

Client Briefing April 2011

Owner Occupied Rental Homes



The Hotels (Amendment) Act, 2009 introduced new licencing and taxation requirements for owner-occupied rental homes in The Bahamas.

The Hotels (Amendment) Act, 2009 introduced new licencing and taxation requirements for owner-occupied rental homes in The Bahamas. An owner-occupied rental home is defined as property occupied by a person who being the owner in fee simple or a mortgagor in possession occupies and resides in such property exclusively as a dwelling house on a permanent or seasonal basis.

Effective 1st July, 2010, all homeowners renting one or more bedrooms in an owner-occupied home are required to apply to the Hotel Licensing Authority (a division of the Ministry of Tourism) for a Hotel Licence which must be renewed annually. In addition, a rental tax at the rate of 10% of the rental income is payable on all owner-occupied homes which are rented.

The annual fee for a Hotel Licence is \$3.00 per bedroom. However, hotel operators and owner-occupied rental homes are exempt from payment of this annual fee in New Providence/Paradise Island where they have fewer than 10 bedrooms and in Grand Bahama and the Family Islands where they have fewer than 25 bedrooms.

Renting out an owner-occupied home without a Hotel Licence is subject to a fine of up to \$500.00 per day.

We offer advisory services in applying for a Hotel Licence.

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