



LOCAL GOVERNMENT HOTEL TAX

(ASSESSMENT & PAYMENT) **FEBURARY 2017**

Governing law:

The Local Government (Amendment)(No .2) Act 2008, Cap 243, practical guide for implementation of Local Hotel and Local Service tax developed by Local Government Finance Commission, and Kampala Capital City Act 2010.

What is Local Hotel Tax?

This is a tax levied and paid by room occupants of a Hotel per room per night. According to the Act, a Hotel is defined as a house intended for accommodating travelers or visitors for payment. By implication a hotel therefore can be a hotel, an inn, a guesthouse, a serviced apartment, a motel or any suitable structure for a commercial residence.

Why are you paying?

It's a Legal requirement for any person staying as a visitor at a hotel/ lodge/guest house to pay Local Hotel Tax as provided for by the Local Government Act Cap 243

Local Hotel Tax was introduced in order to regulate hotels activities within the urban authorities and to raise revenue to enable the urban authorities to offer services such as street lighting, roads & Drains Maintenance, garbage collections etc. Therefore revenue is raised through, among other sources, Local Hotel Tax to fund the cost of these services.

How is Local Hotel tax levied and paid?

- Hotel owners/ management are obliged to levy and collect Local Government Hotel tax on behalf of Kampala Capital City Authority. Local hotel tax collections are recorded on a daily basis in a KCCA till book issued by KCCA. All entries in this book are expected to reflect the fair view of transactions taking place at the Hotel.

- Hotel Records shall be accessed by Authorized Revenue Officers of the Authority on request during official time.
- Upon approval of the records presented, the Authorized Revenue Officers shall issue Payment Advise Forms (PAFs) to the hotel owners/ managers for payment. It should be noted that, it is the hotel management that is responsible for the collection of Local Hotel Tax.
- Payment can also be made by way of Electronic Funds Transfer (EFT) or Bank drafts or in a bank of one's choice. PAFs can be obtained from the Revenue office at the nearest Divisional office.

What if I do not pay?

In cases where part of or all of the Local Hotel tax collected remains un remitted at the end of a financial year, the hotel owners/ managers will be required to pay the outstanding tax including a surcharge of 40% within two months of the notice. If the hotel owners/ managers fail to comply, the Authority may sue the hotel in the courts of law.

For more inquires on Local hotel Tax, please visit any Division Urban Council Offices-Revenue unit or the KCCA website; www.kcca.go.ug

How much will a room occupant pay in terms of local Hotel tax?

The Local Government Hotel Tax shall be levied on room occupants per night according to the categories of the hotel as follows:

No	Hotel Category	Rate of Local Hotel tax occupant/ guest (in UGX)
1	Five and Four star hotels.	US \$ 2 per room per night.
2	Three, Two star hotels and other hotels charging above 50,000/= per night.	2000/= per room per night
3	Hotels, lodges and Guest houses charging 10,000/= up to 50,000/= per night.	1000/= per room per night
4	Hotels and Lodges which are charging less than 10,000/= per room per night*.	500/= per room per night

Documents used to record and/or manage Hotel Tax include:

- KCCA Collection till books,
- Hotel Receipt books
- Hotel registers
- Daily return summary forms showing daily rooming lists.

*For more inquires on Trade Licensing, please visit **any Division Urban Council Offices-Revenue, Large tax Office at City Hall or any of the one stop shops at Diamond Trust Bank Kampala Road, URSB head office at Georgina House or Tel. 020460000 , 0800990000 or eservices@kcca.go.ug***