

NOTICE TO ENTITIES RENTING ROOMS, APARTMENTS AND CAMPING SITES

- **Note:** this Notice relates to renters paying tourist tax and TB membership fee in an annual lump sum.

All notices are regularly updated on the web-site of the TB of the Town of Novalja in accordance with changes to regulations concerning this business activity and upgrades of the eVisitor system.

Hospitality business activities relating to rental of rooms, apartments and camping sites to tourists may be performed by citizens who have been issued a Decision on the approval for providing hospitality services in a household, i.e. renters.

This decision is issued by the Administrative Department for Agriculture and Tourism of the Lika-Senj County, Novalja Branch, Dalmatinska 18 (Trg kardinala Alojzija Stepinca), based on a written application.

Renters who were issued temporary approvals may continue providing rental services based on such an approval, as their validity has been extended until 31 December 2024.

Pursuant to the applicable regulations in force, such as the Act on Tourist Boards and Promotion of Croatian Tourism, Tourist Tax Act, and Act on Tourist Board Membership Fees, as well as any related by-laws, **renters shall:**

1 Register the tourists who are staying at their accommodation units via the **eVisitor** system

The eVisitor system is a single electronic system for tourist registration and monitoring of tourist tax payment, established by the Croatian National Tourist Board, and it is the only accepted way to register tourists.

This platform was established, *inter alia*, so as to enable renters to independently manage their business, including the process of registering guests, as well as to ensure they have constant access to information regarding their payments of tourist tax and the TB membership fee. Therefore, renters are required to register their guests directly in the eVisitor system, and they can do so at the Tourist Board only in certain exceptional cases.

When entering data in the eVisitor system, renters need to make sure that it is completely correct.

Renters are required to use the eVisitor system to register any person they are providing accommodation services to within 24 hours from their arrival, and deregister them within 24 hours following their departure:

1(a) if renters are performing independent services (they have their own guests), they register their guests themselves directly in the eVisitor system;

1(b) if renters are working with a travel agency, the travel agency is the one who registers the guests if the agency and the renter agreed so;

in the contrary, guests are registered by the renter.

Special notice for renters working with travel agencies: the agreement concluded with the agency must specifically stipulate which party carries out the process of registering the guests in the eVisitor system – the agency or the renter.

Renters are advised to keep their main access data to themselves, and **create an additional user account** for the agency who will be registering the guests, as well as to regularly monitor data regarding guests who are registered at their units.

The renter registers their guests in the eVisitor system using their access data provided by the Tourist Board (TAN list and password).

The renter is required to pick up their access data in person at the Tourist Board, and present an ID document (ID card or passport) when doing so. Another person can pick the data up in the renter's stead only if they have power of attorney certified by a notary public and a photocopy of one of the renter's ID documents.

Note: renters with rental properties located in Stara Novalja are required to contact their local Tourist Board office (Stara Novalja Tourist Board), telephone: 053 651 077, www.tzstaranovalja.hr.

For renters using the e-Citizens platform (NIAS system), they can access the eVisitor system using the same data as when they are accessing e-Citizens (NIAS system).

Renters register their guests in the eVisitor system on their own, and they can only do so in the Tourist Board if they have justifiable reasons.

Registration cannot be carried out over the phone or via e-mail.

Renters shall register the stay of their guests based on their personal identification documents.

When registering guests, they need to indicate the expected departure date and make sure that the deregistration date is accurate.

The eVisitor system has an “automatic deregistration” option: if it is activated, the system automatically deregisters guests on the departure date entered at registration.

The “automatic deregistration” option needs to be activated (should you need assistance, please contact the Tourist Board).

Should the expected departure date change, the renter needs to correct it in the system if they are registering them individually, or in the Tourist Board office if they are registering them there.

Given that renters register guests themselves in the eVisitor system, they no longer need to maintain a guest list in the form of a book or on their computers, as the information regarding their guests entered in the eVisitor system is considered a guest list.

If they are registering their guests at the Tourist Board, they can (but are not required to) maintain a guest list in the form of a book or on their computers (for all individual persons and children) so as to be able to keep track of who is staying at their property.

If you maintain a guest list in the form of a book or on your computer, it is recommended to keep it for at least 10 years (the same amount of time that the Croatian National Tourist Board keeps the information from eVisitor).

The guest list maintained in the form of a book does not need to be certified by an authorised body.

Detailed information about the eVisitor system is available on the following web-site: **www.evisitor.hr/info**.

2 Display a sign designating the property type and category (set out in the Decision issued by the competent office) in a visible spot at the entrance or near it – see chapter: *Standardised signs for designating the type and category of the accommodation property*;

3 Display in all rental properties (room, apartment, studio, camping site) the property type and category, prices of services offered, information that tourist tax is included in the price and follow the displayed prices – see chapter: Notice on displaying a price list in rental properties;

4 Set out serving sizes for all groceries, drinks and beverages if they are providing breakfast services, provide services based on those serving sizes, display serving sizes at the property during working hours, and present them to the guest at their request;

5 Issue a legible and accurate invoice to the guest including the type, quantity and price (and the discount, where applicable) of all services provided, unless such an invoice for the services is to be issued by a travel agency – see chapter on lump-sum income tax;

6 Keep records of turnover – see chapter on lump-sum income tax;

7 Enable the guest to submit a written complaint at the property and promptly issue a written confirmation of receipt of such a complaint, and enable the guest to submit a written complaint by post, fax or e-mail. Display a notice regarding the manner for submitting written complaints in a visible spot at the property. Answer complaints in written form within 15 days of their receipt, as well as maintain and keep records of guests’ complaints for one year since the receipt of a complaint;

8 If the property provides breakfast services, ensure that it has all the necessary equipment for preparing and serving it – for more details, contact the Administrative Department for Agriculture and Tourism of the Lika-Senj County, Novalja Branch.

(Note: as of 17 November 2019, renters subject to lump-sum taxation can no longer provide full-board and half-board services. If they wish to do so, they must change their business form and request a new approval.

In this case, they no longer pay tourist tax, TB membership fee and income tax in an annual lump sum, but rather per overnight stay, i.e. in accordance with their books);

9 Ensure that the property is equipped with a first aid kit (in a single spot for all properties: rooms, apartments, studios);

10 Provide hospitality services set out in the Decision issued by the competent administrative body;

11 Display in a visible spot at the property a notice regarding prohibition of serving alcoholic drinks or any other drinks and/or beverages containing alcohol to persons under the age of 18, and prohibition of consuming such drinks and/or beverages by persons under the age of 18. The renter shall be prohibited from serving or allowing consumption of such drinks at the property to persons under the age of 18;

12 When advertising services and publishing messages in promotion materials, use specifically the designated indication and the category and type of property set out in the Decision issued by the competent administrative body, and when advertising services with tax payers from EU, include the tax ID number, i.e. the VAT ID number.

PAYMENT OF TOURIST TAX IN AN ANNUAL LUMP SUM (lump-sum tourist tax)

Renters shall pay tourist tax in an annual lump sum per every registered main bed and extra bed, i.e. camping unit.

Pursuant to the Tourism Tax Act (Official Gazette No. 52/19), as of 2020 this tax applies not only to main beds, but also to extra beds.

- *If extra beds are included in the operative part of the Decision on the approval for providing hospitality services in a household, they can be rented with no issues.*
- *If extra beds are not included in the operative part, but only in the explanation, they are deleted from the eVisitor system.*
- *If renters are still using extra beds included only in the explanation, they are required to submit an application to the Administrative Department for Agriculture and Tourism for amending the decision, and until they are issued such an amendment, they shall check in the guests using such extra beds and pay the full amount of the lump-sum tourist tax for them.*

Lump-sum tourist tax can be paid in full by 31 July of the current year, or in 3 equal instalments, whereby the first one is to be paid by 31 July, the second by 31 August, and the third by 30 September.

Debt balance for tourist tax can be accessed at the homepage of the eVisitor system under:

“Debt balance”, as well as under the “Finances” tab – Debt overview, In the tab entitled: “Payment slip” you can find payment slips filled out for every individual instalment.

You can use these payment slips to make a payment through internet banking, print them out, copy the information onto a transfer order, or pick them up from the Tourist Board and make a payment at the Financial Agency (FINA), post office, commercial bank or another establishment that provides such a service.

Having this in mind, the Tourist Board will not be sending payment slips for paying the lump-sum tourist tax to home addresses of renters.

IMPORTANT NOTE:

All renters shall make sure they pay tourist tax in due time, and this especially refers to renters who are working with travel agencies or who have leased their property to another legal or natural person: in these cases, the tax is also to be paid by the renter, and not by the travel agencies or another intermediary.

This means that renters are responsible for due payment of tourist tax and they are subject to related supervisory activities carried out by the State Inspectorate.

(Note: this warning is also applicable to the payment of the lump-sum TB membership fee, where supervisory activities are carried out by the Tax Administration.)

The amounts of the lump-sum tourist tax in the area of the TB of the Town of Novalja (all settlements) for 2024 are as follows:

- per every registered bed (main and extra), in a household: **EUR 46.45**,
- per every registered bed (main and extra) at a family farm (OPG): **EUR 26.54**,
- per every accommodation unit in a camp in a household, a holiday camp or Robinson Crusoe style facilities in a household: **EUR 66.36**,
- per every accommodation unit in a camp, a holiday camp or Robinson Crusoe style facilities at a family farm (OPG): **EUR 33.18**.

If a renter stops carrying out rental activities or decrease or increase the number of active beds during the current year, the amount of tourist tax paid is calculated in accordance with the highest number of active beds in the period from 1 January 2024 to 31 December 2024.

Note: the amount of tourist tax for Stara Novalja is the same as for the area under the TB of the Town of Novalja, but it is to be paid to a different bank account. For additional information, please contact the Stara Novalja Tourist Board.

PAYMENT OF TB MEMBERSHIP FEE IN A LUMP SUM

(Lump-sum TB membership fee)

As of 2020, the TB membership fee is paid in an annual lump sum per every registered bed (main and extra), whereby the amount paid for extra beds is 50% less than that for main beds.

The amounts for the TB membership fee paid in an annual lump sum for the area of the TB of the Town of Novalja (all settlements) for 2023 are as follows:

- ***beds in a household:***
 - Per main bed – **EUR 5.97**
 - Per extra bed – **EUR 2.99**
- ***beds at a family farm (OPG):***
 - Per main bed – **EUR 3.98**
 - Per extra bed – **EUR 1.99**
- ***per every accommodation unit in a camp in a household, a holiday camp or Robinson Crusoe style facilities in a household:*** **EUR 10.62**
- ***per every accommodation unit in a camp, a holiday camp or Robinson Crusoe style facilities at a family farm (OPG):*** **EUR 7.96.**

Annual lump-sum TB membership fee can be paid in full by 31 July of the current year, or in 3 equal instalments, whereby the first one is to be paid by 31 July, the second one by 31 August, and the third one by 30 September.

Lump-sum TB membership fee is to be paid via a payment slip using the following information:

- payer: first and last name and full address of the registered renter
- recipient: TB NOVALJA MEMBERSHIP FEE
- model: HR67
- recipient's account number: HR7610010051728827153
- reference number: renter's OIB (PIN)
- description: TB membership fee

TB membership fee can be paid at the Financial Agency (FINA), post office or bank, as well as any other establishment providing this service, or through internet banking.

Note: the amount of annual lump-sum TB membership for Stara Novalja is the same as for the other settlements within the TB of the Town of Novalja, but it is to be paid to a different bank account. For additional information, please contact the Stara Novalja Tourist Board.

After they have paid their lump-sum membership fee in full, renters are required to fill out the **TZ 2 form** and submit it to the Tax Administration office competent in accordance with their permanent residence.

The TZ 2 form is to be submitted by **15 January** for the current year, together with the Turnover Records form (see chapter on lump-sum income tax), while the information regarding total income from rental activities refers to the previous year.

Apart from the TZ 2 form, renters providing accommodation services in different places (addresses) within the same municipality and/or town or in places in several municipalities/towns, are also required to submit an elaboration by all places (addresses) where they are providing services.

Regardless of the fact that they are paying their TB membership fee in an annual lump sum, renters need to include, among other things, information regarding their total income from rental activities for the previous year in their TZ 2 form.

The TZ 2 form and the elaboration (analytics) form per individual places where accommodation services are provided can be downloaded from the internet (they form part of the Ordinance on the payment of the TB membership fee in an annual lump sum, Official Gazette No. 14/2020), purchased from stationery shops or obtained at the Tourist Board.

Note: non-residential renters, i.e. renters without permanent residence in the Republic of Croatia, send their filled TZ 2 form and elaboration form (if they provide accommodation services in more places), together with their EP form (turnover records), to the following address:

Tax Administration, Department for non-residential persons, Avenija Dubrovnik 32, 10000 Zagreb,
(Contact details: 00385 (0)1 6501 485).

NOTICE REGARDING PAYMENT OF INCOME TAX IN AN ANNUAL LUMP SUM (lump-sum tax)

(1) ENTITIES REQUIRED TO PAY LUMP-SUM TAX

Pursuant to the Income Tax Act and the Ordinance on lump-sum taxation of accommodation rental and organisation services in tourism, renters who are not included in the VAT system shall pay income tax for rental activities in an annual lump sum per every registered main bed or camping unit (lump-sum tax).

No lump-sum tax is to be paid for extra beds.

Note: in order to be able to pay income tax for providing rental services, non-residential renters, i.e. renters without permanent residence in the Republic of Croatia, are required to contact the Tax Administration, Department for non-residential persons, Avenija Dubrovnik 32, 10000 Zagreb (Contact details: 00385 (0)1 6501 485).

(2) REGISTRATION IN THE TAX PAYER REGISTRY

The competent authority for issuing the decision on carrying out activities shall, *ex officio*, deliver this decision to the Tax Administration office competent according to the renter's permanent residence, which automatically registers this renter in the tax payer registry.

However, regardless of this fact, the aforementioned Ordinance stipulates that renters shall also contact their competent Tax Administration in order to register in the registry, within 8 days from the beginning of carrying out the activity, i.e. within 8 days from the date of issuing the decision by the competent administrative body regarding the cessation of activities or capacity changes (number of beds).

Renters shall register in the tax payer registry using the RPO-1 form which can be downloaded from the internet or purchased from stationery shops.

In case of non-compliance, the aforementioned Ordinance stipulates that the competent Tax Administration shall issue a decision on the payment of lump-sum income tax in the amount of EUR 99.54 per every main bed or camping unit.

(3) CALCULATION OF LUMP-SUM TAX

The Tax Administration competent in accordance with the renter's place of permanent residence shall determine the amount of lump-sum tax in a decision, and deliver it to their home address. Annual lump-sum income tax calculated in this way shall be final and no annual tax returns may be submitted based on it.

The municipal/town councils shall be responsible for issuing the decision on the amount of annual lump-sum tax for settlements within their area.

(4) ISSUING INVOICES

The renter is required to issue an invoice to their guests for every service provided.

This invoice must include information on the renter (first and last name, permanent/temporary residence), issuing date, invoice number, first and last name of the person who received the services, unit price for the services, and total amount for services provided. Tourist tax is not included in the invoice because renters pay it in an annual lump-sum.

The invoice is issued in at least two copies: one to be given to the guest, and the other kept by the renter as a document to register in their turnover records.

The invoice does not need to be certified by any competent authority.

Renters who pay a lump-sum income tax are not subject to the Act on Fiscalisation in Cash Transactions.

(5) TURNOVER RECORDS (EP form)

For every calendar year, renters are required to keep turnover records using the appropriate EP form, which they can download from the internet or receive at the Tourist Board.

These are daily records of issued invoices, kept chronologically based on their issuing date, regardless of whether the invoices were paid at issuing or not (invoices which are not paid on their issuing dates are those that the renter issues to a travel agency, and which such a travel agency will pay according to their agreement. These invoices also need to be kept in these records).

If renters work with travel agencies, invoices issued to the guests by the travel agency shall not be included in the records.

Turnover records for the previous year are submitted with the TZ 2 form until 15 January of the current year to the Tax Administration, in order to calculate generated income.

If a renter works with a travel agency, they need to attach to their TZ 2 form a confirmation from the agency regarding the total payment to the renter's account or a bank statement for the account used for payments.

(6) PAYMENT OF OF LUMP-SUM TAX

Lump-sum tax is paid on a quarterly basis, in the amount of 1/4 of the annual lump-sum tax, i.e. proportional to the number of quarters for which the payment obligation is established.

Tax Administration delivers a letter with information regarding the payment of lump-sum tax for the current year to the home address of the renter.

Due dates for lump-sum tax are as follows:

- first instalment by 31 March,
- second instalment by 30 June,
- third instalment by 30 September,
- fourth instalment by 31 December.

(7) AMOUNT OF LUMP-SUM TAX

Pursuant to the Decision adopted by the Novalja City Council, and referring to individual settlements in the TB of the Town of Novalja, the annual lump-sum tax per registered main bed or camping unit in a camp within a household and per Robinson Crusoe style accommodation for 2023 amounts to:

Settlement	Bed	Camping unit
Novalja, Gajac	55,00 €	64,00 €
Metajna, Lun, Jakišnica	47,00 €	55,00 €
Zubovići, Kustići, Vidalići	39,00 €	45,00 €
Caska, Potočnica	28,00 €	32,00 €

Information:

Tax Administration, Novalja Branch, tel. 053 653 493

STANDARDISED SIGNS FOR DESIGNATING THE TYPE AND CATEGORY OF PROPERTY

The Ordinance on classification and categorisation of facilities in which hospitality services in a household are provided stipulates that a standardised sign is to be displayed in any facility providing accommodation services.

Renters are required to obtain such standardised signs and place them on the property where they are providing accommodation services, or at the entrance to their camping sites.

If renters have facilities of different categories (room/apartment/studio), they are required to display standardised signs for all types of facilities.

If they have more than one facility of the same type or category or of a same type but different category, they are allowed to display a single standardised sign for this property type.

Note: if renters do not carry out the re-categorisation of their accommodation units in the foreseen deadlines (see chapter: Re-categorisation of accommodation facilities), they will no longer have the right to stipulate the category of the property (stars), and they may only display a sign designating the type of facility (room/apartment/studio).

These standardised signs may only be ordered from the authorised manufacturers approved for their production by the Ministry of Tourism and Sport.

Information regarding authorised manufacturers of standardised signs is available online, in advertisements in the media, and at the web-site of the Ministry of Tourism and Sport.

<https://mint.gov.hr/pristup-informacijama/kategorizacija-11512/standardizirana-ploce-za-objekte-koji-se-kategoriziraju/11513>

The order form for standardised signs needs to be accompanied by a copy of the Decision on the approval for

providing hospitality services in a household, a copy of the payment slip, and the precise address for the delivery of the sign.

Information:

Tourist Board of the Town of Novalja, tel. 053 661 404

Administrative Department for Agriculture and Tourism of the Lika-Senj County, Novalja Branch, tel: 053 662 044

State Inspectorate, Pag Branch, Pag, tel.: 023 612-757

DISPLAYING A PRICE LIST OF SERVICES IN ACCOMMODATION PROPERTIES

A price list for services must be displayed in the facility in which the renter is providing accommodation services and carrying out hospitality activities (room, apartment, studio, camp site).

This price list shall contain information on:

- prices of services provided there and discounts for these services, if applicable, in EUR,
- the annual amount of lump-sum tourist tax per each bed (main and extra), i.e. camping unit, noting that the tourist tax is included in the price of services and paid by the renter,
- capacities, type and category of the facility as stipulated in the Decision on the approval for providing hospitality services in a household.

The price list does not need to be certified by any competent authority.

Information:

State Inspectorate, Pag Branch, tel.: 023 612-757

PAYMENT OF VAT FOR INTERMEDIARY SERVICES PROVIDED BY FOREIGN TRAVEL AGENCIES ESTABLISHED IN EUROPEAN UNION MEMBER STATES

Although they are not subject to the VAT system, renters shall calculate and pay VAT in the amount of 25% for invoices issued to them for intermediary services (commission) provided by a travel agency established in another EU Member State. Renters record this VAT in the PDV and PDV-S forms and submit them to the Tax Administration for the period when they conducted business with such an agency.

Therefore, renters are required to request their local Tax Administration office to issue them a VAT ID number no later than 15 days before they start conducting business with such an agency.

Renters are not eligible for a deduction (refund) of this VAT.

Renters can contact their competent Tax Administration office for more detailed information.

Overall services related to payment of this VAT by renters are provided by the Financial Agency (FINA).

RE-CATEGORISATION OF ACCOMMODATION UNITS

The Act on Amendments to the Hospitality and Catering Industry Act (Official Gazette No. 42/2020, entry into force: 8 April 2020) sets out a requirement for **re-categorising** accommodation units for renters who have been issued their decisions on the approval for providing hospitality services in a household before 1 September 2007 (the requirement is also applicable to renters who submitted an application for this decision before the aforementioned date, but received it after that date).

If renters fail to carry out re-categorisation of their accommodation units, they can continue renting them out based on the decision on the approval they have been issued, but they forfeit their right to display the category (stars) on their property.

If renters fail to carry out re-categorisation of their accommodation units, they can continue renting them out based on the decision on the approval they have been issued, but they forfeit their right to display the category (stars) on their property.

Additional information: Administrative Department for Agriculture and Tourism of the Lika-Senj County, Novalja Branch, tel: 053 662 044.

FINAL REMARKS

Renters who pay their tourist tax, TB membership fee, and income tax in annual lump sums, may offer up to 20 registered main beds (extra beds are not included) in their accommodation facilities, i.e. 10 accommodation units in a campsite that can house up to 30 persons at once (children under the age of 12 are not included).

If they feel this would be more appropriate for their needs, renters with the aforementioned capacities may provide rental services as a trade business or company (in this case, they pay tourist tax per overnight stay, and their TB membership fee and income tax based on their books).

However, if their capacities are larger than the aforementioned ones, they are only allowed to provide rental services as a trade business or company.

Should there be changes in the ownership of a facility (sale, transfer to a family member, or another reason), the previous owner (renter) must de-register rental activities, because as long as the decision they have been issued regarding these activities is valid, they are required to pay lump-sum tourist tax, lump-sum TB membership fee, and lump-sum income tax.

Moreover, in case of the renter's death, their successors should de-register rental activities if they no longer wish to pursue it.

If they still wish to carry out rental services, they shall request to be issued a new decision on the approval for providing accommodation services in a household.

Renters are required to send all decisions (be it on the beginning or cessation of rental activities, or the change of capacities (number of beds)) to the "Arburoža" d.o.o. company, Novalja (tel. 053 661 824), for the purpose of determining the price of municipal services (household waste collection).