

How the Cape Breton Island Marketing Levy grows the tourism industry



DID YOU KNOW?

The Marketing Levy has an estimated return on investment of \$27 in direct visitor spending for every dollar collected.



Cape Breton
Regional Municipality

Cape Breton
Island
your heart will never leave.

October 25, 2023

IMPORTANT UPDATE:

Cape Breton Island Marketing Levy to Increase to 3% Starting January 1, 2024 and Apply to ALL Fixed-roof Accommodations

Dear Accommodation Owner/Operator:

Following the passing of the updated Cape Breton Island Marketing Levy Bylaw by the Cape Breton Regional Municipality Council on August 22, 2023, changes to the Marketing Levy will take effect on January 1, 2024, as follows:

1. The Cape Breton Island Marketing Levy rate will increase to 3%.
2. The Marketing Levy will apply to ALL fixed-roof accommodation providers within the municipality, as required to be registered under the Nova Scotia Tourism Accommodation Registration Act.

Fixed-roof accommodation providers are requested to adjust their pricing structures accordingly to accommodate the 3% Marketing Levy rate as of January 1, 2024. Please make the necessary adjustments to your booking and billing systems to ensure that your business is compliant.

We appreciate your cooperation and commitment to the growth and prosperity of Cape Breton Island's tourism industry by collecting and remitting the Marketing Levy.

Mayor Amanda McDougall-Merrill
Cape Breton Regional Municipality

Terry Smith, CEO
Destination Cape Breton

Frequently asked questions

1. Does the Marketing Levy apply to my business?

The Marketing Levy applies to ALL fixed-roof, tourism accommodations within the boundary of the municipality, as required to be registered under the Nova Scotia Tourism Accommodation Registration Act. By law, tourist accommodations must register to operate in Nova Scotia if they provide short-term accommodations for 28 days in a row or less. Examples of tourist accommodations that need to register include:

- **Apartments, condos, houses and vacation homes**
- **Bed and breakfasts**
- **Cottages, cabins and tiny homes**
- **Dormitory-style rooms and hostels**
- **Hotels, motels and inns**
- **Resorts**
- **Rooms** (including a room in a home)
- **Self-contained secondary suites** (like a basement apartment or a loft above a garage)
- **Unusual lodgings** (like yurts, domes and camping trailers)

For more information, go to:
<https://tourismns.ca/accommodation-registry-information>.

2. Who the levy does not apply to?

The following are exemptions to the Marketing Levy:

- **Accommodations with prices set at \$20 or less per night stay.**
- **A student residence of a post-secondary educational institution.**
- **Any person staying within an accommodation for more than 30 consecutive days.**
- **Any person being accommodated while a person or family member is receiving medical treatment or advice in a hospital within their municipality.**
- **Any person being accommodated while a person or the person's family have been temporarily displaced from their home due to a natural disaster, including high wind event, flood event, fire or other naturally occurring damaging event.**

3. What is the new Marketing Levy rate?

As of January 2024, the Marketing Levy rate to be charged by accommodation providers is 3% of the purchase price of the accommodation. Please note: The Marketing Levy is NOT exempt from HST, so the Levy must be applied before the tax.

4. How do I collect the Marketing Levy?

A 3% Marketing Levy must be collected on the purchase price of all accommodations.

It's important that you make clear on any receipt or bill provided to a guest:

- **The total cost of the accommodation charged**
- **The total amount of Marketing Levy charged to the customer on this accommodation**
- **Clearly indicate that the Marketing Levy charged is subject to HST**

The Marketing Levy should not be charged on exempt purchases, such as meals. If you offer packaged accommodations with meals and other specialized services included, then you must remit the levy on the purchase price of accommodations offered without these specialized inclusions. Please note that the Marketing Levy must be collected regardless of the payment method for accommodations. That is, if the guest pays in cash, installments or otherwise, the levy is still applicable.

5. How do I report and remit the Marketing Levy?

A new Marketing Levy reporting and remitting platform is currently in development. This new online platform will simplify the process for accommodation providers and allow for online remittance of levies collected. More information on the platform will be provided soon.

6. What happens if I do not remit?

A database of accommodations required to remit is held by CBRM. A failure to remit on time may result in interest accumulated on overdue remittances. The interest charged to overdue remittances is 4% above the prime rate. Additionally, a failure to remit may also result in a municipal conviction. A first conviction includes a fine that falls between \$500 - \$1000 and a second subsequent conviction includes a fine that falls between \$1500 and \$5000.

You are required to maintain records of accounts and documents that can show sales of accommodation (exempt and non-exempt), levy collected and remittance. These records must be kept for six years and the municipality has the right to inspect or audit these records with written notice.