



WAKISO DISTRICT LOCAL GOVERNEMENT

LOCAL HOTEL TAX

(JUNE 2016)

Issue1

GUIDELINES FOR THE IMPLEMENTATION OF THE LOCAL HOTEL TAX

1. Introduction

Government amended the Local Government Act and introduced the Local Hotel Tax (LHT).

2. Application of the guidelines

The implementation guidelines are primarily intended for the Local Government officers and hotel owners/operators whose duties include the administration, management, collection and remittance of LHT. Nevertheless, these guidelines are not a substitute to the Act and where there is a conflict the Act shall prevail.

ASSESSMENT AND PAYMENT/ APPEAL PROCEDURES

3. What is LHT?

LHT is an accommodation tax that is charged on hotel and lodge room occupants or bed sold of less than thirty consecutive nights. It applies to a room that has been paid for, even if it was not used.

4. Who pays LHT?

LHT is charged on the hotel and lodge room occupants.

5. Who collects LHT?

LHT is collected from room occupants by the hotel or lodge owners and managers and remitted to the Local Government on a monthly basis, where the hotel is situated.

6. What is a hotel?

For the purpose of the guidelines and the Act, “ hotel” refers to a lodge, inn, guesthouse, boarding house, resort, stay, hostel, motel, cottages, apartments etc that sells rooms or beds to occupants or lodgers or visitors or travelers per room /bed per hour or day or per night. LHT is collected by the hotel owners and managers who shall remit it to Wakiso district Local Government on a monthly basis.

7. Effective date

The LHT took effect on 1st July 2008 and shall be collected by all hotels in the country. The taxes are intended to broaden the tax base of Local Governments and significantly improve their revenue collections and capacity to finance decentralized social services.

8. What is the use of LHT?

The proceeds from the LHT shall be spent on garbage collection, improvement of the general cleanliness, beautification and maintenance of social public facilities and special events that may encourage tourism etc in Wakiso District Local Government where the hotel is located.

9. How much is paid?

- All hotel providers have a statutory duty to levy and collect LHT from all people who pay for accommodation in their hotels. The tax shall be paid by room/ bed occupants when settling their hotel bills/ invoices. The LHT shall be levied as follows:-

S/N	Hotel category	Rate of Wakiso District Local Government hotel tax per room occupied
1	Five and four star hotel	US\$2 per room/bed or its equivalent in Ug shs
2	Three, two star hotel and other hotels charging shs 50,000/= per room and above	Shs 2,000/= per room/bed
3	Hotels, lodges and guest houses charging shs 10,000/= up to shs 49,000/= per	Shs 1,000/= per room/bed

	room/ bed	
4	Lodges and guest houses charging less than 10,000/= per room/bed	Shs 500/= per room/bed

- Every end of the month, the hotel shall provide a summary sheet indicating dates, number of rooms/beds sold, number of occupants, rate and LHT collected to Wakiso District Local Government. Names and other profiles of occupants should not be included.

10. Who is exempted?

The LHT may not apply to the following situations:

- Accommodations purchased by the same person in the same hotel for continuous period of 30 nights or more;
- Accommodations provided to patients or residents of a hospital, health unit, nursing home or licensed care facility;
- Accommodations provided to a student in a building owned by an educational institution or a person while the student is attending the institution;
- Accommodation supplied in employer's premises/ facilities to their employees;
- Open sites in camp grounds or trailer parks;

11. Inspections, recovery and penalties

- On a monthly basis, Wakiso District Local Government officers or their representatives with proper identifications will be authorized to access all receipts, invoices, rooms registers, bills, house keeping records, accounting records / reports pertaining to accommodation sales and management to verify LHT collections.
- Any hotel owners or manager, who fails to deduct and remit LHT in accordance with the Act, is liable to pay a penalty/ surcharge of 40% or face any other sanctions under the law, within two months after notification.
- Any person who, without lawful excuse (the proof of which lies with him/her), refuses, omits, neglects or fails to pay the LHT commits an offence which is also punishable under the Penal Code Act.

12. LHT payment and transfers

Remittances to Wakiso District Local Government should be made by Electronic Funds Transfers (EFT) or by cheque (preferably) or by cash. EFT refers to the movement of funds from one bank account to another by means of communicated payment instructions. EFT eliminates the risks and costs of printing and handling of physical cheques and cash. Wakiso District Local Government shall endeavor to provide our revenue collection Bank accounts to the hotels where the LHT collections should be banked.

13. Conclusion

Payment of taxes is a constitutional and civic duty for national development and service delivery.

CONTACT US:

For more inquires on Trade Licensing, please visit any Sub county or Town Council Offices-Revenue unit or Our Head offices at: Wakiso, Namayumba, Masuliita, Kakiri, Bussi and Mende Sub counties as well as Wakiso, Namayumba, Masuliita, Kakiri, Katabi, Kajjansi, Kyengerera, Kasanje and Kasangati Town councils.

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