



IMPLEMENTING REGULATION

RELATING TO TOURIST PROMOTION TAX

Having regard to Articles 27 to 31 of the Cantonal Act of 9 February 1996 on tourism, the municipality of Nendaz hereby issues the following

decree

Art. 1 Principle

The municipality collects a tourist promotion tax every year from beneficiaries of local tourism.

Art. 2 Liability

- ¹ Those that are beneficiaries of tourism are liable to pay the tax, that is: self-employed people and legal entities that conduct an independent business activity in all business sectors that, directly or indirectly, make a profit from tourism. An indirect profit is made where a business or self-employed person sells their services or products to a business or self-employed person who sells the services or products directly to tourists.
- ² If the business activity is an ancillary one, then it is taxed in the same way.
- ³ The tax applies to beneficiaries subject to municipal taxes either without restrictions or in a limited manner by virtue of their personal or economic circumstances (Articles 2, 3, 73 and 74 of the Cantonal tax legislation). Among those that are therefore subject to the tax are businesses headquartered outside the municipality but that have a stable establishment within the municipality for the purposes of their local business activities (Article 3 section 2, Article 74 section 3, of the tax legislation), and those renting out holiday chalets and holiday apartments who reside outside the municipality.
- ⁴ If the taxable person or entity carries out several business activities in different economic sectors, then the taxable person or entity is obliged to pay the basic levy for each of the activities. The application of the margin factor and of the tourist mobility coefficient is based on the greatest of the business sectors being undertaken, unless the taxable person or entity provides specific data that enables these criteria to be applied in a differentiated manner.
- ⁵ The tax liability begins at the start of the calendar year for which the tourist promotion tax is to be collected, but - at the earliest – at the start of the profitable business activity. The tax liability ends on the day on which these conditions cease to exist.

Art. 3 Exemption from liability

The following are exempt from the tax:

1. those that are exempt from the tax in the sense conveyed by Article 79 of the Cantonal tax legislation
2. agricultural and forestry business activities
3. those that are liable to pay the tax whose revenue is lower than Fr. 30'000.00, apart from those renting out tourist accommodation (Article 5, section 8 of this legislation).

Art. 4 Allocation

The proceeds of the tax are allocated to tourist promotion in line with Article 30 of the Valais tourist Act dated 9 February 1996.

Art. 5 Basis of calculation

- ¹ The annual tax comprises a basic tax and an additional amount.
- ² The basic tax, calculated in line with the payer's relationship to tourism, amounts to the sums set out below:

1.	Basic tax: Fr. 15'000.00	TéléNendaz SA.
2.	Basic tax: Fr. 2'000.00	Businesses that depend on tourism, including: Property and rental agencies, apparthotels, ski schools, group lodgings, hotels, property promoters*, ski lifts
3.	Basic tax: Fr. 800.00	Businesses related to tourism. Group A: Laundries, clothing stores, drug stores, fitness venues, kiosks, bookshops, sports stores, shoe shops, toy stores, antique and furniture shops, radio and TV stores, pharmacies, ironmongers, garages, service stations, car rental businesses, bakeries, butchers, food stores, banks, cafés, restaurants, discotheques, hairdressers, fast-food street vendors, beauticians, doctors, dentists, cleaning businesses, opticians, photographers, telecommunication businesses, games arcades, providers of therapeutic and physiotherapy services, caterers, wine businesses. Group B: Businesses handling domestic heating and equipment, architects, elevator companies, insurance organisations, lawyers, notaries, technical offices, tile setters, water tank builders and menders, civil engineering and building businesses, trust companies, sports instructors, engineers, businesses handling electricity supplies, miscellaneous manufacturing, property management, printing, firefighting materials, construction materials, carpentry and building, floors, terraces, blinds and awnings, polishing services, cable TVs, window services, landscape gardeners, painters, plasterers, advertising companies, chimney sweeps, sawmills, locksmiths, graphic artists, and businesses handling the transport of people and materials.
4.	Basic tax: Fr. 400.00	Businesses that do not have much to do with tourism, including: Hydroelectric companies, vehicle bodywork businesses, fashion houses, supplies of stone materials, information technology, car washes, industrial materials and products, surveillance and security services, and taxidermists.

* Deemed to be a promoter, all those that build to sell are liable to pay the tax having not personally occupied the accommodation in question for at least 5 years.

- ³ All commercial entities whose business activity covers only a period that is less than 5 months per year are obligated to pay only half the basic tax.
- ⁴ The additional sum that takes into account the payer's economic power amounts to 2 ‰ of the annual revenue or fees, exclusive of VAT. That is multiplied by a factor that takes into account the sector's usual profit margin (margin factor).

⁵ The margin factor varies in the following manner:

High margin: Factor of 1.3	Property and rental agencies, architects, insurance companies, lawyers, banks, technical offices, dentists, trust companies, property managers, engineers, doctors, notaries, advertising agencies, promoters, chimney sweeps, providers of therapeutic and physiotherapy services.
Medium margin: Factor of 1.0	Laundries, butchers, clothing stores, hairdressers, fashion houses, discotheques, ski schools, IT businesses, cleaning companies, fast-food street vendors, beauty institutes, toy stores, kiosks, toy stores, furniture stores, sports stores, radio-TV stores, firefighting material suppliers, opticians, landscape gardeners, graphic artists, pharmacy-drugstores, photographers, sports instructors, ironmongers, ski lifts, water tank builders and menders, games arcades, surveillance and security service providers, taxidermists, caterers, cable-TV service providers.
Low margin: Factor of 0.7	Elevators, bakers, cafés, tile setters, vehicle bodyworkers, wine businesses, businesses handling domestic heating and equipment, businesses handling electricity supplies, construction and civil engineering, painting and plasterwork, polishing and terraces, locksmiths, businesses handling the transport of people and materials, telecommunications businesses, miscellaneous manufacturing, garages, hotels and appartohotels, car rental companies, food stores, construction materials providers, businesses handling carpentry and building, floors, blinds and awnings, window services, and industrial materials as well as restaurants, sawmills, hydroelectric companies, service stations and car wash providers.

⁶ The allocation of the category linked to tourism and the margin factor for businesses that are not listed here are dealt with by the municipal council.

⁷ The total amount is weighted by a tourist mobility coefficient determined as follows:

- a. 1.0 for categories 1, 2 and 3 group B of the basic tax categories table, as well as those liable to the tax from category 3 group A and 4 located in the tourist zone defined within the application framework of the tourist tax.
- b. 0.33 for those liable to pay the tax from category 3 group A and 4 located in the rest of the municipal territory.

⁸ Those renting out chalets and apartments are liable to pay only an annual tax fee in line with the following tariff table:

Studio / 1 room	Fr. 60.-
2 rooms	Fr. 100.-
3 rooms	Fr. 140.-
4 rooms	Fr. 180.-
5 rooms	Fr. 220.-
6 rooms	Fr. 260.-
7 rooms	Fr. 300.-

½ rooms in accommodation are rounded down to the lower tier. Lodgings at a resident's home (guest room) are taxed per room on the same basis.

⁹ The sums of money shown in sections 2 and 8 are indexed to the cost of living where the consumer price index rises by 10 points. The reference index is the figure determined on the day of this regulation's implementation.

Art. 6 Taxation process

- ¹ The municipality directly taxes those liable to pay it on the basis of this regulation. The revenue figures used are those that are taken from the known data based on the most recent legally binding tax period.
- ² Those liable to pay the tax must forward the data needed for the taxation to the municipality.
- ³ The basis of the tourist promotion tax collection is routine tax data.
- ⁴ All taxation is in principle imposed on an annual basis.

Art. 7 Collection

- ¹ Tax sums are payable within 30 days of their notification.
- ² The municipality may delegate the collection of the tax to the development company.
- ³ If the liability arises during the year or is interrupted in the course of the year then the tax amount is calculated at the rate for the time (on a prorata temporis basis).

Art. 8 Automatic taxation and formal demands

- ¹ In the event that anyone liable to pay the tax presents incomplete declarations, even after having been formally requested to present them, or who demonstrably does not comply with the regulations, then an automatic taxation is imposed, the cost of which is Fr. 500.-.

In the case of late payment, the default interest set by the Council of State is calculated from the payment due date. For each reminder relating to a declaration or a payment, a cost of Fr. 8.- will be applied, and for each summons a cost of Fr. 40.- will be applied.

Art. 9 Limitation period

The collection of the tax is time-limited to 5 years once the notification has been received. The limitation period is interrupted upon each appeal.

Art. 10 Requirement to provide information

Those subject to the tax must forward to the municipal taxation organisation upon request the necessary information for the purposes of calculating or checking the tax, and allow the organisation to check their books and other documents.

Art. 11 Data protection

All data used to calculate the tax is protected by official secrecy and by the Federal law on data protection.

Art. 12 Transfer of money

- ¹ The proceeds of the tourist promotion tax are transferred to:
 - a. the umbrella cantonal organisation that will receive 2/3 of the sum equivalent to the accommodation tax
 - b. the organisation entrusted with the handling of tourist promotion
- ² The organisation entrusted with handling tourist promotion may earmark up to a maximum of 40% of the tax and for a duration of 5 or more years.

Art. 13 Claims

Any claims must be forwarded to the municipal administration 30 days after notification of the tax sum at the latest. The municipal Council rules on claims.

Art. 14 Monitoring

The development company is monitored by the municipality in respect of the allocation of funds collected. The company is to present a report of that allocation on request. The municipality may issue instructions to the company and may withdraw powers from it in the event of any action undertaken that is contrary to this regulation.

Art. 15 Mechanism for appeal

- ¹ Any decision made by the municipal Council may be the subject of an appeal within thirty days to the Council of State.
- ² The provisions set out in the Act of 6 October 1976 on administrative jurisdiction and procedure apply in the case of surpluses.

Art. 16 Fines

- ¹ Anyone failing to provide the data required for taxation purposes or who does not pay the tax within the timeframe given – either deliberately or through negligence – is liable to a fine of 500.- to 5'000.- francs.
- ² Anyone who provides false data that thereby changes all or part of the taxation amount - either deliberately or through negligence – or who seeks to evade payment is liable to a fine that can be as high as three times the sum of money thus withheld.
- ³ Legal entities may be fined in the same way as can individual persons.
- ⁴ A municipal authority's pronouncement of a fine may be subject to a claim forwarded to the municipal council within 30 days of its notification. The municipality's decision on a claim may be challenged within 30 days of the notification by way of an appeal to the district courts.

Art. 17 Entry into force

This regulation comes into force as soon as it is approved by the Council of State.

Approved by the Municipal Council, 20 October 2005
Adopted at the Primary Assembly, 1 February 2006
Ratified by the Council of State, 5 April 2006

Municipality of Nendaz

Francis Dumas
President

Philippe Charbonnet
Secretary