

## ACCOUNTING TREATMENT OF THE ACCOMMODATION ACTIVITY IN ROMANIAN LEGISLATION

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### RESEARCH ARTICLE

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#### Abstract

*Practical research of the accommodation activity accounting handling in Romania supports not only the economic hotel agents, their accountants and practitioners, but also their trainees and students who want to visualize economic peculiarities of accounting operations in this sector of economic activity. The article presents the accounting recording of the accommodation charges, breakfast price lists, hotel fees, complementary and supplementary services. The paper presents a practical usefulness due to a distinctiveness of the accounting and fiscal recordings imposed by a hotel organization.*

**Keywords:** hotel organization, included VAT rate, accommodation price list, hotel fees, complimentary accommodation services and supplementary accommodation services

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#### INTRODUCTION

Tourism is the branch of the national economy that has developed extremely quickly, currently becoming an economic and socio-cultural phenomenon. If the first use of the term "tourist" comes from the beginning of the century 18th century, the tourist phenomenon takes off after the Second World War.

According to the World Tourism Organization (WTO), "tourism is travel for the purpose of recreation, rest or business. Tourists are people who travel or live in places outside their area of permanent residence for a minimum duration of twenty-four (24) hours but not longer than one consecutive year, for recreation, business or other purposes unrelated to the exercise of a remunerated activities in the visited locality".

In addition to the economic, social, cultural phenomenon, tourism has generated a tourism industry through the lens of all facilities intended for the production and marketing of the tourist product, such as: accommodation units, public catering units, transport services, travel agencies, vehicle rentals transport, tourist information offices, etc.

Hotel services can be basic hotel services – accommodation and food, complementary

hotel services and additional hotel services. Services complementary to the accommodation refer to rental of objects, correspondence, storage of valuables, cleaning of clothes and shoes, handling of luggage, parking, etc. Additional hotel services are those services that meet the needs of tourists and that can complement the provision of basic services.

#### MATERIAL AND METHOD

The methods used in this study were different: the historical method, the comparative method, the sociological method, the logical method and the analytical one, their aim was the systematic analysis of the information selected from the sources studied in order to develop personal points of view and conclusions about the stated objectives.

#### RESULTS AND DISCUSSIONS

From a fiscal point of view, the accommodation activity generates an income for the local budgets under which the accommodation units are located. It is the hotel tax provided for by title IX Taxes and local taxes, chapter VIII Special taxes by which "The local council can establish a tax for staying in an accommodation unit". The hotel units have the obligation to pay the tax collected to the local budget of the

administrative-territorial unit within the radius of which it is located, monthly, until the 10th of the current month for the previous month. Accommodation units are obliged to submit a monthly declaration to the specialized department of the local public administration authority by the same deadline when the hotel tax is paid.

### Case study no. 1 – study according to the amendments of GEO no. 16/2022

Niculina Hotel issues an invoice for hotel services with no. 123456 in the total amount of 2000 lei to the customer Surdu Ioan. Breakfast is included in the price of accommodation and is worth 200 lei. The costs of the goods related to breakfast are 110 lei. The amount of the invoice is paid in cash by the customer, according to the tax receipt no. 123

Record the required economic operations in chronological order.

#### a. Registration of the bill of sale of hotel services:

4111	“Customers”	=	%
			2
000			
		704	
“Income from executed works			
	and		
	services		
	provided”		
		1651,38	
		707.01	
“Income from sale of goods			

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	4427.01
“VAT collected 9%”	165.13
	A
	ccording
	to fiscal
	invoice
	no.
	123456

### Accounting calculations:

If breakfast is included in the accommodation rate, the VAT rate of 9% will also be applied to the value of the breakfast. Since it is a VAT included in a sales price, the increased percentage method must be applied to extract the VAT from the respective amount.

$$VAT\ included / total = 2000 \times 9/109 = 165,13\ lei$$

$$VAT\ related\ to\ breakfast = 200 \times 9 / 109 = 16,51\ lei$$

$$Income\ from\ the\ sale\ of\ goods\ / breakfast = 200\ lei - 16,51\ lei = 183,49\ lei$$

$$Income\ from\ services\ provided\ / accommodation\ rate = 2000\ lei - 165,13\ lei - 183,49\ lei = 1651,38\ lei$$

#### b. Collection of the accommodation bill, in cash:

5311	“Cash”=	4111
	“Customers”	2 000

According to fiscal invoice no. 123

#### c. Unloading the management with the goods distributed at breakfast:

607	“Goods expenses”	=
371	“Goods”	110

B According to the warehouse records, accounting note no. 14

### Case study no. 2

Hotel Niculina invoices accommodation services to an individual in the amount of 350 lei, VAT included, without breakfast, according to fiscal invoice no. 78910. Payment is made in cash, according to tax receipt no. 456. When the tourist leaves, the chambermaid reports a consumption of goods from the room's minibar in the amount of 55 lei, the cost of the goods being 20 lei. The hotel charges telephone calls, as complementary

services offered by the hotel, in the amount of 20 lei. The consideration for these complementary services is collected in cash, according to tax receipt no. 789.

**a. Registration of the accommodation invoice issued to a client – natural person:**

4111	“Customers”	=	%
350			
		704	
	“Income from executed works and services provided - accommodation”		
		321,11	
		4427.01	
“Collected VAT 9%”		28,89	

*According to fiscal invoice no. 78910*

**Accounting calculations:**

The VAT included in the accommodation rate is extracted using the increased percentage method, as follows:

VAT included =  $350 \times 9 / 109 = 28,89$  lei

**b. Receipt of the consideration for accommodation services, in cash:**

5311	“Cash”=	4111
	“Customers”	350

*According to fiscal invoice no. 456*

**c. Registration of the invoicing of the consumption of goods from the room's minibar:**

4111	“Customers”	=	%
55			
		707.02	
“Income from sale of goods”		50,46	
		4427.02	
“Collected VAT 9%”		4,54	

*According to fiscal invoice no. 1313*

**Accounting calculations:**

Since we are talking about the consumption of goods from the management of the hotel unit (the goods from the minibar of the hotel rooms), the applicable VAT rate will also be 9%. As the records of the goods are kept at the retail price, the amount of 55 lei represents the

retail price of the goods sold, and the VAT is included in this amount. Therefore, the increased percentage method is used again.

VAT included =  $55 \times 9 / 119 = 4,54$  lei

Commercial excess =  $50,46 \times 0,45 = 20,7$  lei

**d. Offloading management for sold goods; the distribution coefficient is 0.45:**

	%	=	371.02
“Goods -minibar”			
55			
607.02	“Expenses with the goods – minibar consumption”		
		29,76	
378	“Price differences in goods”		
		20,7	
4428	“Non-chargeable VAT”		
		4,54	

*According to fiscal invoice no. 15*

**e. Invoicing telephone services to the customer:**

4111	“Customers”	=
%		
20		

708 “Income from various activities” 16,81

4427.02	“Collected VAT 19%”
3,19	

*According to fiscal invoice no. 1314*

**f. Receipt of telephone services and minibar consumption**

5311	“Cash”	=	4111
	“Customers”	75	

*According to fiscal invoice no. 465*

**Case study no. 3**

Hotel Niculina invoices the client SC Camelia SRL for the following hotel services, according to tax invoice no. 123:

- accommodation tax in the total amount of 800 lei;
- access fee to the Aqua Spa leisure complex in the amount of 200 lei;
- hotel tax of 1% of the accommodation rate
- the rental fee of a conference room in the amount of 300 lei.

The consideration for these hotel services is collected by bank transfer.

a. Billing of accommodation services to SC Camelia SRL: 4111 „Customers” =

%	
800	
	704
„Income from executed works	
and	
services	
provided”	
	733,95
	4427.01
„Collected VAT 9%”	66,05

*According to fiscal invoice no. 123*

b. Billing for access services to the leisure complex:

4111 „Customers” =	%
	200
	708
„Income from various activities”	
168,07	
	4427.02
„Collected VAT 19%”	31,93

*According to fiscal invoice no. 123*

c. Invoicing the hotel tax:

⇒ The hotel tax is calculated by applying the set rate to the accommodation rate charged by the accommodation units. For the stay in an accommodation unit, the local council to which the hotel unit belongs, institutes a hotel tax at the rate of 1% of the total value of the accommodation / accommodation rate for each day of the tourist's stay, which is collected from the legal entities through which the accommodation is made, along with the recording of the accommodated persons. **The hotel tax is applied to the accommodation rate without VAT!**

4111 „Customers” =	447.1
„Hotel fee”	7

*According to fiscal invoice no. 123, tax declaration*

**Accounting calculations:**

*Hotel fee* = 733,95 lei x 1% = 7 lei

Taxes and fees are rounded up and thus reported to the territorial fiscal body.

d. Invoicing the conference room rental fee:

4111 „Customers” =	%
	300
	706
„Income from rents”	
252,11	
	4427.02
„Collected VAT 19%”	47,89
	<i>According to fiscal invoice no. 123</i>

## CONCLUSIONS

When the hotel unit includes breakfast in the accommodation rate, VAT of 9% is applied to its value, the same as in the case of the accommodation rate. When the accommodation rate does not include breakfast, the VAT rate of 9% will be applied to it, starting from 01.01.2023.

The calculation simulations have as a benchmark the changes to the fiscal legislation, approved by GEO no. 16/2022 amending and supplementing the fiscal code. We note that until 31.12.2022, the VAT related to accommodation and public food services (restaurants and catering) is 5% and this rate increases from 01.01.2023 to 9%. We believe that it has been taken into account that restaurant and catering services, for which a reduced VAT rate of 5% is applied until 2022, represent services that, in fact, consist in the provision of food and/or beverages, prepared or unprepared, for human consumption, subject to the reduced VAT rate of 9%. Practically, the legislator decided to standardize the percentage rate of 9% regarding the VAT applied to food products, regardless of the stage of the economic circuit in which they are located.

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