to a fine of \$5,000.00.

Examination of the Records

14. An officer of the Barbados Revenue Authority may, at any reasonable time, enter any premises where records or information are kept and inspect or examine the records or information that may be relevant in determining the amount of levy payable, the amount to be refunded or to ensure that the records are kept in the manner required.

Refund for overpayments

15. A person who has overpaid the levy may apply to the Revenue Commissioner for the refund within two (2) years after the amount was paid.

Waivers

16. The Minister may by order waive, exempt, remit or refund the levy in whole or in part the amount of levy payable or paid by a person.

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