

## Highlights hotels – gaming & room tax

### Gaming tax

Gaming tax is levied over a financial year, on the basis of the gross receipts derived from the casino operation. The casino tax amounts to 4 % of the gross amount of the revenues. The licensee is always responsible for the proper and timely payment of the gaming tax, which include the casino tax (drop tax) and the fee paid to the government casino inspectors.

The tax base for the slot machines is considered to be the “bucket” which represents the gross amount of the receipts. Slot machines with currency bill acceptors (soft drop) should also be part of the tax basis. As a result of the provisional judgment of the Court of November 16th 2004 no. 2002/1973, the Casino Association reinitiated negotiation with the Government of Aruba in order to reach a consensus regarding a formula to be applied when calculating the drop tax. This formula has been established based on a factor of 1.55 times the win.

The tax base for the gaming tables is the gross amount of the receipts including the issued and not collected gaming debts (markers).

It is expected that the gaming tax will change. The (draft) changes have been published but are subject to ongoing discussions between various parties.

### Room tax

The room tax is a tax payable by a non-resident guest of a hotel. Room tax is levied based on the gross turnover, which is the room rate including the AHATA charge and other charges, paid by the guests. The tax rate is 6 %.

If a hotel room is sold on an all-inclusive basis, the room tax will be levied on 40% of the all-inclusive price including surcharges. However, the minimum base over which the 6 % is charged has to be USD 90.50 (AWG 162). In the event a lower amount is allocated to the room revenue still the minimum will be applicable.

Timeshare guests will have to pay the 6% room tax on a fixed amount per day, which varies per category of unit, i.e.:

AWG 179 (USD 100) for a studio;

AWG 193.95 (USD 108.35 for a one bedroom unit);

AWG 223.75 (USD 125) for all other units (e.g. a two bedroom unit or a penthouse).

### Can **WTS** assist you further?

Should you be interested in more information or should you have plans to start a business on Aruba, our team of professionals is there to assist you with any questions you may have. You can reach us via the above mentioned contact information.