

# PROPOSED TOURIST TAX BONAIRE 2022

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## **Current Tourist Tax**

According to the 2019-2023 governance program of Bonaire, the current tourist tax is not collected efficiently, which results in approximately USD 3 million tourist tax per year not being collected. The Executive Council of Bonaire therefore believes that the tourist tax needs to be amended and modernized. In the current island tourist tax ordinance (A.B. 2010, no. 6, amended by A.B. 2015, no. 1), the tax is based on the overnight stay of a non-resident (article 2 Tourist Tax Ordinance Bonaire) and amounts to USD 5.45 per night (article 6 Tourist Tax Ordinance Bonaire). Day visitors and cruise ship visitors do not fall within the scope of the current tourist tax. Under the proposed new legislation, the name of the current tourist tax ordinance will be amended to 'Tourist Tax Ordinance Bonaire 2022' as of January 1, 2022. Under the new proposed tourist tax ordinance, providers of accommodation (for example hotel operators or providers of other accommodation) are no longer regarded as taxpayers for the tourist tax.

## **Tourist Tax 2022**

The tourist tax based on the proposed Tourist Tax Ordinance Bonaire 2022 is levied based on the stay in Bonaire by a visitor (article 2 proposed Tourist Tax Ordinance Bonaire 2022). **The Tourist Tax must be paid by the visitor prior to or upon arrival in Bonaire.** Staying on board of ships and boats, which are in territorial waters of Bonaire, also falls within the scope of the tourist tax.

Visitors of Bonaire who stay on cruise ships will also be subject to the proposed Tourist Tax Ordinance Bonaire 2022 as of September 1, 2022. In the case of cruise ships, it is possible for the operator of the cruise ship to pay the tax on behalf of the passengers and charge the cruise ship passengers for the tax.

## **Declaration and Payment**

It is the intention that the tourist tax will be paid via a digital portal and that proof of payment can be shown upon arrival of the visitor. An online platform is being developed for this purpose. This should ensure that most visitors have filed the declaration and made the payment before arrival. Visitors who have not yet paid the tourist tax before arrival via the online platform, are offered the opportunity to do so upon arrival on Bonaire. In case the visitor has not completed, filed and paid the tourist tax, it is possible to impose an additional assessment on the visitor. The additional assessment must be paid in full at that moment. In addition, if the tourist tax has not been paid on time, penalties may be imposed. The penalty has a punitive character and is also meant to be dissuasive according to the Explanation to the law.

As mentioned above, as of September 1, 2022, **offering accommodation on cruise ships is also regarded as a taxable event for the new tourist tax**. In that case the operator of the cruise ship is responsible for the preparation and filing of the return and payment obligations regarding all cruise passengers. **The operator of the cruise ship can charge tourist tax to the cruise ship passengers** (article 3 proposed Tourist Tax Ordinance Bonaire 2022).

## **Rate**

As of January 1, 2022, the following rates will apply according to the proposed Tourist Tax Ordinance Bonaire 2022:

- USD 50 for visitors of 13 years and older (crew members of aircrafts and ships are not considered as visitors and are not subject to tourist tax).
- USD 10 for visitors coming from Aruba, Curaçao, Saba, Sint Eustatius or Sint Maarten.
- USD 10 for visitors aged 12 and younger.
- A zero rate applies for returning visitors who have already paid tourist tax within a twelve-month period prior to the start of the stay (the zero rate for returning visitors within 12 months does not apply to cruise ship visitors according to the Explanatory Notes).
- As of September 1, 2022: USD 10 for cruise ship visitors.

**These rates are regardless of the number of days spent in Bonaire.** Residents of Bonaire are not considered visitors and are therefore not subject to the new tourist tax. Residency can be proven for visitors aged twelve years and older by means of a valid ID (sedula). Furthermore, on October 6, 2021, an amendment was proposed based on which also students can apply the zero rate. A zero rate for students is considered important to mitigate the so-called “brain drain” of Bonaire. Students who study abroad should encounter as little obstacles as possible to return to Bonaire for visits.





### ***Withdrawal of rental tax motor vehicles and head tax***

With the introduction of the proposed Tourist Tax Ordinance Bonaire 2022, the Island Ordinance Rental Tax for Motor Vehicles Bonaire (A.B. 2010, no. 5) will be withdrawn as per 1 January 2022 and the 'head tax' (retribution for the use of a pier or wharf by tourist ships, A.B. 2010, no. 7, amended by A.B. 2019, no. 7) will be withdrawn as per September 1, 2022.

### ***Exemption ABB***

Because of the withdrawal of the current tourist tax ordinance, the General Expenditure Tax ('ABB') exemption (article 6.11, paragraph 1, letter k) will no longer apply and the services which were subject to tourist levy would become taxable with 6% ABB. Since this is not the intention of the local legislator, the current tourist tax will remain applicable for the time being with a symbolic rate of USD 0.01 to avoid the accumulation of the ABB and tourist tax. **As soon as the article of the ABB legislation containing the exemption is amended, the current tourist tax ordinance will be withdrawn.**

### ***Other Caribbean islands and countries***

Other Dutch Caribbean islands also levy taxes on the stay of a tourist. However, the tax is normally levied on the room price that is charged by the hotel or accommodation rather than the arrival of the tourist as is proposed on Bonaire. Surinam does have a tourist tax that is similar to the proposed tourist tax in Bonaire and which has to be paid upon arrival.