

MESSAGE

From

THE HONOURABLE THE SENATE

To

THE HONOURABLE THE HOUSE OF ASSEMBLY

The Honourable the Senate has the honour to inform the Honourable the House of Assembly that at its sitting on **Wednesday 11th December, 2019** the **Tourism Levy Bill, 2019** was amended in the following terms:

In the Objects and Reasons at paragraphs (a) and (c) the words “*or a villa*” were deleted;

In the long title the words “*or a villa*” were deleted at paragraphs (a) and (c);

At Clause 2. the definition of “*Apartment*” was deleted and replaced by the following new definition:

“Apartment” means complete unit which provides short-term accommodation to guests for reward, having either one or more studio bedrooms or separate bedrooms, a living room, a kitchen or kitchenette, a dining area, where

- (a) **at least one bathroom in the unit is for the exclusive use of the occupant of the unit;**
- (b) **the occupants of the unit share the grounds, other recreational facilities and other common buildings with the occupants of other units; and**
- (c) **the unit is within a building or group of buildings owned by a single owner without a separate legal title per unit;**

In the definition of ‘accommodation period’ the words “*or villa*” at the end were deleted.

The definition of “*direct tourism service*” was deleted and replaced by the following new definition:

“direct tourism service” means the provision of goods and services by a person who

- a) has a licence from the Barbados Tourism Product Authority; and**
- b) is also registered or licensed by any of the following:**
 - (i) Barbados Hotel and Tourism Association Inc.;**
 - (ii) Small Hotels of Barbados Inc.;**
 - (iii) Cultural Industries Development Authority;**
 - (iv) Ministry of Creative Economy, Culture and Sports;**
 - (v) Ministry of Health and Wellness;**
 - (vi) Town and Country Planning Office;**
 - (vii) Ministry of Maritime Affairs and the Blue Economy;**
 - (viii) Ministry of Tourism and International Transport; or**
 - (ix) another entity or organization which is approved by the Barbados Tourism Productivity Authority;**

Insertion of the following definition of “**goods and services**” after the definition of ‘direct tourism service’;

“goods and services” means any of the following goods or services

- (a) entertainment, other than entertainment supplied by a promoter of public entertainment, including theatrical performances, film, exhibitions, dinner shows and other performances;**
- (b) cruises other than international cruises;**
- (c) goods and services related to sport and recreation;**
- (d) goods and services provided at marinas;**
- (e) goods and services provided at spas and retreats;**
- (f) goods and services provided at conference facilities; or**
- (g) meals, drinks and dining services;**

The definition of “*vacation rental property*” was deleted and replaced by the following new definition:

“vacation rental property” means any property, including a dwelling house or house, but not a guest house, hotel or apartment, which is registered with the Barbados Tourism Product Authority, that is systematically or periodically rented by guests during a calendar year, and in which

- (a) a charge is made for the accommodation provided;**
- (b) sleeping accommodation is provided in one or more bedrooms;**
- (c) the grounds and any common areas or recreational facilities are for the use of the occupants of a single booking; and**
- (d) the property is managed by an individual, a company or a real estate agent.**

The definition of “*villa*” was deleted

In Clause 3. (1)(b) was deleted and the word “**or**” was inserted after the semi-colon in 3.(1) (a) and 1(c) became the new 1(b).

In Clause 4.(1)(b) was deleted, and the word “**or**” was inserted after the semi-colon in 4. (1)(a) and 1(c) became the new 1(b).

In Clause 4.(2) the comma and the words “*or a villa*” appearing in the third line after the word ‘accommodation’ were deleted.

In Clause 5. (1), (2) and (3) the words “*or a villa*”, “*or rents a villa*”, “*or villa*”, “*or a villa*”, “*or villa*” and “*or villa*” respectively were deleted, and;

In Clause 5.(1) (4) the words “*a villa*” were deleted and the words “**a vacation rental property**” substituted therefor;

In Clause 6. (1) and (2) the words “*or rents a villa*”, “*or villa*”, “*or a villa*” and “*or villa*” respectively were deleted.

In Clause 7.(2) (a) was deleted and the following substituted therefor:

- (a) “is registered or not registered under the Value Added Tax Act, Cap. 87; and**

Clause 7. (2) (b) was deleted and Clause 7. (2) (c) became the new Clause 7 (2) (b).

In Clause 9. (1) (b) and (c), 9. (2) and 9. (3) the words “*or rents a villa*”, “*or villa*”, “*or villa*”, “*or villa*” and “*or villa*” were deleted respectively.

The following new Clause 9. (4) was inserted:

“from the 1st day of April, 2019 the shared economy levy shall be applied to a vacation rental property.”

The original Clause 9. (4) becomes 9. (5).

In Clause 10. (1), 10. (2), and 10. (2) (b) the words “*or rents a villa*”, “*or villa*”, “*or villa*” and “*or villa*” were deleted.

In Clause 11. (1) line 2 the words “*or rents a villa*” were deleted.

In Clause 15. (1) the comma in line 1 after the word ‘accommodation’ was deleted and the word “**or**” was substituted therefor and the words “*or rents a villa*” after the word “**service**” appearing in line 2 were deleted.

In Clause 16. (1) the comma in line 2 appearing after the word ‘accommodation’ was deleted and the word “**or**” substituted therefor and the words “*or rents a villa*” after the word ‘service’ were deleted.

In Clause 16.(1)(c) the comma in line 2 appearing after the word ‘accommodation’ was deleted and the word “**or**” substituted therefor and the words “*a villa*” appearing after the word ‘service’ were deleted.

In Clause 16.(2)(a) and (b) the comma appearing after the word ‘accommodation’ was deleted and the word “**or**” substituted therefor and the words “*or rents a villa*” appearing after the word ‘service’ respectively were deleted.

Clauses 25. and 26. are interchanged so that the ‘**Validation**’ clause is now Clause 25. and the ‘**Amendment of enactments in the Fifth Schedule and Sixth Schedule**’ is now Clause 26.

In the Clause 27., the Commencement Clause the words “*first column of the*” appearing after the article ‘the’ in the second line were deleted.

Clause 27. (3) was deleted and the following substituted therefor:

“(3) The amendments in PART I of the *Fifth Schedule* shall be deemed to come into effect on the 1st day of July, 2018 and the amendment in PART II shall be deemed to come into effect on the 1st day of April, 2019.”

The following new Clause 27. (4) was inserted:

“the third column of the Second Schedule shall be deemed to come into effect on the 1st day of April, 2019.”

The original Clause 27. (4) becomes the new Clause 27. (5).

In the **SECOND SCHEDULE** in the first column the words “*Vacation rental properties*” and “*Villa*” were deleted and replaced with the words “**Vacation rental property**”.

In the second column one set of the words “*2.5% of the rate to be charged per bedroom night, and where this amount exceeds \$20.00 per night, the rate to be charged shall be \$20.00 per bedroom per night.*” were deleted;

In the third column paragraphs 4 and 5 were deleted and substituted with the following new paragraph:

“The Room Rate Levy shall no longer be applied to a vacation rental property from this date. The shared economy levy shall be applied.”

In the **THIRD SCHEDULE** columns 1 and 2 were deleted and substituted with the following:

“Amount of Product Development Levy with effect from the 1st July 2018”

“2.5% of the cost of the direct tourism service”

In the **FOURTH SCHEDULE** columns 1 and 2 were deleted and substituted with the following:

“Amount of Shared Economy Levy with effect from the 1st August 2018”

“10% of the cost of the rental or lease of the tourist accommodation whether that charge is a rate which is charged per night or per bedroom, or a rate for the period of use.”

Delete the **FIFTH SCHEDULE**, and insert the following therefor:

FIFTH SCHEDULE

(Section 26(1))

Enactments to be Amended

PART I

ENACTMENT

AMENDMENT

Barbados Revenue Authority Act, 2014

Insert in section 15 the following new subsection after subsection (3):

“ (4) All revenue paid, collected or received pursuant to section 4 shall be paid into the Consolidated Fund.”.

In the *First Schedule* insert the following new paragraph after paragraph 10:

“ **11.Tourism Levy Act, 2019** ”.

Land Tax Act, Cap. 78A

Delete section 6D delete and substituting:

“ Tax payable in respect of vacation rentals

6D. (1) The proprietor of a vacation rental property shall pay tax at the rate specified under section 6(1), with effect from the 1st day of April, 2011, where the tax is paid at the time prescribed in section 28, the actual amount payable shall be calculated on 75 per cent of the tax demanded.

(2) For the purposes of this section,
 (a) “proprietor” includes the owner of a vacation property rental and any person, not being the owner, who for the time being has immediate control over the management of the vacation rental property;

(b) “vacation rental property” means a dwelling house or house which is registered with the Barbados Tourism Product Authority, and which

(i) is valued at not less than \$525 000;

(ii) makes a charge for the accommodation provided;

(iii) is systematically or periodically rented by guests during the calendar year, for at least 3 months during that year;

(iv) provides sleeping accommodation in one or more rooms;

(v) is managed by an individual, company or real estate agent and employs no less than 3 persons; and

(vi) the grounds and any common areas or recreational facilities are for the use of the occupants of a single booking.”.

Tourism Development Act, Cap. 341

Section 2

(a) delete the definition of the word “villa”; and

(b) insert the following definition in alphabetical order:

““vacation rental property” means a dwelling house or house which is registered with the Barbados Tourism Product Authority, and which

(a) is valued not less than \$525 000;

(b) makes a charge for the accommodation provided;

(c) is systematically or periodically rented by guests during the calendar year, for at least 3 months during that year;

(d) provides sleeping accommodation in one or more rooms;

(e) is managed by an individual, company or real estate agent and employs no less than 3 persons; and

(f) the grounds and any common areas or recreational facilities are for the use of the occupants of a single booking.”.

Delete the word “villa” wherever it appears and substitute the words “vacation rental property” therefor.

Value Added Tax Act, Cap. 87

Section 2 insert the following definition in alphabetical order

“ “direct tourism service” has the meaning assigned to by section 2 of the *Tourism Levy Act, 2019* (Act 2019 -).”.

Section 7 repeal subsection (3B).

Delete section 7(11) and substitute the following:

“ (11) With effect from the 1st day of October, 2013 the tax imposed by subsection (1) on the supply of accommodation in a guest house, hotel, inn, apartment or any other similar place; or for a direct tourism service shall be 7.5 per cent of the value of the supply and is payable by the registrant at the time the supply is made.”.

Delete section 7(12).

Delete the *Fourth Schedule*.

PART II

ENACTMENT

Value Added Tax Act, Cap. 87

AMENDMENT

Insert in the *Second Schedule* the following new paragraph after paragraph 15:

“ 16. From the 1st day of April, 2019, a supply of a vacation rental property, being a house or a dwelling house, which is registered with the Barbados Tourism Product Authority and is systematically or periodically rented for a charge or sum during a calendar year by guests as tourist accommodation. ”.

Delete the **SIXTH SCHEDULE**, and substitute the new **SIXTH SCHEDULE** therefor:

SIXTH SCHEDULE

(Sections 26(2) and 27(4))

Amendment of the Value Added Tax Act, Cap. 87

ENACTMENT

Value Added Tax Act, Cap. 87

AMENDMENT

Delete section 7(11) and substitute the following:

“ (11) With effect from the 1st day of January, 2020 the tax imposed by subsection (1) on the supply of accommodation in a guest house, hotel, inn, apartment or any other similar place; or for a direct tourism service shall be 10 percent of the value of the supply and is payable by the registrant at the time the supply is made. ”.

AND the Honourable the Senate transmits the Amended Bill to the Honourable the House of Assembly inviting concurrence in the amendments to the Bill.

Dated the 11th day of December, 2019.


PRESIDENT