

*“It’s complicated,
that’s why we’re
bringing in BDO.”*

Tourist & Environmental Levy

The Fundamentals

The tourist levy and environmental levies are paid by the hotel guest.

Tourist Levy

The tourist levy’s tax base is the gross turnover, which is the room rate including surcharges, paid by the guests. The tax rate is set on 9.5%. The tourist levy applies to all accommodations that provide housing up to a maximum of ten persons for less than 90 consecutive days, as well as timeshare resorts.

If a hotel room is sold on an all-inclusive basis, the tourist tax will be levied on 50% of the all-inclusive price including surcharges with a minimum of USD 90.50 (AWG 162).

Timeshare guests will have to pay the 9.5% tourist levy on a fixed amount per day, which varies per category of unit, i.e.:

- AWG 179 (USD 100) for a studio;
- AWG 193.95 (USD 108.35 for a one bedroom unit);
- AWG 223.75 (USD 125) for all other units (e.g. a two bedroom unit or a penthouse).

Environmental Levy

The environmental levy (“bijzondere belasting verblijf”) has to be charged on all occupied rooms or units including those used on a complimentary (free) basis. Exempt from the levy are the residents of Aruba (those who are registered as such in the civil registry). The levy applies to all accommodations that provide housing up to a maximum of ten persons for less than 90 consecutive days, including timeshare resorts as well as apartments or houses rented to tourists (regardless if done commercially or private).

The levy is assessed on the basis of the use of the room, i.e. the rooms or units within a property may lead to a difference in the rate to be applied. There are in essence two classifications:

- Transient room. A transient room is typically a room in a hotel, but also includes the vacation rental of a house, apartment or villa. The levy amounts to US\$ 3 per night per occupied room. Where a hotel has a suite with two rooms, one of which being a bedroom and with one entrance, that is classified as one room. Also classified as a transient room is a room in a timeshare resort which is not used by the timeshare owner. The use of the room is decisive.
- An example provided by the tax administration. An American family stays 7 nights in a timeshare unit with two bedrooms as a transient guest, since they do not own the timeshare unit or do not participate in an exchange program. They are charged an environmental levy of US\$ 21 (7 nights x US\$ 3).
- Timeshare room. A timeshare room is a room in a timeshare resort (whereby a timeshare resort is a resort which has issued rights to use or ownership of a certain unit) which is used by the owner of the timeshare unit or used by someone else via an exchange program. The levy depends on the room type, which is similar to the types used for the tourist levy, and amounts to.
 - AWG 17.90 (USD 10) for a studio;
 - AWG 26.85 (USD 15 for a one bedroom unit);
 - AWG 44.75 (USD 25) for all other units (e.g. a two bedroom unit or a penthouse).



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An example as provided by the tax administration. An American family stays 7 nights in a timeshare unit with two bedrooms which they own. They are charged an environmental levy of US\$ 25. If multiple weeks are owned (whether back-to-back or spread throughout the year), the levy will apply per week owned.

Tax Payer & Filing Obligation

The tax payer is the person or entity that either owns or operates the hotel, timeshare resort, or house, villa or apartment. The tax is due within fifteen days after the end of the month. We refer to the Filing & Paying Dates.

Other obligations

- The tax payer is obliged to keep a register of all guests. This register should contain all relevant information pertaining to the levy of the environmental levy.
- Furthermore, the tax payer should also inform the guest about the environmental levy being charged, e.g. by mentioning it on the invoice. It is therefore not allowed to include the environmental levy in the service charge without the tourist explicitly being informed that the environmental levy is included in this service charge.

The above is not intended to constitute, nor should it be relied upon, to replace any professional advice. No action should be taken without first consulting your tax advisor. The above reflects the law effective January 1, 2019.



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