

MAT Compliance Guidelines

Town of Greater Napanee

1. Introduction

The Municipal Accommodation Tax (MAT) is a mandatory 5% tax applied to the purchase of transient accommodation within the Town of Greater Napanee. This handbook is intended to supplement By-Law 2026-0018 by providing accommodation providers with instructions on how to collect, report, remit, and remain compliant with MAT requirements.

2. Who Must Collect MAT (including exemptions)

MAT applies to all providers offering accommodation for 30 consecutive days or less, including:

- Hotels
- Motels
- Inns
- Resorts

Exemptions (s.3.1):

MAT does not apply to accommodations provided by:

- The Crown or Crown agencies
- School boards
- Universities and colleges
- Hospitals
- Long-term care homes
- Treatment centres receiving provincial aid
- Hospices
- Emergency shelters and charitable shelters
 - A hotel or motel being used by the County of Lennox and Addington, or their agent, for shelter purposes;
- Employer-provided accommodation

- Tent or trailer sites
- Accommodation bookings with signed contracts prior to the date this bylaw takes effect, whether paid partially or in full.

3. MAT Rate and Application

MAT Rate (s.2.1):

- 5% of the Purchase Price of accommodation
- Applied to stays of 30 days or less

What Is Taxable:

- The accommodation portion of the bill only

What Is Not Taxable (s.4.5):

- Food and beverage
- Parking
- Room incidentals
- Service charges

These must be separately itemized on invoices to be exempt.

4. Invoicing Requirements

Every invoice or receipt issued to a purchaser must include (s.4.1):

- Purchase Price of accommodation
- A separate line labeled “Municipal Accommodation Tax”
- Any exempt items listed separately

5. MAT Collection Procedures

Providers must:

- Collect MAT at the time of purchase (check-in or booking)
- Charge 5% rate to the taxable portion only
- Maintain accurate records

6. Quarterly Reporting & Remittance Requirements

Providers must remit MAT **quarterly** by the following deadlines:

Quarter	Reporting Period	Remittance Due
Q1	Jan 1 – Mar 31	April 30
Q2	Apr 1 – Jun 30	July 31
Q3	Jul 1 – Sep 30	October 31
Q4	Oct 1 – Dec 31	January 31

6.2 Quarterly Reporting & Remittance Requirements

Each quarterly MAT Return must include:

- Total accommodation revenue
- Total MAT collected
- Exemptions applied
- Zero-MAT declaration (if applicable)
- Supporting documentation as required

6.3 Zero-MAT Reporting

If no MAT was collected in a quarter, providers **must still file** a MAT return.

7. Recording Keeping Requirements

Providers must keep all records for three (3) years, including:

- Invoices
- Booking logs
- MAT calculations
- Exemption documentation
- Quarterly returns

8. Audit & Inspection

The Town's Treasurer or designated tax collection agent may inspect and audit:

- All books
- Documents
- Transactions
- Accounts of the transient accommodation service provider

Providers must not obstruct these activities.

9. Interest, Penalties & Enforcement

9.1 Automatic Assessment

If a Provider fails to submit remittance statements, MAT will be assessed based on full occupancy.

9.2 Penalties

- 1.25% penalty on unpaid MAT on the first day of default
- 1.25% interest per month thereafter

9.3 Liens

Past-due MAT may be added to the property tax roll and registered as a lien.

9.4 Additional Enforcement Tools

- Legal action
- Collection agencies
- Other remedies under the Municipal Act



10. Provider Compliance Checklist

Before Each Stay:

- Apply 5% MAT
- Separate exempt items
- Include MAT as a separate line on invoices

Quarterly:

- Complete MAT Return
- Remit MAT Collected
- File zero-MAT return if applicable

Ongoing:

- Maintain 3-year records