

TOURISM MARKETING DUTY
Cessation from 1 July 2000 - Further information

Taxation (Administration) Act

Issued: May 2000

Revenue Circular: TMD 003

TERRITORY REVENUE MANAGEMENT

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1. Further to Revenue Circular TMD 002, this circular reminds and further advises proprietors and managers of accommodation houses that Tourism Marketing Duty ("TMD"), also known as the "bed tax", will be abolished from 1 July 2000. In view of this, proprietors and managers will need to be aware of certain obligations to be met during the transitional period.
2. The final return for the month of June 2000 will be due and payable by 21 July 2000.
3. Where guests start their stay prior to 1 July 2000 and leave after that date, duty is only payable on the amount received or receivable in respect to the period of stay up to and including 30 June 2000. This amount must be included in your June 2000 TMD return.
4. Accommodation provided for overnight use on the night of 30 June 2000, is taken to have been provided before 1 July 2000. Accordingly, the full amount payable for this night is required to be included in the June 2000 TMD return.
5. Deposits or advance payments received prior to 1 July 2000 that relate solely to accommodation stays on or after 1 July 2000 are not subject to TMD (but may be subject to the Goods and Services Tax).
6. The abolition of TMD will not remove liability to lodge returns nor pay duty that remains outstanding from periods prior to the abolition date. Outstanding TMD returns and unpaid duty will continue to attract relevant penalties where applicable.
7. In accordance with statutory requirements, all TMD records must be retained for three years subsequent to the date of abolition (ie. 30 June 2000). All such records must be available for inspection when requested.
8. As part of an ongoing audit program, investigators will be conducting audits of accommodation houses throughout the 2000/2001 financial year based on statistical analysis of previous/final return lodgements.

Reference should be made to the *Financial Relations Agreement (Consequential Provisions) Bill 2000* for precise details of the proposed amendments. For general information, please contact this office on ☎ (08) 8999 7941.

COMMISSIONER OF TAXES