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# TAX-301

## Vessel Cabin Occupancy Tax



Division of Revenue & Taxation



*Quick tips on tax help and forms.*

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## Title 40 of the Palau National Code, Section 1401.

### Hotel Room and Vessel Cabin Occupancy Tax (RPPL 8-40, Effective on October 1, 2012)

- (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.
- Effective January 2002 all taxpayer will be required to file Business Gross Revenue tax return on a quarterly schedule
- Effective January 2002 taxpayer are now required to file tax return by business activity.  
showing income received by activity.
- However, when filing by activity make sure to insert correct TIN (Tax Identification Number).

## When to file a return

- Owner or operator of a ship or vessel shall make, file and make tax payment on or before the 15th of each month.
- Every taxpayer is urged to make and file return, even if there is no income.
- Filing return on time without making appropriate payment, would not necessary 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 be assessed penalty and interest for the 10 days elapsed between the due date and the time of payment.

## TIPS COMPLETING FORM TAX-301

- A.1 **Business Name and address:** please write the business name and correct address.
- B.1 **TIN:** Write Tax Identification Number 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, Total Net Room Charge for this month.**
- **Box 2, Total Occupancy Tax charged @ 12%**
- **Box 3, Total Occupancy Tax charged @ \$12.00 a Day**
- **Box 4, Total of Box 2 plus Box 3.**
- **Box 5, Total Tax Due**
- **Box 6, Number of days lapsed**
- **Box 7, Penalty (Tax Due X 10% X # of days late ÷ by 30)**
- **Box 8, Interest ( Tax Due X 3% X # of days late ÷ by 30)**
- **Box 9, Total due and payable**

**\*\* Attach details of daily accommodations and rental in an annexure.\*\***

## Additional Charges

- Pursuant to 40 PNC 1701, return and or payment received after the due date will be assessed 10% penalty on the amount of tax due for each 30 days or fraction thereof elapsing between the due date and the date of return and or payment.
- In addition to the penalty, an interest charge of 3% will be assessed on the tax due for each 30 days or fraction thereof until the full amount has been paid.

## 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.