TAX-300
Hotel Room Occupancy Tax

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Division of Revenue & Taxation

Quick tips on tax help and forms.

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What's inside?

- *What is hotel room tax*
- *Return Filing*
- *When to file*
- *Instructions for form TAX-300*
- *Additional charges*
- *Declaration*

Declaration (Who shall sign?)

- **Sole-proprietor:** An individual taxpayer must sign.

- **Corporation:** President/Vice-president, any of the Officers.

- **Partnership:** Anyone of the partner may sign.

- **Association/Organization:** Anyone of the officers.

- Print, sign and date the return.

- Indicate status.

Hotel Room Tax (RPPL 8-40)

(Effective on October 1, 2012)

Section 1401 in Title 40 of the Palau National Code, shall state as follows:

Section 1401. Hotel room and Vessel Cabin occupancy tax.

(a) An Excise tax of twelve percent (12%) of the net room charge for the room of the vessel cabin, or twelve dollars ($12.00) per room or per vessel cabin whichever amount is greater is hereby levied and imposed transient occupants of a room in a hotel, motel, lodging house, or similar facility located in the Republic; in addition, such excise tax shall also apply against any transient occupancy of a cabin or ship or other water vessel owned or operated by person or business entities licensed to do business in the Republic

- Every hotelkeeper and vessel cabin owner doing business located in the Republic of Palau shall make, file this return and make tax payment to the Director on or before the 15th day of each month, all hotel room taxes an vessel cabin taxes collected under this section.

When to file a return
Return Filing

- Every taxpayer is urged to make, file return and pay taxes on time to avoid additional charges that may be imposes under the tax laws.

- Filing return on time without making tax payment, does not necessarily avoid imposition of any late charges.

- For instance, you filed return on time without making appropriate payment and comes in 10 days after the due date to pay. You will absolutely be assess penalty and interest for the 10 days elapsed between the due date and the time of payment.

- **Even if there is no income, you still have to file a return showing zero income.**

TIPS FOR COMPLETING FORM TAX-300

- A.1 **Business Name and address:** please write the business name and correct mailing address.

- B.1 **TIN:** Write **Tax Identification Number (TIN)** here.

- B.2 **Period:** Write the month, the days and the year covered by the return.

- B.3 **Due date:** Write the due date of the return, e.g. 15th day of the following month. For example, if you are making return for January 2000, the due would be 2/15/00.

- Box 1, Number of Room Nights Available for this month.

- Box 2, Number of Room Nights Sold

- Box 3, Total Net Room Charges

- Box 4, Total Occupancy Tax charged @ 12%

- Box 5, Total Occupancy Tax Charged @ $12.00/Day

- Box 6, Grand **Total of Occupancy Tax (Box 4 +Box 5)**

- Box 7, **Total Occupancy Tax Due**

- Box 8, Number of Days Lapse

- Box 9, Penalty (**Tax Due X 10% X # of days late ÷ by 30**)

- Box 10, Interest (**Tax Due X 3% X # of days late ÷ by 30**)

- Box 11, Total due and payable

** Attach details of daily accommodations and rental information to your tax return. (REQUIRE)

When calculating the number of room night available and the number of room nights sold, please see example below.

Hotel X has 20 rooms

The month is April which has **30 days**;

Hotel X has all 20 rooms available for rent;

Number of room nights available would be 600

(20X30=600)

Hotel X rented out 10 different rooms for a total of 30 days each;

Number of room nights used would be **300**

(10X30=300)

Hotel X has 20 rooms

The month is May which has **31 days**;

Hotel X has 15 of its rooms available and 5 rooms under renovation;

Number of room nights available would be **465**

(15X31=465)

Hotel X rented out 10 different rooms for a total of 20 days each;

Number of room nights used would be **200**

(10X20=200)