

Ontario Staycation Tax Credit

Accommodator Information Package

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Overview

Ontario residents can claim 20% of their eligible 2022 accommodation expenses, for example, for a stay at a hotel, cottage, or campground, when filing their personal Income Tax and Benefit Return for 2022. You can claim eligible expenses of up to \$1,000 as an individual or \$2,000 if you have a spouse, common-law partner, or eligible children, to get back up to \$200 as an individual or \$400 as a family.

Eligible Expenses

The guest can claim the Ontario Staycation Tax Credit for accommodation expenses for a leisure stay of less than a month in Ontario, at a short-term accommodation or camping accommodation, such as a: hotel, motel, resort, lodge, bed-and-breakfast establishment, cottage, campground.

Short-term accommodation would generally not include timeshare agreements, or a stay on a boat, train or other vehicle that can be self-propelled.

The tax credit only applies to leisure stays between January 1, 2022, and December 31, 2022, regardless of the timing of payment for the stays. The tax credit does not apply to business travel.

The accommodation expenses must also:

- have been paid by the individual, individual's spouse or common-law partner, or an eligible child, as set out on a detailed receipt
- have been subject to Goods and Services Tax (GST)/Harmonized Sales Tax (HST), as set out on a detailed receipt
- not have been reimbursed to the guest, their spouse or common-law partner, or their eligible child, by any person, including by a friend or an employer

As long as all other conditions are met, the guest can claim any of the following expenses:

- accommodation for a single trip or multiple trips, up to the maximum expense limit of \$1,000 as an individual or \$2,000 as a family
- accommodations booked either directly with the accommodation provider or through an online accommodation platform
- the portion of the expense that is necessary to have access to the accommodation
- the accommodation portion of a tour package expense

How your guests can claim the Credit

You must keep your detailed receipts for any eligible expenses you incur. Those receipts should include at least all of the following information:

- the location of the accommodation
- the amount that can reasonably be considered to be for the accommodation portion of a stay

- the GST/HST paid
- the date of the stay
- the name of the payor

You can claim the credit on your personal Income Tax and Benefit Return for 2022.

The Ontario Staycation Tax Credit is a refundable personal income tax credit. This means that if you are eligible, you can get this tax credit regardless of whether you owe income tax for 2022.

What can my business do to increase the benefit from the Staycation Tax Credit?

- One of the premises of the Staycation Tax Credit is that more people will travel if the cost is lower to travel. The second premise is that, to enhance the recovery of the tourism industry, the businesses need to get full value for their products and services, not to discount.
- This tax credit will motivate a larger volume of the travelling public to travel again without the businesses cutting their selling price. Your business can benefit in a number of ways; increasing volume to your business is the main way, increasing the length of stay is another, as well as upselling your guests to a higher priced accommodation. (remember, your guests could be saving up to 20% of their accommodation cost or spending that 20% by improving their stay).
- If you create or enhance a package that will be eligible for the Ontario Staycation Tax Credit (a package that includes accommodation) with a non-accommodator that will lengthen the stay of the guests, or the guest can purchase a product to enhance their experience while staying at your business and/or drive business to your non-accommodation partner, then RTO7 will provide social media advertising assistance through our Agency of Record. Please contact rhewitt@rto7.ca for more information.
- If you need assistance creating a new experience, RTO7 can assist with the development of the experience and provide advertising support. Please contact kclarke@rto7.ca.
- Examples
 - The following are some examples of how you can take advantage of the Staycation Tax Credit:
 - Advertise a stay at your accommodation - a stay at your property may be eligible for a savings of up to 20% of the accommodation cost on their personal tax return.
 - You could lengthen the stay of the guest by creating a package with an attraction, restaurant, or other tourism service close by:
 - Create an advertising campaign that informs the public that a stay at your accommodation will be eligible for up to 20% off the room costs.
 - Deliver the advertising viewer to a page on your website that describes the Staycation Tax Credit.
 - Create a package with a nearby restaurant/tourism service, attraction/activity to create a unique package. By creating a unique package, the operators do not need to discount prices and often this leads to guests staying longer so they can participate in the package.
 - Create an experience using your staff i.e., cook with the chef, learn how to garden, or a guided tour of your favourite local places.
 - Strengthen your relationship with the businesses that are close by to lengthen the stay or upsell
 - Even if you do not create a package with your neighbouring businesses, being current on their offerings is a great way to add a quality service to your guests. You may also be able to create a relationship with these businesses that give your guests a preferential service, e.g. front of the line reservations.
 - Furnish rooms in partnership with a local home furnishings store that are available for purchase with a commission back to the accommodator
 - Serve locally roasted coffee in the room and feature local foods on your menu
 - Have your favourite café offer a special menu item for your guests that is purchased when they book accommodation

- Provide current information on your offering to the owners/managers and, most importantly, the staff of the nearby businesses so they can refer your product/service.
 - This could take the form of
 - Daily/weekly email and/or social media updates of accommodation and packages available.
 - Daily sell offs of unused inventory that is only available to guests of the nearby services.
- Share Facebook and other social media posts of the other businesses' offerings and advertise how they will match up with your accommodation.
- Hashtag and tag your posts so they are easy to share.
- Provide priority reservations for guests of the nearby businesses.
- Make it easy for the businesses to send you prospects.
 - respond immediately to their communication.
 - provide a direct line to your reservations staff.
- If there are businesses that your guests frequent, create a unique package with them to offer for sale.
- Connect more often and provide updates to your local Destination Marketing Organization (DMO), Chamber of Commerce (COC), Municipality, other Tourism Organizations (TO) and let them know that you have accommodation, products and services that would benefit the visiting public.
 - If your DMO/COC/TO run an information centre provide them with your vacancy list daily so they can refer your business. Find out what method is best for them to receive this information.
 - Add your package to the Promotions page on BruceGreySimcoe.com

What should I do to get ready?

- Provide the guest with a copy of the [Ontario Staycation Tax Credit](#) as outlined by the Province of Ontario.
- Review the Staff Information Package and tailor it to meet your needs and then provide it to your staff.
- Have a plan on how you can benefit from the Ontario Staycation Credit. How will you upsell your accommodation, how will you extend the guest stay, how can you create or enhance the experience that your guests receive to induce additional spending.
- Decide which businesses close by you should create/enhance packages with, in order to extend stay or enhance the positivity of a stay at your property.
- Find out what businesses close by offer and provide this information to your guests.
- Have a plan on how you will communicate the information with the guest on your website, prior to arrival, at check-in and check-out.
- Have a plan on how you will represent the accommodation costs on the receipt so the guest can quickly find it during tax preparation time.
- Have a plan on how you will file the receipts so that when a guest reaches out to you at tax time for a copy of the receipt you can quickly find it and send it to them. Please keep in mind that electronic transmission is best, if possible, from a sustainability point of view.

Frequently Asked Questions

- Q) You operate an American Plan Resort which includes meal and activity cost in the price. Do you have to break out the cost of the accommodation in order for the guest to receive the Ontario Staycation Tax Credit.
- A) Yes. If you want your guests to be able to access the Ontario Staycation Tax Credit you will have to break out the accommodation costs on the final receipt.

Q) Are the meal costs or activity costs eligible for the Ontario Staycation Tax Credit?

A) No. Neither the meal costs nor activity costs are eligible for the Ontario Staycation Tax Credit.

Q) What is the applicable time period for the Ontario Staycation Tax Credit?

A) The Ontario Staycation Tax Credit is applicable from January 1, 2022 to December 31, 2022 for leisure travel only.

Q) Do we provide a credit on the guest's bill?

A) No. You do not provide a credit on the guest's bill; the credit is applicable on their annual Personal Income Tax return.

Q) Do I need to complete a special form for the guest to be able to claim the tax credit?

A) No. You do not need to complete a special form but you will need to provide a receipt that details the following:

- the location of the accommodation
- the amount that can reasonably be considered to be for the accommodation portion of a stay
- the GST/HST paid
- the date of the stay
- the name of the payor

Q) My guests are sharing a cottage with their friends and they each want to receive the tax credit, does each guest need a receipt with the above information on it in order to apply for the credit?

A) Yes. Each person wishing to claim the credit will need a receipt with the above information on it detailing their portion of the bill.

Q) If a cottage is rented from a friend, will the renter be eligible for the Ontario Staycation Tax Credit?

A) If the friend is renting the cottage as an ongoing business and charges GST/HST then generally they will be eligible for the credit.

Q) How do I know if my accommodation is eligible for my guests to receive the Ontario Staycation Tax Credit?

A) Your business must be registered with the government and have a GST/HST number that you can provide to the guest. The GST/HST number is a requirement of the Ontario Staycation Tax Credit.

Q) Are there things I can do to take further advantage of the tax credit that my guests are going to receive?

A) This is an ideal time to upsell your accommodation or property experiences or create a package with your neighbouring attraction, restaurant, activity etc. to extend the stay. While the tax credit does not apply to these non-accommodation activities, it is an ideal time to increase the spend of the guest and enhance the experience of visiting your business.

Q) Is there any information that I can provide to the guest prior, during, or after their stay with us that breaks down the Ontario Staycation Tax Credit?

A) Yes. You can download and print/send the attached Ontario Staycation Tax Credit Consumer Information Package located on RTO7.ca. [Click here.](#)

Q) Are residents from outside of the province of Ontario eligible for the Ontario Staycation Tax Credit?

A) No.

Regional Tourism Organization 7 (RTO7) recommends that all businesses and individuals verify the information provided above to their satisfaction by visiting [Ontario Staycation Tax Credit](#) and checking with their professional advisors. All information provided above is subject to change as more information if any is made available.