

● Registration of Party Responsible for Special Collection

[Q1] Who is the party responsible for special collection of the accommodation tax?

[A1] It is a party that runs a hotel business or private lodging business.

However, if there is another party that is actually responsible for the management of the accommodation facility (such as a party who is entrusted with the entire management of the facility, etc.), the party may be the party responsible for special collection. In such cases, please contact us.

[Q2] We are planning to start a hotel business (or private lodging business). What kind of procedures should we take?

[A2] The flow about the procedures for the accommodation tax is as follows.

1. Apply for the permission of the Inns and Hotels Act or registration under the Private Lodging Business Act*.
2. Submit the Application to Register as the Party Responsible for the Special Collection of the Accommodation Tax to Kutchan Town Office Tax Division, Accommodation Tax Section five days before the start of business.
3. Collect the accommodation tax from guests.
4. Submit the Statement of Accommodation Tax Return pertaining to the collected accommodation tax to Kutchan Town Office Tax Division, Accommodation Tax Section, and pay the tax at a designated financial institution by using the payment slip.

* An application for the permission of the Inns and Hotels Act or registration under the Private Lodging Business Act can be made at the Health Administration Office, Health and Environment Department, Shiribeshi General Subprefectural Bureau (Kutchan Health Center).

[Q3] What should we do if a party that has received the permission of the Inns and Hotels Act is not the party that actually runs the Accommodations?

[A3] A party that has received the permission of the Inns and Hotels Act (hereinafter referred to as the "Hotel Operator") becomes the party responsible for special collection. However, when the Hotel Operator and the substantial manager are different, or when a party other than the Hotel Operator has the right to decide the management of the Accommodations by a consignment contract, etc., the town may separately designate a party other than the Hotel Operator that has responsibility for the filing and payment of the accommodation tax as the party responsible for special collection. For details, please contact the Tax Division.

[Q4] If there is an owner for each room in a facility, does a separate registration have to be conducted for each room?

[A4] Since registration is conducted for each facility overall, only one copy of the Application to Register as the Party Responsible for the Special Collection of the Accommodation Tax must be submitted. In the facility owner column, please specify "as provided in the separate document," and attach a separate document (any form) providing the necessary formation on all owners.

● Matters Related to Filing and Payment

[Q1] Do we have to file the tax even for a month without accommodation services?

[A1] You need to submit the Statement of Accommodation Tax Return if the amount of the accommodation tax to be filed is 0 yen.

[Q2] About items described in the Register of Collection of Accommodation Tax and an obligation to submit the Register

[A2] You need to prepare the Register of Collection of Accommodation Tax providing the date of stay, the number of guests, the amount payable by guests for accommodation services, accommodation fees, and the accommodation tax. Please submit the register with the Statement of Accommodation Tax Return each month.

The register needs to be submitted in writing. If it is inconvenient for you (a lot of documents to be submitted, etc.), you can manage the register with electronic data. When we ask you to submit the register, please submit it promptly.

<Sample of the Register of Collection (1)> Taxation type: Per person

	single A : 12,569円 (tax included)				twin A : 23,882円 (tax included)				Added categories (columns) according to unit price differences	Tax exemption number
	Number of guests	Total hotel charges	Tax Base	Accommodation tax	Number of guests	Total hotel charges	Tax Base	Accommodation tax		
11/1	1	12,569	11,200	224	6	143,292	127,800	2,556		0
11/2	2	25,138	22,400	448	10	238,820	213,000	4,260		24
11/3	5	62,845	56,000	1,120	1	23,882	21,300	426		24
11/4	10	125,690	112,000	2,240	8	191,056	170,400	3,408		30
11/30	4	50,276	44,800	896	2	47,764	340,800	6,816		40
subtotal	170	2,136,730	1,904,000	38,080	230	5,492,860	4,899,000	97,980		300

<Sample of the Register of Collection (2)> Taxation type: Per person

Accommodation date	room number	Number of guests	Total hotel charges	Accommodation fee (consumption tax not included)	Accommodation charges (excluding consumption tax and accommodation tax)	Meal bill	Without meals	Tax Base	Accommodation tax
11/1	A	1	10,020	9,900	9,000	3,000	6,000	6,000	120
11/1	B	1	10,971	10,835	9,850	3,000	6,850	6,800	136
11/1	C	2	22,280	22,000	20,000	6,000	14,000	14,000	280
11/2	A	1	10,020	9,900	9,000	3,000	6,000	6,000	120
11/2	B	2	21,942	21,670	19,700	6,000	13,700	13,600	272
11/2	C	3	33,420	33,000	30,000	9,000	21,000	21,000	420
11/2	D	1	13,380	13,200	12,000	3,000	9,000	9,000	180
11/30	D	1	13,380	13,200	12,000	3,000	9,000	9,000	180
total		150	1,818,800	1,795,200	1,632,000	450,000	1,182,000	1,180,000	23,600

<Sample of the Register of Collection (3)> Taxation type: Per room (In the number of guests column, the maximum number of guests accommodated may be written.)

Accommodation date	Room A				Room B			
	Number of guests	Total hotel charges	Tax Base	Accommodation tax	Number of guests	Total hotel charges	Tax Base	Accommodation tax
11/1	3	50,908	45,400	908	0	0	0	0
11/2	3	50,908	45,400	908	4	30,544	27,200	544
11/3	0	0	0	0	4	30,544	27,200	544
11/4	0	0	0	0	4	30,544	27,200	544
11/5	3	57,018	50,900	1,018	2	34,210	30,500	610
11/6	3	57,018	50,900	1,018	2	34,210	30,500	610
11/30	3	63,636	56,800	1,136	4	38,180	34,000	680
小計	60	1,000,000	892,800	17,856	80	852,000	760,700	15,214

[Q3] We run multiple accommodation facilities. Can we file and pay the tax of the facilities collectively?

[A3] If you run two or more accommodation facilities, you can total and file/pay the tax by making an application. However, you need to prepare and manage the Register of Collection of Accommodation Tax according to each accommodation facility.

[Q4] What if a filing or payment is delayed?

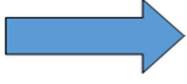
[A4] In case of a delay in filing or payment, additional charges for failure to file or delinquent charges may be imposed.

[Q5] If accommodation services are provided across a month, should we pay the tax for each month?

[A5] You need to record the accommodation tax in the month when the date on which accommodation services are provided belongs, not on the date on which the accommodation fee is collected. So please use the check-in date as the reference date. In case of stays of two or more consecutive nights across a month, you need to record the accommodation tax for each month. For example, the tax for April 30 will be recorded in April and that for May 1 will be recorded in May.

However, if it is difficult to calculate the accommodation fee for each day, you may calculate the accommodation tax based on the total accommodation fee on the checkout date.

(Example) Sample of the Register of Collection when four guests stay for three consecutive nights from December 3 in a room which costs 15,000 yen per room (including tax)

date	Number of guests	Total hotel charges	Tax Base	Accommodation tax		date	stay days	Number of guests	Total hotel charges	Tax Base	Accommodation tax
12/3	4	15,000	13,300	266	 If it is a batch calculation method on the checkout date	12/6	3	12	45,000	40,100	802
12/4	4	15,000	13,300	266		※Total number of people written					
12/5	4	15,000	13,300	266							

- [Q6] In the case of credit sales, should we file and pay the accommodation tax in the month following the month when accommodation services are provided, or in the month following the month when the accommodation fees are paid?
- [A6] Please file and pay the tax in the month following the month when accommodation services are provided.
- [Q7] We would like to file and pay the accommodation tax every few months instead of every month.
- [A7] For parties that satisfy certain requirements, we have a special exception so that they can file and pay the accommodation tax every three months by making an application.

● Matters Related to Taxable Items

[Q1] Are infants and children subject to the accommodation tax?

[A1] Regardless of the guest's age, the accommodation tax is charged when accommodation fees are charged.

[Q2] Is the accommodation tax charged even if accommodation fees are not charged?

[A2] The accommodation tax is not charged when accommodation fees are not charged. However, if the accommodation fee becomes free due to a discount (points given on the hotel reservation website, subsidies, or grants) offered by a third party other than the Hotel Operator, you need to calculate the accommodation tax by using the amount before the discount as the accommodation fee.

[Q3] If a guest makes an advance payment including the accommodation tax and cancels his/her reservation, do we have to refund the amount of the accommodation tax?

[A3] The accommodation tax is charged for accommodation services. Therefore, when a guest cancels his/her reservation, accommodation services are not provided and the accommodation tax must be refunded. However, if the "accommodation fee" is treated as a "penalty" (cancellation fee, etc.), the accommodation fee will not be taxable. It is determined based on the agreement between the Hotel Operator and the guest.

[Q4] Is the accommodation tax charged to students on a school trip if the school does not submit the Certification of School Trip?

[A4] A sample of the "Certification of School Trip" is provided on page 10 of the Guidance, but we have not designated a specific form. Please ask the school to submit a document stating that the students will stay at the Accommodations on a school trip, and keep the document. By this document, the students will be subject to tax exemption. However, if it can be clearly confirmed that students are on a school trip even if the document is not submitted at the time of check-in, the students may be treated as those subject to tax exemption by having the school submit the document at a later date.

[Q5] Are pets (dogs and cats) subject to the accommodation tax?

[A5] As a basic idea, pets are not guests and accommodation services provided to them are not included in accommodation fees. However, if the Accommodations treat the accommodation services as a cleaning fee or service fee, they are included in accommodation fees.

[Q6] If a fee is collected as a "facility usage fee" or "admission fee" instead of as an "accommodation fee," is the fee subject to the accommodation tax?

[A6] Regardless of the name of a fee, the accommodation tax is levied when the fee is collected in exchange for accommodation services.

● Matters Related to Calculation and Collection of Accommodation Tax

[Q1] How is the accommodation tax calculated?

[A1] The accommodation tax is calculated by multiplying the accommodation fee excluding meal charges, consumption tax, and bathing facility tax (to be rounded down to the nearest hundred yen) by 2%.

[Q2] How much is the accommodation tax when the accommodation fee is 10,000 yen per night (including 2,000 yen for a meal, excluding tax)?

[A2] $(10,000 \text{ yen} - 2,000 \text{ yen}) \times 2\% = 160 \text{ yen}$

[Q3] How much is the accommodation tax when the accommodation fee is 10,000 yen per night (excluding tax) and meal charges cannot be clearly separated?

[A3] Meal charges will be: $10,000 \text{ yen} \times 10\% = 1,000 \text{ yen}$, according to the table below.

Therefore, the accommodation tax will be: $(10,000 \text{ yen} - 1,000 \text{ yen}) \times 2\% = 180 \text{ yen}$

*How to calculate meal charges when the accommodation fee and meal charges are not clearly separated	
When one meal is provided per night	The amount obtained by multiplying the amount to be paid by the guest to the Accommodations by 10%
When two meals are provided per night	The amount obtained by multiplying the amount to be paid by the guest to the Accommodations by 20%
When three or more meals are provided per night	The amount obtained by multiplying the amount to be paid by the guest to the Accommodations by 30%

[Q4] An accommodation product whose price is 10,000 yen per night (excluding tax, including a meal charge of 2,000 yen) is sold through a travel agent. The travel agent sells the product to the guest for 11,000 yen, and the amount of accounts receivable is 8,500 yen after deducting commissions. In this case, how much is the accommodation tax?

[A4] For planned travel, the accommodation tax is calculated based on the accommodation fee per person determined by the contract between the travel agent and the Accommodations. (Commissions, etc. charged by the travel agent to the guest are not included in the accommodation fee.)

In this case, the accommodation tax will be: $(10,000 \text{ yen} - 2,000 \text{ yen}) \times 2\% = 160 \text{ yen}$

[Q5] How should we treat accommodation fees for stays of two or more consecutive nights?

[A5] If a discount on a stay of two or more consecutive nights is applied and a discount rate is specified for each day, the accommodation fee is calculated by applying the discount rate to the regular accommodation fee for each date.

If a discount is offered collectively for a period of stay of two or more consecutive nights, the amount obtained by dividing the total accommodation fee after the discount by the number of nights will be the accommodation fee.

If it is difficult to calculate the accommodation fee for each day in case of a stay of two or more consecutive nights, the accommodation tax may be collectively calculated based on the accommodation fee at the time of checkout and filed and paid in the following month.

[Q6] What should we do if a guest refuses to pay the accommodation tax?

[A6] Please explain that guests are obliged to pay taxes.

We ask for your cooperation for the collection of the accommodation tax. We, as Kutchan Town, will make efforts to disseminate the information on the accommodation tax.

According to the law, if the accommodation tax is not paid, the Hotel Operator, who is the

party responsible for special collection, will pay the tax to the town and file a claim with the guest for reimbursement.

[Q7] Do we have to indicate the accommodation tax on the receipt given to guests?

[A7] In order to gain guests' (taxpayers') understanding and cooperation for the collection of the accommodation tax, please indicate the name and amount of the accommodation tax on the receipt. Please note that if the amount equivalent to the accommodation tax is not clearly separated, the accommodation fee including the accommodation tax will be subject to the consumption tax.

[Q8] If the accommodation fee is 9,860 yen "per person" (excluding tax), how should we calculate the accommodation tax if two guests stay?

[A8] If the taxation type is "per person," the accommodation fee must be rounded down to the nearest hundred yen for each person when calculating the tax base.

In the case above, the tax base per person is 9,800 yen, rounded down to the nearest hundred yen of the accommodation fee of 9,860 yen, and the accommodation tax per person is 196 yen ($9,800 \text{ yen} \times 0.02$).

Accordingly, the accommodation tax when two guests stay will be 392 yen ($196 \text{ yen} \times 2$).

<*Example of an error>

The total accommodation fee for two guests ($9,860 \text{ yen} \times 2 = 19,720 \text{ yen}$) is rounded down to the nearest hundred yen, and 19,700 yen is considered the tax base. Accordingly, the accommodation tax will be 394 yen ($19,700 \text{ yen} \times 0.02$), resulting in an error.