



KIRA MUNICIPAL COUNCIL

(ASSESSMENT & PAYMENT) **JULY 2022**

GOVERNING LAW:

The Local Government (Amendment)(No .2) Act 2008, Cap 243, practical guide for implementation of Local Hotel developed by Local Government Finance Commission.

DEFINITION OF 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.

BENEFITS OF PAYMENT OF LHT

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 & Drainage Maintenance, garbage collections etc. Therefore revenue is raised through, among other sources, Local Hotel Tax to fund the cost of these services.

PROCEDURE FOR OBJECTION ASSESSMENT OR PAF?

Write a formal Objection letter to the respective Division Assistant Town Clerk. Turn around time for the response is 15days from the date of receipt of your Objection letter.

ASSESSMENT AND PAYMENT OF LHT

• Hotel owners/ management are obliged to levy and collect Local Government Hotel tax on behalf of Kira municipal Council. Local hotel tax collections are recorded on a daily basis in Municipal Council till book issued by Kira Municipal Council. 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 Kira Municipal Council 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 respective Division Offices.

FAILURE TO PAY

In cases where part of or all of the Local Hotel tax collected remains unremitted 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 Municipal Council may sue the hotel in the courts of law. For more inquiries on Local hotel Tax, please visit any of the Municipal Division Council Offices or Kira Municipal Council website; www.kiramc.go.ug

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)
	Five and Four star hotels.	US \$ 2 per room per night.
	Three, Two star hotels and other hotels charging above 50,000/= per night.	2000/= per room per night
	Hotels, lodges and Guest houses charging 10,000/= up to 50,000/= per night.	1000/= per room per night
	Hotels and Lodges charging less than 10,000/= per room per night.	500/= per room per night

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

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

For more inquiries on Local Hotel Tax, please visit any of the Division Council Offices or Office of the Treasurer Municipal Council Headquarters or Tel. 0705-555-288, 0753-170-340, 0781-544-284, 0772-476-341 or Email: info@kiramc.go.ug