# FAQs

## Getting Started

**Does the levy apply to my accommodation?**

The 3% levy generally applies if you operate a short-term accommodation located within the Town of Lunenburg.

This includes hotels, motels, inns, bed and breakfasts, vacation rentals, and other accommodations rented for short stays, including rooms, basement suites or entire homes listed on platforms such as Airbnb, Vrbo or Booking.com.

If the levy applies, you are responsible for collecting it from your guests and ensuring it is remitted to the Town, even if a booking platform or another third party processes the payment.

**Are any accommodations exempt from the levy?**

The levy does not apply to:

- accommodation that costs $20 or less per day;
- eligible student housing owned or operated by a post-secondary institution;
- accommodation provided for more than 30 consecutive days; or
- certain stays connected to medical treatment or specialist medical advice.

For a medical exemption, the guest must provide reasonable confirmation that they qualify. Operators should keep enough information to show that an exemption applies if the Town requests it.

**How does the 30-day exemption work?**

Accommodation provided to the same guest for more than 30 consecutive days is exempt from the levy. This means the stay must be at least 31 consecutive days to qualify.

For example:

- A stay of 14 consecutive days is subject to the levy.
- A stay of 30 consecutive days is subject to the levy.
- A stay of 31 consecutive days or longer is exempt from the levy.

When a stay qualifies for the exemption, the levy does not apply to any part of that stay.

You are responsible for ensuring the levy is charged correctly, including for bookings made through an online platform.

Some booking platforms allow longer stays to be treated as exempt. Check with your booking platform or reservation system to see how this can be set up.

If levy is collected on a stay that qualifies for the exemption, contact the booking platform and the Town for assistance. A request to the Town for a refund must include enough information to show that the stay qualified for the exemption.

**What is the Provincial Short-Term Rentals Registry, and how does it relate to the levy?**

The Provincial Short-Term Rentals Registry is administered by the Province of Nova Scotia. Short-term rental and tourist accommodation operators must register with the Province when required under provincial legislation.

As part of the registration process, you must provide proof that the accommodation complies with municipal land-use requirements.

For an accommodation located in the Town of Lunenburg, the following two documents are required:

- a Development Permit authorizing the short-term rental or tourist accommodation use; and
- a Zoning Confirmation Letter confirming that the use is permitted in that zone.

If you already have a Development Permit for the accommodation, you do not need to apply for a new one. However, you must still provide a copy of the permit and obtain a Zoning Confirmation Letter for your provincial registration application.

Provincial registration, Town land-use approval and the Town’s accommodation levy are three separate requirements:

1. Provincial registration allows the accommodation to be registered under provincial legislation.
2. Town land-use approval confirms that the accommodation is permitted at the property.

3. The Town's accommodation levy requires operators to collect and remit the 3% levy on applicable accommodation purchases beginning January 1, 2027.

For help obtaining a Development Permit or Zoning Confirmation Letter, contact Town of Lunenburg Community Development Department at 902-634-4410, extension 225, or permits@townoflunenburg.ca.

## Collecting the Levy

**How much is the levy?**

The levy is 3% of the purchase price of the accommodation, before HST.

For example, if the accommodation price is $200, the levy is $6. The levy must be shown as a separate line item on the guest's receipt or invoice.

**How do I calculate the levy when accommodation is sold as part of a package?**

When accommodation is sold as part of a package that includes meals, activities or other services, the 3% levy applies only to the accommodation portion of the package price.

Use the standard price that the same accommodation would normally be sold for on its own at your property. The levy is not calculated on the value of the meals, activities or other services included in the package.

**How do I collect the levy on bookings made through an online platform?**

Some booking platforms allow you to add a percentage-based accommodation or lodging tax to a listing. The available settings and instructions vary by platform.

Check the tax settings for each platform you use or contact the platform's support team for assistance. Make sure the levy is set at 3% of the accommodation purchase price and is shown separately to the guest.

For Airbnb, eligible hosts may be able to add the levy through the Taxes section of the listing settings. Airbnb's custom tax tool also includes options for percentage-based taxes and exemptions for longer stays. This feature may not be available for every account or listing.

Using a booking platform does not transfer responsibility for the levy to the platform unless the platform is collecting and remitting it directly to the Town. You remain responsible for making sure the levy is correctly collected and remitted.

You should review each booking carefully, including exempt stays, and confirm whether the platform is:

- collecting the levy and sending it to you;
- collecting and remitting it directly to the Town; or

- not collecting it at all.

**Can the Town help me configure Airbnb, Vrbo, or my booking software?**

The Town can explain the levy requirements, including the rate, exemptions, reporting and remittance process. However, the Town cannot configure or troubleshoot Airbnb, Vrbo, reservation software, payment systems or point-of-sale systems.

You should contact your booking platform or software provider for help adding the levy and setting up any applicable exemptions.

You remain responsible for ensuring the levy is calculated, collected, reported and remitted correctly, even when a third party processes the booking or payment.

## Third-Party Platforms

**I use Airbnb (or a similar booking platform). Don't they collect and remit the levy for me?**

The responsibility for charging, collecting, and remitting the levy rests with the accommodation provider.

If your rental is exclusively listed on a third-party platform operator (e.g., Airbnb, Expedia), check with them directly to confirm how they are processing the levy.

In the case of Airbnb, at this time they have provided direction to operators that you are responsible to create the levy charges as a "tax" within your profile, it will be charged by Airbnb BUT remitted to the operator who, in turn, is responsible to remit to the Town of Lunenburg.

### Reporting and Remitting

**When do I need to submit a remittance return?**

Remittance returns must be submitted monthly, no later than 30 days after the end of each month.

Payment for any levy collected during that reporting period must be submitted with your return.

**How do I submit a remittance return?**

Complete the remittance return provided by the Town and submit it using one of the payment and submission methods identified on the form.

**I had no bookings or collected no levy. Do I still need to submit a return?**

Yes. If you did not collect any levy during the month, you must submit a Nil Return.

If your accommodation will not be operating for a period of time, the Town may accept Nil Returns submitted in advance. Please contact the Town to arrange this.

**What do I need to do if I stop operating or sell my business?**

You must submit a Final Return and pay any outstanding levy within 15 days after you stop operating or sell your business.

The Final Return covers the period from your last monthly return to the date you stopped operating or sold the business.

**Can I submit one return for multiple accommodations?**

A separate remittance return is normally required for each place of business.

If you operate more than one place of business, the Town may approve a single consolidated return. Contact the Town for approval before submitting a consolidated return.

## Records and Compliance

**What records do I need to keep, and for how long?**

Operators must keep accurate and complete records of:

- accommodation sales;
- levy collected; and
- levy remitted to the Town.

Your records must contain enough information for the Town to verify that the correct levy was charged, collected and remitted. This may include booking records, invoices, receipts, platform statements, payment records and remittance returns.

Keep these records for five years. You do not need to create separate records if your existing business records include this information.

**Can the Town inspect or audit my records?**

Yes. The Town may inspect or audit your records to verify that the levy has been correctly charged, collected, reported and remitted.

An inspection or audit will normally take place during business hours or at another time agreed to by the operator and the Town.

Operators must provide reasonable assistance and access to the information needed to complete the inspection or audit.

**What happens if I remit the levy late?**

If you do not pay the levy by the deadline, the Town will charge interest of 1.5% per month on the unpaid amount. Interest will continue until the full amount is paid.

If no levy was collected and your Nil Return is late, no interest will be charged because there is no unpaid levy.

**What happens if I do not submit a return?**

You must submit a remittance return every month, even if you did not collect any levy and are submitting a Nil Return.

If you do not submit a return, the Town may ask for records or other information to determine whether levy was collected. The Town may also inspect or audit your records.

If the amount owing cannot be determined, the Town may estimate the levy and any interest owing. You will receive written notice of the amount. You must pay it within 30 days unless you submit a written objection within 15 days.

If the levy remains unpaid, the Town may recover the amount as a debt. Knowingly failing to comply with the by-law may also result in prosecution under the *Summary Proceedings Act*.

## Levy Funds

**What can levy funds be used for?**

Levy funds can be used for purposes authorized under the *Municipal Government Act*, including promoting tourism. Council may also allocate levy funds to organizations carrying out eligible tourism-related activities.

**Who decides how levy funds are spent?**

Council decides how levy funds are allocated and spent. All allocations and expenditures must be approved by Council by resolution at a public meeting.

**Will operators have input on how levy funds are used?**

Yes. Before levy funds are allocated or spent, the Town will seek input from short-term accommodation operators and other relevant stakeholders on priorities for using the funds. This input will help inform Council's decisions, but Council makes the final decision on how levy funds are spent.

## Refunds and Adjustments

**What happens if a guest cancels after I remitted the levy?**

If you have already remitted the levy for a booking that later becomes uncollectible, the Town may allow you to recover the levy by adjusting a future remittance. Contact the Town for guidance before making an adjustment.

**What if I accidentally overpaid or paid in error?**

If the Town determines that a levy, or part of a levy, was paid in error, it will refund the overpaid amount to the person entitled to receive it. Interest is not paid on refunds.

**How do I request a refund?**

To request a refund, submit a signed written request to the Town explaining why you are entitled to the refund and include any supporting information or documentation. If a corporation makes the request, it must be signed by a director or an authorized employee.