

ACCOMMODATION TAX BILL 1971.

EXPLANATORY MEMORANDUM.

Clause 1.

Title and commencement. The Act will come into operation by proclamation.

Clause 2 (1).

This sub-clause provides a number of definitions. The main ones are :

“Accommodation”—the provision of casual lodging in hotels, motels, guests houses, clubs and other similar establishments.

The definition excludes accommodation provided in :

Small establishments (paragraph (a)).

The Gordon House type of establishment (paragraph (b)).

Religious and Charitable Institutions (paragraph (c)).

“Taxable Receipts”—these are amounts paid for accommodation other than :

(a) in respect of optional extra goods and services, e.g. telephone, laundry, etc., for which a separate charge is made, and

(b) for meals.

Clause 2 (2).

Provides power to make regulations in respect of different times places and circumstances.

Clause 2 (3).

Provides exemptions from the tax. These are :

(a) Educational Institutions,

(b) Hospitals,

(c) Permanent or semi-permanent lodging, i.e. for more than one month,

(d) Nurses homes or other places where staff are accommodated.

Clause 2 (4).

This sub-clause ensures that the tax cannot be avoided by :

(a) making a prospective guest a member of a club,

(b) by some organization or other person other than the actual guest arranging and paying for the accommodation e.g. a tourist organization providing an all inclusive tour.

Clause 2 (5).

This sub-clause incorporates the various appropriate administrative procedures under the *Stamps Act 1958*.

Clause 2 (6).

This sub-clause provides that the legislation binds the Crown.

Clause 3.

This clause makes it mandatory for any person in the business of providing accommodation as defined to register. If he fails to do so he is guilty of an offence under the legislation. In sub-clause (4) there is a transitory provision to cover a person carrying on the business before the commencement of the legislation.

Clause 4.

This clause provides that a registered person must lodge returns and pay tax at the prescribed times. For large organizations the returns will be made monthly and for others a period longer than a month may be prescribed. Paragraph (b) imposes the tax on registered persons at the rate of 10 per centum on taxable receipts.

Clause 5.

Requires a registered person to keep books and records for a period of three years.

Clause 6.

Provides power for the comptroller to obtain information for ascertaining liability under the Act.

Clause 7.

Provides that a return in a taxpayer's name was made with his authority unless the contrary is proved.

Clauses 8 and 9.

Provide for the imposition of additional tax where a person fails to pay tax at the required time.

Clauses 10, 11 and 12.

Provide for the issue of assessments of tax payable under the Act.

Clauses 13 and 14.

Empowers the Comptroller to sue for any tax as a debt due to the Crown in any court of competent jurisdiction.

Clause 15.

Deals with the duties of a liquidator of a company where the company is a taxpayer and is being wound up.

Clause 16.

This is the usual evidentiary provision in relation to the production in Court of assessments and documents.

Clause 17.

Relates to offences for breaches of the Act and penalties.

Clause 18.

This clause provides for the appointment of a public officer of a company. It would only be used where a company fails to comply with its obligations.