

[RMCD Announcement \(050617\)](#)

TOURISM TAX NEWSLETTER NO. 1/2017

When is the start date?

The start date for the imposition of tourism tax will be 1 August 2017. However, registration of operators of accommodation premises will begin effective 1 July 2017.

Who is the regulator of Tourism Tax?

The Ministry of Finance and the Royal Malaysian Customs Department.

What is Tourism Tax (TTx)?

A tax charged at a specific rate on a tourist staying at any accommodation premises provided by an operator of the said accommodation premises.

Why is Tourism Tax implemented?

- It is a mechanism of cooperation between the Government and the industry to enhance tourism experience for tourists.
- The returns will be used to develop the tourism industry, namely the enhancement of tourism infrastructure and facilities, as well as tourism promotional activities and campaigns for the country.
- To be used to protect, preserve and conserve Mother Nature, culture and heritage for the benefit of not just the present generation but also the future generation.

What is the tourism tax rate?

The tourism tax rate is fixed according to the ratings below:

- five star: RM20/room/night
- four star: RM10/room/night
- one, two and three star: RM5/room/night
- one, two and three Orchid: RM2.50/room/night
- non-rated accommodation premises: RM2.50/room/night

Who is the tourist?

"Tourist" means any person, whether he is a Malaysian national or otherwise, visiting any place in Malaysia for any of the following purposes, namely--

- pleasure, recreation or holiday;
- culture;
- religion;
- visiting friends or relatives;
- sports;
- business;
- meetings, conferences, seminars or conventions;
- studies or research;
- any other purpose which is not related to an occupation that is remunerated from the place visited.

What is an accommodation premise?

- "Accommodation premises" means any building, including hostels, hotels, inns, boarding-houses, rest houses and lodging houses, held out by the proprietor, owner or manager, either wholly or partly, as offering lodging or sleeping accommodation to tourists for hire or any other form of reward, whether or not food or drink is also offered.
- "Tourist accommodation premises" means any accommodation premises which have been registered by the Commissioner under subsection 31C(1) Tourism Industry Act 1992.

Who is the operator?

Any person who operates accommodation premises which may include:

- the proprietor; or
- owner or manager of hostels, hotels, inns, boarding-houses, rest houses and lodging houses

Who is liable to pay tourism tax?

The tourist is liable to pay tourism tax to the operator.

Who is liable to collect tourism tax and pay to RMCD?

The registered operator is liable to collect tourism tax from the tourist upon departure of the tourist and pay the tourism tax collected or liable to be collected to Royal Malaysian Customs Department (RMCD) in respect of his taxable period.

What is the duration of a taxable period?

- a period of 3 months that ends on the last day of any month of any calendar year; or
- for an operator who is a registered for GST, his taxable period will concur with the period assigned to him for the purpose of GST.

How is tourism tax calculated?

Tourism tax is calculated on room nights based on the rating of the accommodation premises.

Example:

Occupancy of 1 room night and the room charge is RM 160.00 per room/night in a 3 star hotel.

Room charge/room/night	RM 160 x 1 room/night	RM 160.00
Service charge (10%)	RM 160 x 10%	RM 16.00
GST (6%)	RM 176 x 6%	RM 10.56
TTx (3 star)	RM 5 x 1 room/night	RM 5.00
TOTAL		RM 191.56

Who is exempted from registration of tourism tax?

Any person who provides the following accommodation premises is exempted from registration and shall not impose tourism tax to tourists staying at such premises:

- 'homestay' registered with Ministry Of Tourism and Culture (MOTAC);
- 'kampungstay' registered with MOTAC;
- accommodation premises established and maintained by religious institutions not for commercial purpose; or
- accommodation premises with less than 10 rooms.
- accommodation premises operated by the Federal Government, State Government or statutory body for training, educational or accommodation not for commercial purposes

How to register as an operator?

- apply for registration within 30 days from the date he operates the accommodation premises to RMCD.
- for existing operators, apply for registration within 30 days from 1 July 2017.
- application has to be made and submitted by electronic services to RMCD

using the TTx-01 form.

- the commencement date for registration will take effect from the first day of the following month after the application is submitted.

How to account for tourism tax to RMCD?

- Operator to account for tourism tax collected in the form TTx-03 for each taxable period;
- Form TTx-03 to be furnished to RMCD not later than the **last day** of the month following after the end of his taxable period;
- Form TTx-03 may be retrieved from RMCD website or at any Customs offices nearest to the operator.

How long records should be retained?

- records must be kept for seven (7) years in Malaysia unless otherwise approved by RMCD; and
- in English language or national language.
- The required records are :
 1. books of account; and
 2. other records relating to Tourism Tax.

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