



# LAWS OF FIJI

CHAPTER 202

HOTEL TURNOVER TAX

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## HOTEL TURNOVER TAX

*Acts Nos. 7 of 1974, 18 of 1974, 25 of 1975.*

## AN ACT TO IMPOSE A TURNOVER TAX ON HOTELS

[1st June, 1974.]

## Short title

1. This Act may be cited as the Hotel Turnover Tax Act.

*Interpretation*

2. In this Act unless the context otherwise requires—
  - “accommodation” means any furnished room or suite of rooms hired by the proprietor of a hotel to his guests, or for use of his guests, for lodging;
  - “accommodation charge” means the sum payable by or on behalf of guests of a hotel for accommodation receive;
  - “bar” means a bar as defined in the Liquor Act; *(Cap. 192.)*
  - “bar sales” means any cash sales made over or from a bar but does not include any sales over or from a bar in respect of which a debit is made to and included in a hotel guest’s bill for accommodation or refreshment;
  - “Commissioner” means the Commissioner of Inland Revenue appointed under section 3 of the Income Tax Act, or any person appointed by him for the purposes of this Act or any part of this Act to act as his deputy; *(Cap. 201.)*
  - “exempted hotel” means a hotel in respect of which there is, for the relevant period, a certificate or notice of exemption in writing from the Permanent Secretary under and in accordance with the provisions of subsection (1) of section 5 and to which the provisions of subsection (3) of that section do not apply;
  - “hotel” means any establishment, the proprietor of which holds out to the extent of his accommodation that he will provide, without special contract, accommodation to any person presenting himself who is able and willing to pay a reasonable sum for the services and facilities provided;
  - “Permanent Secretary” means the Permanent Secretary to the Ministry responsible for tourism;
  - “refreshment” means any food or beverage sold at a hotel other than bar sales;
  - “tax” means the hotel turnover tax imposed by section 3;
  - “turnover” means all sums or amounts received or receivable by a hotel for accommodation and refreshment and all other sums or amounts debited to and included in a hotel guest’s bill. *(Substituted by 25 of 1975 s. 2.)*

*Levy and payment of turnover tax*

3.—(1) Subject to the provisions of this Act there shall be levied and paid on all the turnover of a hotel a turnover tax at the rate specified in the Schedule.

(2) The person liable for the tax shall be the hotel guest by whom the charges subject to the tax are incurred.

(3) Notwithstanding the provisions of subsection (2), the tax shall be payable and recoverable from the proprietor of a hotel.

(4) Any tax payable under the provisions of subsection (3) by the proprietor of a hotel may be recovered by such proprietor from the person liable for the tax as part of the hotel guest's bill. (*Section substituted by 25 of 1975 s. 3.*)

*Tax to be paid and returns made to Commissioner*

4.—(1) The proprietor of every hotel (other than an exempted hotel) shall pay to the Commissioner, within twenty-eight days after the last day of each month, the amount of the tax payable in respect of that month and at the same time the manager or proprietor of that hotel shall sign and send to the Commissioner a return setting out the total amount of the turnover of the hotel during the period in respect of which the tax paid relates:

Provided that the Commissioner may require in any particular case that tax be paid in respect of less than one month and in such case the tax shall be paid within fourteen days after the expiry of such lesser periods.

(2) Any proprietor of a hotel in respect of which tax is not paid to the Commissioner in accordance with subsection (1) shall be liable to pay to the Commissioner, in addition to the tax, a penalty of twenty-five per cent of the unpaid tax.

(3) Any person commits an offence who, being the manager and/or the proprietor of a hotel, fails to make or to cause to be made a return within the period specified in subsection (1) or furnishes or causes to be furnished a return which is false or incorrect in any material particular, and shall be liable on conviction to a fine of four hundred dollars.

*Exempted hotels*

5.—(1) The provisions of this Act shall not apply to hotels in respect of which the Permanent Secretary is satisfied that both—

(a) the rate of the accommodation charge is less than five dollars per day; and

(b) the hotel contains less than ten rooms normally available for lodging guests:

Provided that, for this purpose, any room or suite of rooms containing more than three beds will count as two rooms:

Provided that no hotel shall be an exempted hotel or be treated as an exempted hotel unless and until either the manager or the proprietor of the hotel has applied to the Permanent Secretary in writing for exemption under the provisions of this subsection and has received a certificate or notice of such exemption in writing from the Permanent Secretary.

(2) The House of Representatives may, by resolution, vary—

(a) the rate of the accommodation charge set out in paragraph (a) of subsection (1); or

(b) the number of rooms set out in paragraph (b) of subsection (1).

(3) The proprietor of an exempted hotel to which the provisions of subsection (1) no longer apply by reason of an alteration either in the accommodation charge made at the hotel or in the number of rooms available at the hotel shall immediately report or cause to be reported such alteration to the Permanent Secretary and such hotel shall no longer be an exempted hotel for the purposes of this Act whether or not such report is made:

Provided that any failure to report any such alteration to the Permanent Secretary within fourteen days of it taking place shall be an offence for which the proprietor shall on conviction be liable to a fine not exceeding four hundred dollars.

(4) Any person aggrieved by a decision of the Permanent Secretary made under or in exercise of the powers vested in him by subsection (1) may, within one month of the day on which he receives notification of such decision, appeal against such decision to the Minister responsible for tourism and upon such appeal, that Minister may confirm, reverse or vary the decision of the Permanent Secretary.

*Powers of the Commissioner*

6.—(1) The Commissioner may approve the form of the return to be furnished under subsection (1) of section 4.

(2) The Commissioner may require the manager of a hotel to keep adequate records and accounts relating to the turnover of the hotel.

(3) The Commissioner or any person authorised in writing by him may enter any hotel at any reasonable time and inspect the records of the hotel that relate to its turnover or to the payment of tax under this Act.

(4) The Commissioner or any person authorised in writing by him may require the manager of a hotel to produce any books or records of the hotel that relate to its turnover or the payment of tax under this Act.

(5) Any person who, being the manager of a hotel, fails to comply with any requirement made under subsection (2) or under subsection (4) by the Commissioner or by any person authorised by him or who fails to allow the Commissioner or any person authorised by him access to the hotel or its records in accordance with subsection (3) commits an offence and shall be liable on conviction to a fine of one hundred dollars.

(6) The Commissioner may enter into such arrangements as he thinks fit with the proprietor of any hotel for the payment of tax or to defer the time for the payment of tax.

(7) Where the Commissioner is of the opinion that any person has committed an offence against any of the provisions of this Act, he may send a notice to that person setting out particulars of the alleged offence and make an offer to compound the offence.

(8) The Commissioner may make an offer to compound an offence notwithstanding the commencement of proceedings against the alleged offender.

*Refund of tax to hotel where payment is not made*

7. Where it can be shown to the satisfaction of the Commissioner that any payment for turnover or any part thereof has not been made to the proprietor of a hotel, the Commissioner shall refund the tax paid in respect of that turnover or part thereof.

*Regulations*

8. The Minister may make regulations for the better carrying into effect of this Act.

## SCHEDULE

(Section 3)

(Inserted by 25 of 1975, s. 4.)

## RATE OF TURNOVER TAX

For any sum less than \$100 and any fractional balance in excess of \$100 or a multiple thereof the sum shown in the following table:—

<i>Amount</i>	<i>Turnover Tax Payable</i>	<i>Amount</i>	<i>Turnover Tax Payable</i>
\$0.05 to \$0.50	= \$0.01c	\$43.70 to \$45.34	= \$1.35c
\$0.51 to \$0.99	= \$0.03c	\$45.35 to \$46.99	= \$1.40c
\$1.00 to \$1.49	= \$0.04c	\$47.00 to \$48.69	= \$1.45c
\$1.50 to \$1.99	= \$0.05c	\$48.70 to \$50.34	= \$1.50c
\$2.00 to \$3.69	= \$0.10c	\$50.35 to \$51.99	= \$1.55c
\$3.70 to \$5.34	= \$0.15c	\$52.00 to \$53.69	= \$1.60c
\$5.35 to \$6.99	= \$0.20c	\$53.70 to \$55.34	= \$1.65c
\$7.00 to \$8.69	= \$0.25c	\$55.35 to \$56.99	= \$1.70c
\$8.70 to \$10.34	= \$0.30c	\$57.00 to \$58.69	= \$1.75c
\$10.35 to \$11.99	= \$0.35c	\$58.70 to \$60.34	= \$1.80c
\$12.00 to \$13.69	= \$0.40c	\$60.35 to \$61.99	= \$1.85c
\$13.70 to \$15.34	= \$0.45c	\$62.00 to \$63.69	= \$1.90c
\$15.35 to \$16.99	= \$0.50c	\$63.70 to \$65.34	= \$1.95c
\$17.00 to \$18.69	= \$0.55c	\$65.35 to \$66.99	= \$2.00c
\$18.70 to \$20.34	= \$0.60c	\$67.00 to \$68.69	= \$2.05c
\$20.35 to \$21.99	= \$0.65c	\$68.70 to \$70.34	= \$2.10c
\$22.00 to \$23.69	= \$0.70c	\$70.35 to \$71.99	= \$2.15c
\$23.70 to \$25.34	= \$0.75c	\$72.00 to \$73.69	= \$2.20c
\$25.35 to \$26.99	= \$0.80c	\$73.70 to \$75.34	= \$2.25c
\$27.00 to \$28.69	= \$0.85c	\$75.35 to \$76.99	= \$2.30c
\$28.70 to \$30.34	= \$0.90c	\$77.00 to \$78.69	= \$2.35c
\$30.35 to \$31.99	= \$0.95c	\$78.70 to \$80.34	= \$2.40c
\$32.00 to \$33.69	= \$1.00c	\$80.35 to \$81.99	= \$2.45c
\$33.70 to \$35.34	= \$1.05c	\$82.00 to \$83.69	= \$2.50c
\$35.35 to \$36.99	= \$1.10c	\$83.70 to \$85.34	= \$2.55c
\$37.00 to \$38.69	= \$1.15c	\$85.35 to \$86.99	= \$2.60c
\$38.70 to \$40.34	= \$1.20c	\$87.00 to \$88.69	= \$2.65c
\$40.35 to \$41.99	= \$1.25c	\$88.70 to \$90.34	= \$2.70c
\$42.00 to \$43.69	= \$1.30c	\$90.35 to \$91.99	= \$2.75c

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<i>Amount</i>	<i>Turnover Tax Payable</i>	<i>Amount</i>	<i>Turnover Tax Payable</i>
\$92.00 to \$93.69	= \$2.80c	\$97.00 to \$98.69	= \$2.95c
\$93.70 to \$95.34	= \$2.85c	\$98.70 to \$100.00	= \$3.00c
\$95.35 to \$96.99	= \$2.90c		

For every complete \$100, turnover tax payable = \$3.00

*Controlled by Ministry of Finance*