1. **What is the Cess Act?**

The Singapore Tourism (Cess Collection) Act (c.305C), or Cess Act, was enacted in 1972 to provide for the collection of cess from tourist hotels, tourist food establishments and tourist public houses for the promotion of tourism. Prior to 2007, the Cess Act was mainly used for the collection of 1% cess for every room or suite occupied each day in every tourist hotel and on all sales and charges in every tourist food establishment and tourist public house.

The Cess Act was last amended in August 2008, to provide for the imposition of cess to fund specific tourist events and to change the incidence of cess from a consumption tax to a business tax on relevant tourist establishments.

1. **When is Cess imposed?**

ANS: Cess may be imposed on gazetted tourist establishments during a tourist event, as declared by Minister. To date, cess has only been imposed on gazetted tourist hotels over the period of the annual Singapore Formula One Grand Prix.

1. **What person or entity is liable to pay cess today?**

ANS: Currently, the Cess Act provides for STB to collect cess from tourist hotels, tourist food establishments and tourist public houses to fund specific tourist events. To date, only tourist hotels have been gazetted and only the Formula 1 Singapore Grand Prix has been declared a tourist event. Specific to the Formula 1 Singapore Grand Prix, the cess levied must be accounted for and paid by the proprietor of the tourist hotel. The proprietor of a tourist hotel includes the person or entity responsible for the management of the hotel, and includes any person who holds a licence granted under the Hotels Act (Cap. 127).

The main proposed amendment to the Cess Act is to broaden the scope of persons or entities that may be liable to pay cess going forward.