

MIRA FS004

FACT SHEET

Changes to Green Tax
(Effective 1 January 2025)

Changes to Green Tax -Effective 1 January 2025

14th amendment to the Maldives Tourism Act introduced changes to current Green Tax rates along with an exemption for children under 2 years of age. Subsequently, MIRA has published the 3rd amendment to the Green Tax Regulation, which includes the required administrative rules.

Key Changes

1

Rate Increase

The Green Tax rate for each establishment will double from its current rate effective from 1 January 2025.

The table below summarizes the new rates:

Tourist establishment	Rate
Tourist resort/ Integrated tourist resort/ Tourist hotel/ Resort hotel	USD 12
Hotel/Tourist guesthouse with more than 50 rooms [irrespective of where it is operated on]	USD 12
Hotel/Tourist guesthouse operated on an uninhabited island [irrespective of number of rooms]	USD 12
Tourist vessel	USD 12
Hotel/Tourist guesthouse with 50 or fewer rooms and operated on an inhabited island	USD 6

Stayover guests

A guest who checks in during December 2024 may continue their stay into January 2025 creating a 24-hour block that spans two different Green Tax rates. The Green Tax rate applicable to this block will be determined based on the month in which the first 12 hours of that block end. If the first 12 hours of that block ends in January 2025, the new rates will apply.

Example 1

Mr. Henry checked in at Marvel Resort at 11:00 hours on 31 December 2024, and checked out at 12:00 hours on 3 January 2025. What is Mr. Henry's Green Tax liability?

In this case, Mr. Henry had already checked in when the new tax rate came into effect on 1 January 2025. Hence, in order to determine the tax rate applicable for the 24-hour block which started at 11:00 hours of 31 December 2024 and ended at 11:00 hours of 1 January 2025, we need to identify on which date the first 12 hours of this 24-hour block fall.

From 11:00 to 23:59 of 31 December 2024, Mr. Henry spent more than 12 hours in the resort. Thus, the first 12 hours of the 24-hour block ended on 31 December 2024, and the Green Tax must be paid at the prevailing tax rate at that date.

Green tax amount to be collected from Mr. Henry should be calculated as follows:

24-hour block 1: USD 6 – to be included in the Green Tax Return for December 2024.

24-hour block 2: USD 12 – to be included in the Green Tax Return for January 2025.

24-hour block 3: USD 12 – to be included in the Green Tax Return for January 2025.

24-hour block 4: No Green Tax is payable for this block as Mr. Henry spent less than 12 hours in this block.

Example 2

Mr. Pogba checked in at Marvel Resort at 19:00 hours on 31 December 2024, and checked out at 18:00 hours on 1 January 2025. What is Mr. Pogba's Green Tax liability?

Mr. Pogba's stay contained just one 24-hour block. Since he spent at least 12 hours in that block Green Tax applies. The question, however, is, which rate is applicable.

Since the first 12 hours of the block ends in January 2025 and therefore the applicable rate would be USD 12.

2 Children under 2 years of age-Exemption

Children below the age of 2 years will be exempt from Green Tax effective 1 January 2025. A child will be deemed to be below the age of 2 years if the child has not reached 2 years of age by the date of check-in. If a child who checked in before the end of the year 2024 continued their stay beyond the year and the child has not yet reached 2 years of age by 1 January 2025, then the establishments must deem that the child checks-out at 23:59 hours of 31 December 2024 and checks-in back at 00.00 hours of 1 January 2025.

Example 3

Ranbir, along with his parents, checked in at Maradhoo Island Resort on 15:00 hours of 30 December 2024. Ranbir's 2nd birthday will be on 3 January 2025. Ranbir and his family checked out on 5 January 2025. What is the Green Tax amount to be collected for Ranbir's stay?

In this case, Ranbir's stay is divided into two parts:

Stay 1

24-hour block 1: USD 6 (The exemption is not yet effective)

24-hour block 2: Ranbir has not yet reached 2 years of age as of 1 January 2025. Therefore, it must be deemed that Ranbir checked out at 23:59 hours of 31 December 2024. Ranbir has not spent at least 12 hours in this 24-hour block, and therefore no Green Tax is payable for this block.

Stay 2

Ranbir is considered to have checked in again in 00:00 hours of 1 January 2025. Ranbir has not reached the age of 2 as of the checking date. Therefore, Green Tax is not payable for the remainder of his stay even if he turns 2 during the stay.

3 Additional record keeping requirement

In addition to existing requirements, establishments must maintain a copy of the passport for children under 2 years of age.



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