

Review of impacts of visitor levies in global destinations

Ap Gwilym, Rhys; Osti, Linda

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Review of impacts of visitor levies in global destinations

Dr. Rhys ap Gwilym, Bangor University

Dr. Linda Osti, Bangor University



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Views expressed in this report are those of the researcher and not necessarily those of the Welsh Government

For further information please contact:

Visitor Levy Team

Welsh Government

Cathays Park

Cardiff

CF103NQ

Email: visitorlevy@gov.wales

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Glossary

Acronym/Key word	Definition
Accommodation Tax	Is also known as a lodging tax or hotel tax. It is a tax levied on the price of accommodations such as hotels, motels, vacation rentals, and similar lodging establishments. Typically imposed by local governments, municipalities or tourism authorities and is collected by the lodging providers from their guests.
AETIB	The Tourism Strategy Agency of the Balearic Islands
AMI	Area Median Income
ASTAT	Official statistics agency in South Tyrol
ARC	Application Review Committee
ARPA	American Rescue Plan Act
CCOO	Workers' Commissions (Spanish: Comisiones Obreras) Largest trade union in Spain
CAEB	Confederation of Business Associations
CTB	Catalan Tourist Board
DSC	Destination Stewardship Council
DMP	Destination Management Plan
Excise Tax	Is a legislated tax on specific goods or services at the time they are purchased. Excise tax is an intranational tax imposed within a government infrastructure rather than an international tax.
FELIB	Federation of Local Entities of the Balearic Islands
FBCN	Fundació Barcelona Capital Nautica
GCBTA	The Gunnison/Crested Butte Tourism Association
Hypothecation	The hypothecation of a tax is the practice of ring-fencing or earmarking the revenues of a tax for a particular expenditure purpose. Hard or strong hypothecation exists where the revenues from the tax go only to financing the particular service and the service is

	financed only through the revenues from this tax. Soft or weak hypothecation exists where at least one of these two conditions is not met.
ISE	Integrated Systems Europe
ITS	Impuesto del Turismo Sostenible – The Sustainable Tourism Tax effective in the Balearic Islands.
JHTTB	Jackson Hole Travel and Tourism Board
Levy/Levies	A formal act of imposing or collecting a tax and can be imposed for various reasons.
Lodging Tax	A lodging tax, also known as a hotel tax, accommodation tax, or transient occupancy tax, is a tax imposed on guests who stay in lodging establishments such as hotels, motels, vacation rentals, bed and breakfasts, and similar accommodations. This tax is typically collected by the lodging provider from the guest at the time of payment for their stay.
LMD	Local Marketing District
MICE	Meetings, Incentives, Conferences and Exhibitions/Events. It refers to a specialized segment of the tourism and hospitality industry that focuses on planning, organizing, and facilitating various types of corporate events, conferences, exhibitions, and incentive trips.
Municipalities	A municipality is a type of local government that is typically responsible for governing a specific geographical area, such as a city, town, or village, and the residents within it. Municipalities can vary in size and structure, ranging from small rural towns to large urban cities. The governing body of a municipality may be a city council, town board, or similar elected body, with a mayor, council members, or commissioners serving as

	elected officials to represent the interests of the community.
MWC	Mobile World Congress
PPPD	Per person per day
PIMEB	Federation of Small and Small Companies of the Balearic Islands. Spanish: Petita i Mitjana Empresa de Balears
ROAH	Resident Occupied Affordable Housing
START	Southern Teton Area Rapid Transit
STMP	Sustainable Destination Management Plan
TSFP	Tourist Site Protection Fund
TDT	Tourist Development Tax
TAPP	Tourism and Prosperity Partnership
UGT	General Union of Workers Spanish: Unión General de Trabajadores. A major Spanish trade union.

1. Introduction

- 1.1 The main purpose of this report is to review the international evidence on the environmental, social, and cultural impacts of visitor levies in various global destinations. We identify the implications of this evidence for future monitoring and evaluation of the proposed visitor levy in Wales.

Background

- 1.2 The Welsh Government's (2021a) Programme for Government, and the Cooperation Agreement between the Welsh Government and Plaid Cymru (Welsh Government 2021b), both contain commitments to introduce 'local tourism levies' in Wales.
- 1.3 The Welsh Government has stated that its intention in introducing a visitor levy is to encourage a more sustainable approach to tourism across Wales (Welsh Government 2023a).
- 1.4 The current stated plans of the Welsh Government are to introduce legislation before the Senedd by the end of 2024, with an expectation that a visitor levy could be operating in Wales by 2027 at the earliest (ibid.).
- 1.5 The Welsh Government has stated that its legislative proposals will provide powers for local authorities to raise a visitor levy in their areas, but that the decision of whether to exercise those powers will be left to the local authorities themselves (Welsh Government 2023b).

Context

- 1.6 By 2019, 41 countries worldwide had implemented some form of tourism tax, with Europe leading the trend. In Europe alone, 125 destinations and 26 countries had imposed such taxes, with exceptions mainly in the Nordics and Baltics (ETOA 2019).
- 1.7 These taxes are often based on overnight stays per person, however they vary widely in design and rates.
- 1.8 Tourism taxes have different aims: some are imposed to collect funds for tourism marketing and tourism public goods, others to regulate tourism flows.

- 1.9 Following the pandemic, more countries and destinations have proposed the adoption of tourism taxes, with revenue earmarked for infrastructure, sustainability, marketing, and events.
- 1.10 Currently, regenerative taxes are gaining momentum worldwide, with destinations increasingly using taxation to fund initiatives like cultural heritage restoration and nature preservation.
- 1.11 A comprehensive assessment of the impacts of tourism taxes remains limited, despite their clear motivations for implementation.

Objectives

- 1.12 The main aims of this report can be summarised as follows:
- To collect and report details of the ways in which visitor levy revenues are spent in a sample of global destinations, and to analyse the governance of the systems by which those revenues are spent.
 - To review the impact of this spending on the environment, society, and culture of those destinations.
 - To identify commonalities and differences across these destinations in the governance of visitor levy revenues.
 - To make evidenced recommendations for the future governance on visitor levy revenues in the Welsh context.

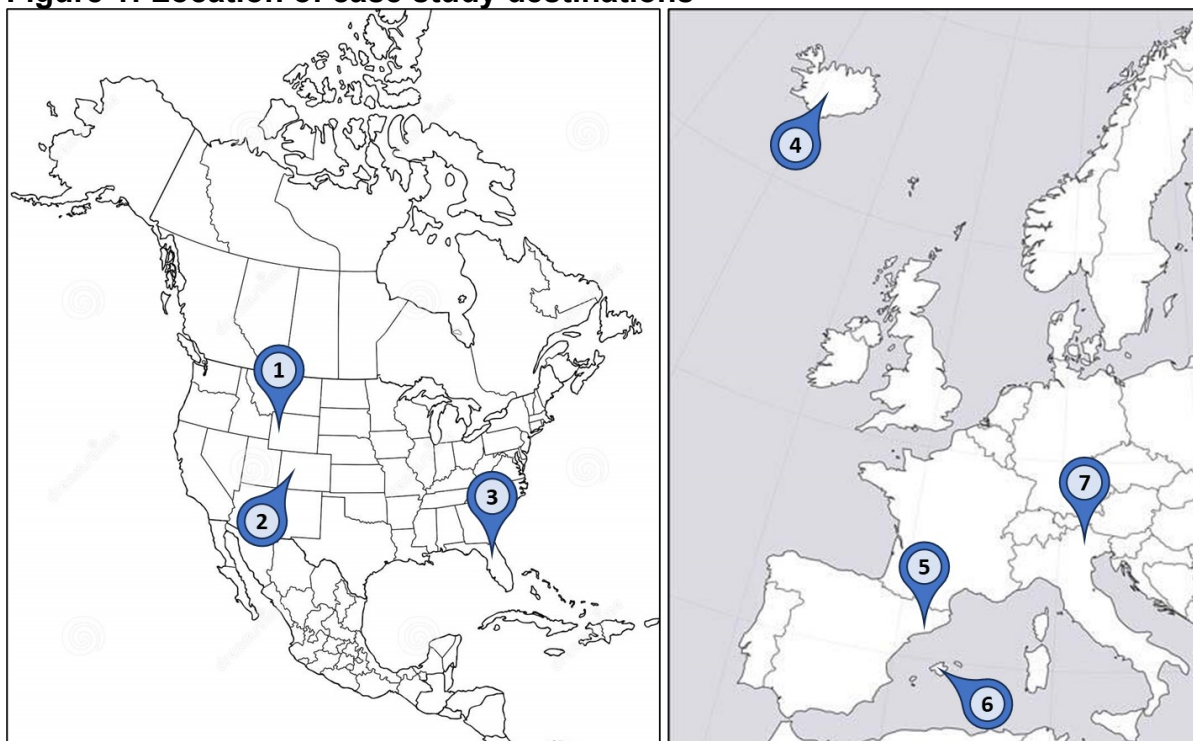
General approach and overview

- 1.13 In order to fulfil these objectives, we examine seven case studies of destinations around the world in which visitor levies are operated. We draw evidence from these case studies in order to inform a series of recommendations relating to the implementation of a visitor levy in Wales.
- 1.14 In Section **Error! Reference source not found.**, we explain the process and methodology by which we identified appropriate global destinations for further study and collected relevant information and data.
- 1.15 In Sections 3-9, we present the case studies. These relate to Iceland, the autonomous province of South Tyrol in northern Italy, the Balearic Islands, Catalonia and three destinations in the USA – Gunnison County, Colorado;

Jackson Hole, Wyoming and Orange County, Florida. The locations of the case study destinations are shown in Figure 1.

- 1.16 Section 10 provides a comparison of the case studies and presents broad conclusions.
- 1.17 Section 11 draws on these conclusions to provide recommendations for the future Welsh visitor levy regime.

Figure 1: Location of case study destinations



1 = Jackson Hole, Wyoming. 3 = Orange County, Florida. 4 = Iceland. 6 = The Balearic Islands.
2 = Gunnison County, Colorado. 5 = Catalonia. 7 = South Tyrol.

2. Methodology

2.1 Following the initial requests and guidance provided by the project commissioner, work commenced with a desk review. However, due to insufficient material for constructing case studies of 5 destinations around the world, it was decided that conducting primary data collection via interviews with destination managers, tourism board managers, and local government representatives would be necessary to retrieve the required information and evidence.

Scoping review

2.2 The initial systematic scoping review of the non-economic impacts of visitor levies was conducted on both academic and non-academic publications.

2.3 Sources were collected via various databases:

- For academic publications: Scopus, Web of Science, Google Scholar.
- For non-academic publications: ProQuest. Publications from the following categories: Government & Official Publications, Magazines, Newspapers, Reports, Trade Journals.

2.4 Combinations of the following terms were used to identify relevant publications: “visitor levy”; “tourist tax”; “tourism taxation”; “room tax”; “ecolog*”; “environment**”; “waste”; “carbon”; “sustainab*”; “conservation”; “destination management”; “infrastructure”; “facilities”; “public services”; “destination promotion”; “marketing efforts”; “community”; “cultural heritage”; “social dynamics”; “governance”; “policy”; “resources”; “experience” and related terms.

2.5 Publications were selected for analysis when they provided relevant information fulfilling the following criteria:

- a) Statements are based on data and facts and are not hypothetical;
- b) Reference is made to a specific destination or multiple destinations;
- c) Social, cultural and/or environmental impacts are named.

- 2.6 The desk review retrieved very limited information and very little evidence was found on the actual social, cultural and/or environmental impacts of visitor levies.
- 2.7 In the desk review we faced five main constraints:
- a) the academic literature did not address the impacts of visitor levies;
 - b) annual reports of the use of visitor levies prepared by the Tourism Boards of US destinations are often publicly available, but difficult to find;
 - c) the information provided in the reports needed additional information and to be contextualised to be fully understood;
 - d) news items, as for example newspaper articles, were lacking in evidence;
 - e) we could find limited information relating to many destinations, but not sufficient information about individual destinations.
- 2.8 The academic material retrieved can be categorised under the following main themes:
- a) modelling on the effect of the tourist levy on the number of arrivals and overnight stays;
 - b) willingness to pay by visitors, economic impact in terms of funds raised, or potential funds to be raised;
 - c) economic impact in terms of funds raised, or potential funds to be raised;
 - d) hypothetical introduction of the levy, rather than actual analysis of what happened once the levy was introduced.
- 2.9 The prevalence of these themes in the academic and non-academic literature respectively is summarised in Table 1.
- 2.10 The non-academic material retrieved can be categorised as follows:
- a) newspaper articles discussing the introduction of the levy or changes in the legislation;
 - b) press releases by governmental agencies or Destination Management Organisations illustrating the revenues collected and (mainly from the USA) budgetary reports;

c) legislation relating to the visitor levy (referenced in WTO and destination reports).

2.11 Annex B provides extensive details of the literature considered during the scoping review.

Table 1: Topics arising from the desk review

Theme	Number of academic documents mentioning the theme, out of 84 in total	Number of non-academic documents mentioning the theme, out of 29 in total
Modelling on the effect of the tourist levy on arrivals and overnight stays	23	5
Willingness to pay by visitors	33	4
Economic impact in terms of funds raised, or potential funds to be raised	79	29
Hypothetical introduction of the levy, rather than actual analysis of what happened once the levy was introduced	38	20
Impacts of the levy	0	0

Note: some documents contained more than one theme

Identification of case studies

2.12 Despite the desk review not yielding enough information to elaborate case studies, the material supported us to create a list of potential destinations that could have been taken as case study.

2.13 We initially created a list of 61 destinations (see Annex A).

2.14 The destinations were then ranked on the following principles:

a) Similarity to Wales in terms of its tourism sector;

- b) Similarity to Wales in terms of its social, cultural and/or environmental context;
- c) Destinations which make use of a variety of rate types, including per person per night rates and percentage of accommodation charge;
- d) Some destinations with locally determined rates and others with centrally determined rates;
- e) Destinations with high and low rates;
- f) Availability of evidence.

2.15 Of the initial list, we identified the following short-list of destinations to build our 5 case studies upon:

- a) Balearic Islands;
- b) Iceland;
- c) Italy – to include Genova, Mareo, Bruneck-Brunico;
- d) Malta;
- e) Catalonia
- f) USA – to include Jackson Hole (Wyoming), Gunnison County (Colorado), Philadelphia, and Orange County (Florida).

2.16 We also identified the following destinations as back-up options:

- a) Tyrol, Austria;
- b) Amsterdam, NL;
- c) New Zealand;

2.17 As some of the destinations initially identified were not available to share information and not available for interviews. The final list of destinations used as case studies are as follows:

- a) Balearic Islands;
- b) Iceland;
- c) Italy – Mareo and Bruneck-Brunico (South Tyrol);
- d) Catalonia;
- e) USA – Jackson Hole (Wyoming), Gunnison County (Colorado), and Orange County (Florida).

Semi-structured interviews

2.18 Table 2 provides an overview of the interviews that were conducted.

Table 2: Details of the semi-structured interviews

Destination	Perspective	Modality
Balearic Island	Balearic Tourist Board and Ministry of Tourism	Virtual interview
Bruneck-Brunico	Local government	In person interview
Bruneck-Brunico	Local Tourism Association	In person interview
Catalonia	Catalan Tourism Board	Virtual interview
Gunnison County	Local Tourism Board	Virtual interview
Iceland	Icelandic Tourism Board	Virtual interview
Jackson Hole	Local Tourism Board	Virtual interview
Florida	County Government	Virtual interview
Mareo	Local Tourism Association	In person interview

2.19 Interviews lasted roughly 1 hour, with automatic transcripts being generated whenever feasible. For in-person interviews, manual notes were taken.

2.20 The semi-structured interviews were tailored for each destination and each specific case. However, we started from a common guide including the following questions/topics of discussion:

- a) Legislative framework and scope of the tax regime;
- b) Use of the funds collected;
- c) Auditing of the use of funds;
- d) Evaluation of the impacts of the funds;
- e) Criteria for the evaluation.

2.21 The interviews concluded with the request of documents showcasing the use of the revenues and, potentially, also the impact evaluation.

2.22 The material that was provided to us mainly included annual reports and references to specific legislation and statutory documents.

2.23 For example, the reports of the US destinations are publicly available but can be challenging to access. On one occasion, the latest report was shared with us before its public release. Mareo shared the yearly reports that are not

publicly accessible but are presented exclusively to members of the local Tourism Cooperative.

- 2.24 Most of the work presented in the next session of this report is based on the semi-structured interviews listed in the table above (Table 2), and the documents subsequently shared or accessed.

3. The Balearic Islands

Highlights:

- A new Sustainable Tax (ITS) has been in place since 2016, to finance a ‘fund to promote sustainable tourism’.
- Tourism is the largest economic sector in Balearic Islands.
- Over 17.8 million tourists arrived in 2023 increase of 8% over past two decades.
- ITS has financed 168 projects to completion, with a total value of €263 million, with 27 new projects being approved in 2023 to a total value of €138 million.
- Projects funded relate to a wide variety of issues, including the environment, sustainable tourism, cultural heritage, scientific research, training and employment, and social renting.

3.1 The Balearic Islands is an archipelago in the western Mediterranean, consisting of four major islands, Mallorca, Menorca, Ibiza, and Formentera. The islands constitute an Autonomous Community of the Spanish state, under the Constitution of 1978. This status confers limited autonomy to the Balearic Government, including widespread powers relating to the tourism industry and some powers over taxation.

Tourism in the Balearic Islands

3.2 There were 17.8 million tourist arrivals in 2023, representing an 8% increase since 2022, and following a general upward trend in arrivals over the past two decades, as illustrated in Figure 2. This contrast with a settled population of 1.2 million inhabitants in 2023.

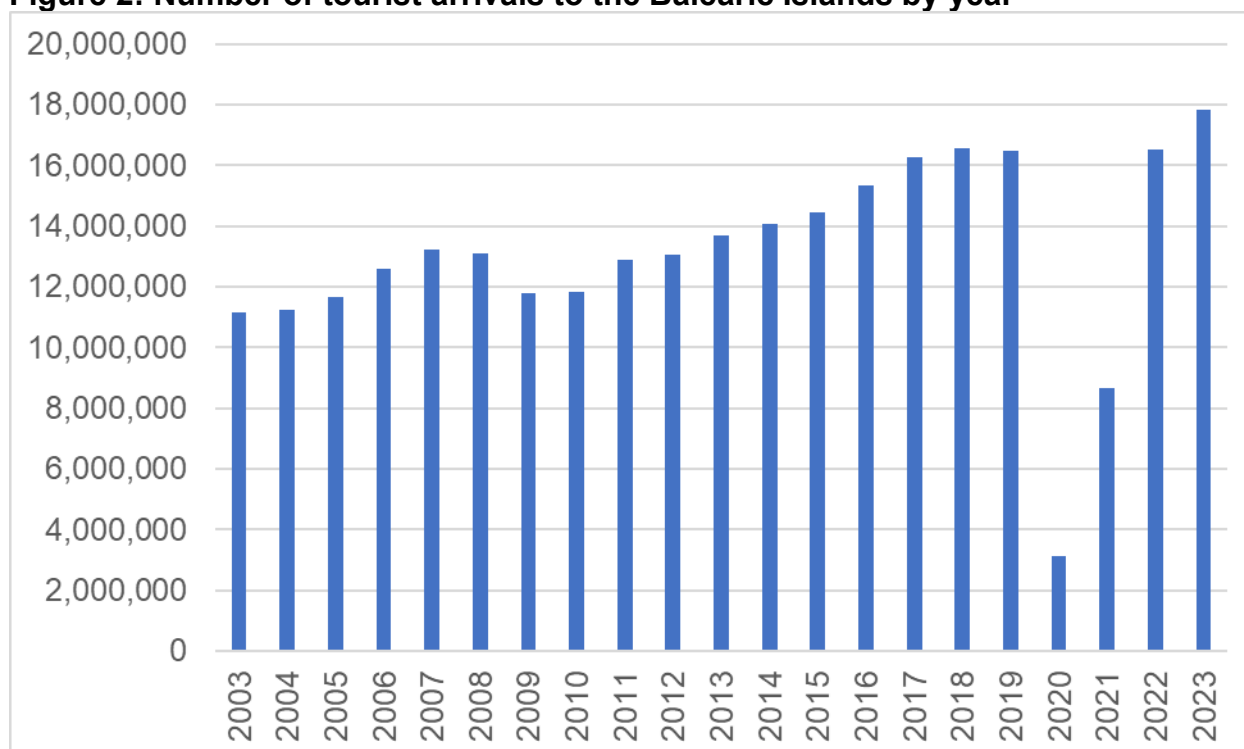
3.3 Tourism was badly hit by the Covid-19 pandemic but has recovered strongly since 2022.

3.4 Tourism is by far the largest economic sector in the Balearic Islands. The average tourist spend of €173 per person per day between January and November 2023 amounted to a total €19.7 billion of tourism spend, accounting

for 82% of services GDP. One in every three worker is employed directly in the tourism sector (Ministry of Tourism, Culture and Sports 2024).

3.5 The average stay of tourists in 2023 was 6.5 nights, having trended downwards from 10 nights over the past decade (ibid.).

Figure 2: Number of tourist arrivals to the Balearic Islands by year



Numbers include tourists from the rest of Spain, but not internal tourism within the Balearic Islands.

Source: Balearic Islands institute of Statistics and Balearic Islands Tourism Agency (various years).

3.6 Visitors to the Balearics predominantly come from western Europe, as shown in Table 3.

Table 3: Visitors to the Balearic Islands by nationality, 2023

Spain exc. Balearics	19.2%
Germany	25.7%
UK	20.9%
France	5.4%
Italy	4.4%
Netherlands	3.8%
Switzerland	2.8%
Rest of Europe <2% each	13.5%
Rest of World	4.2%

Source: Balearic Islands institute of Statistics (2024)

- 3.7 In 2023, there were 2,912 traditional tourist establishments with a total of 446,406 bedspaces. These were augmented by roughly 160,000 beds in short-term holiday rentals such as Airbnb (Ministry of Tourism, Culture and Sports 2024).
- 3.8 Tourism in the Balearics is highly seasonal, with 61% of arrivals occurring between June and September in 2023. This is down from 64% in 2016, however, remains high by European standards (see Batista e Silva, 2018, for evidence on seasonality).

History of tourism tax in the Balearic Islands

- 3.9 The Balearic Islands first introduced a tourism tax in 2001. This was colloquially referred to as an ‘ecotax’ and it was intended to supply funds to improve the tourist industry and the environment (Palmer and Riera 2003).
- 3.10 The ‘ecotax’ faced widespread opposition. The law underlying the tax was unsuccessfully challenged by the Spanish Government as being anti-constitutional. Subsequently, the Spanish Association of Hotel Chains challenged the tax in Spain's supreme court (Templeton 2003).
- 3.11 The tax yielded £12 million in its first seven months (ibid.) but also coincided with a fall in tourist arrivals¹.
- 3.12 Before the legal case brought by the Spanish Association of Hotel Chains was concluded, a change in Government in the Balearic Islands in 2003 saw the ‘ecotax’ withdrawn in November of that year (Pietrasik 2003).
- 3.13 A new Sustainable Tourism Tax (ITS) was introduced from 1st July 2016. The law that introduced the tax also established a “fund to promote sustainable tourism”, to disperse the revenues raised by the tax, and a “Commission to Promote Sustainable Tourism” with the role of overseeing the fund (Autonomous Community of the Balearic Islands 2016).
- 3.14 The preamble to the law notes two objectives. Firstly, to compensate Balearic society for the environmental and social costs and job insecurity associated

¹ Arrivals of tourists by air fell from 9.83 million in 2000 to 9.76 million in 2001 and to 9.10 million in 2002, but recovered to 9.67 million in 2003 (Ministry of Tourism 2004).

with the tourism industry. Secondly, to improve the competitiveness of the tourism sector through promoting sustainable, responsible, and quality tourism (ibid.).

3.15 The ITS is one part of a wider portfolio of policies implemented by the Balearic Islands Government aimed at addressing the sustainability of the tourism industry, and the islands more generally. Other policies include limitations on both short-term holiday rentals (implemented via law in 2017) and traditional tourist accommodation (2019 law). A law to address over-tourism was legislated for in 2020, and three environmental laws were implemented between 2019 and 2021, addressing climate change, energy transition and waste prevention and reduction (Ministry of Tourism, Culture and Sports 2024).

The sustainable tourism tax (ITS) regime

3.16 The ITS tax rate varies depending on the category of the accommodation and on the season in which the trip falls. Table 4 summaries the tax rates in force at the end of 2023.

Table 4: ITS Rates, 2023

Accommodation category	High season (May – October)		Low season (November – April)	
5-Star hotels and equivalents	€4	pppd	€1	pppd
4-Star hotels and equivalents	€3	pppd	€0.75	pppd
1, 2 or 3-Star hotels and equivalents	€2	pppd	€0.5	pppd
Holiday rentals and similar	€2	pppd	€0.5	pppd
Agritourism and similar	€2	pppd	€0.5	pppd
Hostels, campsites and similar	€1	pppd	€0.25	pppd
Tourist cruise liner	€2	pppd	€0.5	pppd

pppd = per person per day, 10% VAT is payable on these rates.

Source: Government of the Balearic Islands (2023)

3.17 Stays by children under 16 years of age are exempt from paying the tax. The tax is reduced halved from the ninth day of the stay in the same accommodation.

3.18 The tax rates are laid out in law and can only be changed by amendment to the law. This has been done on occasion since the original implementation of

the ITS in 2016. The current tax rates have been in effect since December 2017.

The fund to promote sustainable tourism

- 3.19 There is a hard hypothecation of the revenues of the ITS to the fund to promote sustainable tourism. As a result, the fund's finances were badly hit during the Covid-19 pandemic and only ongoing projects were funded between 2020 and 2022.
- 3.20 Since the ITS was introduced in 2016, the fund has financed a total of 168 projects to completion, with a total value of €263 million (Sustainable Islands 2024).
- 3.21 A total of 27 new projects were approved in 2023 to a total value of €138 million (Government of the Balearic Islands 2023a).
- 3.22 A new, extraordinary, call for projects was made in December 2023 with funding of €74.4 million arising from a reallocation of funds previously approved (Government of the Balearic Islands 2023b). The call for the ordinary Annual Plan for the current year will be made in the first quarter of 2024, with the size of the funding pot dependent on forecasts of ITS tax revenues in that year.

The commission to promote sustainable tourism

- 3.23 The Commission to Promote Sustainable Tourism is responsible for overseeing the fund to promote sustainable tourism and makes the final decision about which projects will be financed.
- 3.24 The Commission approves an Annual Plan for Sustainable Tourism, which outlines priority areas for support. For example, in 2016, the Annual Plan established a priority to improve water infrastructure and water cycle. In 2017, the Annual Plan prioritised the acquisition or rehabilitation of natural, historical, and cultural heritage; diversification of the economic model; and improvement of the natural environment and water cycle.
- 3.25 The priorities for the latest Extraordinary Annual Plan for 2023 were five-fold:

- Protection, preservation, modernisation, and recovery of the natural, rural, agricultural, and marine environment.
 - Promotion of deseasonalisation, creation and activation of tourist products practicable in the low season and promotion of sustainable tourism, with special emphasis on projects linked to culture and sports, and those projects to improve mature tourist areas.
 - Recovery and rehabilitation of historical and cultural heritage.
 - Promotion of scientific research, development, and technological innovation projects.
 - Improving training and quality of employment.
- (Government of the Balearic Islands 2023b).

Table 5: Composition of the commission to promote sustainable tourism

A representative of the Ministry of Innovation, Research and Tourism.
A representative of the Presidential Office.
A representative of the Ministry of Finance and Public Administrations.
A representative of the Ministry of Labour, Trade and Industry.
A representative of the Ministry of Environment, Agriculture and Fisheries.
The Director General for Tourism.
The Director General for Budget and Finances.
Three representatives of the Workers' Commissions (CCOO).
Three representatives of the General Union of Workers (UGT).
Four representatives of the Confederation of Business Associations of the Balearic Islands (CAEB).
Two representatives of the Confederation of Small and Medium Enterprises of the Balearic Islands (PIMEB).
Two representatives of the Federation of Local Entities of the Balearic Islands (FELIB).
Five representatives of entities whose main purposes are the defence and the promotion of the environment or any other of the purposes referred to in article 19.3 of Law No. 2 of 2016.
A representative of the Agricultural Association.
One representative of each of the four island councils (Mallorca, Minorca, Ibiza, and Formentera).
A representative of the Palma City Council.

Source: Government of the Balearic Islands

3.26 The Commission is composed of representatives of the Balearic government, local government, employers' associations, trade unions, environmental protection movements and other representatives of civil society. Table 5 lays out in full detail the membership of the Commission.

Projects

3.27 Only public institutions can apply for financing through the fund for sustainable tourism. Applications generally come from ministries of the Balearic Government, insular councils or from local town halls through the association of municipalities.

3.28 Completed projects are publicised via an internet portal at [Link to completed projects \(Illes Sostenibles\)](#).

3.29 Table 6 presents an overview of the spend on completed projects by category.

Table 6: Spend on completed projects by category

Category	Total Spend
Environment	€110 million
Sustainable Tourism	€44 million
Cultural Heritage	€8 million
Scientific Research	€27 million
Training and Employment	€23 million
Social Renting	€52 million

Source: Sustainable Islands (2024a)

Auditing and assessment of impact

3.30 The Balearic Islands Sustainable Tourism Task Force is responsible for monitoring and assessing the implementation of approved projects. They can propose any suspension, modification or cancellation measures that are considered appropriate. In practice, these roles are delegated to the Strategic Tourism Agency of the Balearic Islands (AETIB).

3.31 AETIB is responsible for establishing appropriate monitoring and assessment mechanisms for individual projects. Beneficiary organisations are required to appoint a project manager to liaise with AETIB on these matters.

- 3.32 Beneficiary organisations undertake to submit technical reports to AETIB on the progress of projects at quarterly intervals, indicating the activities carried out, costs incurred and providing any documentation laid out in the project contract.
- 3.33 AETIB performs administrative checks as well as on-site checks to verify that subsidised activity has been carried out (AETIB 2019).
- 3.34 The law that introduced the tax in 2016 required that an impact evaluation report be produced by 31st December 2018 and every three years thereafter. The law requires that this report must include detailed analysis of:
- The effectiveness of the tax, for the purposes of determining to what extent the achieved the intended purposes with its approval.
 - The efficiency of the law, identifying administrative burdens that could have been unnecessary.
 - The sustainability of the tax, within the framework provided for in Law 2/2011, of March 4, on sustainable economy, and in the rest of the legal system.
 - The impact that the tax may generate.

Our understanding is that these reports are produced but are not publicly disseminated.

Example 1: Project in the Balearic Islands: social housing in Palma de Majorca

The objective of this project was to develop and build 19 publicly subsidised homes in Palma de Majorca to deal with the island's shortage of rental housing for



residents.

The total cost of the project was €3.5 million, and it was completed between 2018 and 2019.

Article 47 of the Spanish Constitution stipulates the right to decent housing. However, partly because of the pressures of tourism, the Balearic Islands have the lowest housing accessibility index in Spain, where housing accessibility is measured by the ratio of disposable income to rental costs.

This project was submitted by the Balearic Islands Housing Institute (IBAVI) which manages a portfolio of 1,745 social rent homes. The stated purpose of the project was to develop and build a group of 19 homes to be rented at subsidised rates, and thus relieve the collateral effects of tourism, which hinders residents' access to housing (Sustainable Islands 2024b).

4. Catalonia

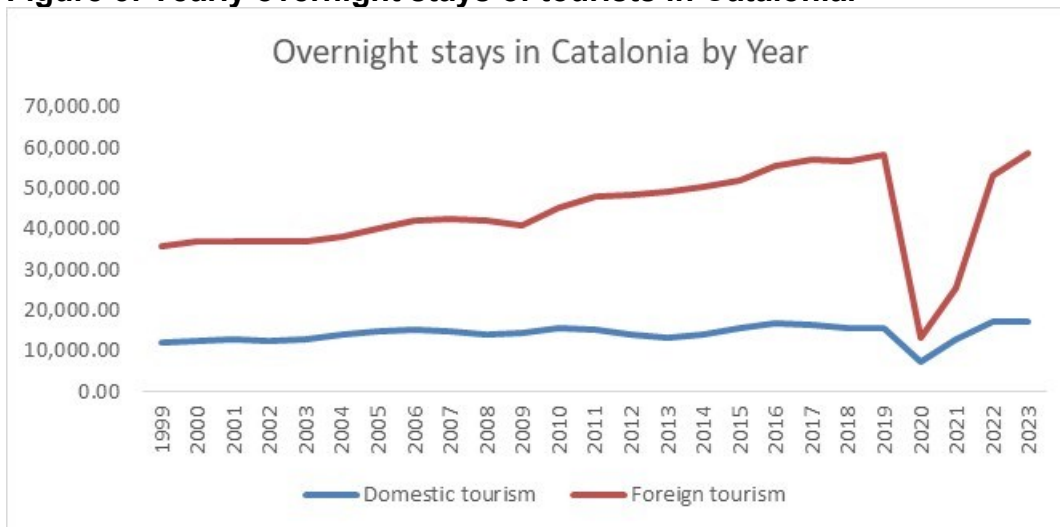
Highlights:

- The tourism tax is in place since 2012, and 5 years ago the city of Barcelona imposed a surcharge.
- The tax rate varies across types of accommodation and location.
- 50% of the funds raised are devolved to local entities, 50% are kept at Catalan level by the Catalan Tourism Board (CTB), a government body.
- There is no formal auditing and impact assessment of projects in place, however CTB has a wide board that oversees its work, and the private sector is consulted.

Tourism in Catalonia

4.1 Catalonia, Spain's autonomous region, heavily relies on tourism, contributing 12% to its GDP and nearly 14% to employment. Tourism, primarily sun and beach, supports over 400,000 jobs (13.8% of the active workforce) and 78,000 companies, with 918,000 accommodation places to cater for visitors. In 2019, Catalonia welcomed 19.4 million foreign tourists, maintaining a consistent growth trajectory in international tourism since 2012. Pre-COVID, international visitors constituted 66 in 1999 to 71% in 2023 but dropped below 50% in 2020 and 2021 due to the pandemic.

Figure 3: Yearly overnight stays of tourists in Catalonia.



Source:

Idescat, 2024

Tourism tax history and overview

4.2 Catalonia implemented a tourism tax in 2012, with the Catalan Tourist Board (CTB) being one of the beneficiaries of the funds raised. Additionally, a portion of the funds is allocated to local entities such as local tourism associations within the region.

4.3 Catalonia has the autonomy to determine its tourism tax independently of Spain. According to Catalan Law, local authorities have the discretion to decide whether to implement an additional tax. Currently, Barcelona is the only area within Catalonia that has chosen to levy an additional tourism tax.

4.4 The tourism tax was introduced to generate resources to sustain and enhance Catalonia's position as a top tourist destination and global benchmark.

This includes fostering competitiveness, maintaining high standards of quality, and promoting sustainability in the tourism industry, thereby creating added value. Additionally, the tax aims to mitigate the impact of tourism on other visited tourist areas within Catalonia.

4.5 The funds are divided equally: 50% is allocated to local tourism associations, while the remaining 50% is designated for the Catalan Tourist Board to promote Catalonia as a tourism destination.

4.6 Previously, local authorities received only 20% of the funds, but over time, they have advocated for a larger share, emphasising their role as hosts to tourists. Currently, the distribution between towns and the Catalan Tourist Board stands at 50%, but some local authorities are still advocating for a greater allocation.

Tourism tax regime

4.7 Over the years, the nightly tax rate per category has risen, and Barcelona implemented its own tourism tax five years ago, in addition to the existing Catalan tourism tax. Consequently, Catalonia currently imposes a tourism tax that applies to all destinations within the region, including Barcelona. Additionally, Barcelona levies another tourism tax independently.

- 4.8 The tourism tax rate varies based on the type and location of the accommodation, resulting in different fees between Barcelona and the rest of Catalonia.
- 4.9 The tax is capped at a maximum of seven days per person, with the condition that the stay must be continuous in the same accommodation.
- 4.10 A special rate applies to stays in establishments within tourist recreation centres where gambling is allowed.
- 4.11 Children under 16 years old are exempt from paying this tourist tax.
- 4.12 Currently the tourism tax rate for Catalonia varies from €1.00 to €3.50, while the surcharge of the Barcelona municipality is fixed at €2.75.
- 4.13 The tourism tax is collected by accommodation services, and the funds are remitted to the taxation agency (agencia tributaria), either monthly or quarterly, depending on the amount raised.
- 4.14 To ensure meaningful funds distribution, smaller municipalities with fewer resources are aggregated.
- 4.15 Local entities that in their territory have not reached the threshold of €300,000.00 of tax collection, adding the two half-yearly settlement periods that correspond to the winter and summer seasons, must allocate a minimum of 75% of the amounts of the funds allocated to concrete tourism promotion activities.

Use of the funds

- 4.16 The local tourism associations are able to utilize the funds for various tourism-related purposes, without restrictions from Catalan law or the government. These purposes can include advertising, participation in trade fairs, development of new products and activities for tourists, and initiatives to enhance the attractiveness of the town or destination, such as floral displays, events, and more.

Table 7: Tourism tax rates in Catalonia

Location	Type of accommodation	General rate	Barcelona surcharge	Total tax
Barcelona city	5-star hotel, grand luxe hotel, luxury campsite and establishment of similar category	3,50 €	2,75 €	6,25 €
Barcelona city	4-star hotel, 4-star hotel superior and establishment of similar category	1,70 €	2,75 €	4,45 €
Barcelona city	Dwelling for tourist use	2,25 €	2,75 €	5,00 €
Barcelona city	Other establishments	1,00 €	2,75 €	3,75 €
Barcelona city	Cruise ship: - Over 12 hours - 12 hours or less	2,00 €	2,75 €	4,75 €
		3,00 €	2,75 €	5,75 €
Rest of Catalonia	5-star hotel, grand luxe hotel, luxury campsite and establishment of similar category	3,00 €	-	3,00 €
Rest of Catalonia	4-star hotel, 4-star hotel superior and establishment of similar category	1,20 €	-	1,20 €
Rest of Catalonia	Dwelling for tourist use	1,00 €	-	1,00 €
Rest of Catalonia	Other establishments	0,60 €	-	0,60 €
Rest of Catalonia	Cruise ship: - Over 12 hours - 12 hours or less	2,00 €	-	2,00 €
		3,00 €	-	3,00 €
Special rate	5-star hotel, grand luxe hotel, luxury campsite and establishment of similar category	5,00 €	-	5,00 €
Special rate	4-star hotel, 4-star hotel superior and establishment of similar category	3,50 €	-	3,50 €
Special rate	Other establishments	2,50 €	-	2,50 €

Source: Agencia Tributaria de Catalunya (2023) [Link to Source of Table 7 \(Agencia Tributaria de Catalunya\)](#)

- 4.17 The principle behind the Catalan tourism tax is that 50% of the revenue generated from tourists' stays is allocated towards enhancing the quality of the destination, benefiting both tourists and locals, while the remaining 50% is dedicated to promoting quality tourism in Catalonia by the CTB.
- 4.18 Funds raised through this tax are exclusively utilized for tourism-related purposes and are not diverted for other uses.
- 4.19 The primary objective of CTB is to position Catalonia as a premier tourist destination, emphasizing quality and the socio-economic benefits of the tourism sector. CTB places significant emphasis on engaging the private sector, which shares responsibilities for promoting and marketing tourism in Catalonia globally.
- 4.20 Additionally, CTB facilitates product commercialization and encourages the generation of self-financing resources to support initiatives.
- 4.21 CTB activities focuses on elevating tourism quality to attract higher spending visitors, thereby increasing revenue generated through the tax for better destination management and promotion.
- 4.22 In response to issues stemming from overtourism, CTB has opted to halt marketing campaigns during peak seasons and instead concentrates on sustainable marketing strategies, promoting off-peak periods and less frequented areas.
- 4.23 CTB is also using the funds to coordinate tourism businesses in the creation of new products. For example, CTB has been instrumental to create a gastrotourism experience, diversifying the tourism offer and attracting tourists also to inland destinations.
- 4.24 In recent years, most of the revenues have been used for regenerative purposes and to counter “the cost of tourism”, for example, policies to manage the impact of tourism, culture and economic development’ (Group NAO, 2020).
- 4.25 At local level, for 2024, the city of Barcelona, which implements a tourism tax surcharge, has proposed utilizing the funds raised for the following main activities (Barcelona City Council, 2023):

Viu la Vela: A project designed to promote sailing as a sport among young people in Barcelona. With funding exceeding one million Euros, the initiative aims to facilitate visits to sailing schools for 17,000 sixth-year primary school children. This endeavour aligns with the city's initiative to bolster the blue economy and foster maritime activities among its youth.

Presence at Integrated Systems Europe (ISE2024): Barcelona Activa and the Clúster Audiovisual Català will showcase the city's audiovisual sector creativity on a 250 m2 stand, funded with €484,000.

Barcelona Viu el Dakar: A project reconnecting the city with the Dakar Rally, leveraging the Port de Barcelona as the embarkation point for vehicles participating in the 2024 edition, funded with €150,000.

Promotion of Blue Tourism: Aimed at supporting Fundació Barcelona Capital Nàutica (FBCN) to promote nautical sports, the blue economy, and sea culture, with funding of €4.93 million within the America's Cup framework.

Conceptualisation and design of the campaign to promote strategic international tourism: A campaign focusing on Barcelona's attributes such as sustainability, gastronomy, and innovative architecture, with a funding of €150,000.

Beat Barcelona: A project within the Mobile World Congress (MWC) showcasing the city's gastronomy, festivals, technology, and attractions to 100,000 professional visitors, funded with €350,000.

25th anniversary of ArticketBCN: A media campaign promoting six major art museums in Barcelona, receiving €185,000 in funding.

Plaça de Barcelona: Involves designing a travelling exhibition to highlight the Barcelona brand, featuring interactive virtual reality experiences, funded with €471,500.

- 4.26 In the case of Girona, which does not exceed €300,000 in revenues, 75% of the funds must be allocated to specific tourism promotional activities and actions. Main activity examples from 2023 include:

- a. Publicity and dissemination campaigns in the media, with special emphasis on state media or the south of France, to attract and retain domestic and local tourism.
- b. Publicity campaigns and dissemination of strategic events of the destination to attract and retain domestic and local tourism.
- c. Collaborations with journalists, influencers, or bloggers to attract and retain domestic, local, and international tourism.
- d. Collaborations with state, European or international tour operators or travel agents, to attract and retain domestic, local, and international tourism.
- e. Guided tour programs on different themes of the city to introduce the cultural and natural resources of the destination, to attract and retain domestic tourism.
- f. Specific actions for the segmentation and specialization of tourism products, especially those related to cultural tourism, sports tourism, nature tourism or MICE tourism.

4.27 Elements of the activities relate to the promotion of sustainable, responsible, and quality tourism, as well as the protection, preservation, recovery and improvement of tourist resources or projects related to the promotion, creation, and improvement of tourist products, such as:

- a. Study on the impact of holiday rentals on the destination.
- b. Accessibility improvements in the tourism office, specifically improvements for people with visual impairments with the incorporation of 3D models of tourist resources, braille maps, etc.
- c. Incorporation of guided tours adapted for people with hearing, cognitive or visual disabilities during the summer and Christmas campaigns.
- d. Accessible tourism training for tourism professionals
- e. Training in new cultural products for tourist guides
- f. Creation of tourist products for family and nature tourism

Auditing and assessment of impact

- 4.28 There are no other formal mechanisms for assessing the impact of the projects, however, CTB (receiver of 50% of the funds) represented by its director is responsible for its use upon consultation with its board members.
- 4.29 The CTB is a government body and operates under the Ministry of Business and Labour.
- 4.30 Its board members are drawn from various entities, including the Government of Catalonia, the General Council of the Catalan Chambers of Commerce representing the private sector, tourism boards of the provincial councils of Barcelona, Tarragona, Lleida, and Girona, as well as the mixed public and private tourism board of Turisme de Barcelona.
- 4.31 CTB has been instrumental for the organisation of its tourism offer in 10 brands (CTB, 2023): Activities in Natural and Rural Areas; Sports and Golf Tourism; Wine Tourism; Gastronomy; Great Cultural Icons and Great Routes; Hiking and Cycling; Medical Tourism; Premium; Business Tourism; Family Holidays.
- 4.32 Each brand has a board.
- 4.33 Each board includes representatives of the private businesses and members of CTB. Each private companies can volunteer to enter the board and nomination is done based on rotation of the members and representation within each brand of different types of companies (accommodation, restaurants, attractions, type of activity, etc.).
- 4.34 The nomination of the brand board members is done in an informal rather than formal way.
- 4.35 Also, Brand boards are consulted by CTB on the activities that it is planning for the coming years.

Example 2: Project in Catalonia: grand tour of Catalonia

The Grand Tour of Catalonia is a circular route to discover Catalonia's essence. It connects 72 experiences categorised in Active-nature, Culture, Enogastronomy, Leisure and entertainment, Sustainable-regenerative, in both cultural and urban environments. The route of more than 2,000 kilometres, is conceived to be travelled in two ways by a motorized vehicle: on a 13 days' single route or in 5 sections of 5 and 7 stages each.

The project has been jointly produced by the CTB, the Directorate-General for Tourism (DGT), which includes the Network of Tourism Offices of Catalonia, and the different Tourism trustees of the Provincial Councils of Barcelona, Tarragona, Lleida, and Girona, as well as Foment Torisme Val d'Aran and Tourism of Barcelona.

Throughout the development of the tour, CTB has helped private businesses to work together and cooperatively create tourism experiences and to connect the coast to inland areas.

The creation of the tour is a strategic commitment by CTB to achieve the following goals of sustainable tourism for Catalonia:

- **DISTRIBUTING** tourism demand across the territory.
- **REDUCING** the seasonality of tourism in Catalonia.
- **SHOWCASING** territorial diversity and the diverse range of tourist experiences available.
- **REDISTRIBUTING** the wealth generated by tourist activity throughout Catalonia. **SUPPORTING** other products and less well-known routes.
- **REINFORCE** the relationship with other public entities through the cooperative development of the product through the Working Group involving the CTB and the Directorate General for Tourism (DGT), together with the local Tourism Offices and Tourism Boards.
- **RELEASE** tourism in Catalonia with a new tourism product.
- **STRENGTHENING** the Catalan tourism brand.
- **INCENTIVISING SUSTAINABILITY** through experiences and travel with the lowest carbon footprint.
- **BOOST** the sector with a new tourism product.

5. Gunnison, Colorado, USA

Highlights:

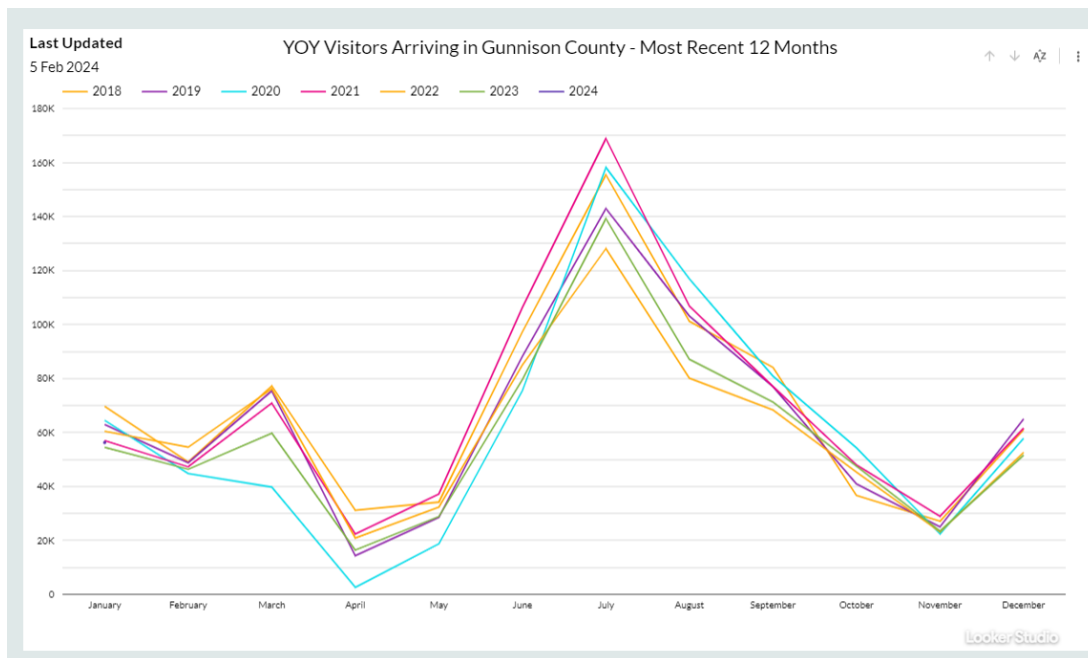
- Tourism tax has been in place since 2011.
- Flexibility in the use of funds
- Excise tax on holiday rentals to fund affordable housing and childcare.
- Funds are shared among the County, the Town, and the Tourism Board
- No hypothecation despite an initial request was made by County Commissioners to the Tourism Board
- The Tourism Board uses the funds towards sustainable tourism activities through education of tourists, signage, support to biking clubs which take care about the trails.

Tourism in Gunnison County

- 5.1 Tourism in the Gunnison Valley thrives on both summer and winter outdoor recreation, with the peak season occurring during the summer months, particularly in July.
- 5.2 In the summer, visitors are drawn to the area for activities such as mountain biking, fishing, and hiking across its two million acres of public land.
- 5.3 In winter, the Valley sees fewer visitors engaging in activities like alpine skiing, cross-country skiing, snowshoeing, and fat biking.
- 5.4 With a population of approximately 17,000 residents and covering a total area of 8,400 km², Gunnison County is home to four main tourist towns: Gunnison, Crested Butte, Almont, and Mt. Crested Butte.
- 5.5 Tourism in Gunnison County has seen consistent growth from 2013 to 2022, with travel spending increasing from \$170.3 million to \$345.1 million during this period.
- 5.6 Despite the challenges posed by the COVID pandemic, tourism spending in the County experienced growth, with a 34.5% increase observed from 2019 to 2022.

5.7 The \$345.1 million in spending is attributed to approximately 700,000 visitors to the area (Colorado Tourism Office, 2023).

Figure 4: Monthly arrivals in Gunnison County per month.



Source: [Link to Source of Figure 4 \(Gunnison Crested Butte\)](#)

Tourism tax history and overview

5.8 Gunnison County is situated within the State of Colorado, which boasts a complex taxation system impacting accommodation properties.

5.9 The tourism tax framework is at state level; however, counties have autonomy in deciding whether to impose a county lodging tax on accommodations subject to Colorado sales tax and on holiday rentals.

5.10 Certain counties impose an extra lodging tax, while some cities implement an additional marketing district tax.

5.11 The state administers the collection of state and county sales tax, county lodging tax, local marketing district tax, and taxes for smaller cities. Larger cities and ski towns typically manage their own tax collections.

The accommodation tax regime in Gunnison County

- 5.12 Gunnison County initiated a Lodging Tax in 1991, which underwent adjustments over time.
- 5.13 By 2002, the tax rate rose from 1.9% to 4%.
- 5.14 In 2008, it evolved into the "Local Marketing District Tax." This tax constitutes just one aspect of the overall lodging tax, with variations observed across different towns within the county and accommodation types.
- 5.15 Approximately three to four years ago, several towns in Gunnison County implemented an incremental tax aimed at alleviating the strain caused by the rising housing costs for residents.
- 5.16 In Gunnison County, around 40% of homes are owned by non-residents (second homeowners). Historically, these individuals would rent out their properties to residents, fostering a harmonious coexistence.
- 5.17 With the emergence of platforms like Airbnb and VRBO, some second homeowners recognized the potential for higher earnings through vacation rentals rather than long-term leases to locals. This shift put increased pressure on the local housing market, prompting communities to enact additional taxes on VRBO and Airbnb rentals to address the issue.
- 5.18 In the town of Crested Butte, a significant measure was taken on November 2, 2021, when voters approved Ballot Initiative 2D. This initiative established a 7.5% Excise Tax on all Vacation Rental/Short Term Rentals, effective January 1, 2022. Notably, the proceeds from this tax, designated as the Affordable Housing Fund, are dedicated solely to addressing affordable housing needs and cannot be utilized for the general operations of the Town of Crested Butte.
- 5.19 The 7.5% Excise Tax complements the existing 4.5% Town of Crested Butte sales tax applied to Vacation/Short Term holiday rentals, along with the Local Marketing District Tax.
- 5.20 Consequently, the total tax to be levied on all Vacation/Short Term Holiday Rentals amounts to 20.9%, distributed as follows:

Table 8: Short-term holiday rentals and lodging properties tax in Crested Butte

AUTHORITY	TAX RATE
State of Colorado Tax	2.9%
Gunnison County Tax	1.0%
Special District - Rural Transportation Authority (RTA)	1.0%
Town of Crested Butte Tax	4.5%
Town of Crested Butte Excise Tax	7.5%
Gunnison County Local Marketing District Tax	4.0%
Total	20.9%

Source: Town of Crested Butte (2024)

5.21 In the neighbouring town of Mt. Crested Butte, the Excise Tax is lower, resulting in a total lodging tax for short-term holiday rentals amounting to 16.8%.

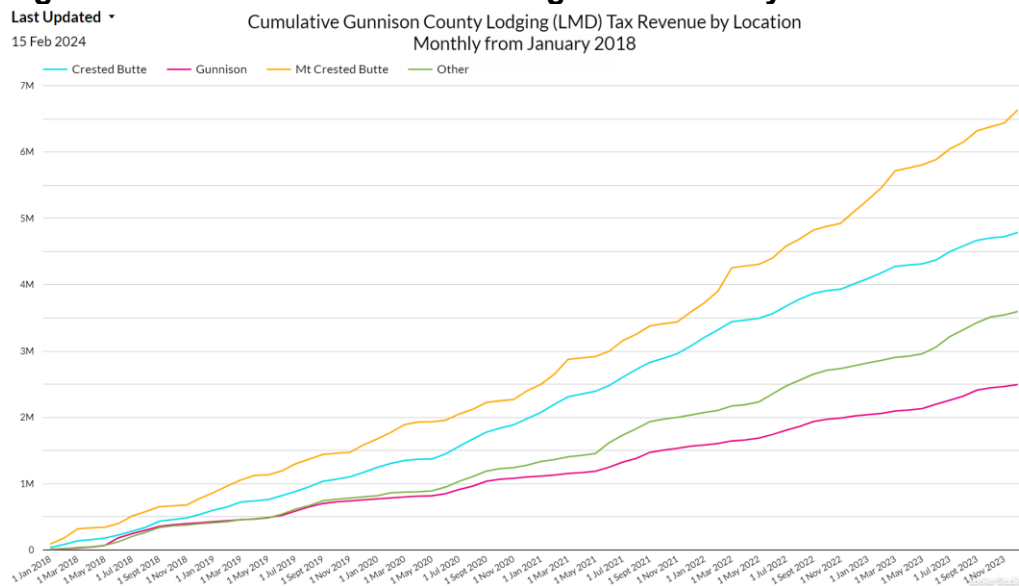
Table 9: Short-term rentals and lodging properties tax in Mt. Crested Butte

AUTHORITY	TAX RATE
State of Colorado Tax	2.9%
Gunnison County Tax	1.0%
Special District - Rural Transportation Authority (RTA)	1.0%
Town of Mt. Crested Butte Tax	5.0%
Town of Mt. Crested Butte Excise Tax	2.9%
Gunnison County Local Marketing District Tax	4.0%
Total	16.8%

Source: Town of Mt Crested Butte, 2024

5.22 The State of Colorado manages the tax collection process and deducts a nominal administrative fee (although the specific rate was not provided during the interview). Subsequently, the collected taxes are promptly remitted back to the County. Both the County and the Towns benefit from these taxes as recipients.

Figure 5: Cumulative local marketing district tax by location



Source: [Link to Source of Figure 5 \(Gunnison Crested Butte\)](#)

The tourism and prosperity partnership

- 5.23 The Tourism and Prosperity Partnership (TAPP, formerly known as the Gunnison-Crested Butte Tourism Association from 2002-2019) was established in 2002 through a popular vote by the residents of Gunnison County.
- 5.24 The ballot initiative aimed to establish a Local Marketing District with the objective of promoting the destination as a unified entity.
- 5.25 As a result of the vote, the lodging tax for stays under 30 days increased from 1.9% to 4%. Since its inception, TAPP has been tasked with marketing the Gunnison Valley as a year-round vacation destination.
- 5.26 The present mission of TAPP involves utilizing Local Marketing District and grant funds to enhance overnight visitation revenues.
- 5.27 Additionally, TAPP aims to foster the sustainable development and diversification of the county's economy.

- 5.28 This is achieved through active participation in the Sustainable Tourism and Outdoor Recreation Committee, providing support to Western Colorado University, and facilitating entrepreneurial opportunities such as the ICELab.
- 5.29 Ultimately, TAPP strives to promote prosperity and create opportunities for residents of the Gunnison Valley.

Use of the funds

- 5.30 Funds generated from the lodging tax are allocated to various entities and towns. The
- 5.31 TAPP receives the entirety of the Local Marketing District (LMD) tax.
- 5.32 The Excise tax is exclusively directed towards supporting affordable housing initiatives.
- 5.33 The remainder of the funds collected is utilized for the daily operations of the towns/municipalities and for designated projects.
- 5.34 TAPP utilizes the funds for marketing and economic development endeavours, which encompass initiatives like business accelerator or incubator activities. These programs invite individuals with promising business ideas to collaborate with TAPP for a duration of 12 or 16 weeks, aiming to facilitate the relocation of their businesses to the valley. Through this initiative, Gunnison County has successfully attracted and relocated a dozen companies, providing employment opportunities for residents at sustainable wages.
- 5.35 TAPP also allocates funds for environmental tourism activities, considering the county's extensive trail network spanning 750 miles of single-track mountain bike trails and 800 miles of hiking trails limited to hiking due to wilderness designation.
- 5.36 With a total of 1500 miles of trails available for biking or hiking, TAPP invests significant resources annually into educating tourists through trail signage and messaging regarding environmental stewardship.
- 5.37 Additionally, TAPP supports local mountain bike clubs in their maintenance and restoration efforts during the summer months.

5.38 Funds are also dedicated to educating travellers about sustainability through the destination's website and ensuring that visitors are informed about responsible tourism practices.

Auditing and assessment of impact

5.39 As the operation of TAPP is based on activities rather than projects, there is no formal auditing and assessment based on specific criteria.

5.40 Nonetheless, the governance of TAPP ensures that TAPP's activities are controlled by County Commissioners and the Board of Directors.

5.41 TAPP Board consists of community members appointed by the County Commissioners, who fulfil their leadership role within the Local Marketing District. The association comprises five at-large seats and two permanent seats designated for Western Colorado University and Crested Butte Mountain Resort.

5.42 The utilization of funds by TAPP is overseen by the three county commissioners, who are elected by public vote. The board of directors and the head of staff also play crucial roles in monitoring TAPP's activities.

5.43 Following the introduction of the LMD tax (as a consequence of a public vote in 2002), it was noted by the County Commissioners that the tax was generating more revenue than anticipated.

5.44 Consequently, County Commissioners asked TAPP to broaden its scope and utilizing the funds for economic development purposes. Initially, the Commissioners proposed allocating specific shares of the funds to Western Colorado University, Economic Development, and leaving 45% for tourism.

5.45 TAPP advocates for flexibility, requesting not to be bound by specific figures and to be given a couple of years to operate in a more efficient and effective manner.

5.46 The use of the funds is still non-hypothecated, with TAPP presenting an annual plan to the commissioners and the board of directors for approval. The commissioners consistently approve these plans, as TAPP has demonstrated

its ability to deliver results, fostering a relationship of trust between TAPP and the commissioners.

- 5.47 The board of directors convenes approximately a dozen times a year to assess TAPP's progress against initial goals and spending.
- 5.48 The flexibility exists to deviate from the initial plan if new needs or better opportunities arise, ensuring adaptability in TAPP's operations.

Example 3: Project of Gunnison County: affordable housing project in Crested Butte

The town of Crested Butte, like other urban centres in Gunnison County, grapples with a shortage of affordable housing for local workers and residents. To address this issue, Crested Butte has implemented a 7.5% Excise Tax on vacation and short-term rentals, earmarked exclusively for supporting affordable housing initiatives for the workforce. This initiative is not unique to Crested Butte, as other towns in the Valley are also taking similar actions. In 2021, the excise tax generated \$547,000, supplemented by \$119,000 raised through the Resident Occupied Affordable Housing (ROAH) policy fee.

In a further effort to bolster affordable housing projects in Gunnison County, County commissioners reallocated Local Marketing District (LMD) funds from marketing, tourism, and economic development to fund workforce housing initiatives.

Specifically, \$1 million was allocated to the Sawtooth Phase 2 housing project in Gunnison. This marks the first instance of LMD funds being diverted to a housing project in Gunnison County since the passage of ballot issue 6A, allowing up to 40%



of the LMD budget to be allocated for workforce housing and childcare.

The \$1 million allocation represents approximately 29% of the projected LMD revenue based on the current 2023 projections of \$3.4 million. The Sawtooth Project Phase 1 includes 18 rental units, while Phase 2 comprises 30 multi-family units.

Source: . [GunnisonTimes.com/](https://gunnisontimes.com/)

Both phases of Sawtooth are aimed at being rentals for eligible residents with an income at 80% of Area Median Income (AMI). Phase 1 is expected to generate about \$250,000 in revenue annually and was funded primarily by a one-time American Rescue Plan Act (ARPA) grant. The TAPP funds will be used to kick start phase 2 together with the Phase 1 revenues and the aim is to generate the needed funding to sustain further affordable housing developments.

6. Iceland

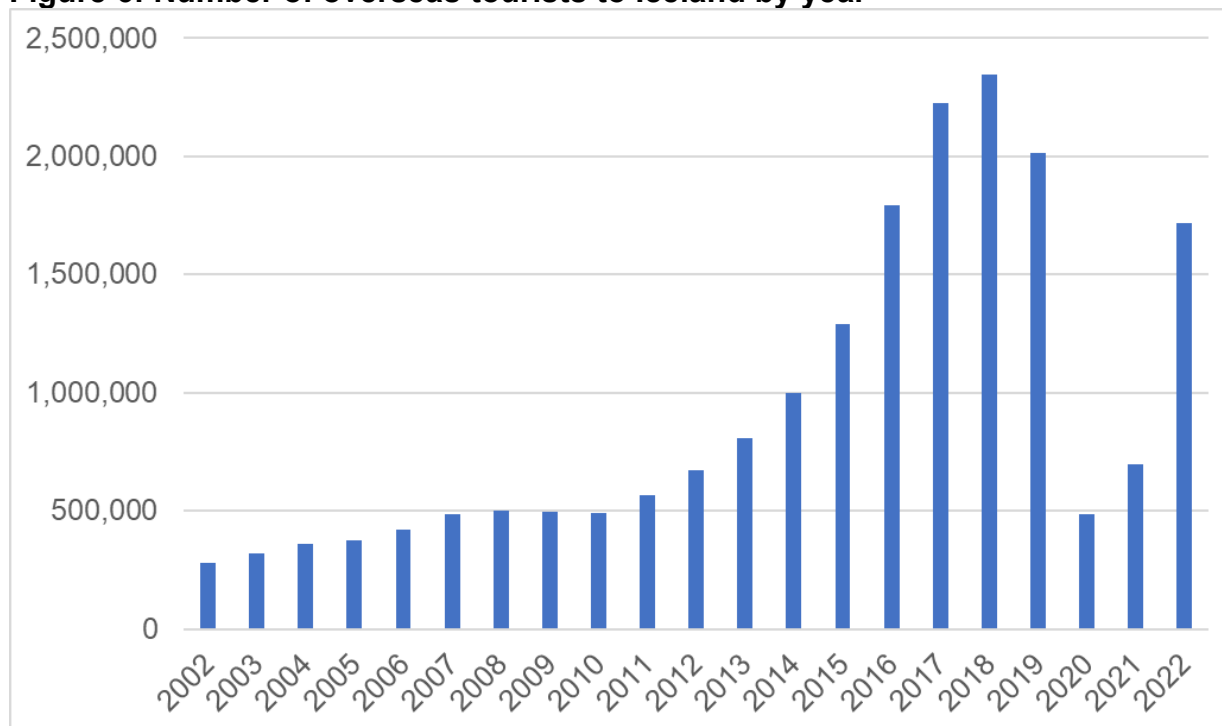
Highlights:

- First introduced accommodation tax in 2011 which was used to finance the Tourist Site Protection Fund (TSPF)
- 60% of the accommodation tax was assigned to the TSPF.
- Average stay is 7.4 nights in 2022.
- The TSPF was used to promote development, maintenance, protection of popular destinations and routes, an important sustainability pillar for the country.

Tourism in Iceland

- 6.1 In 2022, tourism made a direct contribution to GDP in Iceland of 7.8% (Statistics Iceland 2024a) and was the main job for 10.7% of workers (Statistics Iceland 2024b).
- 6.2 Tourism in Iceland has grown consistently since the middle of the 20th century, and at a very rapid rate during the 2010s. The number of international arrivals to Iceland peaked at 2.3 million in 2018, compared to roughly half a million per annum at the end of the previous decade (see Figure 6 for details). In comparison, Iceland has a total resident population of just under 400,000 at the start of 2024 (Registers Iceland 2024).
- 6.3 The Covid-19 pandemic had a devastating effect on international tourism to Iceland, but recovery since the pandemic has been rapid and substantial. It is expected that 2.2 million arrivals will be recorded for 2023 when statistics are finalised.
- 6.4 The average length of stay for international visitors was 7.4 nights in 2022, which represented a slight increase on pre-Covid lengths of stay (6.6 nights in 2019 and 6.3 nights in 2018) (Icelandic Tourist Board 2023).

Figure 6: Number of overseas tourists to Iceland by year



Source: Icelandic Tourist Board (2024c).

6.5 The Icelandic Tourism Board estimates that almost 99% of tourists arrive in Iceland via Keflavik Airport, with the remainder arriving on cruise ships or via ferry through Seyðisfjörður seaport.

6.6 International visitors predominantly come from North America and Europe, as shown in Table 10.

Table 10: Visitors to Iceland by nationality, 2022

USA	26.7%
UK	13.4%
Germany	8.2%
France	5.3%
Poland	4.9%
Italy	3.6%
Denmark	3.5%
The Netherlands	3.1%
Spain	3.0%
Canada	2.5%
Others <2% each	25.8%

Source: Icelandic Tourist Board (2024c)

- 6.7 Iceland is well known for its unique environment, and natural attractions are viewed as its primary appeal to tourists.
- 6.8 Tourism in Iceland is most popular in the summer months, with 48% of arrivals occurring between June and September in 2022 (Icelandic Tourist Board 2024c).

Tourism tax history and overview

- 6.9 Iceland first introduced an Accommodation Tax in 2011. The law that legislated for the tax explicitly stated that the aim of the law was to promote the development, maintenance, and protection of popular tourist destinations by generating income to ensure the safety of tourists and protect the country's nature (Iceland 2011a).
- 6.10 The Tourist Site Protection Fund was established concurrently. Its stated purpose is to promote the development, maintenance and protection of tourist attractions and tourist routes throughout the country and thereby support the development of tourism as an important and sustainable pillar of the Icelandic economy (Iceland 2011b). The implementing legislation states that the goal of the fund is to promote a more even distribution of tourists across the country and hence support regional development (ibid.).
- 6.11 The 2011 law on Accommodation Tax stated that no less than 60% of the revenues of the tax should go to the Tourist Site Protection Fund (TSPF). This soft hypothecation of the tax was rescinded by an amendment to the law in 2017 which ended the legal connection between the Accommodation Tax and the Tourist Site Protection Fund. The view of our interviewee, however, is that this link was rescinded due to "political views" about the suitability of hypothecation and that the Tourist Site Protection Fund remains the primary vehicle for realising the aims of the Accommodation Tax as stated in the 2011 law.

The accommodation tax regime

- 6.12 The Accommodation Tax was introduced in 2011 at a flat rate of 100 ISK per unit per night (approx. £0.57) for all overnight stays in accommodation where

rental is generally for a period of less than one month. This includes houses, apartments, rooms in hotels and guesthouses, as well as campsites and spaces for mobile homes and caravans (Iceland 2011).

- 6.13 In 2017, the tax rate was increased to 300 ISK per unit per night (approx. £1.71) but remained a flat rate, common across all liable accommodation. This was done via an amendment to the original 2011 law (Iceland 2016).
- 6.14 Due to the devastating effects of the Covid-19 pandemic, the 2011 law was amended to suspend collection of the tax from 1st April 2020 (Iceland 2020). The tax remained suspended until the end of 2023.
- 6.15 The Accommodation Tax was reintroduced from 1st January 2024, and extended to cover stays on cruise ships. For the first time, differential rates are now charged on three different categories of accommodation as follows:
- 300 ISK per unit per night (approx. £1.71) for campsites, mobile-home pitches, caravans, and similar accommodation.
 - 600 ISK per unit per night (approx. £3.42) for hotels, guesthouses, and similar accommodation.
 - 1,000 ISK per unit per night (approx. £5.70) for accommodation aboard a cruise ship whilst at port or elsewhere within the Icelandic customs area. (Iceland Revenue and Customs 2024)

Accommodation tax revenues

- 6.16 Revenues from the Accommodation Tax are not reported separately from other “taxes on special services” by Statistics Iceland. We have, therefore, performed a rough estimation of revenues by multiplying the tax rates reported above by the number of overnight stays in registered accommodation. This is shown in Table 11.
- 6.17 Table 11 also compares these estimated tax revenues with the total grants made by the TSPF.
- 6.18 These calculations suggest that the soft hypothecation of Accommodation Tax revenues for the TSPF prior to 2017 was not a binding constraint once the Fund was fully implemented. In each year from 2012 to 2016, the Fund made

grants well in excess of the hypothecated 60% of Accommodation Tax revenues.

6.19 From 2017 until 2019, following the trebling in the Accommodation Tax rate, the soft hypothecation would have become binding had it not been rescinded from the law. The removal of the soft hypothecation could, therefore, be interpreted as having been detrimental to the TSPF in these years.

6.20 On the other hand, the TSPF continued to be funded from 2020 to 2022, despite the discontinuation of the Accommodation Tax following the Covid-19 pandemic.

Table 11: Estimated accommodation tax revenues compared with TSPF grants

Year	Overnight stays in registered accommodation*	Tax rate, ISK	Estimated total revenue, million ISK	TSPF grants [†] , million ISK	TSPF grants as %age of tax revenues
2012	3,752,000	100	375	69	18%
2013	4,547,000	100	455	576	127%
2014	5,490,000	100	549	630	115%
2015	6,515,000	100	652	1,025	157%
2016	7,809,000	100	781	626	80%
2017	8,378,000	300	2,513	610	24%
2018	9,000,067	300	2,700	822	30%
2019	10,040,959	300	3,012	505	17%
2020	2,961,416	-	-	701	N/A
2021	5,099,551	-	-	929	N/A

* Source: Icelandic Tourist Board (2023)

[†] Source: Icelandic Tourist Board (2024c)

The tourist site protection fund (TSPF)

6.21 The Tourist Site Protection Fund is governed by a Board with four members. The members of the Board are appointed by the Minister of Tourism for terms of 2 years, based on nominations from:

- The Icelandic Tourism Association, a representative body of the tourist industry.
- The Union of Icelandic Municipalities, a body representing local government.
- The Minister in charge of nature conservation.
- The Minister of Tourism.

- 6.22 The Icelandic Tourist Board, an agency of the Ministry of Tourism, acts as a secretariat for the TSFP.
- 6.23 Applications to the fund are accepted once a year, in September, and processed between October and February. The Board makes recommendations to the Minister, who makes final decisions on funding in March or April.
- 6.24 The TSFP receives an annual budget from the Minister for Tourism which it allocates in the form of grants to selected projects. This budget averaged ISK 650 million (circa £3.75 million) per annum between 2012 and 2021 (Icelandic Tourist Board 2024a).
- 6.25 The fund is usually oversubscribed, receiving applications for circa five or six times its budget each year.

Projects

- 6.26 Prior to 2017, any individual or body was able to bid for a grant from the fund. Since that date, state actors, including national parks, municipalities, and their agencies, have not been eligible to present bids. In practice, most bids are made by landowners or those who control the land where tourist attractions are located. However, there are instances of other land users making bids. Examples include horse clubs wishing to improve access to trekking routes.
- 6.27 Projects must be funded 20% by applicants, with grants from the TSFP covering up to 80% of project costs. However, applicant contributions may be in the form of purchased services, design work, materials, or other work contributions.
- 6.28 Projects must involve tourist attractions that are accessible for free to the general public, and must relate to one of four categories:
- Tourist safety.
 - Nature conservation and development.
 - Maintenance and protection of structures and nature.
 - Financing of preparatory and design work necessary for such projects.

- 6.29 The TSPF explicitly excludes the funding of operating costs (Icelandic Tourist Board 2016).
- 6.30 Between 2012 and 2021, an average of just under 80 projects per annum were funded, with an average grant of just over ISK 8 million (circa £47,000) (Icelandic Tourist Board 2024a). Table 12 shows the breakdown of these numbers for each year. Several destinations have successfully applied for projects in successive years.

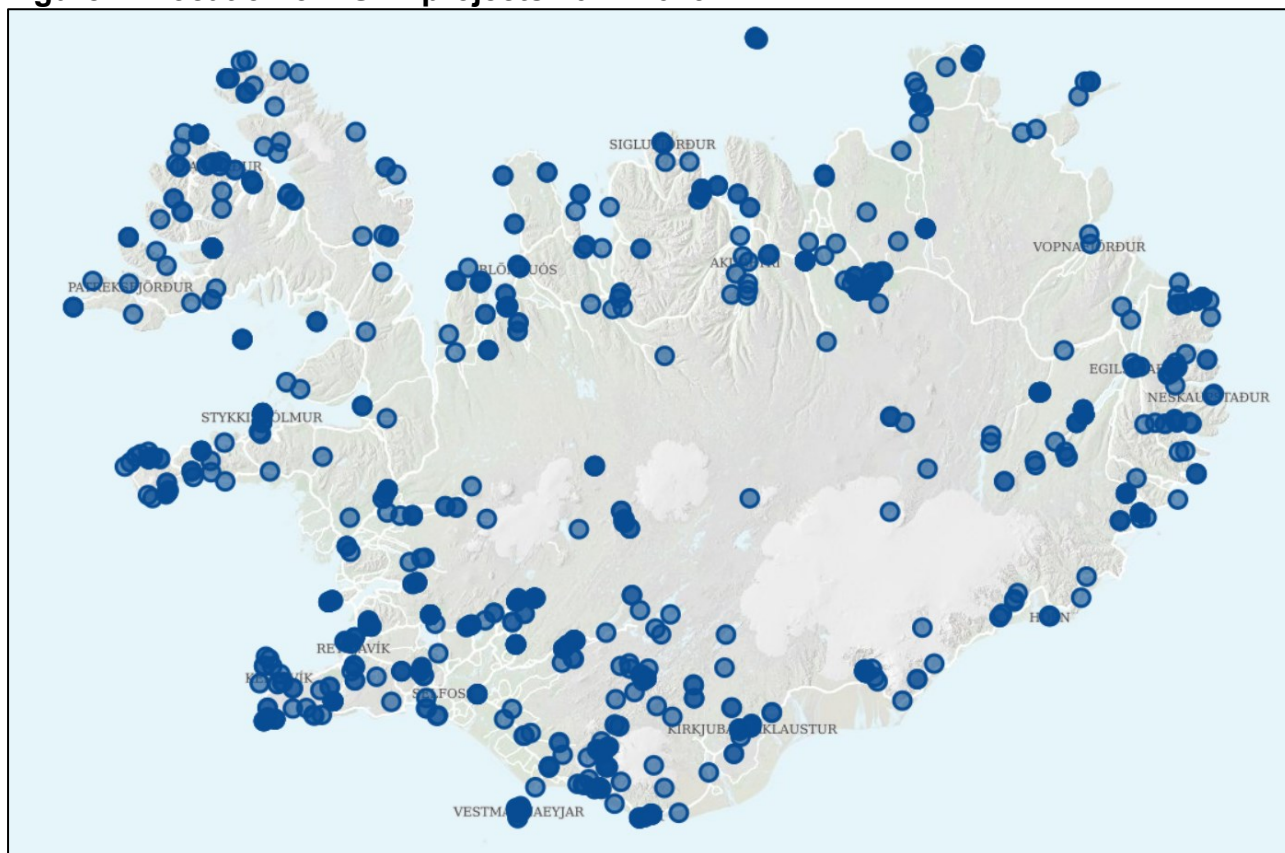
Table 12: Number and average size of TSPF grants by year

Year	Number of grants	Average grant, million ISK	Average grant, £'000 equivalent
2012	30	2.30	13.3
2013	124	4.65	26.8
2014	138	4.57	26.4
2015	154	6.65	38.4
2016	76	8.24	47.6
2017	58	10.52	60.7
2018	58	14.18	81.8
2019	40	12.62	72.8
2020	48	14.60	84.3
2021	69	13.46	77.7

Source: Icelandic Tourist Board (2024d)

- 6.31 Figure 7 is a map of the location of the projects funded by the TSPF between 2012 and 2023.
- 6.32 The vast majority of the projects funded by the TSPF involve access to and preservation of natural tourist attractions. Typical projects include the construction of footpaths and trails; access ramps, bridges, and handrails; viewing platforms and safety barriers; parking and toilet facilities; and signage and information boards.

Figure 7: Location of TSPF projects 2012-2023



Source: Icelandic Tourist Board (2024d)

Auditing and assessment of impact

- 6.34 Detailed contracts are signed between the Ministry of Tourism and grant recipients. These include generic clauses, but also specific clauses tailored to the project.
- 6.35 Grant holders usually have 18 months to complete the project, though there is some flexibility on this.
- 6.36 Grant holders are usually required to produce a report with invoices halfway through the project and again at completion. These reports are expected to include photographs to evidence the work done. Payment of 40% of the grant is made following submission of the interim report, with the balance paid following submission of the final report.
- 6.37 There are no other formal mechanisms for assessing the impact of the projects.

Destination management plans

- 6.38 The Icelandic Tourist Board launched the development of Destination Management Plans (DMPs) in early 2015.
- 6.39 DMPs are joint policy statements intended to steer the growth and development of tourism in defined areas over a certain period of time. They define stakeholders' roles, and the resources are required to carry out their responsibilities (Icelandic Tourist Board 2024b).
- 6.40 The introduction of DMPs has led to increased collaboration between the Icelandic Tourist Board and local government planning authorities on a wide range of issues, including traffic management, construction planning, and tourism education.
- 6.41 Coherence with the local DMP is now a key criterion in the assessment of grant applications to the TSPF.
- 6.42 Our interviewee identified the introduction of DMPs as key in the success of TSPF projects. They contended that the link between DMPs and TSPF funding had ensured that the priorities of local populations were mirrored in the projects funded, and that this had proved effective in helping to manage frictions between locals and the tourism industry.

Example 4: Project in Iceland: Goðafoss Waterfall

Goðafoss is a spectacular waterfall located in northeastern Iceland.



Goðafoss received a series of grants from the TSPF between 2013 and 2018, aimed at improving accessibility and safety at the destination, as well improved signage, and conservation of the natural environment.

In 2013, the TSPF provided ISK 5 million (circa £29k) for planning, landscape design and preparation for construction. Further grants of ISK 15 million (£87k) and ISK 5 million (£29k) followed in 2014 and 2015 for path construction, marking and reclamation.

Larger grants of ISK 26.8 million (£155k) and ISK 28.8 million (£166k) were awarded in 2016 and 2017 to increase the number of parking spaces and viewing platforms, as well as developing hiking trails for safety and nature conservation.

7. Jackson Hole, Wyoming, USA

Highlights:

- Tourism tax has been in place since 2011.
- A new State Law governing the tourism tax was imposed in 2021.
- The tax rate is 5%, of which 2% is allocated locally.
- Within the local allocation, 40% is allocated to the Town and the County to mitigate the impacts of tourism on infrastructure and services.
- The remaining 60% is utilized by the local tourism board for sustainable marketing, educating tourists on sustainable behaviour, community partnerships, and events.
- There is no formal evaluation of the projects carried out with the funds.
- However, the local tourism board provides yearly plans and reports, which are agreed upon and overseen by the board of directors and the county commissioners.
- Organisations funded by the local tourism board with funds derived from the tourism tax include public transport, local radio station, wildlife foundation, historical society, and museum.

Tourism in Jackson Hole

- 7.1 Tourism in Jackson is primarily defined by nature-based and mountain tourism. Serving as a gateway to both Grand Teton National Park and Yellowstone National Park.
- 7.2 Jackson Hole experiences its peak season during the summer months, spanning from June to September. Additionally, the county sees significant visitation during the winter season, with activities centred around skiing and other snow sports.
- 7.3 Between 2016 and 2019, the number of overnight visitors to the area showed steady growth, rising from 1.67 million to nearly 1.9 million by 2019, resulting in over 5 million visitor nights that year. However, in 2020, there was a notable decline of 21%. By 2021, the number of visitor nights rebounded significantly,

reaching 4.6 million, which accounts for approximately 90% of the volume seen in 2019.

- 7.4 In 2021, Teton County saw over 1.6 million overnight visitors, contributing to a total traveller expenditure of \$1.5 billion. This influx of tourism generated \$96.5 million in state and local tax receipts. On average, visitors to Jackson Hole spent approximately \$398 per day during the winter months and \$322 per day during the summer months, with lodging expenses being the primary allocation of their daily spending.
- 7.5 The tourism sector currently sustains 7,740 jobs in the county, constituting 22.2% of Teton County's total employment.

Table 13: Overnight visitor volume in Teton County, 2017–2021

Number of Overnight Stays					
	2017	2018	2019	2020	2021
Hotel, motel, short-term rental	3,197,000	3,333,720	3,496,670	2,703,970	3,040,590
Private home	138,000	135,460	137,920	107,940	123,430
Other accommodations	1,543,000	1,498,770	1,412,470	1,126,450	139,138
Total	4,878,000	4,967,950	5,047,050	3,938,360	4,555,390

Number of Person Trips					
	2017	2018	2019	2020	2021
Hotel, motel, short-term rental	1,107,000	1,154,130	1,210,540	837,140	1,087,290
Private home	49,000	47,670	48,530	29,020	39,030
Other accommodations	647,000	632,780	612,070	378,730	558,000
Total	1,802,000	1,834,580	1,871,140	1,244,890	1,684,330

Source: Jackson Hole Travel and Tourism Board (2022) [Link to source of table 13 \(Visit Jackson Hole\)](#)

7.6 Despite experience a decrease of visitors during the COVID pandemic, Teton registered a growth in tourism earning in 2021 and 2022 surpassing the pre-COVID era.

Table 14: Direct travel impacts for Teton County.

	2013	2014	2015	2016	2017	2018
Spending (\$Million)						
Total (Current \$)	910.3	946.7	1,052.6	1,045.0	1,171.6	1,237.4
Other	34.1	35.2	32.7	31.5	34.8	37.9
Visitor	876.2	911.4	1,019.9	1,013.5	1,136.8	1,199.5
Earnings (\$Million)						
Earnings (Current \$)	268.0	271.4	309.9	321.4	347.6	377.1
Employment (Jobs)						
Employment	8,060	7,740	8,570	8,440	8,790	8,910
Tax Revenue (\$ Million)						
Total (Current \$)	43.9	46.9	54.0	54.9	61.7	65.0
Local	23.9	25.2	28.9	29.9	33.7	35.6
State	20.0	21.7	25.1	25.0	27.9	29.4

	2019	2020	2021	2022	Average Annual Change	
	2019	2020	2021	2022	21-22	13-22
Spending (\$Million)						
Total (Current \$)	1,277.7	1,048.0	1,562.1	1,653.7	5.9%	6.2%
Other	39.9	27.6	36.3	43.5	19.7%	2.5%
Visitor	1,237.8	1,020.5	1,525.7	1,610.2	5.5%	6.3%
Earnings (\$Million)						
Earnings (Current \$)	388.3	335.4	364.5	434.3	19.1%	4.9%
Employment (Jobs)						
Employment	8,860	7,000	7,240	7,890	9.1%	0.2%
Tax Revenue (\$ Million)						
Total (Current \$)	67.3	55.3	95.9	100.6	4.9%	8.6%
Local	37.0	30.0	44.3	46.9	5.7%	7.0%
State	30.3	25.3	51.6	53.7	4.2%	10.4%

Source: Wyoming Office of Tourism (2023)

Tourism tax history and overview

- 7.7 In Jackson Hole, the tourism Tax adheres to the regulations set by the State of Wyoming.
- 7.8 A tourism tax (called lodging tax) has been present in Wyoming for many years and underwent some changes, affecting the Teton County in 2021.
- 7.9 Prior to 2021, in Wyoming, towns, cities, and counties could, upon voter approval, opt to levy a tax of up to 4 percent on all short-term sleeping accommodations including mobile accommodations like tents, trailers, and campers for guests staying less than thirty days.
- 7.10 The collected tax funds, after deducting a 2% state administrative fee during the first year and 1%, thereafter, were distributed to the originating towns, cities, and counties.
- 7.11 Since January 1, 2021, Wyoming has implemented a statewide lodging tax of three percent (3%) on the sales of lodging services. These collections are divided, with 80% allocated to the Wyoming Tourism Account and 20% to the Wyoming Tourism Reserve Account.
- 7.12 Additionally, to all those counties and towns in Wyoming that prior to 2020 had already in place a lodging tax, a further two percent (2%) tax is imposed.
- 7.13 On top of this 5% (3% state and 2% county/local), counties or towns, through public election, may impose an additional tax of up to 2%.
- 7.14 Consequently, the total lodging services tax rate in any area of Wyoming cannot exceed 7 percent.
- 7.15 The 2%, plus any additional tax if imposed, is distributed to each county monthly in proportionate shares based on the revenue collected within the county and its municipalities. [Link to source \(Wyoming Legislature\)](#)

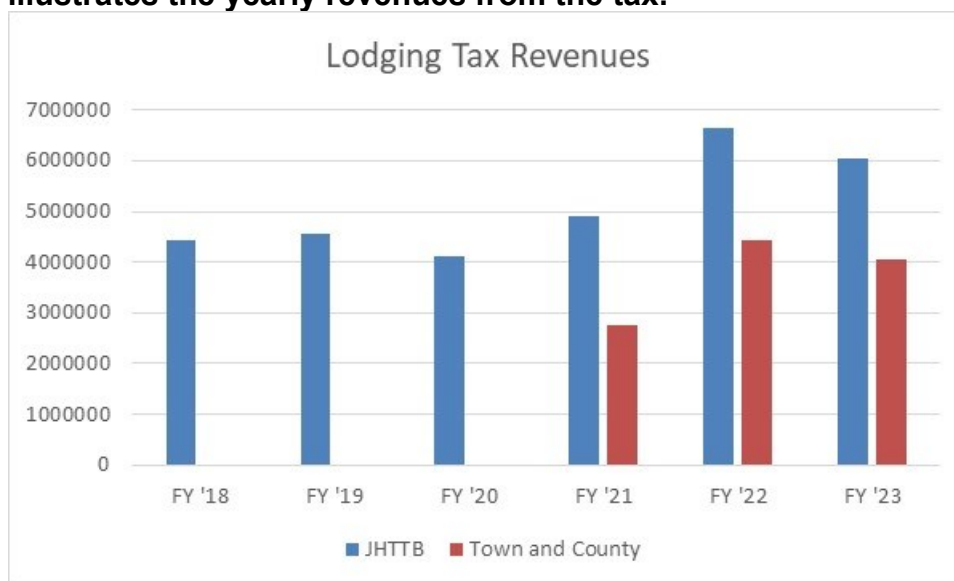
The accommodation tax regime

- 7.16 Teton County, home to Jackson Hole, reimposed the lodging tax in 2011, following a period 15 years when it was revoked.

- 7.17 In 2021, the county decided to allocate a larger portion of the 2% tax designated for local government towards local services and addressing the impacts of tourism on infrastructure and services, rather than focusing primarily on promoting the destination.
- 7.18 The Lodging Tax law in Wyoming mandates that 90% of the collected funds be dedicated to promotion, marketing, and hosting of events to enhance the destination. The remaining 10% is directed to a general fund managed by the local government, which is utilized for local services such as snow ploughing, fire and emergency services, and other community needs.
- 7.19 Due to Teton County's substantial tourism activity and the significant lodging tax revenue collected, a specific allocation strategy has been implemented.
- 7.20 40% of the total collected amount, is directed to the general fund managed by the local government, while the remaining 60% is designated for marketing and promotion efforts overseen by the Jackson Hole Travel and Tourism Board (JHTTB).
- 7.21 JHTTB utilizes these funds for destination marketing, tourist education, events, and other initiatives aligned with the objectives outlined in the Wyoming State Statutes governing tourism expenditure.
- 7.22 The 40% portion managed by the Town of Jackson and Teton County is predominantly allocated towards mitigating the impacts of tourism on infrastructure and services.
- 7.23 Every 4 years the local inhabitants get to vote on the tax.
- 7.24 The lodging tax is currently imposed on commercial accommodations and property management organizations. Teton County is contemplating extending the tax to private hosts, but this initiative requires careful consideration due to the complexities associated with tax collection from private hosts.
- 7.25 Most privately owned properties are already rented out to tourists through property management organizations, which facilitates tax collection processes.

7.26 Total revenues for the JHTTB have been available since 2018, whereas revenues for Teton County and Jackson Town have been available since 2021.

Figure 8 illustrates the yearly revenues from the tax.



Source: JHTTB (2020, 2021, 2022, 2023)

Use of the funds

7.27 Yearly reports offer a comprehensive overview of how the funds raised through the lodging tax are utilized.

7.28 These reports ([Link to reports \(Visit Jackson Hole\)](#)) not only detail the percentage of funds allocated to different categories of spending but also provide concise descriptions.

7.29 Both the Town and the County strategically allocate the funds to benefit both visitors and residents alike.

7.30 In 2023, the town utilized the funds for:

- a) public transportation initiatives (60%, \$1,482,927)
- b) supporting public safety initiatives such as the Jackson Police Department and general educational services (18%, \$455,231)

- c) covering the costs associated with maintaining Jackson area parks, restrooms, sidewalks, and other facilities that serve the needs of both visitors and locals (20%, \$500,000)
- d) enhancing local pathways for activities such as biking, horseback riding, Nordic skiing, and hiking, both on and off-road (2%, \$49,518)

7.31 In 2023, the County utilized the lodging tax revenues for:

- a) public transport initiatives (49%, \$1,260,000)
- b) covering the costs associated with parks and recreation facilities (14%, \$355,000)
- c) supporting the Jackson Hole Historical Society and Museum (6%, \$170,000)
- d) fire and emergency medical services (6%, \$150,000)
- e) supporting the ski resort (3%, \$75,000)
- f) general funds (22%, \$571,977). This general fund covers expenses related to the sheriff's office, dispatch services, pathways, and other projects aimed at supporting the infrastructure and community needs, benefiting both visitors and residents.

7.32 JHTTB, established in 2011 to market and promote Jackson Hole as a destination, recognized the need to address the impacts of tourism on infrastructure and services, as well as visitors' experiences. As a response, JHTTB expanded its focus beyond traditional marketing efforts to now include visitor management, emphasizing visitor education and destination stewardship.

7.33 In January 2023, JHTTB (JHTTB, 2003) formally adopted the Sustainable Destination Management Plan (SDMP), which was developed with funds from the lodging tax. Additionally, the Destination Stewardship Council (DSC) was established in the same year to facilitate the implementation of the SDMP and to further advance sustainable practices within the community (DSC, 2023).

7.34 In 2023, JHTTB allocated its lodging tax funds as follows:

- a) destination marketing and education of tourists on sustainable behaviour (38%, \$3,012,000)
- b) community event funding (20%, \$1,602,715)
- c) local partnership (13%, \$1,004,650)
- d) Jackson Hole Chamber of Commerce (13%, \$1,037,052)
- e) Communication and local media (5%, \$374,920)
- f) Official website update (4%, \$300,080)
- g) Sustainable Destination Management Plan (3%, \$237,500)

7.35 The funds allocated to local partnerships are utilized to support local foundations and associations as for example Jackson's Community radio station, the 'Jackson Hole Wildlife Foundation', and the 'Jackson Hole Nordic Alliance'.

Auditing and assessment of impact

7.36 As the operation of JHTTB is based on activities rather than projects, no formal assessment based on specific criteria is performed.

7.37 Nonetheless, community members can apply to receive sponsorship by JHTTB for organising events (for 2023 this counted for 20% of JHTTB's total budget) divided in 3 categories (community events, large events, signature events).

7.38 Funds are allocated based on specific criteria (see link to full list of criteria [Link to full list of criteria \(4 Jackson Hole\)](#))

7.39 Large events (sponsorship from \$5,000 to \$75,000) are being measured on visitor attendance and lodging generation.

7.40 Signature events (sponsorship of \$75,000+) are being measured on visitor attendance, lodging generation, destination marketing impressions, and responsible tourism efforts. Furthermore, these events being considered for

more than \$75,000 in funding must be presented to the full board for a decision.

- 7.41 To be sponsored, events must demonstrate measurable improvements year on year, and large and signature events must also demonstrate growth in number of out-of-town attendees.
- 7.42 The process is very transparent and yearly reports provide a detailed account of the funds used for event sponsorship and the estimated impact.
- 7.43 As for the tasks conducted by JHTTB, JHTTB operates under the oversight of an Executive Director (ED) who collaborates with a seven-member board appointed by both the town and the county, each serving up to six-year terms.
- 7.44 Activities to be performed are presented to the board in a yearly plan prior to the beginning of the financial year.
- 7.45 The board is responsible for budgetary decisions, which the ED, in conjunction with contractors, implements diligently.
- 7.46 Every expenditure requires proper documentation, with receipts meticulously reviewed and voted on by the board monthly, ensuring transparency and adherence to financial protocols.
- 7.47 In addition to the monthly reviews, typically in September or October, JHTTB undergoes a statewide audit. A dedicated team of county auditors meticulously examines every receipt and transaction within the organization, ensuring thorough oversight and accountability.

Example 5: Project in Jackson Hole: START – Southern Teton Area Rapid Transit

The collaboration among different entities receiving funds from the Visitor Levy tax demonstrates a collective effort to support projects beneficial to both the local community and visitors. The County, the Town, and the JHTTB have all contributed funds towards the START project in various capacities.

START (Southern Teton Area Rapid Transit) is a public bus system serving Jackson, Wyoming, and surrounding areas, including Teton Village, Star Valley, and

Teton Valley, Idaho. Owned and operated by the Town of Jackson, START receives funding from local, county, and federal governments.

Established in 1987 as a ski shuttle, START has since expanded its services to encompass year-round transit on five fixed routes, catering to residents, commuters, and visitors alike. The commuter service provides an affordable and safe transportation option for employees residing outside Jackson, facilitating their commute to work.



Moreover, START operates a free Town Shuttle accessible to both visitors and residents. Equipped with bike racks, the shuttle enables cyclists to combine cycling with public transit for enhanced mobility options during their trips. This collaborative effort underscores the commitment to sustainable and accessible transportation solutions within the community.

In the Financial Year 2023, both the County and the Town have contributed part of their lodging tax revenues to support the START service. The County allocated 49% of its lodging tax revenues (\$1,260,000) to START, while the Town allocated 60% (\$1,482,927).

These funds have enabled START to expand its transit services, including new routes within the Town of Jackson, connections between the Town and Teton Village, and to other destinations. Additionally, the lodging tax funds support the general operations of START, which serves over 850,000 riders annually. Notably, a free shuttle service is provided to residents and visitors within the Jackson Town limits.

JHTTB actively supports START and encourages sustainable behaviour among visitors through targeted campaigns promoting the use of public transportation.

8. Orange County, Florida, USA

Highlights:

- Tourist Development Tax (TDT), also referred to as 'bed tax' was first introduced in 1978.
- Tourism in Orange County has revenues of \$75 billion and accounts for approximately 24% of employment (Orange County 2023a).
- At least 40% of all TDT revenues collected in the county are spent to promote and advertise tourism.
- No more than 70% of the cost of the proposed public facilities will be paid for with TDT revenues.
- An independent professional analysis demonstrates the positive impact of the infrastructure project on tourist-related businesses in the county.

8.1 Orange County is located in the Orlando metropolitan area of Central Florida in the United States of America.

Tourism in Orange County

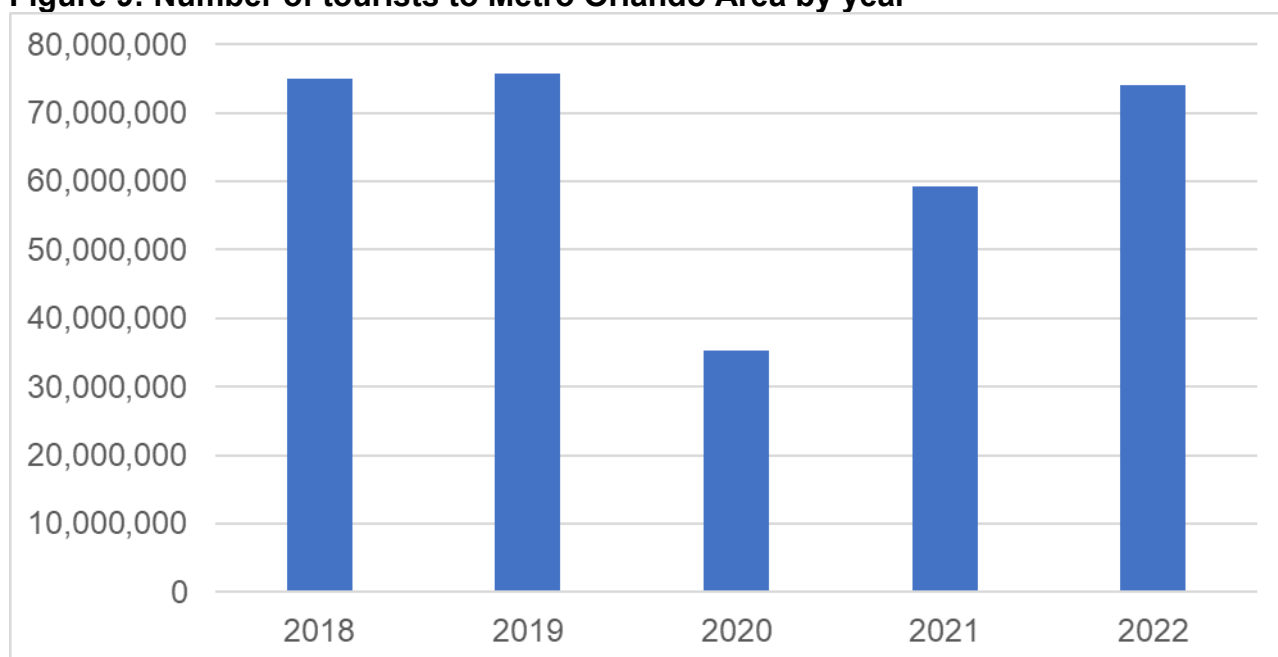
8.2 Orange County is home to the world's most famous cluster of theme parks, including Walt Disney World Resort, SeaWorld, and Universal Studios. It also hosts a large convention centre and several sporting arenas which attract significant numbers of visitors.

8.3 Tourism in Orange County has revenues of \$75 billion and accounts for approximately 24% of employment (Orange County 2023a).

8.4 Despite the TDT being under the control of Counties, most of the co-ordination of tourism takes place at a pan-Orlando level. For example, Visit Orlando, the Official Tourism Association for the area, operates across all three Counties which constitute the Orlando Metropolitan Area. These are Orange County (population 1,429,908 as of the 2020 census), Osceola County (pop. 388,656) and Seminole County (pop. 470,856). Accordingly, most tourism statistics are collected on a pan-Orlando basis.

8.5 Figure 9 shows the number of tourists visiting Orlando each year between 2018 and 2022. In 2018 and 2019 visitor numbers were close to 75 million. During the Covid-19 pandemic, visitor numbers halved in 2020 and recovered to almost 80% of the pre-Covid baseline in 2021. In 2022, visitor numbers had more or less reached their pre-Covid level. These figures reflect the relatively limited use of lockdowns in Florida, and Orange County in particular, during the pandemic.

Figure 9: Number of tourists to Metro Orlando Area by year



Source: Visit Orlando (2023).

8.6 Most visitors to Orlando come from within the United States. International tourists represented less than 7% of visitors in 2022. Of these international tourists, just over a half came from the rest of the Americas and just under a third from Europe. The major countries of origin are detailed in Table 15.

8.7 The total number of hotel rooms in Orlando at the end of 2022 was 129,454. The average occupancy rate across the year was 73.7% with an average daily rate of \$186.49 (Visit Orlando 2024).

Table 15: Visitors to Metro Orlando Area by nationality, 2022

USA	93.38%
Canada	1.16%
UK	1.09%
Brazil	0.78%
Mexico	0.53%
Colombia	0.39%
Argentina	0.16%
Germany	0.14%
Others	2.38%

Source: Visit Orlando (2023).

Tourism tax history and overview

- 8.8 Orange County's Tourist Development Tax (TDT), colloquially referred to as the "bed tax", was introduced in May 1978 as a 2% tax on hotel stays and other short-term rentals that are less than six months in duration.
- 8.9 The rate was subsequently increased to 3% in 1987, 4% in 1990, 5% in 1995 and finally 6% in 2007.
- 8.10 The collection of TDT was initially administered by Florida State, but all facets of the tax has been administered locally since 1992.

The tourist development tax (TDT) Regime

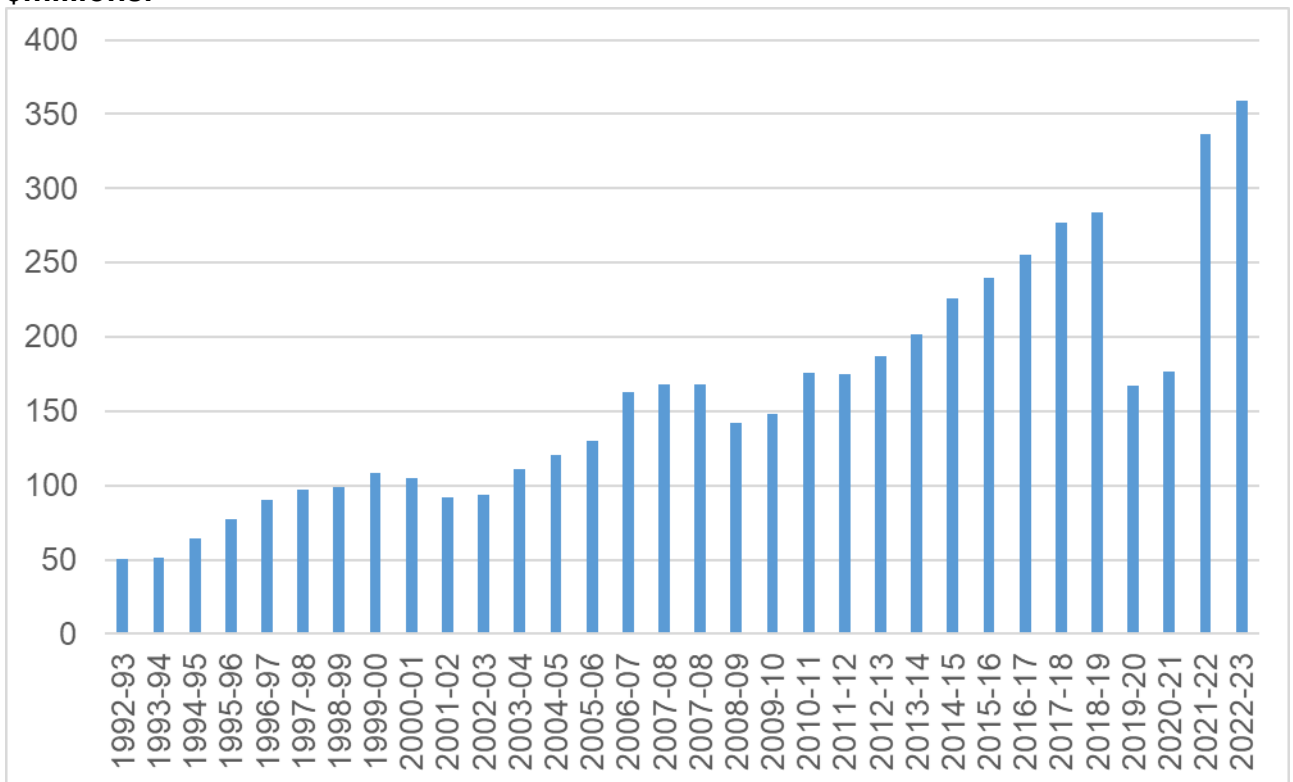
- 8.11 Florida Statute 125.0104 (Florida Legislature 2023) provides the legal basis for TDT across the state. It allows Counties within Florida to levy a tax on overnight stays in tourist accommodation at up to 6% of the payment for the stay.
- 8.12 The Statute provides complex conditions for levying the tax and for spending the revenues raised. A County may impose a tax of 1% or 2% at the discretion of its governing body. This can be increased to 3% if agreed by referendum.
- 8.13 A fourth cent in the dollar can be levied if agreed by referendum, so long as the revenues that arise from this additional tranche is used to pay debt service on tourism related bonds, operate a convention centre or promote and advertise tourism.

- 8.14 A fifth cent in the dollar can be levied, if agreed by referendum, in high tourism impact counties.
- 8.15 A sixth cent in the dollar can be levied, if agreed by referendum, for financing bonds related to professional sports franchises or to promote and advertise tourism in Florida.
- 8.16 Orange County has fulfilled the conditions to levy TDT at 6 cent in the dollar.
- 8.17 Further to the constraints listed above on how revenues are spent, the Statute contains a myriad of further restrictions which specify how any revenues can be spent. Broadly, spending on the promotion of tourism is allowable as is spending on tourism related assets such as convention centres, sports stadia/arenas, auditoria, and zoological parks.
- 8.18 Spending on infrastructure more peripheral to the tourism industry is allowable in some circumstances. The relevant constraints include:
- At least 40% of all TDT revenues collected in the county are spent to promote and advertise tourism.
 - No more than 70% of the cost of the proposed public facilities will be paid for with TDT revenues.
 - An independent professional analysis demonstrates the positive impact of the infrastructure project on tourist-related businesses in the county.
- 8.19 The Statute requires any County that wishes to levy a TDT to have a Tourist Development Plan in place, which “shall include the approximate cost or expense allocation for each specific project or special use”.
- 8.20 The County must establish a Tourist Development Trust Fund into which TDT revenues are placed.
- 8.21 The County must institute a Tourist Development Council to oversee matters relating to the TDT, including the disbursement of revenues from the Tourist Development Trust Fund. The Statute prescribes that the Council consist of 9 members: one from governing board of the county, two elected municipal officials and six persons who are involved in the tourist industry.

TDT revenues

- 8.22 TDT revenues in Orange County in fiscal year 2022-23 amounted to \$359 million. This represented a 6.8% increase over the previous year, and a 26.5% increase over the pre-Covid maximum in fiscal year 2018-19.
- 8.23 TDT accounted for roughly 11% of Orange County’s revenues in 2022-23.
- 8.24 Revenues since 1992 are shown in Figure 10 and display a strong upwards trend over time despite noticeable slumps in revenues following the 9/11 attacks, the Global Financial Crisis, and during the Covid-19 pandemic.

Figure 10: Orange County TDT revenues, fiscal years 1992-93 to 2022-23, \$millions.



Source: Orange County Comptroller

Orange County Tourist Development Council

- 8.25 Florida Statutes require that Counties implementing a TDT appoint a Tourist Development Council whose role is to oversee the operation of the TDT regime.

8.26 The Statutes require that the Council consist of nine members. One member is designated by the chair of the County’s governing board. Two members must be elected municipal officials. The remaining six members of the council are drawn from those involved in the tourist industry and who have demonstrated an interest in tourist development. Members serve staggered, four-year terms. The members of the members Orange County Tourist Development Council as of July 2023 are listed in Table 16, along with their respective roles.

Table 16: Members of Orange County Tourist Development Council, July 2023

Jerry L. Demings	Orange County Mayor
Buddy Dyer	City of Orlando Mayor
Angie Gardner	Town of Eatonville Mayor
David Bartek	Senior Vice President of Operations, Loews Hotels at Universal Orlando
Jodi Bainter	Director, Central Florida Sales, Walt Disney World
Jonathan ‘Jon’ McGavin	Area Manager, Grande Lakes Orlando
Jesse Martinez	General Manager, The Alford Inn at Rollins
John Stine	President, Central Florida Hospitality Advisors
Charles J. Hawkins, II, P.A.	Attorney and Counselor at Law

Source: Orange County Tourist Development Council draft minutes, 18 July 2023.

8.27 Meetings of the Tourist Development Council are open to the public and are broadcast online at [Link to Meetings \(Net Apps\)](#).

8.28 The Council is responsible for drawing up and regularly revising a Tourist Development Plan, and for overseeing its implementation.

Orange County Tourist Development Plan

8.29 Orange County’s Tourist Development Plan was first implemented when TDT was introduced in 1978. Since then has been amended three times during the intervening years. A proposed fourth amendment to the plan was proposed during the Tourism Development Council’s most recent meeting in October 2023, and is in the process of being implemented. When this amendment is incorporated, the Plan will outline twelve priorities for the use of TDT revenues. These priorities are summarised in Table 17.

Table 17: Tourist Development Plan spending priorities

Priorities 1-3	Orange County Convention Centre: (1) Expenses of operations, maintenance, and promotion. (2) Debt service on bonds related to capital costs. (3) Further expenses, including capital improvements and renovations.
Priority 4	“Visit Orlando”, the official tourism association for Orlando.
Priority 5	United Arts of Central Florida, Inc.
Priority 6	Orange County Regional History Centre.
Priority 7 and 10	The Citrus Bowl Camping World football stadium.
Priorities 8-9	The staging of sporting and athletics events.
Priority 11	Capital projects and events which shall be authorized pursuant to an application and evaluation process.
Priority 12	University of Central Florida sports.

Source: Visit Orlando (2023).

8.30 Documents produced during the process of proposing the latest Plan provide a forecast for the expenditure of TDT revenues in 2027. These are shown in Table 18.

Table 18: 2027 TDT uses under Mayor Demings’ proposal, \$ million.

Debt Service (relating to Convention Centre)	114.0
Convention Centre Capital	60.0
Convention Centre Operations (only when needed)	15.0
Visit Orlando Funding	105.0
Sports Incentive Fund (administered by Visit Orlando)	4.5
Application Review Committee (ARC)	15.0
Arts	14.0
History Centre & Other	5.0
Amway Stadium (administered by Mayor of Orlando)	29.0
TOTAL	361.5

Source: Orange County (2023b).

8.31 When the TDT was first implemented in 1978, it was primarily intended to finance debt payments for the construction of the Orange County Convention Centre. The Convention Centre continues to account for over half of TDT revenues in the forecast for 2027. See Box 1 for further details regarding the Convention Centre.

8.32 A further 30% of TDT revenues are allocated to funding marketing and promotion of tourism through “Visit Orlando”, the official tourism association for the Orlando Metropolitan Area.

- 8.33 Construction and refurbishment of sports stadia and arenas, notably the Citrus Bowl Camping World football stadium and Amway indoor arena, have historically accounted for significant proportions of TDT revenue. The forecast for 2027 shows 8% of revenues directed towards the Amway Stadium, which houses basketball and ice hockey teams.
- 8.34 The remainder of TDT revenues are disbursed through three grant processes. The Sports Incentive Fund, administered by Visit Orlando, aims to attract significant sporting events to the Orlando area. The Orange County Arts & Cultural Affairs organisation provides grants of between \$600,000 and \$2 million to arts and cultural organisations. Finally, accounting for roughly 4% of 2027 TDT revenues, the TDT Application Review Committee (ARC) provides grants of up to \$20 million (over multiple years) to a wide range of bidding organisations.

TDT Citizens Advisory Task Force

- 8.35 Orange County Mayor Jerry Demings constituted a TDT Citizens Advisory Task Force in 2023 to review and provide input to the Board of County Commissioners and Tourist Development Council on potential uses of future TDT revenues. Their remit did not encompass revenues already pledged to the Convention Centre, Visit Orlando, and other long-term commitments.
- 8.36 The 31 members of the Taskforce included representatives of the County, municipalities within the County, trades unions, businesses, and cultural groups.
- 8.37 The Taskforce reviewed applications for funding via the three grant processes discussed in paragraph 8.34, and made recommendations to the Tourist Development Council regarding the eleven applications received. Scoring of projects was done on criteria which emphasised tourism expansion, project soundness, and anticipated return on investment (see Orange County, 2023a, p.17, for detailed criteria).

- 8.38 The Taskforce also discussed the wider context of TDT in their final meeting. The Taskforce Report provides a thematic summary of these discussions (Orange County 2023a).
- 8.39 Of the 33 comments noted, 17 refer to alternative uses of TDT funding. Many of these comments explicitly or implicitly criticise the narrow scope of TDT funded projects. For example, one member argues that “Florida is alone in restricting use of hotel taxes in this way. Our residents are bearing the burden of a wonderfully large number of area tourists, yet we cannot use TDT funds to offset those burdens.”
- 8.40 Several other comments suggest alternative uses for TDT funds, most of which do not comply with TDT legislation or the Orange County Tourist Development Plan. These include calls for expenditure on public transport (5 comments) and affordable housing for workers (3 comments).

Auditing and assessment of impact

- 8.41 Orange County has an audit department, comprising of 24 staff, responsible for auditing County expenditure in general. They are responsible for ensuring the compliance of external organisations with contracts and agreements to which Orange County is a party, including the agreement with Visit Orlando and the various funding contracts financed by TDT revenues.
- 8.42 There are no formal impact assessment requirements. However, the vast majority of TDT revenues are spent on recurring schemes. This is true for the Convention Centre, but it is also true for many of the smaller projects funded. Subsequent bids, therefore, often provide evidence of impact assessments that were not necessarily required. For example, the Convention Centre’s case for funding Phase 5 makes much of the estimated economic impact of the Centre.

Example 6: Project in Orange County, Florida: convention centre

The Orange County Convention and Civic Centre, as it was previously known, opened in February 1983. Its construction cost \$54 million, funded by bonds to be financed over a 30-year period by revenues from the TDT.

A second phase of construction began in 1987, enabled by the increase in TDT in that year from 2% to 3%. A further increase of TDT to 4% in 1990 funded three further phases of construction, adding further exhibition and meeting space. The increase in TDT to 5% in 1995 allowed planning for an adjoining building to go ahead, which almost doubled the size of the convention centre. Construction of the “North/South Building” was completed in 2003.

Plans for a further expansion were agreed in 2019, but these were put on hold when the Covid-19 pandemic struck in spring 2020 due to the shortfall in TDT revenues that were intended to fund the expansion (Bilbao 2020). In 2023, the Tourist Development Council approved to fund this ‘Phase 5A’ expansion at \$560 million.



The Convention Centre is currently the third largest in the USA. In fiscal year 2022-23, the Convention Centre hosted 159 events, drawing a total of 1.5 million attendees. The combined economic impact of these events has been estimated at \$2.8 billion (Moran 2023).

9. South Tyrol

Highlights:

- A Municipal Tourism Tax was introduced in 2014.
- 70% of the tax revenues are retained within municipalities for spending at the local level, with 30% remitted to the regional level for marketing South Tyrol as a tourist destination.
- Tourism is the dominant industry in numerous municipalities in South Tyrol, including the municipalities of Mareo and San Martin de Tor. Other municipalities, such as Bruneck-Brunico have more mixed economies.
- Locally retained revenues are assigned to local Tourism Associations or Cooperatives which determine the priorities for spending. In most municipalities, these include marketing, operation of tourist information offices and the hosting of events. In some municipalities this also extends to spending on tourism infrastructure and product development.

9.1 South Tyrol is the northernmost province of Italy. It was granted 'Autonomous Status' in 1972, following a treaty between Austria and Italy that sought to quell tensions in the region. This status confers a considerable level of self-government and allows the region to retain almost 90% of all levied taxes.

Tourism tax history and overview

9.2 Since 2011, Italian law has allowed regions and autonomous provinces to regulate a tourism tax at municipal level.

9.3 The government of South Tyrol subsequently legislated for a Municipal Tourism Tax from 1st January 2014 (South Tyrol 2012).²

² The legislation also provides provisions for a Provincial Tourism Tax. This tax, however, is borne by businesses operating in the tourism sector, including public operators, managers of slopes or ski lifts, ski and snowboard schools, traders in tourist resorts, tourist operators at provincial level and renters of sports equipment. As such, this tax is outside the scope of the present study.

The accommodation tax regime

- 9.4 The Municipal Tourism Tax is paid by those who stay overnight in accommodation establishments in South Tyrol, including hotels, short-term holiday lets and agritourism establishments (ibid.).
- 9.5 The legislation foresees varying tax rates based on the type of accommodation. Over the years the rates have increased and as of 2024 the rates vary from €1.50 to €3.50 per person per night of stay, though children under 14 and establishment staff are exempted.
- 9.6 In 2023, legislation introduced the possibility for municipalities to introduce an additional local excise, for a maximum rate of up to €5.00 per person per night of stay.
- 9.7 The legislation assigns the tax revenue raised from the Municipal Tourism Tax to registered local tourism organisations. However, it also allows implementing regulations to assign a defined proportion of the tax revenue for destination marketing to the competent provincial organization for tourism promotion (ibid.).
- 9.8 In 2012 the legislation also regulated the possibility for local tourism organisations to restructure tourism associations or cooperatives. and in case of municipalities with a low tourism vocation, neighbouring municipalities can aggregate under one association or cooperative.
- 9.9 70% of the tax revenues are assigned to the local Tourist Associations or Cooperative and the remaining 30% of revenues go to IDM³, the public agency responsible for economic and business development in South Tyrol, whose remit includes the marketing of South Tyrol as a tourism destination.
- 9.10 Accommodation providers are responsible for collecting the tax from their visitors and remitting the monies to the relevant Municipality. The Municipalities then disperse the funds to the IDM, the local Tourist Association or Cooperative.

³ The abbreviation IDM stands for Innovation Development Marketing.

9.11 Given the highly localised nature of the Municipal Tourism Tax regime in South Tyrol, the remainder of this chapter focuses on two neighbouring areas in the north of the region, with highly contrasting cultural, social and economic circumstances. Mareo and San Martin de Tor consist of rural, high-mountain, predominantly Ladin-speaking communities, where tourism is the dominant industry. Neighbouring Bruneck-Brunico encompasses the largest town in the Puster Valley, with a mixed economy, and in predominantly German-speaking, with a significant Italian-speaking minority.

Tourism in Mareo and San Martin de Tor

9.12 Mareo and San Martin are municipalities of South Tyrol and contain large parts of both the Plan de Corones ski area, and of the Fanes-Sennes and Braies natural park.

9.13 In the winter, alpine and Nordic skiing provide a major attraction for visitors. In the summer, the area's villages are marketed as a gateway to the remote mountains to the south, whilst the infrastructure of the Plan de Corones provides access to an extensive holiday area, hiking and mountain bike tracks.

9.14 Mareo and San Martin de Tor are neighbouring Ladin-speaking municipalities in the Badia Valley of South Tyrol. They are known as Enneberg and St. Martin in Thurn respectively in German; and as Marebbe and San Martino in Badia in Italian.

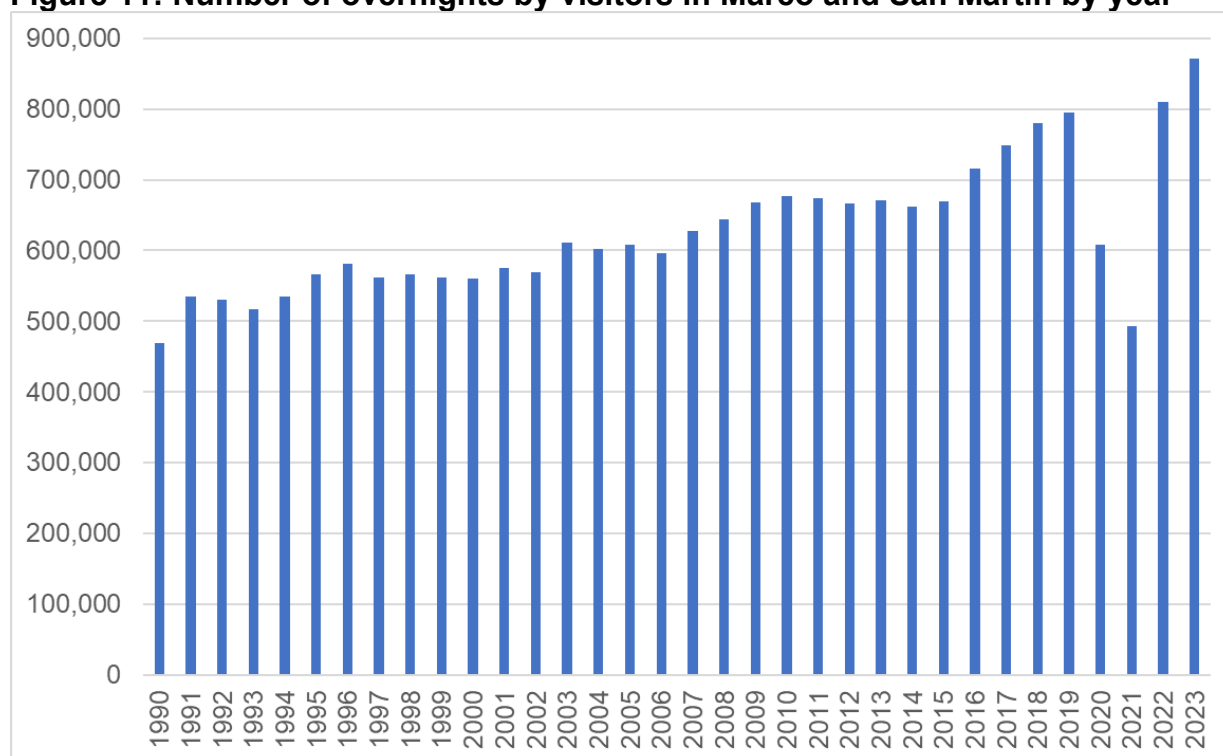
9.15 The combined population of the two municipalities was 4,920 as at the end of 2022 (ASTAT 2024a).

9.16 At the 2011 census, 92.1% of the population of Mareo and 96.7% of the population of San Martin noted Ladin as their first language (ASTAT 2012). The inhabitants of these two municipalities represent close to 10% of all Ladin speakers in Italy.⁴ The Ladin language is recognized as a minoritised language in a total of 54 municipalities in northeastern Italy (Council of Europe 2004).

⁴ At the 2011 census, there were 2,914 Ladin speakers in Mareo and 1,733 in San Martin out of a total of 20,548 in the whole of South Tyrol (ASTAT 2012). There were a further 18,550 Ladin speakers in

- 9.17 The Dolomites UNESCO world natural heritage site extends into both municipalities, covering much of the areas outside of the main villages.
- 9.18 The main villages of Al Plan (San Vigilio in Italian) and San Martin lie at altitudes between 1,100m and 1,300m above sea-level, with the highest mountain summit, Piz dles Cunturines, rising to 3,064m.
- 9.19 The number of overnight stays in Mareo and San Martin has increased steadily over recent decades. In 2023, visitors stayed for a total of 871,571 nights, an increase of 68.5% compared to the comparable figure for 1993. The data for the total number of overnight stays since 1990 are shown in Figure 11.

Figure 11: Number of overnights by visitors in Mareo and San Martin by year



Source: ASTAT (2024b).

- 9.20 The effect of the Covid-19 pandemic on the tourist industry in this area is clear in the data, but the effects appear to have been limited to 2020 and 2021 and to the winter months only.

Trentino province. Veneto province does not ask inhabitants to identify their native language in the general census of the population, making precise estimates of the total number of Ladin speakers in Italy contentious.

9.21 Almost half of visitors come from other areas across Italy, and a further quarter from nearby Germanic countries. Table 19 provides an overview of the origins of visitors to the area.

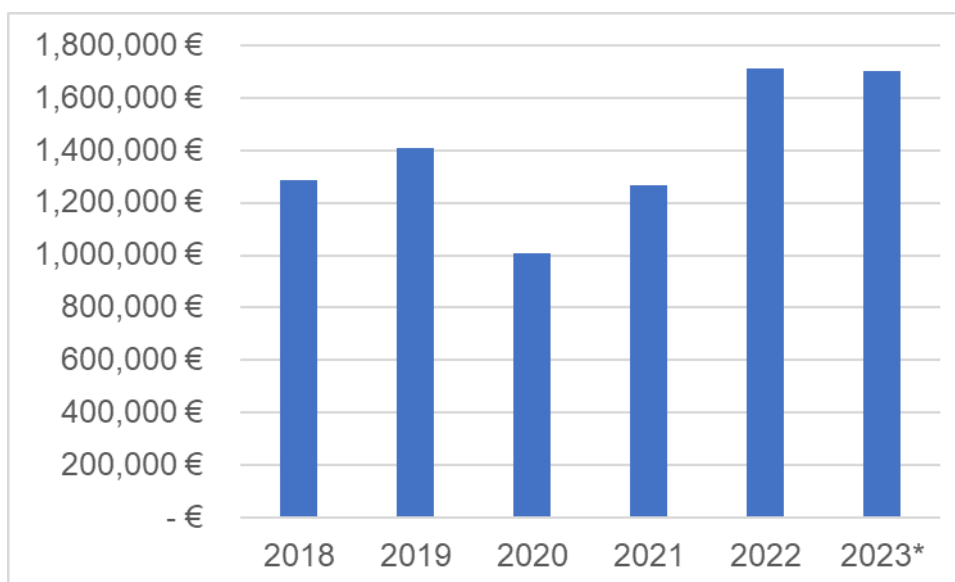
Table 19: Visitors to Mareo and San Martin by nationality, 2023

Italy	48.3%
Germany	21.2%
Austria	2.3%
Switzerland	1.6%
Benelux countries	3.6%
Other countries	23.2%

Source: ASTAT (2024b).

9.22 Tourism in the area is very seasonal, with high seasons in the summer and winter and low seasons in the spring and autumn. Visitor numbers in the four busiest months (January, February, July, and August) were over ten times those in the quietest four months (April, May, October, and November) in 2023, as illustrated in Figure 12.

Figure 12: Number of arrivals in Mareo and San Martin by month, 2023



Source: Mareo and San Martin Tourist Cooperative Annual Reports, and authors' calculations.

* The 2023 figure is based on the Budget Estimate made in April 2023, whilst other years are based on reported income.

Municipal tourism tax revenues in Mareo and San Martin

9.23 At the end of 2023, the municipality decided not to impose the additional local excise and therefore the tax rates in Mareo and San Martin are as follows:

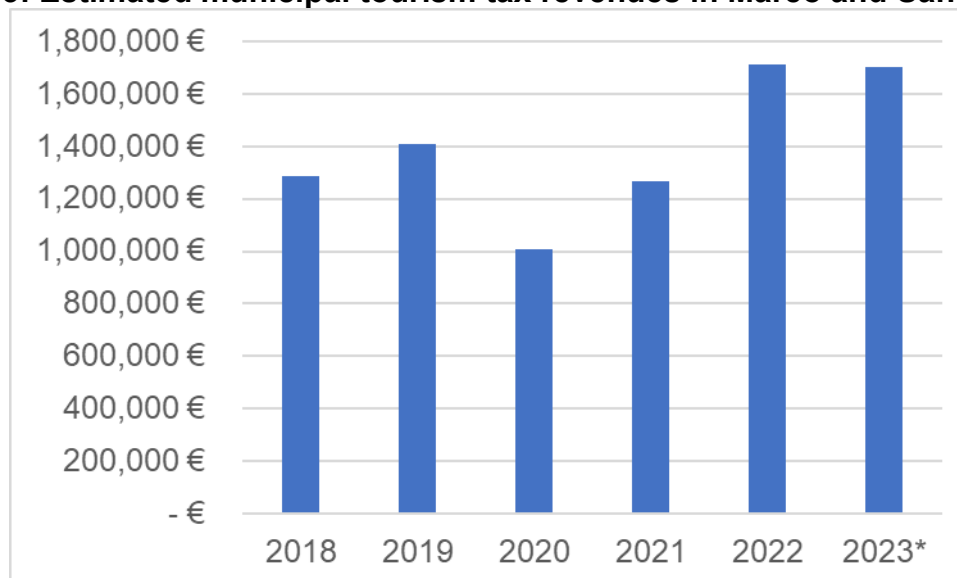
- €2.50 per person per night (pppn) in four or five star accommodation.
- €2.00 pppn in three star accommodation.
- €1.50 pppn in other accommodation.

9.24 The tax rates have changed on several occasions since the tax was first implemented in 2014.

9.25 In 2022, the Mareo and San Martin Tourist Cooperative received revenues of € 1,198,336.69 from the tourism tax (Mareo and San Martin Tourist Cooperative 2023). On the basis that this represents 70% of the total revenues, we estimate that the total tax revenues in that year were a little over €1.7 million.

9.26 Figure 13 provides similar estimates of the tax revenues in each year since 2018.

Figure 13: Estimated municipal tourism tax revenues in Mareo and San Martin



Source: Mareo and San Martin Tourist Cooperative Annual Reports, and authors' calculations.

* The 2023 figure is based on the Budget Estimate made in April 2023, whilst other years are based on reported income.

The Mareo and San Martin Tourist Cooperative

- 9.27 The Mareo and San Martin Tourist Cooperative has approximately 350 members. In the main, these represent local, family-owned businesses engaged either directly or indirectly in the tourism industry. This represents a significant proportion of the population of the two municipalities, which stands at a combined 4,920.
- 9.28 Members pay voluntary fees which are dependent upon the size and profitability of the business. Regardless of the fees paid, each member has the right to cast a single vote at General Meetings of the Cooperative.
- 9.29 The Cooperative is governed by a Board of Directors who are elected annually at the General Meeting. The Board of Directors in turn elects the President, who also acts as the Board's Chair. The Board delegates operational duties to an executive Director.
- 9.30 Membership fees are expected to total €585,000 in 2023.
- 9.31 The Cooperative receives modest contributions from the Italian State and from the South Tyrol Provincial Government. It also earns revenues from providing services to the Municipalities (such as street cleaning and decoration of public areas) and from commercial activities (such as selling goods and services via the Tourist Office and selling advertising opportunities). The budgeted revenues for all of these activities in 2023 are detailed in Table 20.

Table 20: Tourist cooperative budgeted revenues, 2023

Membership fees	585,000 €	27.7%
Grants from South Tyrol Government	70,000 €	3.3%
Reimbursement of services provided to municipalities	125,000 €	5.9%
Private sponsors	10,000 €	0.5%
Tourism tax income	1,190,000 €	56.3%
Second homes tax	80,000 €	3.8%
Advertising revenue	30,000 €	1.4%
Sale of goods and services	25,000 €	1.2%
TOTAL REVENUE	2,115,000 €	100.0%

Source: Mareo and San Martin Tourist Cooperative Annual Report 2023.

- 9.32 Over half of the Cooperative’s revenues, however, come from the Municipal Tourist Tax. According to the executive Director of the Cooperative, the introduction of the Tourist Tax has enabled the Cooperative to change from being a ‘front office only’ operation prior to 2015 to being an agent for ‘product development’.
- 9.33 In addition to the executive Director, the Cooperative employs fourteen other permanent employees and thirteen seasonal employees. Posts cover Front Office staff at the Tourist Office, marketing and communication staff, administrative staff and ‘field service’ staff (including the maintenance of trails and other infrastructure).
- 9.34 Table 21 provides an overview of the budgeted expenditures for the Cooperative in 2023.

Table 21: Tourist cooperative budgeted expenditures, 2023

Staff costs	595,000 €	28.3%
Administration (including office costs)	277,500 €	13.2%
Printing (brochures etc)	43,000 €	2.0%
Advertising costs	265,500 €	12.6%
Winter events	108,500 €	5.2%
Summer events	131,500 €	6.3%
Mobility – shuttle bus and taxi services	383,500 €	18.3%
Product development	295,500 €	14.1%
TOTAL EXPENDITURE	2,100,000 €	100.0%

Source: Mareo and San Martin Tourist Cooperative Annual Report 2023.

- 9.35 Destination marketing represents a significant proportion of the Cooperatives activities. It supports an extensive website and acts as a travel agency for many of the local accommodation providers, as well as operating a sizeable Tourist Office. It produces a large variety of marketing materials, including both digital and print formats.
- 9.36 Another significant activity for the Cooperative is ‘making the place beautiful’, by maintaining and cleaning public spaces. The Cooperative is also responsible for maintaining over 500km of hiking, biking, and Nordic skiing trails, as well as via ferrata.

- 9.37 It also makes regular investments in new infrastructure and operates its own carpentry shop for this purpose. For example, in 2023 it has €60,000 budgeted for the development of a calisthenics park, €48,000 for a new cross-country skiing trail, and numerous smaller projects at €5,000 to €15,000 for installing signage, benches, huts and other infrastructure.
- 9.38 Hosting events, particularly those aimed at extending the tourist season, account for a significant proportion of the budget for 2023. Similarly, the costs of operating ski buses and other public transport account for a large portion of the 2023 budget.

Auditing and assessment of impact in Mareo and San Martin

- 9.39 The Cooperative is not accountable to anyone other than its members for how it spends the tourism tax revenues.
- 9.40 Italian corporate law lays out the governance requirements for all cooperative enterprises, with which the Mareo and San Martin Tourist Cooperative comply.
- 9.41 There are no other formal mechanisms for assessing the impact of the projects.

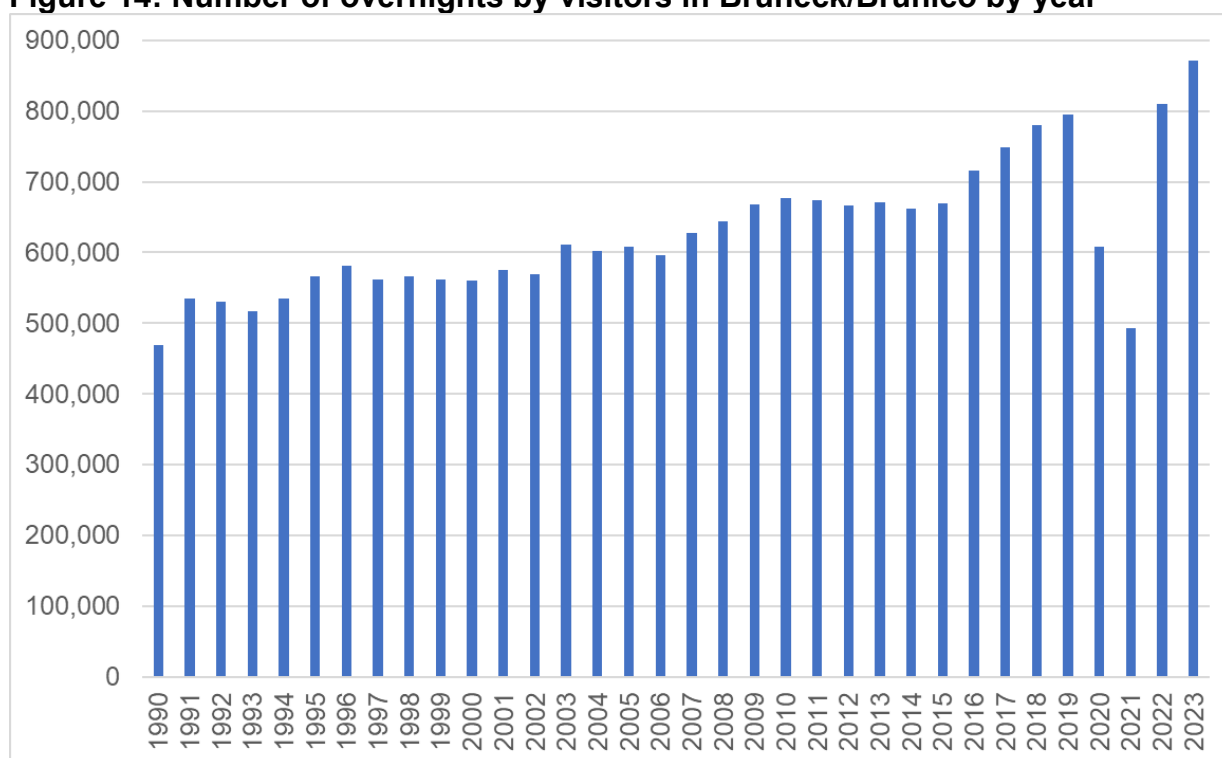
Tourism in Bruneck-Brunico

- 9.42 Bruneck-Brunico is a neighbouring municipality to Mareo, to which it is linked by the Plan de Corones ski lift system. Despite being only fifteen kilometres distant by road, the town of Bruneck-Brunico is culturally and economically highly distinct from the villages of Mareo and San Martin.
- 9.43 Bruneck-Brunico is a predominantly German speaking town with a significant Italian speaking minority, but very few first language Ladin speakers. At the 2011 census, 82.5% of the population reported German as their first language, 15.2% Italian and only 2.3% Ladin (ASTAT 2012).
- 9.44 Bruneck-Brunico is the main town of the Val Pusteria and, as such, has a mixed economy with numerous manufacturing and service sector employers.

Tourism in the municipality is not insignificant but represents a much more modest proportion of the economy than in surrounding areas. Whilst the municipality of Bruneck-Brunico has a population over three times the size of Mareo and San Martin combined, it only hosted roughly 20% of the number of overnight stays as them in 2023.

9.45 Figure 14 shows the total number of overnight stays in Bruneck/Brunico over the last three decades.

Figure 14: Number of overnights by visitors in Bruneck/Brunico by year



Source: ASTAT (2024b).

The municipal tourism tax in Bruneck-Brunico

9.46 At the end of 2023, the tax rate in Bruneck-Brunico varied from €2.50 to €3.50 depending on the category of accommodation. It is imposed only on tourists over 14 years of age.

9.47 The local Tourism Association receives 70% of the tourism tax, which equated to a total of around €2.5 million in 2023.

The tourism association in Bruneck-Brunico

- 9.48 Tourism Association Bruneck Kronplatz covers five 5 municipalities in all: Bruneck-Brunico, San Lorenzo, Falzes, Gais and Percha.
- 9.49 The Association was formed in 2013 in anticipation of the introduction of the Municipal Tourism Tax.
- 9.50 The Association has 450 members.
- 9.51 A board (consiglio) is responsible for supervising the decisions of the director of the tourism association. The board is composed of 18 members, and these include President, Vice-President, Director, representatives of the ski lift company, representatives of the ski schools, representatives of agritourism, representative of holiday homes, and representatives of hoteliers. The number of board members is high and is felt by the director of the tourism association to be at its limit.
- 9.52 Members of the board are elected by the association members every 4 years. The board has no political members and is not influenced by politics.
- 9.53 To act in a fast way members of the board specialise in specific sectors/topics. For example, when the director has to launch a new event, he works in cooperation with 2 members of the board who specialise in events. So that monthly meetings are faster and leaner.
- 9.54 Every year in October the director organises a conclave with the board to propose a plan of activities for the year to come. The board gives feedback and together they decide on the activities and use of the funds for the year to come.
- 9.55 The agreed plan remains the basis for the work to be conducted by the director during the year. If there are different plans to be carried out that are exceeding €50,000 the director is asking for approval by the board. Otherwise, deviations of the plan can be taken by the director according to unforeseen needs and situations occurring throughout the year.
- 9.56 The board meets once a month.

- 9.57 The members of the association meet once a year and can comment on the work, but have no decision-making powers. There is a high degree of trust between the members and the board that they have elected.
- 9.58 The Tourism Association has a budget of around €5 million, of which half comes from the Municipal Tourism Tax. The remainder comes from the members' contributions/fees (around €1 million); a tax on second homes⁵ (€120,000); a contribution by the Province of South Tyrol; and commercial activities such as income from events.
- 9.59 The members' contribution was introduced in 2013, at the formation of the Association, at a rate of 25 cents per guest-night. In return, members received guest-cards for their guests which provided access to a limited range of services.
- 9.60 By the end of 2023, the members' contribution had increased to €1 per guest per night. Correspondingly, the benefits offered by the guest card have also increased. These now include free public transport (train and buses) across South Tyrol; free entrance to all museums in South Tyrol; during the low season 1 trip a day by cable-car to the summit of the Plan de Corones; and free guided excursions (hiking or cycling).
- 9.61 Tourism tax revenues and the members' contributions are accounted for separately. Tourism tax revenues are used to cover three main categories of activities: marketing; organisation of events; and maintenance of trails and paths.

Auditing and assessment of impact in Bruneck-Brunico

- 9.62 Every spring there is an evaluation of the work conducted by the Tourism Association. This evaluation is a financial evaluation with accountants.

⁵ The tax on second homes is paid by owners independently of the number of nights they occupy their second home. This tax was introduced in the mid-1990s, much before the Municipal Tourism Tax was levied on tourists staying in accommodation services. 95% of the tourism tax of second homes goes to the tourism association and 5% to the municipality. The rationale for this is that owners of second homes are heavy users of tourism services such as events, paths, trails, etc. Second-home owners do not receive a guest card as they are not guests of members of the association.

- 9.63 There is no formal evaluation of the environmental or socio-cultural impacts of the activities funded by the tourism tax revenues.
- 9.64 During the year, the director keeps the board up to date on the results of the most important activities such as the Christmas Markets (the most important event of the association), or the Town Festival. The information provided to the board covers number of visitors, media coverage, pictures and videos.
- 9.65 This information is then used by the board to reflect together with the director on future improvements.

**Example 7: Project in Mareo and San Martin:
GSTC certification**



Sustainability is at the core of the development of tourism at the Mareo and San Martin Tourism Cooperative.

The funds raised by the tourism tax have allowed the cooperative to pursue different activities aiming at the development of sustainable tourism in the destination. One such activity relates to the accreditation of the destination as a Sustainable Destination by the Global Sustainable Tourism Council (GSTC).

GSTC is a non-profit organization established by the United Nations in collaboration with other non-governmental organizations (NGOs) worldwide to protect the environment. The GSTC identifies and manages global standards for all aspects of sustainability for destinations, accommodation providers and tour operators. The criteria for destinations include:

- 11 aspects relating to destination management, ranging from stakeholder engagement to climate change adaptation.
- 8 relating to socio-economic sustainability, ranging from decent work and career opportunities to accessibility.
- 7 relating to cultural sustainability, ranging from the protection of cultural assets to site interpretation.
- 12 relating to environmental sustainability, ranging from water stewardship to light and noise pollution.

(GSTC, 2019)

Mareo and San Martin became one of the first GSTC certified destinations in Italy and worldwide in August 2021. This involved developing and implementing a Sustainable Development Strategy for the destination. The strategy includes measures for:

- monitoring of tourist flows across the seasons;
- improving waste management;
- improving public transport, and monitoring the use of car transit;
- protecting of flora and fauna, including an annual census of animal species;
- ensuring participatory governance of the destination;
- supporting the culture, traditions, and people of the area, including the Ladin language; and
- training for local and transitory tourism industry staff.

(Mareo and San Martin Tourist Cooperative, unknown)

The accreditation lasts for 3 years and undergoes yearly audits. Continuous funding supports sustainable activities and enables the revalidation of the GSTC accreditation. According to the director of the Tourism Cooperative, the accreditation initiates a journey toward sustainable development, with funds facilitating further steps. GSTC accreditation educates tourists about sustainable practices and behaviours.

10. Summary and conclusions

Hypothecation of visitor levy revenues

- 10.1 The process by which we identified the case studies in this report inevitably led to the selection of jurisdictions in which visitor levy revenues are, or at least were at some point, hypothecated for specific forms of spending.
- 10.2 However, it was clear from our initial investigations that hypothecation of visitor levy revenues is a widespread practice beyond the case studies considered in this report. The only jurisdictions in which we did not find any evidence that visitor levies are hypothecated were the Netherlands and Switzerland.⁶
- 10.3 Within our sample of case studies, there are significant differences in the strength of hypothecation. This was clarified by the arrival of the Covid-19 pandemic, which saw visitor levy revenues fall dramatically across all our case studies. This had a particularly dramatic effect in those jurisdictions where hypothecation is strongest.
- 10.4 In Orange County, legislation is explicit about the uses to which revenues can be employed, and the tourist tax represents the predominant revenue stream for those projects. As a result, for example, capital funding for the Convention Center was cut immediately in response to the Covid-19 pandemic. In the Balearics, the Fund to Promote Sustainable Tourism is the sole beneficiary of the tax revenues and, in ordinary times, all of its revenues come from the tax. In response to the Covid-19 pandemic, the Fund did not allocate money to any new projects between 2020 and 2022, but funds committed to ongoing projects were delivered by the Balearic Government.

Figure 15: Ranking of strength of hypothecation



Source: Authors' ranking

⁶ We note that an absence of evidence does not equate to evidence of absence. Whilst we did not find evidence of hypothecation in either the Netherlands or Switzerland, nor did we find evidence that revenues enter a 'general pot' for public spending.

- 10.5 In Catalonia and South Tyrol, all revenues are directed to central or local Tourism Boards/Agencies or Associations. However, the tax revenues are not the only source of funds for these organisations. This entails that there is not a direct link between tax revenues on the one hand and spending on activities and projects on the other. However, tax revenues can represent a very significant proportion of these organisations' funding. For example, as seen in Table 20, tax revenues account for over half of the revenues of the Mareo and San Martin Tourist Cooperative, implying that the link between tax revenues and spending, though indirect, is still strong.
- 10.6 In Gunnison County, some elements of the overall tourist tax are hypothecated to particular spending, whilst other elements are not. A 1% rate is hypothecated to public transport across the County. A 7.5% rate in Crested Butte is hypothecated to social housing, but the rate is lower at 2.9% in the neighbouring town of Mt. Crested Butte. A 4% rate across the County is allocated to the Tourism and Prosperity Partnership, but the board members of the partnership rebuffed attempts by the County Commissioners to hypothecate this to particular types of spending. Further elements of the tax are not hypothecated at all, including a 1% rate that goes into general County funds and various rates that go into general Town funds.
- 10.7 60% of the tourist tax revenues in Jackson Hole are remitted to the Wyoming State Government and 24% to the County and Town governments. None of these funds are hypothecated to particular spending. The remaining 16% is allocated to the local tourism board.
- 10.8 Iceland is the only example amongst our case studies where the level of hypothecation has been revised explicitly since the implementation of the visitor levy. When the tax was first introduced in 2011, 60% of the revenues were hypothecated to the newly instituted Tourist Site Protection Fund. This formal link was broken by an amendment to the law in 2017.
- 10.9 We found no evidence that any other jurisdiction is considering following Iceland's example of ending the hypothecation of visitor levy revenues.

Conclusion 1: Hypothecation of visitor levy revenues is common practice across the world, though the strength and scope of hypothecation does vary across jurisdictions.

Management of revenue allocation

- 10.10 We have identified three primary mechanisms by which hypothecated revenues are allocated to spending activities or projects.
- 10.11 In the Balearics and Iceland, all visitor levy revenues are allocated to a fund from which grants are made to fund projects. We term this a ‘grant-making’ model. Within the scope of this model, there is still significant variation. For example, in the Balearics, bidding is restricted to public sector bodies, whereas in Iceland only the private sector is eligible to bid for funds.
- 10.12 In contrast, in South Tyrol and Catalonia, all visitor levy revenues are allocated to designated bodies which spend the funds directly. In both cases, central tourism marketing agencies (IDM in South Tyrol and the Catalan Tourist Board) receive a proportion of the revenues, with local Tourism Agencies receiving the remainder. These bodies have clearly defined objectives relating to tourism, but they have significant flexibility in how they can spend the funds. We term this a ‘designated body’ model.
- 10.13 Orange County implements a hybrid of these two models. The majority of revenues are allocated to designated bodies (including the Convention Center and Visit Orlando) which spend the money directly. However, a significant sum of money is available for other organisations to bid for grants funded by visitor levy revenues.
- 10.14 In Gunnison and Jackson Hole, some revenues are allocated to designated bodies (the Tourism and Prosperity Partnership and local tourism board respectively) but some are spent directly by local government. In both cases State law provides some constraints on the activities that can be funded. We term this spending by government a ‘direct spending’ model. Both of these jurisdictions also allocate revenues to designated bodies. Jackson Hole,

furthermore, allocates a proportion of revenues to a competitive grant-making process to fund events.

Table 22: Direct spending, designated bodies and grant-making models

	Direct Spending model	Designated Bodies model	Grant-making model
Balearics	x	x	✓
Catalonia	x	✓	x
Gunnison	✓	✓	x
Iceland	x	x	✓
Jackson Hole	✓	✓	✓
Orange County	x	✓	✓
South Tyrol	x	✓	x

10.15 Table 22 summarises the various models used in the seven different jurisdictions considered in the case studies.

Conclusion 2: There are a variety of mechanisms by which visitor levy revenues are allocated to spending activities or projects. Funds may be allocated via grant-making processes, allocated to bodies with defined remits, or spent directly by government.

10.16 Table 23 provides a comparative overview of the primary organisations involved in overseeing the allocation of visitor levy revenues to spending priorities across the seven case studies. In particular, it notes the composition of the main decision-making bodies in each organisation.

10.17 Under the Direct Spending model, it is a Government that is making the funding decisions. However, under the Designated Bodies and Grant-making models, there are a variety of organisational types involved.

10.18 In Catalonia and Jackson Hole, agencies of Government in the shape of Tourism Boards have central roles in spending or disbursing funds.

10.19 In the Balearics, Iceland and Orange County, the main organisations involved in allocation revenues are statutory bodies legislated for at the same time as

the tax was introduced. Orange County has also made use of a Citizen's Advisory Task Force, but this has no official legal standing and is only able to make recommendations to the statutory body.

- 10.20 Tourism Associations, independent of Government, have roles in allocating funds in Gunnison and in South Tyrol, where some of these are constituted as Co-operatives.
- 10.21 The IDM in South Tyrol has a novel legal status amongst the funding and spending bodies identified in the case studies. It is a joint venture between the Government of South Tyrol, which owns a 60% stake, and the Bozen-Bolzano Chamber of Commerce, which owns the remaining 40%.

Conclusion 3: There are a variety of organisations involved in the allocation of visitor levy revenues. These include various levels of government, government agencies, statutory bodies, advisory groups, associations, co-operatives, and joint ventures.

- 10.22 These organisations have a variety of members of their decision-making forums. Of the thirteen organisations listed in Table 23, ten have members appointed by, or representative of, local government. The tourism industry is almost as well represented, with representatives of business involved in nine of the organisations. Central government representatives are involved in the decision-making of five of the organisations.⁷
- 10.23 Trade unions, cultural groups and environmental groups are represented on the Commission to Promote Sustainable Tourism in the Balearics. Trade unions and cultural groups are also represented on the Citizens Advisory Task Force in Orange County, but not on the main the decision-making forum, the Tourist Development Council. Such groups are not represented in any of the other case studies.

⁷ We classify the Balearic, Catalan, Icelandic, South Tyrol and US State governments as 'central' and all other less centralised levels of government as 'local'.

Conclusion 4: Central government, local government and the tourism industry are commonly represented in the decision-making forums of funding / spending organisations. Other sections of civil society, including trades unions, cultural groups and environmental groups are far less commonly represented.

Geographic scale and decentralisation

- 10.24 The geographic scale of the case studies presented in this report varies considerably, both in terms of population and land area. The extent to which the operation of the visitor levy and the allocation of revenues are decentralised also varies considerably.⁸ Table 24 provides an overview.
- 10.25 In the case of the Balearics, Iceland, and Orange County both the tax and revenue allocation are centralised.
- 10.26 The Balearics have a population roughly equal to a third of that in Wales, and roughly a quarter of the land mass. Whilst all revenues are allocated by the Commission to Promote Sustainable Tourism centrally, the level of funding per island is reported. The four islands have populations ranging from 12,000 in Formentera to 921,000 in Mallorca.

⁸ The geographic scope of the tax raising bodies also varies considerably across the case studies. This is detailed in the relevant case studies in Sections 3 to 9, but we do not consider it in this Section as it is peripheral to the focus of this report, which relates to how revenues are spent.

Table 23: Legal constitution and composition of funding or spending bodies

Case Study	Funding / spending body	Legal constitution	Composition of decision-making body. Appointed by / representatives of:					
			Central govt.*	Local govt.*	Business	Trade unions	Environmental organisations	Cultural groups
Balearics	Commission to Promote Sustainable Tourism	Statutory body	✓	✓	✓	✓	✓	✓
Catalonia	Catalan Tourist Board	Agency of Catalan Government	✓	✓	✓	✗	✗	✗
Catalonia	Local tourism agencies	Agencies of municipal governments	✗	✓	✓	✗	✗	✗
Gunnison	Tourism and Prosperity Partnership	Association	✗	✓	✗	✗	✗	✗
Gunnison	City / Town government	Government	✗	✓	✗	✗	✗	✗
Iceland	Tourist Site Protection Fund	Statutory body	✓	✓	✓	✗	✗	✗
Jackson Hole	State Govt.	Government	✓	✗	✗	✗	✗	✗
Jackson Hole	County and Town govts.	Government	✗	✓	✗	✗	✗	✗

Case Study	Funding / spending body	Legal constitution	Composition of decision-making body. Appointed by / representatives of:					
			Central gov.*	Local gov.*	Business	Trade unions	Environmental organisations	Cultural groups
Jackson Hole	Local Tourism Board	Statutory body	x	✓	✓	x	x	x
Orange County	Tourist Development Council	Statutory body	x	✓	✓	x	x	x
Orange County	Citizens Advisory Task Force	Advisory group	x	✓	✓	✓	x	✓
South Tyrol	IDM	Joint venture of the Province of South Tyrol (60% ownership) and the Bozen-Bolzano Chamber of Commerce (40%)	✓	x	✓	x	x	x
South Tyrol	Tourism Associations	Cooperatives or Associations	x	x	✓	x	x	x

* For the purposes of this table, we classify the Balearic, Catalan, Icelandic, South Tyrol and US State governments as 'central' and all other less centralised levels of government as 'local'.

Table 24: Geographic scale of funding or spending bodies

Case Study	Funding / spending body	Geographic extent	Population (approx.)	Land area	Notes
Balearics	Commission to Promote Sustainable Tourism	Balearic wide	1.2 million	5,040 km ²	Funding is reported per island
Catalonia	Catalan Tourist Board	Catalan wide	8.0 million	32,114 km ²	Receive 50% of revenues
Catalonia	Local tourism agencies	Municipalities, or combinations thereof	From a few hundred in some rural areas up to 1.6m in Barcelona	1-300 km ²	Receive the other 50% of revenues
Gunnison	Tourism and Prosperity Partnership	County wide	17,000	8,400 km ²	
Gunnison	City / Town government	Municipality wide	1,000 – 6,500	2 – 13 km ²	
Iceland	Tourist Site Protection Fund	Pan-Iceland	400,000	103,152 km ²	
Jackson Hole	State Govt.	State	577,000	253,335 km ²	Receives 60% of revenues
Jackson Hole	County and Town govts.	County / Town	23,000 (County) 11,000 (Town)	10,920 km ² 8 km ²	Receive 24% of revenues
Jackson Hole	Local tourism board	County	23,000	10,920 km ²	Receives 16% of revenues

Case Study	Funding / spending body	Geographic extent	Population (approx.)	Land area	Notes
Orange County	Tourist Development Council	County	1.4 million	2,600 km ²	
South Tyrol	IDM	All of South Tyrol	534,000	7,400 km ²	Receives 30% of revenues
South Tyrol	Tourism Associations	Municipalities, or combinations thereof	Mostly between 3,000 and 8,000 (106,000 in Bolzano)	2 – 302 km ²	Receive 70% of revenues
Comparison:					
Wales			3.1 million	20,716 km ²	
Local authorities in Wales			60,000 – 360,000	109 – 5,180 km ²	

- 10.27 Iceland is roughly five times the size of Wales in terms of land mass but has a population only slightly larger than the Cardiff local authority area. All revenues are allocated centrally by the Tourist Site Protection Fund, but support for projects is explicitly conditional on coherence with local Destination Management Plans, which are implemented at the municipal level. The population of Icelandic Municipalities has a distribution roughly similar to that of Welsh Town and Community Council areas.
- 10.28 Orange County has a population almost half that of Wales but concentrated in a predominantly urban area roughly the size of Carmarthenshire.
- 10.29 Tourism tax revenues in Catalonia are split equally between the Catalan Tourist Board and local Tourism Agencies. Catalonia has a population of 8 million people in an area roughly 50% bigger than Wales. The local Tourism Agencies generally correspond to Municipalities, or combinations thereof. The Municipality of Barcelona has a population of 1.6 million and there are several other Municipalities with populations over 100,000 in the suburbs of Barcelona and in Catalonia's other major cities. In more rural areas, however, the size of Municipalities is more similar to those of Welsh Town and Community Councils.
- 10.30 In Jackson Hole, tourism tax revenues are similarly split between the State, County and Town. The State of Wyoming has a population of over half a million, but Teton County has just 23,000 residents, half of whom are in the town of Jackson.
- 10.31 In Gunnison County, tourism taxes are levied separately by the State of Colorado (population 6 million), the County (population 17,000) and the city and towns (populations of 1,000 to 6,500 each). Each level of government retains a proportion of its taxes but also fund the Tourism and Prosperity Partnership which acts on a county-wide basis.
- 10.32 In South Tyrol, taxes are levied by municipalities, but revenues are spent by the IDM (South Tyrol's regional tourism promotion agency) and local tourism associations, which are formed at the level of Municipalities or combinations

thereof. South Tyrol has a population of roughly half a million people, whilst the local tourism associations represent areas within populations generally varying between 3,000 and 8,000 (though there are exceptions with larger populations, including the town of Bruneck-Brunico).

Conclusion 5: Visitor levies are implemented at a variety of geographic scales, by central and local governments alike. Similarly, revenue allocation occurs at a variety of geographic scales and at various levels of government.

Conclusion 6: There are a variety of mechanisms by which tourism taxes and associated revenues are reallocated across levels of government. In some cases, taxes are raised locally, with some revenues remitted to central government. In other cases, taxes are raised centrally, and some revenues are decentralised. In other cases, multiple levels of government implement tourism taxes simultaneously and/or engage in revenue sharing.

Projects and activities

- 10.33 Across the seven case studies presented in this report, there are a wide variety of projects and activities funded by visitor levies. An example of a project in each jurisdiction is provided in the boxes at the end of each case study. However, these only provide a limited view of the huge variety of projects and activities overall.
- 10.34 In the Balearics and Iceland, which follow the grant-making model defined in paragraph 10.11, all spending is directed at discrete, time-limited projects. In the other case studies, there is a greater focus on funding activities that are continuous across time.
- 10.35 The size of funded projects and activities varies significantly across the case studies considered. This is only partly due to the size of the jurisdictions and the prevalence of the tourism industry within them. Orange County is relatively large (population 1.4 million) and has a high tourism prevalence (24% of employment), but it also concentrates much of its tourism tax revenues on a

small number of activities, with the Convention Center accounting for over half of the revenues (\$189 million in the plan for 2027). The Balearics has a similar population (1.2 million) and tourism prevalence (one third of employment) but spending is spread over a wider range of projects, giving rise to an average spend per project of less than €2 million. In smaller jurisdictions (e.g. Jackson Hole), and in those where spending decisions are more decentralised (e.g. South Tyrol), projects on far smaller scales are financed.

Conclusion 7: There is a huge variety in the scale of projects and activities funded by visitor levies. In the case studies considered, this varies from a multi-billion-dollar Convention Center in Orange County to path restoration projects in Iceland to small-scale cultural events in Jackson Hole.

- 10.36 From an economic perspective, there are numerous justifications for taxation, but in the context of visitor levies two predominate. The first is that there exist certain local public goods that should be funded. Local in this context means geographically, but also in terms of industry. A clear example of this is destination marketing which benefits all tourism businesses within the destination. The second justification for a visitor levy is that tourism can give rise to negative externalities for the host community and for tourists themselves. Examples of these external costs would include the extra waste produced by tourists that needs to be dealt with, the erosion of footpaths and depreciation of other infrastructure, increased congestion, and the impact of tourism on housing costs.
- 10.37 In the case studies considered in this report, the weight put on these two different factors varies considerably. In Orange County, the primary justification for the Tourist Development Tax appears to be the provision of public goods, with little weight on the alleviation of externalities. This is evidenced by the focus of spending on the Convention Center, sports stadia, Visit Orlando and on other activities that are focussed on increasing the value added in the tourism sector. At the other end of the spectrum, the Sustainable Tourism Tax in the Balearics is focussed on mitigating the externalities of

tourism. Spending is directed towards environmental projects, and those which promote the sustainability of the tourism sector and the host communities.

10.38 Table 25 provides an assessment of the relative weights placed on the provision of public goods and the alleviation of externalities in each of the case studies considered in this report.

Table 25: Emphasis on public good provision and the alleviation of externalities

	Public good provision	Alleviation of externalities
Balearics	Very low	Very high
Catalonia	High	Low
Gunnison	Moderate	Very high
Iceland	High	High
Jackson Hole	Moderate	High
Orange County	Very High	Very Low
South Tyrol	High	High

Conclusion 8: In general, visitor levy revenues are used to finance public goods specific to the tourism industry, such as destination marketing, and to alleviate the externalities caused by the industry, such as environmental protection and restoration. The focus placed on these two areas of spending varies dramatically across the case studies considered.

10.39 The categories of spending engaged in across the case studies are summarised in Table 26.

10.40 With the exception of the Balearics and Iceland, in all other jurisdictions a proportion of visitor levy revenues are hypothecated to fund general destination marketing. This includes the administration of Tourism Associations or Boards, as well as the operation of Tourist offices and a variety of general and targeted marketing campaigns.

10.41 Marketing activities vary widely across jurisdictions. Orange County focuses on attracting more tourists to grow visitor revenues. However, other funding authorities are active in sustainable marketing. For example, Catalonia

focuses its marketing activities on attracting visitors during the low seasons and to less visited inland destinations. Jackson Hole has launched a responsible visitation campaign with slogans such as “Post the photo. Trash the location tag”, “Shift gear. Take the bus”, “Take it all in. Leave it as it is”, and “Take care of what takes your breath way”. Mareo is focusing on marketing activities for the low seasons and is leveraging the GSTC certification to educate tourists on the importance of sustainable behaviour.

- 10.42 Events of various types, both cultural and sporting, are funded in all jurisdictions but Iceland. In some cases, the focus of these events is on attracting tourism but, in other cases, the host community is the primary intended beneficiary.
- 10.43 Wider aspects of cultural heritage, such as the operation of museums and conservation of historical monuments, are also funded in the majority of the case studies.
- 10.44 Tourism infrastructure is funded in all jurisdictions, apart from Catalonia. However, this varies hugely in terms of its scale and nature. In Orange County, the focus is on large-scale infrastructure including the Convention Center and a variety of sports stadia. In the other jurisdictions, the scale of developments is generally much smaller, involving the construction of car parks, public toilets and walking or cycling paths; as well as the maintenance of paths, signage, and facilities such as mountain biking or Nordic skiing trails.
- 10.45 Environmental projects or activities are funded in five of the case studies, the exceptions being Orange County and Iceland. However, the nature of these activities varies considerably. The general upkeep of destinations, or “keeping the place beautiful” as it was termed by one interviewee, is funded in all five. The conservation of the natural habitats of flora and fauna are funded in four. Larger scale waste management projects are only funded in the Balearics.
- 10.46 Public transport, with a particular focus on that used by tourists such as shuttle bus services, is funded in Gunnison, Jackson Hole and South Tyrol.

- 10.47 Workforce training is funded in the Balearics, Catalonia and South Tyrol; whilst wider contributions to learning through scientific learning and the funding of universities are made in the Balearics and Gunnison County.
- 10.48 The funding of social housing, to mitigate the impact of tourism development on housing costs, is implemented in both the Balearics and Gunnison County.
- 10.49 We note the huge variety in economic, social, and cultural contexts of the case studies considered in this report. These contexts are crucial in explaining the variety in spending priorities that we have identified. However, the underlying legislation and the nature of funding / spending bodies also has influence on spending priorities.

Conclusion 9: A wide variety of spending is funded by visitor levy revenues. Destination marketing, events, tourism infrastructure and environmental ventures are funded in the vast majority of the case studies considered. Public transportation, social housing, workforce training and scientific research are also funded in more than one destination.

- 10.50 In the case of Orange State, the Florida Statutes specify the range of categories of spending that can be engaged in very narrowly. The funding of convention centres, sports stadia/arenas, auditoria, and zoological parks, and the promotion of tourism are allowed but many of the other activities listed in Table 26, such as environmental projects, are not. To the extent that discretion is available to the County, spending priorities must be specified in a Tourist Development Plan.
- 10.51 At the other end of the spectrum, in South Tyrol and Catalonia, the law is silent with regards to the types of spending that can be funded by the respective tourism taxes. Full discretion over spending priorities is left to the Tourism Agencies which receive the revenues.
- 10.52 In Gunnison and Jackson Hole, the respective State laws of Colorado and Wyoming are reasonably prescriptive with respect to categories of spending. However, in both cases, significant exemptions have been negotiated (and implemented through amendments to the law) for high tourism areas. In the

case of Gunnison, spending on social housing is possible due to an exemption. In the case of Jackson Hole, the tax revenues directed to the County and Town governments for discretionary spending are the result of an exemption.

- 10.53 In the Balearics, the law outlines the broad objectives of the tax regime in promoting a sustainable tourism sector. Responsibility for operationalising this is delegated to the Commission to Promote Sustainable Tourism, which is required to produce an Annual Plan for Sustainable Tourism, which outlines priority areas for support.
- 10.54 In Iceland, the Tourist Site Protection Fund is established in law with the purpose of promoting the development, maintenance and protection of tourist attractions and routes. In practice, this has been interpreted narrowly by Ministers so that, for example, projects primarily relating to the environment are not funded unless the 'environment' constitutes the tourist attraction.

Conclusion 10: In some jurisdictions, the law is highly prescriptive regarding the types of spending that can be financed by visitor levies. In other jurisdictions, the processes by which spending priorities is determined is clearly specified. In yet other jurisdictions, there is much greater discretion over spending allowed to designated bodies.

Evaluation of impact

- 10.55 Formal procedures for evaluating the impact of spending are extremely rare across the case studies considered.
- 10.56 Where funds are allocated via grant-making processes, there are procedures for ensuring that the funds provided are spent appropriately. For example, in the Balearic Islands, grant holders are required to submit progress reports at quarterly intervals, indicating the activities carried out and costs incurred. In Iceland, grant holders are usually required to produce a report with invoices halfway through the project and again at completion.

- 10.57 Similar types of procedures are implemented in Orange County with respect to auditing the spend of funded organisations. There is evidence that funded organisations provide evidence of the impact of previous rounds of spending when making the case for future investments. For example, the Convention Centre’s case for funding Phase 5 makes much of the estimated economic impact of the Centre.
- 10.58 In Catalonia and South Tyrol, the spending of funded organisations is subject to the scrutiny of their own governing bodies. In the case of Catalonia, these include the usual procedures in place for municipal bodies. In the case of South Tyrol, the funded Tourism Associations are not public bodies. However, in the case of the Tourism Cooperative in Mareo, membership is widespread amongst the community and election to the governing body is on a one member one vote basis, ensuring quasi-democratic scrutiny.
- 10.59 In Gunnison, the utilization of funds by the Tourism and Prosperity Partnership is overseen by the three county commissioners, who are elected by public vote, and the TAPP board of directors.
- 10.60 The Jackson Hole Travel and Tourism Board operates under the oversight of a seven-member board, made up of representatives appointed by both the Town and County governments. JHTTB funds grants for community groups to organise events. For this process there are clear criteria laid out, and funding in future years is implicitly conditional on evaluation of the event in previous years against these criteria.

Conclusion 11: In most jurisdictions there are formal procedures for auditing how tourism levy revenues are spent. However, procedures are generally limited to spending. Assessment of the impact of funded projects and activities post spending is rare in practice. The exception is when previously funded projects or organisations are making the case for further rounds of funding, in which case impact assessments of previous rounds are often referenced.

Table 26: Projects and activities funded by type

Case Study	General tourism marketing	Large scale tourist infrastructure	Small scale tourist infrastructure	“ Keeping the place the place beautiful”	Waste management	Natural habitats	Cultural events	Cultural heritage	Sporting events	Public transport	Social housing	Training and employment	Scientific Research	Sustainability certification
Balearics	x	x	✓	✓	✓	✓	✓	✓	x	x	✓	✓	✓	x
Catalonia	✓	x	x	✓	x	x	✓	x	✓	x	x	✓	x	x
Gunnison	✓	x	✓	✓	x	✓	✓	x	✓	✓	✓	x	✓	x
Iceland	x	x	✓	x	x	x	x	x	x	x	x	x	x	x
Jackson Hole	✓	x	✓	✓	x	✓	✓	✓	✓	✓	x	x	x	x
Orange County	✓	✓	x	x	x	x	✓	✓	✓	x	x	x	x	x
South Tyrol	✓	x	✓	✓	x	✓	✓	✓	✓	✓	x	✓	x	✓

Notes: General tourism marketing includes the day-to-day operations of Tourist Offices as well as a variety of marketing campaigns.

Large scale tourist infrastructure includes the construction of convention centres and sports stadia.

Small scale tourist infrastructure includes the construction of car parks, paths, signage and small buildings such as wooden refuges.

“Keeping the place beautiful” is a paraphrase used by an interviewee to encompass small scale activities to enhance the environment such as street cleaning.

Natural habitats includes the conservation of flora and fauna.

Training and employment generally refer to the upskilling of workers in the tourism industry.

11. Recommendations

11.1 The recommendations laid out in this section have emerged as a result of the process of carrying out our research. They arise from the wide evidence base that we have engaged with, both in the literature and in the interviews that we have conducted. As such, there is a clear link between our recommendations and the conclusions drawn in the previous section.

11.2 However, it is worth noting the congruence of our recommendations with previous work carried out by Group NAO (2020). For convenience to the reader, we list their recommendations in Annex C and provide a mapping between our recommendations and theirs.

Hypothecation of visitor levy revenues

11.3 Hypothecation of visitor levy revenues is a widespread practice, both within the case studies considered and in the wider sample of contexts reported in Section 2 of this report.

11.4 Visitor levies are usually justified on one or two grounds. The first is in order to pay for local, public goods specific to the tourism sector, such as tourism infrastructure or destination marketing. The second is in order to pay for the mitigation of external costs associated with tourism activity. Both of these justifications are at the centre of Welsh Government proposals for a visitor levy in Wales. In both cases, there is a direct link between revenues raised and spending requirements, thus justifying the hypothecation of revenues.

11.5 Visitor levies represent a very modest proportion of the overall tax take. As such, the usual arguments against hypothecation (see, for example, Wilkinson 1994 or Bös 2000) are less forceful in this circumstance.

11.6 Hypothecation can aid transparency and accountability (Wilkinson 1994), which can strengthen public support for particular taxes. We found evidence of this across the case studies considered.

Recommendation 1: Visitor levy revenues should be hypothecated to invest in tourism specific public goods such as tourism infrastructure and destination marketing, and to finance the mitigation of external costs relating to tourism.

Funding and spending organisations

- 11.7 We have identified three mechanisms by which visitor levy revenues are disbursed. Funds may be allocated via grant-making processes, allocated to bodies with defined remits, or spent directly by government.
- 11.8 There are a variety of organisations involved in the allocation of visitor levy revenues in the case studies considered in this report. These include various levels of government, government agencies, statutory bodies, advisory groups, associations, co-operatives, and joint ventures.
- 11.9 Direct spending by government is only prevalent in areas where tourism accounts for very high proportions of economic activity. This is uncommon in Wales. Direct spending is difficult to square with hypothecation of revenues. For these reasons, we do not recommend this approach.
- 11.10 Grant-making models, as used in the Balearics and Iceland, have advantages in terms of transparency and accountability, but tend to be centralised and limited in flexibility.
- 11.11 Designated Body models, as used in South Tyrol and Catalonia, can be highly decentralised and flexible in addressing local priorities, but tend to be less transparent in their operations.

Recommendation 2: Further consideration should be given as to whether a “Grant-making” model, a “Designated Body” model, or a hybrid of the two should be employed in Wales. In either case, appropriate organisations should be established to manage the disbursement of visitor levy revenues.

Inclusive decision-making

- 11.12 In the case studies considered in this report, central government, local government and the tourism industry are commonly represented in the decision-making forums of funding and spending organisations. Other sections of civil society, including trades unions, cultural groups and environmental groups are far less commonly represented.

Recommendation 3: Whichever organisations are assigned the responsibility for disbursing visitor revenues in Wales, their decision-making bodies should represent a wide range of interested parties. These should include representatives of government (Welsh Government, local government and/or town and community councils), representatives of tourism businesses and representatives of wider civil society such as trades unions, cultural groups and environmental groups.

Ensuring local accountability

- 11.13 In the case studies considered, we found that revenue allocation occurs at a variety of geographic scales and at various levels of government.
- 11.14 We note that tourism infrastructure (for example, transport networks) can exist at different geographical scales, but in most circumstances is very local. The external costs associated with tourism also tend to be incurred on a very localised level.

Recommendation 4: Prominence should be given to local considerations when determining the allocation of visitor levy revenues. If a “Designated Body” model is followed, then these bodies should be constituted at a level of locality that reflects the incidence of externalities from tourism and the scale of tourism infrastructure. If a “Grant-making” model is followed, then criteria which require local governance should be implemented.

Wide scope of projects and activities funded

- 11.15 The stated objective of the Welsh Government in introducing a visitor levy is to promote the sustainability of the industry and its host communities. We interpret this as a commitment to spend the revenues raised on both funding

tourism-specific public goods and the mitigation of the external costs of tourism. The scope of projects liable to for funding should, therefore, encompass both aspects.

- 11.16 Our research has found that visitor levies in other countries are used to fund a very wide range of activities. The tourism-specific public goods funded include tourism infrastructure and destination marketing. The mitigation of externalities includes the funding of activities aimed at social, cultural and environmental sustainability.
- 11.17 However, in some jurisdictions, we found that the law apriori restricts funding of particular types of activity. We also found examples of such restrictions being exempted or avoided. We conclude that it is better to allow funding or spending organisations the flexibility to determine which kinds of spending are prioritised, so long as those organisations are properly accountable for their decisions (see recommendation 6).

Recommendation 5: Visitor levy revenues should be available to fund both tourism-specific public goods and the mitigation of the external costs of tourism. This should include a wide range of spending categories, including tourism infrastructure, destination marketing and activities aimed at the social, cultural and environmental sustainability of host communities.

Impact assessment

- 11.18 There was clear evidence of the auditing of spending in all the case studies considered in this report. However, we found very limited evidence of impact assessments being carried out on the projects and activities funded by visitor levy revenues. Wales should aim to innovate in this area.

Recommendation 6: Funded projects and activities should have clear objectives in terms of either the sustainability of the tourism industry or the social, cultural or environmental sustainability of host communities. Post-implementation assessments should be carried out to determine whether objectives are met so as to inform future funding decisions.

Transparency and accountability

11.19 We saw some excellent examples of transparency and accountability relating to various aspects of the process of allocating funds. Iceland and the Balearics both provide extensive information on the projects funded by their respective visitor levies on public websites. All meetings of Orange County's Tourist Development Council are recorded and available on publicly accessible websites.

Recommendation 7: The process of allocating the revenues of the visitor levy to spending priorities should be as transparent as possible, to facilitate accountability. Details of projects and activities funded should be published publicly, and meetings where funding decisions are made should be publicly accessible.

Flexibility and adaptivity

11.20 Across the case studies considered, we found a wide variety of structures for allocating visitor levy revenues, different spending priorities, and various systems for evaluating that expenditure. In most cases, these have evolved significantly over time. In each case, the destination has found a system that fits its needs and is accepted by both the tourism businesses and the hosting communities. In both Jackson Hole and Gunnison County the levy is subject to regular referendums and it has been consistently supported. Among all our case studies there are local governing bodies (tourism associations, boards, cooperatives, public agencies) that are responsible for the use of at least part of the funds.

Recommendation 8: Ongoing monitoring and evaluation of the implementation of the Visitor Levy across Wales should be carried out. This should include comparison of governance procedures and outcomes across local authority areas, so as to enable best practice to evolve and develop without hindering adaption to local contexts.

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Annex A – Long-list of Destination for Consideration

Potential destination	Notes and links	Rating* 1-5
Australia - Queensland	No relevant information found	5
Austria – Vienna	“Ortstaxe”, nothing interesting found apart from law and use for tourism services/marketing.	4
Austria – other	Tyrol (“Aufenthaltsabgabe (im Alltag auch Kur-, Orts-, Nächtigungs- oder Gästetaxe genannt) “ has a document that mentions “In Tyrol, the residence tax is used to finance, maintain and operate infrastructural facilities, which not only benefit our guests but also the Tyrolean population and increase the quality of life overall.” Link to Source (Tirol)	2
Belgium – Brussels	No relevant information found.	5
Belgium – other	No relevant information found.	5
Belize	Belize has an accommodation tax. No relevant information for our research. One paper focuses on Belize Link to Source (Science Direct)	5
Bhutan	It is a completely different form of levy in how it is applied, and the destination is not comparable to Wales. The only interesting point to note is the use of the funds: The SDF is collected by the national exchequer and funds are allocated to various projects that create long-term, sustainable opportunities for the Bhutanese people, through free healthcare, education and training, upskilling the tourism and hospitality industry, improved infrastructure, environmental preservation and conservation, cultural preservation programmes and initiatives that support local businesses and economies. The SDF is also a vital means of maintaining the exceptional forest cover and carbon-neutrality for which our small nation is world-renowned and globally critical. The SDF also helps us to ensure that we can continue to offer guests tranquillity and an intimate experience.	5
Bulgaria	Link to Source (Republic of Bulgaria Ministry of Finance) No relevant information found.	5
Croatia	Link to Source (gov.hr) No relevant information found.	5

Czechia – Prague	<p>Prague has an accommodation tax which was increased at the beginning of 2022 and is the only tool with which Czech municipalities can directly compensate for the costs associated with tourism and through which they can participate in its economic benefits. Prague was the first to increase the levy to use funds locally.</p> <p>The aim is to use the funds for sustainable tourism, cultural tourism MICE, and development of public spaces. The levy amounts to CZK 50 (about £1.80).</p> <p>The increase of the levy to raise funds for the municipality is too recent to produce impacts.</p> <p>Link to Source (Prague Convention)</p>	3
Czechia – other	No relevant information found.	5
Estonia	<p>“The introduction of a tourist tax that could be used to cross-subsidise important sustainability projects has not come to fruition for the same reason, leading to tensions between the municipality and the national government.” Link to Source (Eionet)</p>	5
France – Brittany	No relevant information found.	4
France – Basque country	No relevant information found.	4
France – Paris	No relevant information found.	5
France – other	<p>Link to Source (Collectivites-Locales)</p> <p>“The tax is allocated to expenses intended to encourage tourist visits to the municipality or group or to expenses relating to actions to protect and manage natural areas for tourist purposes”.</p>	4
Germany – Berlin	No relevant information found	5
Germany – Hamburg	No relevant information found	5
Germany – other	No relevant information found	5
Gibraltar	<p>Tourist tax since 2022. Specified objective to protect environment.</p> <p>“All revenue from this hotel levy will be paid into the Climate Action Fund and be invested into relevant projects such as promoting sustainable mobility and protecting and preserving our biodiversity”</p>	4

	<p>For Climate Action Fund see the following link. Mostly related to net 0 gibraltar.gov.gi/uploads/environment/20211124-Climate_Change_Strategy_Final.pdf</p> <p>The tax has just been implemented. Too early to study impacts.</p>	
Greece	No relevant information found.	5
Hungary – Budapest	No relevant information found.	5
Hungary – other	No relevant information found.	5
Iceland	<p>Funds ‘Tourist Site Protection Fund’.</p> <p>The Tourist Site Protection Fund was established to promote the development, maintenance and protection of tourist attractions and tourist routs anywhere in Iceland, which are owned or managed by municipalities or privately owned and managed. Capital from the Fund shall also be aimed at ensuring tourist safety and protecting Icelandic nature. In addition, the Funds purpose is to increase the number of tourist sites visited by tourists in order to reduce the pressure on frequently visited tourist sites.The Tourist Site Protection Fund was established to promote the development, maintenance and protection of tourist attractions and tourist routs anywhere in Iceland, which are owned or managed by municipalities or privately owned and managed. Capital from the Fund shall also be aimed at ensuring tourist safety and protecting Icelandic nature. In addition, the Funds purpose is to increase the number of tourist sites visited by tourists in order to reduce the pressure on frequently visited tourist sites. Link to Source (Ferdamalastofa)</p> <p>OECD summary here Link to Source (eimin).</p> <p>Grants listed on the website, but documents need translating. Not clear how much detail there is.</p> <p>New arrivals tax: Link to Source (Schengen Visa Info)</p> <p>Authorities in Iceland are planning to charge tourists who reach the country with a tax, Prime Minister Katrín Jakobsdóttir has confirmed, stressing that the tax will not be high. The new changes come as part of efforts to support climate as well as sustainability goals, SchengenVisaInfo.com reports.</p>	1
Italy	In Italy the visitor levy is applied at municipality level. There is a national framework, which is then delegated at regional (or	2-3

	<p>provincial for autonomous provinces) level, within which municipalities can decide if they want to apply the visitor levy. The report by the Italian Ministry of Tourism (2022) offers an overview of the municipalities (at regional level) which implement the levy Link to Source (Ministero Turismo)</p> <p>Altogether in Italy there are 1,235 municipalities (22% of the total number of eligible municipalities) that are implementing the levy. The municipalities vary in economic, morphological, geographical, demographical, and tourism vocation status.</p> <p>No public reporting on the non-economic impacts of the levy exists, but an attempt could be made to collect primary data.</p>	
Italy – Rome	No relevant information found.	5
Italy – Venice	No relevant information found.	5
Italy – Genoa	<p>URBACT - TOURISM FRIENDLY CITIES programme: Link to Source (Urbact)</p> <p>“An integrated management of tourism was implemented in the last decade by the city, fostering a strong coordination among all the actors involved in the tourism sector who are part of internal coordination bodies responsible for co-managing the use of tourism tax resources”.</p>	3
Latvia	<p>Levied from 1 January 2023 in Riga.</p> <p>“Since 1996 an entry tax is in effect in Jurmala town, where in 2019 it brought in 2.81 mil. euro revenue, money that was further used for tourism facilitation purposes, development of resorts, improving of the public outdoor facilities, environment protection, protection of cultural heritage, as well as for upkeep costs, public order and security service costs. Challenges in introduction of tourism tax in Abava valley (2010) and Carnikava (2011) were caused by shortcomings of public communication with the stakeholder groups, tourist flows, and neglect of the impact on environment.” Link to Source (LLU)</p>	4
Lithuania – Palanga	No relevant information found.	5
Lithuania – Vilnius	<p>Link to Source (OECD) OECD: “In 2018, the City of Vilnius introduced a city tax of EUR 1 per person per night which is levied on all visitors using accommodation services. The tax revenues will be used to fund international marketing activities and improve the</p>	4

	city's infrastructure and quality of life for residents. A similar tax was previously applied in five other towns and resorts.”	
Lithuania – other	URBACT III TOURISM FRIENDLY CITIES INTEGRATED ACTION PLAN – DRUSKININKAI Link to Source (Urbact) “City tax” identified as tool to promote sustainable tourism.	3
Luxembourg	No relevant information found.	5
Malta	Since 2016 an Environmental Contribution on stays at all types of accommodation. The main objective of this Environmental Contribution is to improve quality along the tourism value chain. All revenue generated from this initiative will be directed solely and exclusively to upgrade and embellish the local infrastructure in touristic areas around the Maltese Islands. Link to Source (mta) It amounts to €0.50 per person for each night spent on the Maltese Islands at any type of accommodation. The contribution is capped at a maximum of €5 for each continuous stay. The regulation of the tax sits in amendments of the Eco-Contribution Act. 2016 Amendments 1: Link to Source (Legislation, amendments 1) 2016 Amendments 2: Link to Source (Legislation, amendments 2) 2004 Eco-Contribution Act: Link to Source (cfr) No relevant information on the impacts of the levy, however the tax has been implemented long enough to have produced impacts.	3
Mexico	“Home to some of the world's first "Sustainable Tourism Zones", Quintana Roo province includes the cities of Cancun, Playa Del Carmen, as well as Cozumel and other popular all-inclusive resort and cruise destinations on the Gulf of Mexico. Since April 2021, a tourist tax of \$224 Mexican pesos (US \$10-11) has been collected electronically from visitors arriving by plane or cruise ship. The tourist tax was brought forward by the governor of Quintana Roo and supported by representatives from tourism organizations like the Cancun Hotel Association to bring in additional endowments for social development and biodiversity support to Mexico's diving and snorkelling attraction, the mesoamerican reef” Link to Source (Travel Pulse)	4
Netherlands – Amsterdam	“We will raise the tourist tax to 7%, as one of the measures to achieve a better balance between the advantages and	3-4

	disadvantages of visitors to and recreation in the city. Link to Source (Amsterdam) ”	
Netherlands – other	No relevant information found.	5
New Zealand	‘International Visitor Conservation and Tourism Levy’ launched in 2019. International visitors only (excl Aus, Pacific Islands). Hypothecated to conservation and tourism development projects (chosen by advisory group). Annual performance reports Link to Source (mbie) are available online. WG has contacts.	2-3
Poland	“The issue of a local tourist tax was once again brought up, with Minister Gut-Mostowy declaring that work on its introduction will be resumed this year.” (2020). Link to Source (Polish Tourism Organisation)	5
Portugal – Faro / Algarve	“Government proposes Algarve tourist tax for environmental sustainability” Link to Source (Portugal Resident)	4
Portugal – Lisbon	Introduced 2019. Revenue to be used in projects that impact tourism “in terms of sustainable growth in the long run” (municipality leaflet Link to Source (informacoeseeservicos))	4
Portugal – Porto	“if the revenue is invested to benefit tourism, providing improved quality services, the demand from the tourists whose profile was already identified, will not possibly be affected. Link to Source (web archive)”	4
Portugal – other	No relevant information found.	5
Romania	1% and applies to the total accommodation cost per night. But, accommodations in tourist resorts only pay the tax for the first night. Visitors under 18 years old are exempt from the tax. Also, various municipal tourism taxes. Bucharest: The City Hall charges this tax to finance actions aimed at increasing the number of tourists visiting the city and the number of days they spend here.	4
Slovakia – Bratislava	The basis for this tax is the number of nights spent, but no more than 60 overnight stays by one taxpayer in one calendar year. The tax rate is 1.70 € (until 30 June 2023) and with effect from 1 July 2023 the tax rate is 3.50 € (for the Old Town district) and 3.00 € (for other districts) per natural person and overnight stay in an accommodation facility. No relevant information found.	5

Slovakia – other	The accommodation tax (daň za ubytovanie) is decided by local governments (municipalities) levied at a flat rate per person, per night. Nothing more. No other relevant information found.	5
Slovenia – Bled and Ljubljana	Liubljana: On 1 January 2019, the provisions of the Promotion of Tourism Development Act (ZSRT) shall become in force, which introduces, besides the tourist tax, the charge of promotion tax in the amount of 25 per cent of the tourist tax. Difficult to find information. The promotion tax is a fee, which is intended for planning and implementation of marketing and promotion of the comprehensive offer of Slovenia and it is collected on behalf of and for the account of the Slovenian Tourist Board (STB). Link to Source (Visit Ljubljana)	4
Slovenia – other	Tourist tax + promotion tax. It varies based on location and hotel rating. It is slightly higher in larger cities and tourist areas.	4
Spain – Andalusia / Sevilla	No tax currently implemented	5
Spain – Balearics	“Tax for Sustainable Tourism” Link to Source (caib) Identified as example of best practice in ‘2019 European Capital of Smart Tourism competition’ Link to Source (eurocid) Link to Source (Illes Sostenibles)	2
Spain – Catalonia	Objective of the tax is to cover the expenses of tourism promotion. Barcelona has brought in its own specific city tax directed more towards the impacts of tourism. Link to Source (atc)	2-3
Switzerland – Graubünden	Nothing relevant found. Only reference to the rate/amount of tax for municipality.	5
Switzerland – Ticino	The tourist tax is intended exclusively for financing tourist infrastructure, tourist assistance, information and entertainment. The amount of the tourist tax, differentiated according to the accommodation categories, is a minimum of 0.50 francs and a maximum of 4.50 francs per overnight stay. Link to the law Link to Source (ti) . The tourist tax is used for tourism scopes only. Nothing mentioned on sustainable tourism or wider impacts. NO reporting found.	4

Switzerland – other	No relevant information found.	5
Thailand	Tourist tax since 2022. Funds Tourism Transformation Fund.	5
USA – California	<p>The hotel tax, also known as the transient occupancy tax (TOT), is a tax imposed on guests who stay at hotels, motels, and other lodging establishments in California. The TOT is collected by the lodging establishment and then remitted to the local government. In California, the TOT rate varies by locality, but it typically ranges from 8% to 15.5% of the room rate.</p> <p>The TOT generates significant revenue for local governments in California. According to the California State Board of Equalization, the TOT generated over \$2.7 billion in revenue for local governments in the state in 2022.</p> <p>The revenue generated by the TOT is used to fund a variety of local government services, including public safety, infrastructure, and tourism promotion. In many cases, the revenue is also used to fund the operations of the local tourism bureau.</p> <p>The distribution of the TOT revenue varies by locality. In some cases, the revenue is split between the local government and the tourism bureau. In other cases, the revenue is used solely to fund government services. Link to Source (hotel chantelle).</p> <p>California State Board of Equalization has a report but is not relevant Link to Source (boe)</p>	4
USA – Colorado	<p>Since 2002, voters in 29 Colorado counties have approved a lodging tax for tourism marketing. The new legislation (since April 2022) allows counties and local marketing districts to spend as much as 90% of lodging taxes previously collected for tourism on affordable housing, child care for local workers and “enhancing visitors experiences,” which includes investment in recreational infrastructure such as trails. Link to Source (colorado sun)</p>	2-3
USA – Florida Orange County	<p>Orange County’s Tourist Development Tax (TDT) – sometimes called the “bed tax” – is revenue generated by a 6-percent tax on hotel stays and other short-term rentals that are less than six months in duration. TDT collections were enacted in 1978. Link to Source (ocfl, citizen advisory task force).</p> <p>In July 2023, the Board of County Commissioners voted to accept the report from the TDT Citizens Advisory Task Force.</p>	2-3

	<p>The report specifically mentions “The Task Force recommends that the county update its criteria for assessing TDT project funding to better evaluate the project’s contribution to community and workforce needs and jobs.” Link to Source (ocfl, final report)</p> <p>Page 15 of the report, includes an interesting table on the current criteria used to evaluate applications. Nothing is reported on the evaluation of the projects once implemented.</p>	
USA – Philadelphia	<p>8.5% city hotel tax Link to Source (phila).</p> <p>Also, The Philadelphia Hospitality Investment Levy Link to Source (phl investment levy) (PHiL) was passed by City Council in September 2017 in order to increase overnight guest visits to the City of Philadelphia. The assessment rate is 0.75% of gross short-term guest sleeping room rental revenue and the collected funds are used to bring new business to the City of Philadelphia.</p> <p>Also, state 6% PA Hotel Occupancy Tax Link to Source (revenue)</p>	3
USA – Texas	No relevant information found.	5
USA – Jackson Hole	<p>In the State of Wyoming, a 5% lodging tax is collected on overnight stays at hotels, motels, RV parks, campgrounds, guest ranches, rental properties, and other lodging facilities around the state. 3% is remitted to the state and used to fund the Wyoming Office of Tourism and the Wyoming Tourism Board. The remaining 2% stays in Teton County, with 60% of these funds managed by the JHTTB (Jackson Hole Travel and Tourism Board) for destination marketing, tourist education, events, and other tourism-related initiatives as outlined in the Wyoming Statutes. The balance (40%) is managed by the Town of Jackson and Teton County, primarily to mitigate the impacts of tourism on infrastructure and services.</p> <p>Good account/reporting of the use of the taxes received by Jackson Hole.</p> <p>Link to Source (visit jackson hole, annual report)</p> <p>Link to Source (visit jackson hole, data and reports)</p>	1

* 1 = Worthy of close consideration; 5 = Not worthy of any further consideration

Annex B – Systematic Scoping Review

Key for Theme: **1** = Modelling on the effect of the tourist levy on arrivals and overnight stays **2**= Willingness to pay by visitors **3**= Economic impact in terms of funds raised, or potential funds to be raised **4**= Hypothetical introduction of the levy, rather than actual analysis of what happened once the levy was introduced

Title of Paper/Report	Theme	Destination in focus	Year Published	Author	Key information/quotes	Models used
A fiscalidade na promoção de um turismo sustentável: O caso do Parque Natural da Serra da Estrela	2, 3	Serra da Estrela Natural Park	2018	Ana Isabel Santos Silva	(Translated to English) Currently, there is an increase in the relevance of research on the impacts of taxation on sustainable tourism, specifically, in the identification and characterization of tourists who are willing to pay more for sustainable destinations. With this purpose we develop an empirical study in the Serra da Estrela Natural Park (PNSE), taking into account its tourist relevance and contribution to the regional development of	

					<p>the interior. In this area, we find out which PNSE tourist profile and non-resident tourists are willing to pay an additional tax (PPIA) for the sustainability of PNSE. The results obtained allow us to clarify the implications of PPIA in the definition of fiscal policy in the tourism sector, as well as interference in decision-making in economic and political dynamics. The evidence of the results contributes to the scarce existing literature on the analysis of the behaviour of tourists and their concerns with sustainability issues.</p>	
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<p>An initial assessment of the implementation of the Catalonia tourist tax</p>	<p>3, 4</p>	<p>Catalonia</p>	<p>2018</p>	<p>Jaume Font Garolera, Mercè Colom Oliva, Daniel Imbert-Bouchard Ribera</p>	<p>In this article a territorial and thematic balance related to the implementation of the rate in Catalonia and called the "Impost sobre les Estades en Establiments Turistics (IEET)" is undertaken. The article reviews the opportunity of creating this type of taxes, applicable in many global tourist destinations as well as the distribution criteria are also analyzed, considering the fund for Tourism called the "Fons de Foment Turistic (FFT)"; the detailed analysis of the collection is made taking into consideration the nine tourist landmarks used by the Catalan Agency of Tourism (ACT).</p> <p>© Clarivate</p>	
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<p>Alternative Revenue Generation in Ontario Municipalities: The Utilization of Municipal Accommodation Tax (MAT)</p>	<p>3</p>	<p>Ontario</p>	<p>2021</p>	<p>Watts, Hayley</p>	<p>This paper examines municipalities in Ontario that have imposed an accommodation tax and the utilization of the funds generated. The research question being examined is what Ontario municipalities are doing with the Municipal Accommodation Tax (MAT) revenue that they have discretion over. This paper uses an inductive research strategy involving observation through various publicly available content, such as by-laws, staff reports, budget documents and meeting minutes to determine what municipalities are doing with the revenue from the MAT. The analysis reveals most municipalities in Ontario are</p>	
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					<p>allocating all, or at least part, of the revenue that they have discretion over to tourism initiatives.</p> <p>© Western University</p>	
Analysing the effect of taxation on consumer behaviour in the tourism industry	3	Maldives	2020	Festus Fatai Adedoyin	<p>This research explores the impact of tourism taxes on tourist behaviour. impact of tourism taxes on household decision to spend on domestic tourism is different across regions within the EU. Additionally, specific socio-demographic features of the household moderate the impact of tourism taxes. full sample and disaggregated into different EU macro-regions. Argues that tourism tax negatively affects international tourist arrivals. Island destinations should reduce</p>	key conditional variables based on the Heckman model,

					<p>overreliance on markets with homogenous features. when households are classified into certain sociodemographic groups, higher tourism tax leads to lower domestic tourism spending.</p> <p>© Authors</p>	
A aplicabilidade duma ecotaxa em Porto Santo	3, 4	Porto Santo	2008	Ana Rita Azevedo Rocha	<p>(Translated to English) These islands are presented as very special cases of examples of tourist destinations in which their natural resources do not always allow for much diversification at an economic level, leading to an emphasis on tourism, as is the case in Porto Santo. With a population to abandon the island, in its majority due to lack of professional and economic alternatives, this small oasis in</p>	

					<p>the middle of the Atlantic belonging to the Autonomous Region of Madeira, fights for its place of destination “Sol & Mar” par excellence, more tempted, A priori, diversify, through other bets that will be pointed out in chapter 3. It will also be revealed to the importance and role of tourism in the “golden island” and measure how soon the implementation of this ecotax would be very popular among its visitors, and confirm its importance for the protection of the unique environment. Now that the behavior of tourists and the general population is changing and the word sustainability and ecology is becoming increasingly important, this work aims to analyze and present results</p>	
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					<p>regarding an innovative alternative to protect the environment today. ilha: eventual application of ecotaxa.</p> <p>© Author</p>	
World: Sound Tax Policies Boost Tourism and Economic Growth (APEC)	4	five APEC economies- Chile, Indonesia, Korea, Peru and the Philippines	2015	Thai News Service Group	The increased government revenue collected from the tax is then used to re-invest in the tourism sector through conservation of tourism cultural sites, construction of basic infrastructure or skills training of tourism workers, this	Using economic modelling to assess the effects of tax rises or cuts on five APEC economies-Chile, Indonesia, Korea, Peru and the

					<p>contributes to the long-term growth of the tourism industry, added Canizal. Changes in taxation can have different impacts on the travel and tourism sector. Large, sudden increases in taxation can cause a sharp downturn in demand. Conversely, a generous cut in taxation can draw more visitors to an economy. These indicate the importance of the size of the change in tax rate in projecting its impact.</p> <p>© Thai News Service Group</p>	<p>Philippines-the study discovered that tax increases will cause visitor demand to fall and eventually will negatively impact GDP and employment. For example, according to the study, a 1% increase in tax leads to an average loss of USD 56.7 million to GDP and an average of 4,030 less jobs in the tourism sector per economy.</p>
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Democrats' tourism plan: [1 Edition]	4, 3	Australia	2001	Paine, Michelle	<p>Help boost tourism includes: *</p> <p>A plan for increasing funding to \$100 million over four years to boost the promotion of Australia internationally. *</p> <p>A plan to lift funding and relax criteria for the Export Market Development Grants Scheme for tourism operators. *</p> <p>An immediate \$20 million to promote Australian tourism internationally and domestically. *</p> <p>A call for a Senate inquiry into tourism taxation measures.</p> <p>© Author</p>	
Call for drop in tourism taxation: Lower VAT for a safer future, say hoteliers	3	Torbay	2009	Price, Glenn	<p>TORBAY hoteliers are calling on the Government to save jobs and help businesses by reducing taxation for the tourism industry.</p>	

					© Scottish Government	
Calls grow for tourism taxation	3, 4	New Zealand	2016	Cropp, Amanda	A bed tax and increased border levies are proposed to help raise \$130 million for tourism infrastructure. A report released today calls for a 2 per cent national levy on all accommodation including campervans and Airbnb, and a \$5 increase in the border levy (currently \$20) © The Press; Christchurch, New Zealand	
Can a tourist levy protect national park resources and compensate for wildlife crop damage? An empirical investigation	3, 4	Yala national park in Sri Lanka.	2022	Kanesh Suresh / Clevo Wilson/ Annette Quayle / Shunsuke Managi / Uttam Khanal	The nature-based tourism sector has experienced significant growth and is often promoted as a mechanism for conservation. The geographical boundaries of national parks are often adjacent to farming land which	

					<p>leads to animal-farmer conflict over wildlife crop damage. This leads to unresolved conflict in many countries where there is little or no compensation to farmers. This study investigates how and in what circumstances foreign tourist contributions can be utilized to protect and foster national park-based resources and compensate for wildlife (mainly elephant) related crop damage. We find that tourists are willing to pay significantly more for nature conservation, especially elephant conservation, in the form of an embarkation tax.</p> <p>© Authors</p>	
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<p>CAPITAL INVESTMENTS, TOURIST TAX AND TOURISM DEVELOPMENT: THE CASE STUDY OF ARMENIA</p>	<p>1, 2, 4</p>	<p>Armenia</p>	<p>2021</p>	<p>Tovmasyan, G.</p>	<p>Tourism receives money from people and places, but it gives back very little. In this case many countries apply tourist tax, which tourists pay while staying at hotels. The collected money is used for financing tourism development projects. money from it is offered to be spent on different programs for tourism development: tourism marketing, branding, investments in tourism infrastructures, etc. tourists who think that applying tourist tax in Armenian hotels is a good step for raising money for this sector development, will continue to stay at hotels if the tourist tax at the rates of 1-3% is applied.</p> <p>©Author</p>	<p>The regression model was created which shows that tourism contribution to GDP will be changed depending on capital investments in tourism, government spending on tourism, international arrivals and receipts from international arrivals.</p>
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<p>Floating hotels' at centre of furore over Dollars 20 passenger levy: Caribbean hoteliers are angry that shore-based tourism carries an unfair tax burden, while cruise ships gain much but contribute little: [LONDON 1ST EDITION]</p>	<p>3, 4</p>	<p>Caribbean</p>	<p>2003</p>	<p>Canute, James</p>	<p>A standard Dollars 20 tax would significantly increase revenues for most of the countries, say tourism administrators. Governments and tourism interests say that a part of the levy would go to a fund for sustainable tourism development. © Author</p>	
<p>Case study 3: "Overtourism" on Scotland's north coast 500? Issues and potential solutions</p>	<p>3, 4</p>	<p>Scotland</p>	<p>2020</p>	<p>Ruck, Andy</p>	<p>This chapter explores the phenomenon of "overtourism" in relation to the North Coast 500 (NC500) - a popular "road trip" route around Scotland's Northern Highlands. three available solutions have the potential to at least partly offset these impacts: (limited) government funding, car</p>	

					<p>parking charges, and a Transient Visitor Levy (TVL), Thirdly, however, the terrain through which the NC500 passes places limitations on the potential effectiveness of car parking charges and a TVL as solutions, such that promoting alternative destinations or types of tourism may act as alternatives.</p> <p>© Author</p>	
<p>COMBINING NON-MARKET VALUATION AND INPUT – OUTPUT ANALYSIS FOR COMMUNITY TOURISM PLANNING: OPEN SPACE AND WATER QUALITY VALUES IN COLORADO, USA</p>	<p>2, 3 and 4</p>	<p>Colorado</p>	<p>2010</p>	<p>Sarah Cline / Andrew Seidl</p>	<p>Contingent behavior and trip expenditure information are used in conjunction with IMPLAN input–output software to simulate the likely regional economic effects of changes in local environmental attributes. Visitor surveys reveal sensitivity to the amount of ranch open space and local</p>	

					<p>water quality resulting in discernable regional economic effects should these valuable dimensions of the local environment change. The likely total, direct, indirect, and induced effects and implications on local residents and tourists of a sales tax, mill levy, and hotel occupancy ('bed') tax to preserve ranch open space and maintain local water quality are simulated. The losses offset from maintaining environmental quality are found to significantly outweigh the regional impacts of any of the tax policies. © 2010 The International Input–Output Association.</p> <p>© Authors</p>	
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Common-Pool Resources, Ecotourism and Sustainable Development	3		2017	Huang, Deng-Shing; Huang, Yo-Yi.	<p>This paper establishes an ecotourism model to analyze the role of local residents and government in achieving sustainable development. By incorporating into the model the properties of common-pool resources to which the tourism activities are linked, we prove that ecotourism does not guarantee sustainable development for a rural area unless it is accompanied by suitable policies of reducing firm numbers and/or the levying of a tourist tax.</p> <p>©2022 National Taipei University Department of Economics</p>	
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Complex tourism dynamics and fiscal sustainability	1, 3, and 4	Not specified	2021	Sedai, Akash;/Medda, Francesca	<p>Tourist arrivals in large numbers inflict costs attributable to congestion and pollution onto host cities. Internalising these externalities is the main economic argument for a tourism levy. The capped arrival permit model of tourism levy outperforms the tax model by leveraging tax elasticities of tourism demand in cities. We show that the aggregate income of cities that adopt the system can be improved at a given total cost, or the total cost can be reduced while maintaining a given level of income.</p> <p>© University College London</p>	Under the umbrella of Complex Systems analysis, we simulate an Agent Based two-city tourism market model (ABM) to demonstrate how negative externalities can be cut without compromising aggregate income from the tourism industry.
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Comparative Analysis of the Tax Systems Faced by the Visitor Economies in Selected Countries	3	Wales	2022	Ap Gwilym, Rhys; Closs-Davies, Sara; Jones, Edward; Rogers, Helen	<p>This research compares tax systems facing the visitor economy in Wales and elsewhere. The report provides important information relevant to the consultation on a Visitor Levy. The intention of this report is to provide objective evidence on the existing tax systems in Wales and other similar tourist economies that may help to inform any interested parties, including those who wish to provide input into the consultation process.</p> <p>© Crown Copyright</p>	
Dedicated Tourism Taxation: [CITY EDITION]	3 and 4	Ireland	1997	Irish Times	Sir, - If your readers ever get an uncontrollable urge to be mischievous, but, being grown up, want to retain their dignity	

					and composure, can I suggest going into the Department of Finance and whispering the words "dedicated taxation". © Irish Times	
Do tourist companies support a greater direct tax burden? The case of Spain	3	Spain	2022	Ángela Pilar Granados Bernal, Pedro Atienza Montero & Luis Ángel Hierro Recio	Addresses an issue which has thus far remained almost unexplored; the direct taxation of tourism through the corporate tax borne by companies in the sector. The proposed objectives are twofold: first, to verify whether direct taxation leads to an additional tax on the tourism sector, which compensates for the lower collection due to the application of reduced rates in indirect taxation; and second, to ascertain whether there are differences between the	

					different subsectors of the tourism sector in this regard.	
Use of Local Hotel Occupancy Tax Revenues	2, 3, 4	Texas	Not Specified	Austin Texas .gov	<p>First, every expenditure must DIRECTLY enhance and promote tourism AND the convention and hotel industry. Under the Tax Code, every event, program, or facility funded with hotel occupancy tax revenues must be likely to do two things: 1) directly promote tourism; and 2) directly promote the convention and hotel industry.³ “Tourism” is defined under Texas law as guiding or managing individuals who are traveling to a different, city, county, state, or country.⁴ Studies the levy when used in conjunction with business events/conventions.</p> <p>© Austin Texas.gov</p>	

Dynamics in a environmental model with tourism taxation	3		2012	Russu, Paolo	<p>Analyze the dynamics of a model describing the interaction between tourists (T) and environmental resource (E) in the presence or absence of a tourist tax β, used to protect the environmental resource. The model highlights how the introduction of tourist tax complicates the dynamics of the system.</p> <p>© MPRA</p>	
Economic effects of tourism tax changes in Australia: empirical evidence from a computable general equilibrium model	3	Australia	2012	Ranjith Ihalanayake	<p>Analyses the economic effects of tourism tax changes in Australia. To this end, a tourism tax model (TTM), a computable general equilibrium (CGE) model of the Australian economy, is developed explicitly incorporating two tourism sectors. model is used to carry out simulations of</p>	

					<p>abolishing tourism taxes which are financed by an increase in the GST (goods and services tax). The simulation results suggest that the tourism sector expands as a result of tax abolition, while the other sectors contract. The increase in the GST, on the other hand, leads to an increase in commodity prices and thus the economy suffers, as reflected in a reduction in GDP.</p> <p>© Author</p>	
Economic instruments and marine litter control	3, 4		2014	Oosterhuis, Frans; Papyrakis, Elissaios; Boteler, Benjamin	<p>This paper provides a comprehensive up-to-date review of the literature on the economic instruments that can reduce marine litter. In coastal areas, waste collection and treatment can be further supported by the collection of</p>	

					<p>tourist taxes, although there is a high risk that these funds might be used for other purposes. N.B. Section 3.1.3 of the paper includes a helpful summary discussing whether tourism taxes impact the reduction of marine litter.</p> <p>© Elsevier</p>	
ECONOMICS OF TOURISM TAXATION	3	Mauritius	2005	Nishaal Gooroochurn M. Thea Sinclair	<p>Discusses the types, objectives, principles, and effects of tourism taxation. Taxing products rather than tourists affects income distribution via changes in factor markets and domestic consumption, and corrects for the distortion caused by monopoly power. A computable general equilibrium analysis for Mauritius finds that taxing tourism is relatively</p>	

					<p>more efficient and equitable than levying other sectors. It also finds that a narrow policy, taxing the highly tourism-intensive sectors, extracts significantly more revenue from tourists than a broader policy where all tourism-related sectors are taxed.</p> <p>© Nottingham University</p>	
Edinburgh Transient Visitor Levy	1, 3, 4	Edinburgh	2018	The City of Edinburgh Council	<p>This paper relates to the Council Commitment to progress the Edinburgh Transient Visitor Levy (TVL). This paper outlines some of the findings from comprehensive desk-based research into an Edinburgh Transient Visitor Levy and notes further activities related to the Edinburgh TVL. This paper contains both</p>	

					<p>information about the Edinburgh accommodation sector and examples of a similar TVL in other cities.</p> <p>© City of Edinburgh Council</p>	
<p>Empirical Evidence on the Economic Impacts of Hotel Taxes</p>	1, 3	US	2021	Swenson, Charles	<p>Tourist taxes are an important source of revenue for many governments. In the United States, all states impose them in the form of hotel/motel occupancy taxes, yet there is little ex post evidence as to whether such taxes affect occupancy rates. This study uses a precise establishment-level data source to examine California's varying rates by city, enabling powerful tests. The author finds that such taxes have negligible impacts on hotel sales and</p>	

					<p>employment. On the other hand, hotels/motels operating in higher tax-rate cities tended to have more financial stress in terms of lower Dun and Bradstreet credit ratings.</p> <p>© Authors</p>	
<p>Enhancing outdoor recreation and biodiversity through payments for ecosystem services: emerging potentials from selected Natura 2000 sites in Italy</p>	2, 3, 4	Italy	2020	<p>Uta Schirpke/ Rocco Scolozzi/Riccardo Da Re/Mauro Masiero/ Davide Pellegrino/ Davide Marino</p>	<p>This study highlights how economic agreements, such as payments for ecosystem services (PES) schemes, may support funding of Natura 2000 sites for biodiversity conservation by valorising the benefits of recreational ecosystem services; however, further research is needed to evaluate the effectiveness of PES in the long term. The PES schemes included small payments (€1) via mobile phone by visitors, contributions</p>	

					<p>from regional government and tourism businesses, and visitor fees or tourist taxes among others.</p> <p>© Springer</p>	
EU - Specific taxes for tourism	1, 3		2017	No Author	There are a few taxes either solely or primarily focused on the tourism sector.	
Evolución y fiscalidad del turismo sostenible de las Islas Baleares	1, 2, 3	Balearic Islands	2022	María Luisa Berastain Caballero ¹	The taxation of tourism in the territory of the Balearic Islands has evolved over time to adapt to emerging needs, and can become a useful tool for environmental protection.	

<p>Exploring motivations behind the introduction of tourist accommodation taxes: The case of the Marche region in Italy</p>	<p>1, 2, 3</p>	<p>Italy</p>	<p>2022</p>	<p>Vincenzo Alfano/Elina De Simone/Marcella D'Uva / Giuseppe Lucio Gaeta</p>	<p>Although widely applied, the accommodation tax is not unanimously adopted, which makes it particularly interesting to investigate what encourages municipalities to rely on it. By using random effects panel logit and probit regression models on a set of Italian municipalities, this paper contributes to the scant literature that explores the issue and shows differences from similar studies. Specifically, our findings suggest that the probability of introducing a tourist accommodation tax is related to the size and fiscal conditions of the municipality, occupancy of tourist accommodation establishments, and electoral disproportionality. The paper</p>	
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					<p>suggests to consider the accommodation tax as a strategic tool in competition among tourist destinations.</p> <p>© Authors</p>	
<p>Fairer and more intelligent tax policies in travel & tourism: a policies for growth white paper</p>	3, 4	Generic	2018	World Travel and Tourism Council	<p>The World Travel & Tourism Council (WTTC) has developed a set of five Principles for Intelligent Taxation. If taxes follow these Principles, they are more likely to result in both increased revenues for governments and strong, competitive economies locally, nationally, and globally. Includes case studies.</p> <p>© WTTC CC BY licence</p>	

Financing sustainable tourism in Mexico through hotel room tax.	1, 2, 3 and 4	Mexico	2020	Sour, Laura	<p>Evidence shows that tourism is a dynamic industry in Mexico. However, it can be detrimental to the environment and to public spaces (Dogan et al., 2017). Hotel room tax (HRT), a tax resting within the fiscal powers of Mexico's states governments, may be an option to levy the revenue required to successfully address this challenge, without taxing hotel providers, nor the population. This recommendation is based on the results of an estimate of feasible generalized least squares using a panel database for 2004-2015.</p> <p>© Author</p>	
Financial support for landscape	2, 3	Southern Black	2015	Liesen, Von Jorg; Coch, Thomas	The local community Munstertal of the Southern	

<p>preservation from the visitor's tax – experiences from the tourist destination münstertal- staufen (Southern black forest nature park)</p>		<p>Forest Nature Park</p>			<p>Black Forest Nature Park provides an example of direct funding of landscape management measures in order to protect the rural countryside. Over the last 15 years the management measures have been partially financed by the visitor's tax, e.g. with the so-called "goat premium" paid to goat farmers. The transparent information about the use of the visitor's tax is a crucial part of the touristic marketing of these measures and has met positive responses from tourists. The paper discusses the cooperative management by various stakeholders.</p> <p>© Elsevier</p>	
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<p>Fiscal DevoNation: the blueprint for how to devolve tax to the regions of England</p>	<p>3, 4</p>	<p>England</p>	<p>2023</p>	<p>The Northern PowerHouse Partnership, EY</p>	<p>Our new report, supported by EY, outlines a blueprint for mayors and council leaders to retain more local cash as part of a new era for English devolution. The report sets out five recommendations for realigning the power balance between central and local government, one of which is to introduce a tourism tax on hotel stays to support culture, protect the environment and improve visitor experience – this could raise £5.5m a year for the Lake District alone. Section on tourism and visitor taxes pp. 15-17</p> <p>© Northern Powerhouse Partnership</p>	
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Give portion of tax to workers: [1 Edition]	3	Fiji	2006	The Fiji Times	<p>A PORTION of a new tax on hotel turnover should be given to workers, says Senator Felix Anthony. Mr Anthony said the Government already charged 12.5 per cent tax and the new measure would increase tourism taxation to 15.5 per cent. He said if a portion of the tax on turnover was given to workers, it would be an added incentive.</p> <p>© The Fiji Times</p>	
FAIRER AND MORE INTELLIGENT TAX POLICIES IN TRAVEL & TOURISM	1, 2, 3, 4			World Travel and Tourism Council	<p>Poorly conceived and implemented taxation can cause Travel & Tourism demand to fall sharply, resulting in job losses and a worsening economy. Intelligent taxation, however, is a useful tool for generating revenue and stimulating economic activity.</p>	

					<p>By 'intelligent' taxation, we mean that governments should recognise the link between Travel & Tourism's economic growth and jobs and the contribution to the country's growth. This will result in tax policies that promote the expansion of the travel market and its tax base, rather than ones that simply increase tax rates and create a negative influence on demand. This approach often requires a long-term perspective.</p> <p>© World Travel and Tourism Council</p>	
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<p>How Pro-Poor and Income Equitable Are Tourism Taxation Policies in a Developing Country? Evidence from a Computable General Equilibrium Model</p>	<p>3</p>	<p>Indonesia</p>	<p>2017</p>	<p>Mahadevan, Renuka; Amir, Hidayat; Nugroho, Anda</p>	<p>This article highlights the impacts on poverty, income inequality, and the macroeconomic and sectoral output resulting from increases in the value-added tax and sales tax on hotels and restaurants using Indonesia as a case study. While taxing tourism-related sectors was ineffective in reducing poverty and income inequality, using tax revenue from the value-added tax as a cash transfer policy was effective and more so in rural Indonesia. Tax revenue used for infrastructural development was however limited in its impact on poverty and income distribution.</p> <p>© Authors</p>	
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<p>How Hawaii's State Government Shares Transient Accommodation Tax Revenues With Its Local Governments</p>	<p>3</p>	<p>Hawaii</p>	<p>2016</p>	<p>Mak, James</p>	<p>Many states in the U.S. give unrestricted financial support to their local governments. The reasons some state governments provide aid and others do not, and why a particular mode of revenue sharing is adopted remain unclear. This paper examines Hawaii's recent effort at developing a model to allocate the state's transient accommodation tax revenues between the State and the county governments. The paper documents the process and explains the rationale behind the model.</p> <p>© University of Hawaii</p>	
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IMPOSTA DI SOGGIORNO E FLUSSI TURISTICI ANALISI 2019-2021	3, 4	Italy	2019-2021	Ministero Del Turismo	(Translated to English) Although the criteria that identify eligibility for the tourist tax are well defined ⁷ , it is nevertheless complex to draw up a list, currently not available at central administration level, of the Municipalities that actually fall into this subset. One of the main difficulties is presented in the Bank of Italy publication ⁸ which underlines how "there is a marked territorial heterogeneity in the matter of lists of 'municipalities with a predominantly tourist economy or cities of art', with an overlap between the regulation of the trade and tourism and a wide regulatory stratification which have sometimes made the precise reconstruction of information	
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					<p>difficult". In order to present an analysis of the phenomenon that is as consistent as possible with the information already available, it was therefore decided to use the aforementioned Bank of Italy report as an authoritative source regarding the number of eligible Municipalities, although it is necessary to remember that such data they refer to the year 2015. Compared to the almost 8 thousand Municipalities present on the national territory in 2021, just under 6 thousand were identified as eligible Municipalities in 2015.</p> <p>© Ministero Del Turismo</p>	
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<p>International Visitor Conservation and Tourism Levy (IVL) – Annual Performance Report 2021/22</p>	<p>3, 4</p>	<p>New Zealand</p>	<p>2023</p>	<p>Ministry of Business, Innovation & Employment, New Zealand Government Hikina Whakatutuki – Lifting to make successful</p>	<p>The International Visitor Conservation and Tourism Levy (IVL) ensures tourism continues to benefit communities, visitors, and the environment, helping to create productive, sustainable, and inclusive tourism growth that enriches New Zealanders’ lives.</p> <p>From 1 July 2019, most international visitors to New Zealand are charged the International Visitor Conservation and Tourism Levy (IVL) of \$35. The IVL is invested in projects that will help to create productive, sustainable and inclusive tourism growth that protects and supports our environment. This site highlights projects funded by the IVL and includes</p>	
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					IVL annual performance reports. © Ministry of Business, Innovation and Employment	
Intervention analysis with cointegrated time series: the case of the Hawaii hotel room tax	1, 3	Hawaii	1996	Carl.S. Bonham and Byron Gangnes	Previous studies of room tax impacts have relied on ex ante estimates of demand and supply elasticities. In this study, we analyse the effect on hotel revenues of the Hawaii room tax using time series intervention analysis. We specify a time series model of revenue behaviour that captures the long-run cointegrating relationships among revenues and important income and relative price	

					variables, as well as other short-run dynamic influences. We estimate the effect on Hawaii hotel room revenues of the 5% Hawaii hotel room tax introduced in January 1987. We and no evidence of statistically significant tax impacts. © 1996 Routledge	
Investigating acceptance of marine tourism levies, to cover the opportunity costs of conservation for coastal communities	2, 3, 4	Blue economy	2022	Booth, Hollie; Mourato, Susana; Milner-Gulland, E.J.	Marine tourism is promoted as a substitute economic activity to unsustainable fishing, which is compatible with conservation. However, benefits of marine tourism do not typically accrue in small-scale fisheries (SSFs), which often bear the costs of conservation; they accrue to tourists and tourist-focussed businesses. We explored how marine tourism levies could operationalise the beneficiary-	

					pays principle and address these cost-benefit inequities using an online contingent valuation (CV) survey to measure international tourists' willingness-to-pay (WTP) towards community-based shark conservation (N = 1033). © The Authors CC BY	
La fiscalidad como estímulo para la sostenibilidad en destinos turísticos maduros	2, 3, 4	Andalusia, Spain	2022	Juan Ignacio Pulido-Fernández/ José Luis Durán Román/ Pablo Juan Cárdenas-García/ Isabel Carrillo-Hidalgo	(Translated to English) The objective of this work is to improve the understanding of demand in mature tourist destinations by grouping tourists into homogeneous segments or subsets, identifying for each of these segments which sociodemographic variables and trip characteristics explain their willingness to pay, both by a more sustainable destination as well as an improvement in	

					<p>the tourist experience at the destination. The study is carried out in Andalusia: a mature, mass and unsustainable destination. To achieve the proposed objective, 1,068 surveys have been carried out at the main exit points of the Andalusian region and the two-stage cluster technique has been used, identifying for each segment which variables explain its WTP. Five clusters have been identified, with the variables type of companion, duration of stay, origin and daily budget being those that have the greatest discriminating power in the formation of said clusters.</p> <p>© Authors</p>	
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Residents' Perceptions Regarding the Implementation of a Tourist Tax at a UNESCO World Heritage Site: A Cluster Analysis of Santiago de Compostela (Spain)	3, 4	Santiago de Compostela (Spain)	2022	Jakson Renner Rodrigues Soares/ Paula Remoaldo /André Riani Costa Perinotto /Larissa Paola Macedo Castro Gabriel /María Elvira Lezcano-González /María-Dolores Sánchez-Fernández	<p>The research presented in this article assesses the perception of the residents of the municipality of Santiago de Compostela (Spain) regarding the implementation of a tourist tax. The study is based on 588 residents' responses to a survey conducted through a questionnaire prepared by the authors. Owing to the exponential increase in the number of visitor arrivals to the city, the implementation of a tourist tax could be one of the strategies deployed to improve the tourist experience. It may also allow for a less negative interaction between residents and tourists.</p> <p>© Authors</p>	
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Local authorities, funding tourism services and tourist taxes	3, 4	UK	2010	Steve Burns	<p>In the light of constraints on local authority funding, this paper seeks to understand the demands on local authorities funding tourism, and their views pertaining to local tourism taxes.</p> <p>© LEPU, South Bank Univeristy</p>	
Local Hotel Occupancy Tax Overview	1, 3	Texas		Glenn Hegar	<p>The variety of lodging options available in Texas is as diverse as the Lone Star State itself, ranging from traditional hotels and motels to trendy treehouses and tiny houses. But no matter the differences in these accommodations, they all have one thing in common: they are all subject to Texas' State Hotel Occupancy Tax.</p>	

Local Visitor Levy	3, 4	Generic	2023	Scottish Government	<p>We are proposing to give councils powers to introduce a visitor levy, sometimes known as a 'tourism tax'. This will generate funds to invest in local facilities and services, helping to attract more visitors. The page contains links to several impact assessments including:</p> <ul style="list-style-type: none"> • Business and regulatory IA • Child rights and wellbeing IA • Data protection IA • Equality IA • Fairer Scotland duty summary • Island communities IA <p>© Crown Copyright</p>	
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<p>Managing overtourism through economic taxation: policy lessons from five countries</p>	<p>1, 3, 4</p>	<p>Various</p>	<p>2019</p>	<p>Rabindra Nepal; Nepal/ Sanjay Kumar</p>	<p>Using a case study approach, we explore overtourism concerns in five countries, namely France, USA, China, Spain and Italy. The main objective of the paper is to explore the kinds of economic taxations used in managing overtourism. Study findings indicate tourist taxes and entrance fees as popular approaches employed in overtourism concerns; however, their effectiveness in solving environmental problems remains debatable. © Informa</p>	
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Market Power and the Taxation of Domestic and International Tourism	1, 3	Generic	2003	Peter Forsyth and Larry Dwyer	<p>Tourism services around the world are subject to general and specific taxes. There is evidence that tourism is relatively heavily taxed and that rates of taxation are increasing, although the implicit taxation of aviation is lessening. Leaving aside issues of international rent extraction, or the passing of taxes on to foreign visitors, there do not seem to be strong reasons for taxing tourism differently from other goods and services, although specific levies to correct for related unpriced services or externalities may be called for.</p> <p>© SAGE Publications</p>	
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New Tourist Tax as a Tool for Municipalities in the Czech Republic	3 and 4	Czech Republic	2020	Michal Radvan	<p>The Czech Republic is one of many states where the new legal regulation of tourist taxes was introduced to limit the shortcomings of the original regulation. While most of the critical issues were solved and the new tourist charge is a good step for both municipalities and the tax administration, the charge rate of 21 CZK in 2020, resp. 50 CZK in the following years is not adequate. With the new regulation, municipalities got new opportunities, primarily to increase their revenues. The single tourist charge makes the system easier for all stakeholders: for municipalities, for tourists, and for quartermasters. Issues arise especially concerning the</p>	
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					<p>simplified evidence and the non-chargeable long-term stays.</p> <p>© Masaryk University, Faculty of Law</p>	
OECD TOURISM TRENDS AND POLICIES	3	Various	2020	OECD	<p>Developments in the macro policy environment favour a more collaborative approach, encouraging policy development in conjunction with the tourism industry, as well as an emphasis on regional or local level decision-making. Developing a multi-actor system that includes public-private partnerships and greater horizontal and vertical co-ordination of relevant government bodies requires consideration of the accepted elements of good governance,</p>	

					both at the central and sub-national levels. © OECD 2020	
OECD Tourism Trends and Policies 2014	3, 4	Various	2014	Angel Gurría	This fourth edition of OECD Tourism Trends and Policies, undertaken in partnership with the European Commission, builds on the work of the Organisation's Tourism Committee, highlighting key reforms in tourism organisation and governance and providing a comprehensive analysis of tourism trends and policy developments in 48 OECD and partner countries. It focuses on issues high on the national and international policy agenda, including travel facilitation and visa issues, and the evolving	

					relationship between taxation and tourism. © OECD 2014	
OECD Tourism Trends and Policies 2022	3, 4	Various	2022	OECD	Tourism has been hard hit by the crisis triggered by the COVID-19 pandemic, demonstrating its importance as a driver of economic prosperity, jobs, income and well-being. Just as the sector is starting to bounce back, the economic and social fallout from Russia's war in Ukraine is dealing a fresh blow to recovery prospects. As the sector navigates these challenges amid an uncertain outlook, steady and transformative action is needed	

					<p>to drive recovery, and to set tourism on a path to a more resilient, sustainable and inclusive future.</p> <p>The 2022 edition of OECD Tourism Trends and Policies analyses tourism performance and policy trends to support recovery across 50 OECD countries and partner economies. Contains some references to the uses of tourism taxes and levies, specifically Japan (p.206), Lithuania (p.222), Slovenia (p. 267), Croatia (p.313) and New Zealand. (p.242)</p> <p>© OECD 2022</p>	
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<p>Options for a tourism levy for London A publication for the London Finance Commission</p>	<p>3, 4</p>	<p>London</p>	<p>2017</p>	<p>Daley, Matthew</p>	<p>In 2013, the London Finance Commission identified the potential for a tourism levy in London as part of its recommendations for greater fiscal devolution to the capital. This paper considers in further detail some of the issues around the design of such a levy, different potential systems for its implementation (drawing on examples from abroad), and provides estimates of the revenue that could be generated.</p> <p>© GLA</p>	
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Public Economics and the Assessment of Tourism Developments and Policies	1, 3	Generic	2013	Clement Tisdell & Clevo Wilson	<p>The role of social cost-benefit analysis in the assessment of tourism is illustrated by its application to the evaluation of inbound tourism. This is followed by a discussion of taxes on tourism and subsidies to promote it. The principle focus is on hotel room taxes. The analysis of taxes on tourism involves both public finance and welfare economics issues. The scope for and desirability of applying the user-pays principle to tourism is then examined.</p> <p>© IDEAS</p>	
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<p>Rebuilding Tourism for the Future: COVID-19 and Tourism Levy Administration in Gauteng Graded Accommodation Sector</p>	<p>1, 3, 4</p>	<p>Gauteng, S Africa</p>	<p>2022</p>	<p>Ripinga, Bernard B.; Mazenda, Adrino</p>	<p>This study aims to analyse the effects of COVID-19 on levy administration and revenue collection in Gauteng graded accommodation establishments in South Africa. Gauteng province is a gateway for international tourist arrivals and the most visited province in South Africa. The study used a case study design based on a saturated purposive snowball sampling procedure with data collected through semi-structured interviews from 15 key informants, stakeholders in Tourism marketing, directly working with graded accommodation establishments © Authors</p>	
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<p>Residents' Perceptions Regarding the Implementation of a Tourist Tax at a UNESCO World Heritage Site: A Cluster Analysis of Santiago de Compostela (Spain)</p>	<p>3,4</p>	<p>Spain</p>	<p>2022</p>	<p>Jakson Renner Rodrigues Soares /Paula Remoaldo /André Riani Costa Perinotto /,Larissa Paola Macedo Castro Gabriel /,María Elvira Lezcano-González /María-Dolores Sánchez-Fernández</p>	<p>The research presented in this article assesses the perception of the residents of the municipality of Santiago de Compostela (Spain) regarding the implementation of a tourist tax. Owing to the exponential increase in the number of visitor arrivals to the city, the implementation of a tourist tax could be one of the strategies deployed to improve the tourist experience. It may also allow for a less negative interaction between residents and tourists. The analysis revealed the existence of three clusters: tax-skeptics, tax-enthusiasts, and tax-reactionaries. The results are consistent with the nature of a mature destination, with most respondents supporting the implementation of a tourist</p>	
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					<p>tax that could contribute to improving, amongst other things, the quality of the tourist destination for both visitors and residents.</p> <p>© Authors</p>	
Review of Evidence of Elasticities Relevant to Tourism in Scotland	3	Scotland	2021	Chen, Jason Li; Li, Gang; Liu, Anyu; Morgan, Nigel	<p>See Section 4 – Behavioural changes as a result of tourist taxation (pgs 36 – 40)</p> <p>This section reviews the existing literature on the impact of tourism taxes on tourism demand, including the number of tourist arrivals and tourist expenditure, in European contexts. A particular focus is placed on tourist tax, which is also called the hotel occupancy tax. Other tourism-related taxes such as tourism VAT and air passenger duty (APD, also called airport tax) are reviewed</p>	

					briefly too. © Crown Copyright	
Revisiting the impact of bed tax with spatial panel approach	1, 3	Generic	2014	Lee, Seul Ki	Hypothesizing that a new bed tax will lead to competitive disadvantage of a hotel group against other adjacent groups unaffected by tax, this study examines the effect of bed tax on hotel performance in the Midland-Odessa lodging market. Using a random effects spatial panel model, significant evidence of competitive disadvantage created by the adoption of bed tax for Midland hotels in 2007, and also a possibility of error in pricing strategy by these hotels are found. Implications and suggestions for practitioners are discussed with the findings of the study.	

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Scuba divers, coral reefs, and knowledge of ocean acidification	2, 3, 4	Various	2023	Kirin Apps a, Elizabeth Heagney a, Quach Thi Khanh Ngoc b, Kay Dimmock c, Kirsten Benkendorff	Ocean acidification (OA) poses a threat to coral reefs by increasing the fragility of susceptible corals to physical damage. As such, the impacts of dive tourism are likely to be exacerbated under acidified conditions. Factors important to their dive experience included sites being located in a marine protected area / managed for conservation, and high diversity of coral with good quality and minimal disturbance. The findings indicated there are economic opportunities associated with good environmental management at coral reef dive sites, including through preferential site selection and	

					willingness to pay a conservation levy. © Authors	
SOBRE LA OPORTUNIDAD DE LAS TASAS TURÍSTICAS: EL CASO DE SEVILLA	1, 3, 4	Seville	2018	Ana M. García López Manuel J. Marchena Gómez Álvaro Morilla Maestre	The aim of this paper is to present the different viewpoints on the existing debate over tourism taxes in Spain and Europe; with a special focus on Seville, for its application. Surely, the most used tourism tax tool is the hotel overnight rate; however, paradoxically, in recent years, this income has been used in matters different than tourism. The application of this overnight stay tax for tourists (it would be unlikely for visitors or day excursionist pay this tax), has been the improvement of public roads, water facilities, and urban landscape to optimize the	

					<p>destination Tourist or the residents, who undergo the tourist impact in excess. It is, in detail, the open debate and still without crystallizing, on the case of Seville.</p> <p>© Universidad de Murcia</p>	
<p>Specific and general taxation of tourism activities. Evidence from Spain</p>	3, 4	Spain	2009	<p>Alberto Gago, Xavier Labandeira, Fidel Picos, Miguel Rodriguez</p>	<p>This article mainly discusses whether the introduction or increase of tourism taxation should be addressed through specific or general indirect taxation. With this aim, the paper describes the concept of tourism taxes and presents the several reasons that back their use.</p> <p>© Authors</p>	

<p>Specifics of the Tax System to Support Tourism before and during the COVID-19 Pandemic: Evidence from South American Countries</p>	<p>3</p>	<p>S America</p>	<p>2021</p>	<p>Shirley Consuelo Honajzrová Banús</p>	<p>The contribution presented focuses on exploring and describing the role of taxes used as a measure to support the tourism sector. Then, the tax incentives/reduction or removal made as a government response to the coronavirus pandemic threat and its possible impacts were analyzed. It also highlights recent trends and interesting practices in South America. When the South American countries were in late summer and vacation time, they were struck by the pandemic. These countries have responded with different fiscal measures during the fall and winter according to their governments' economy.</p> <p>© The Authors</p>	
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Sustaining tourism development through city tax: The case of Istanbul	3, 4	Istanbul	2014	Cetin, G	<p>Although the benefits of increased tourism volume are widely accepted, environmental conflicts and social side effects of tourism activity are often neglected. The social and environmental costs of tourism development can be justified through local corrective taxes. As a part of a series of comprehensive studies on lodging tax; this paper outlines a general framework for lodging taxes as a compensation tool through extensive literature review and states advantages and disadvantages of these tourism specific taxes. Considering Istanbul as a case study, the article also suggests implementation strategies based on semi-structured</p>	
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					interviews with tourism industry experts in Istanbul. © e-Review of Tourism Research	
Sustainable Islands	3	Balearic Islands	2016	Governilles Balears	The portal illessostenibles.travel is the leading website providing all the necessary information on the Sustainable Tourism Tax in the Balearic Islands. Data is gathered on each and every project funded by the Promotion of Sustainable Tourism Fund and includes a section to keep the information relating to the Sustainable Tourism Tax, among other information, up to date. In this way, illessostenibles.travel enables residents of the Balearic Islands and tourists or project managers alike to know	

					<p>how the Sustainable Tourism Tax works and everything that it entails.</p> <p>© Illes Sostenibles</p>	
<p>Systematik der österreichischen Tourismusabgaben und ihre finanzverfassungsrechtlichen Grundlagen/</p>	3	Austria	2012	Robert Hammerl	<p>Tourism, understood here basically as “the totality of relationships and phenomena that result from the travel and stay of people for whom the place of stay is neither the main and permanent place of residence nor work”,¹ represents an important economic factor in Austria and As such, today it is also subject to extensive burdens from the state.² Aside from the “mass taxes” such as income tax or corporation tax as (communal) federal levies, the public law cash benefits to be paid to local authorities or other public</p>	

					<p>bodies under public law are to be included in the scope of this work The focus is on areas that have a direct connection to tourism.</p> <p>© 2024 Elsevier B.V.</p>	
<p>Tourist Tax to Improve Sustainability and the Experience in Mass Tourism Destinations: The Case of Andalusia (Spain)</p>	2, 3	Andalusia (Spain)	2021	<p>by José Luis Durán-Román Pablo Juan Cárdenas-García and Juan Ignacio Pulido-Fernández</p>	<p>The objective of this study is to determine the amounts of taxes and/or public fees that tourists appear to be more willing to pay in order to improve the sustainability and experience of the mature tourism destination. It also attempts to identify the factors that determine tourists' willingness to pay.</p> <p>© The Authors</p>	

<p>Tax for Good: Devolved taxes for a better Wales</p>	<p>3, 4</p>	<p>Wales</p>	<p>2016</p>	<p>Bevan Foundation</p>	<p>See Tourism Levy pgs 12-18 This section provides a summary of tourism taxes in other countries, and how they are implemented. It outlines the potential revenue impact of a tourist levy in Wales, and also highlights some possible unintended consequences of a tourist levy.</p> <p>© Bevan Foundation</p>	
<p>Taxing tourism: the effects of an accommodation tax on tourism demand in the Balearic Island (Spain)</p>	<p>3</p>	<p>Balearic Island (Spain)</p>	<p>2017</p>	<p>Roddelló, Jaume; Sansó, Andreu</p>	<p>On the occasion of the recent introduction of a tourist tax in the Balearic Islands (Spain), one of the most leading destinations in the Mediterranean, the objective of this paper is to evaluate its price effects on tourist arrivals. In order to estimate this effect, a review on methodologies for</p>	

					<p>analysing the price effect on tourism demand and empirical applications focused on the Balearic Islands or Spain is undertaken. The results show that the tourist tax now in operation will lead to an expected drop of between 0.4 per cent and 0.8 per cent in the total demand, measured in terms of tourist stays.</p> <p>© Fundación Dialnet</p>	
Taxing Tourism in Spain: Results and Recommendations	1, 3, 4	Spain	2006	Alberto Gago, Xavier Labandeira, Fidel Picos and Miguel Rodríguez	<p>This paper analyses the foundations, possible applications and the effects of tourism taxation in Spain. The article begins with an analysis of the economic and environmental reasons for taxing tourism, which would seem to call for taxes based on the principle of benefit, for</p>	

					<p>either revenue or corrective purposes.</p> <p>© The Authors</p>	
Taxing tourists to manage mass tourism: a case study of Macao	3, 4	Macao	2019	Glenn McCartney	<p>This research letter provides a commentary on the issues surrounding the introduction of a tourist tax to Macao, although the casino city is one of the wealthiest globally. Macao's tourism authorities have suggested assimilating locations such as Venice and Japan who have recently introduced additional tourist levies. With tourism taxes used to address market failure or a need for additional revenues, Macao's motive is the former due to significant increases in mass tourism, particularly from China. Resident to visitor ratio stands at 1:60.</p>	

					© Informa UK Limited	
The effect of lodging tax increases on US destinations	1,2,3	US	2021	Hudson, Simon; Meng, Fang and Qui, Rui et al	<p>This study examined the impact of lodging tax increases on eight different destinations of the United States. Data were collected via in-depth stakeholder interviews and monthly statistics provided by Smith Travel Research including average daily rate, occupancy, and revenue per available room. Overall, our results did not fully support the hypothesis that when a city's hotel tax greatly increases above that of an easily accessible competitor, it will result in an economic loss to the city with the disproportionate tax rates.</p> <p>© The Authors</p>	

<p>The Effect of Lodging Taxes on the Performance of US Hotels</p>	<p>1, 3</p>	<p>US</p>	<p>2020</p>	<p>Sharma, Abhinav; Perdue, Richard R; Nicolau, Juan L</p>	<p>The objective of this article is to analyze the impact of lodging taxes on the performance of US hotels by looking at the two key market segments involved. The empirical application conducted on a sample of more than 7,000 observations corresponding to more than 100 urban submarkets from 2013 to 2018 finds that lodging taxes have a more negative effect on hotel performance (RevPar) for group bookings than for transient bookings. As groups usually have greater flexibility regarding the location of events, they can more easily choose a different destination if a tax increase is observed.</p> <p>© The Authors</p>	
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<p>The Effect of Tourism Taxation on International Arrivals to a Small Tourism-Dependent Economy</p>	<p>1, 2, 3</p>	<p>Maldives</p>	<p>2023</p>	<p>Festus Fatai Adedoyin/ Neelu Seetaram/ Marta Disegna and George Filis</p>	<p>This paper examines the effects of tax policies on international tourist arrivals to the Maldives. The Maldives is chosen as a case study because the nation is heavily dependent on tourism and earn up to 70% of total government revenue in tourism tax. As expected, the estimated tax elasticities show that tourism tax adversely influences inbound travel, but significant differences across source markets are observed. Specifically, a 10% increase in tourism tax reduces demand by 5.4%. The degree of responsiveness of tourism demand to changes in taxes is essential for tourism policy since a change in the cost of visiting a destination resulting</p>	<p>Same As WG</p>
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					<p>from a change in tourism tax policies affects inbound tourism demand.</p> <p>© The Authors</p>	
The effect of tourism taxation on tourists' budget allocation	3	UK	2019	Song, Haiyan; Seetaram, Neelu; Ye, Shun	<p>This study examines the intersection of these two areas, and models the influence of the air passenger duty (APD) on the budget allocations of outbound UK tourists. The results demonstrate that the APD modifies the budget allocations of UK outbound tourists by increasing the relative share of transportation expenditure, while correspondingly decreasing the at-destination expenditures on items such as accommodation and food.</p>	

					© Elsevier	
The Evaluation of Municipal Tourist Tax Awareness: The Case of the City of Porto	2, 3, 4	Porto	2020	Ana Pinto Borges Elvira Vieira Sofia Gomes	Purpose – Evaluation of the municipal tourist tax awareness by tourists visiting the city of Porto, in order to test their knowledge and assessment about it and estimate the consequences on the city's level of competitiveness, as a tourism destination. A little more than half of the tourists have already been aware of the tourist tax, depending on their sociodemographic characteristics, and almost 70,7% classifies the tax as “acceptable”. Two key variables stand out: level of education and nationality of the tourist. The tax is competitive and to guarantee the	

					<p>destination attractiveness it is highlighted that, if the revenue is invested to benefit tourism, providing improved quality services, the demand from the tourists whose profile was already identified, will not possibly be affected.</p> <p>© The Authors</p>	
The Economic Impact of a Tourist Tax in Andalusia Examined through a Price Effect Model	3, 4	Andalusia	2022	Villegas, Paul; Delgado, María Del Carmen; Cardenete, Manuel Alejandro	<p>This article analyzes how to use a social accounting matrix (SAM) to empirically study the effects of such a price burden on the regional economy of Andalusia. The methodology that we use consists of a specific model of price effects, which analyzes the impact of introducing a tourist tax in Andalusia. The database used in the analysis is the Andalusian SAM, which was</p>	

					<p>built using data from 2016. This study will enable us to better understand and reflect on the existing structural interdependence between the productive sectors and to evaluate the implicit weights and price elasticities of different tourist items.</p> <p>© Informa</p>	
The Impact of Accommodation Taxes on Outbound Travel Demand from the United Kingdom to European Destinations	2, 3	UK cities to Spanish, French, and Italian destinations	2020	Heffer-Flaata, Hedvig; Voltes-Dorta, Augusto; Suau-Sanchez, Pere	<p>Despite the progressive introduction of accommodation taxes in many European cities, there is no consensus in the literature as to whether they have positive or negative effects. This may be related to the lack of estimates of the elasticity of visitor demand to accommodation taxes. To fill this gap, we carry out two panel-data regressions using a</p>	

					<p>data set of airline travellers from UK cities to Spanish, French, and Italian destinations between 2012 and 2018.</p> <p>© Authors CC BY-NC 4.0</p>	
The Impact of Taxes on the Competitiveness of European Tourism	2, 3	EU	2017	PricewaterhouseCoopers LLP (PwC)	<p>This report provides a series of case studies on tourism taxes implemented by countries across Europe, including their economic impacts. Case study locations include Balearic Islands, Paris, and Cyprus.</p> <p>See also Chapter 4. Economic Analysis of The Impact of Taxation (pgs 97-155)</p> <p>© European Commission</p>	
The Impact of the Change in Taxation on Economic Activities in	3, 4	Gauteng, S Africa	2010	M.A.M Maida	The Gauteng provincial government is currently exploring possible sources for	

<p>Gauteng Province: a Computable General Equilibrium approach</p>					<p>raising revenue to finance the increasing demand in social services. The findings of the study are that a 10% increase in motor vehicle license fees or tourism levy negatively affects the Gauteng GDP, employment and household consumption. Nonetheless, the effect on provincial government revenue is positive. Given the negative effect of such an increase in taxation on key socio-economic variables, the study suggests that an increase in taxation on motor vehicle license fees or tourism levy should not be considered as options for raising revenue for the Gauteng Province.</p> <p>© University of Johannesburg</p>	
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<p>The Impact of the Hotel Room Tax: An Interrupted Time Series Approach</p>	<p>1, 3</p>	<p>various</p>	<p>1992</p>	<p>Carl Bonham, Edwin Fuji, Eric Im and James Mak</p>	<p>Travel destinations commonly levy hotel room taxes to finance services demanded by tourists and residents. Evidence to date on the effects of a hotel room tax has centred on ex ante analyses of the incidence of a hotel room tax and its effect on the demand for travel and vacation goods. In this paper we employ interrupted time series analysis to estimate ex post the impact of a hotel room tax on real net hotel revenues by analyzing that time series before and after the imposition of the tax. We find that the tax had a negligible effect on real hotel revenues. © JSTOR</p>	
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<p>The short-term price effect of a tourist tax through a dynamic demand model. The case of the Balearic Islands</p>	<p>1, 2, 3</p>	<p>Balearic Islands</p>	<p>2005</p>	<p>Eugeni Aguilo, Antoni Riera, Jaume Rossello</p>	<p>The objective of this paper is to identify the market's sensitivity to price changes in travel-related services or groups of services, assuming that one of the main factors that influences travel decisions is the information on the destination that consumers receive.</p> <p>© 2004 Elsevier Ltd.</p>	
<p>The tourist infrastructure of local communities in Ukraine: Current state and impact on local economic development</p>	<p>3</p>	<p>Ukraine</p>	<p>2021</p>	<p>Storonyanska, Iryna; Dub, Andrii; Grafka, Oryslava et al</p>	<p>During the study for the first time, we selected the most popular tourist destinations in Ukraine which in 2019 received the highest revenues from tourist tax as an indicator of the official stay of tourists, we grouped them according to their dominant type of tourism and researched their tourist infrastructure. We compared the revenues from the tourist</p>	

					<p>tax with the expenditures of local communities for the development of tourism and found that local communities received much more money from the tourist tax than they had spent on the development and promotion of tourism.</p> <p>© Agricultural and Resource Economics</p>	
The tourist tax in the Italian municipalities	3, 4	Italy	2018	Conti, Laura; Quintiliani, Fabio et al	<p>This paper studies the implementation of the tourist tax in Italian municipalities, highlighting the link between its reach and the inbound tourist flows. A simple econometric estimation shows that the probability of introducing a tourist tax in a municipality is highly correlated to the tourist attractions of the local area and to the same tax being</p>	

					<p>applied in the neighbouring municipalities, suggesting possible strategic interaction between them.</p> <p>© Bank of Italy</p>	
<p>The Tourist Duty: Investing TVL Revenue for the Public Benefit</p>	3, 4	Edinburgh	2021	Marples, Poppy	<p>In light of the debate over the proposed Edinburgh TVL, this report explores the rationale for introducing a TVL, the process for implementing the TVL and the opinions of Edinburgh stakeholders. We also explore how four European cities have implemented TVL schemes and how they spend the revenue generated.</p> <p>© Transform Scotland</p>	

<p>Tourism and environmental taxes. With special reference to the “Balearic ecotax”\$</p>	<p>2, 3, 4</p>	<p>Balearic Islands</p>	<p>2003</p>	<p>Teresa Palmer/ Antoni Riera</p>	<p>Focusing on the aforementioned repercussions, the aim of this study is to confirm both the existence of external environmental costs and the need to internalise them, with the aid of appropriate economic instruments. In this respect, an outline is given of the recent proposal by the Government of the Autonomous Community of the Balearic Islands to introduce a tourist tax on visitors, presented to public opinion in the form of an environmental tax.</p> <p>© 2003 Elsevier Science Ltd.</p>	
<p>Tourism Taxation and Environmental Quality in a Model with Vertical Differentiation</p>	<p>1, 2, 3</p>	<p>Generic</p>	<p>2008</p>	<p>Brida, Juan Gabriel and Pereyra, Juan S.</p>	<p>The environmental quality of destination has become a tool that hotels have to hold the tourism demand. Two are the</p>	

					<p>main results which will be proved in this article; first, if the tourist's willingness to pay for quality increases, then both the demand and the price for tourism services increase as a result. However, the increment of the demand for best environmental quality gets higher, and therefore, the environmental quality level of tourism services, that the destination offers, decreases. Second, an increase in the value of the tourism tax leads to an increase in the total environmental quality of the destination. © University of the Aegean</p>	
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<p>Tourism Taxation, Politics and Territorialisation in Tanzania's Wildlife Management</p>	<p>3</p>	<p>Tanzania</p>	<p>2017</p>	<p>Sulle, Emmanuel; Banka, Holti</p>	<p>This article explores the impacts of taxes imposed on tourism activities occurring on communal lands. We use empirical data gathered from two WMAs in northern Tanzania between 2006 and 2016. We find that while the current high tax rates on tourism businesses occurring at the grassroots level reduce revenue earned by communities, the main challenge facing the studied WMAs is the model of revenue sharing among WMA member villages. Villages which had prior arrangement with tour operators in their land have suffered revenue losses as they have to share revenue equally with other members of the WMA. © Authors</p>	
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Tourism Taxation in Asia (English version)	1, 3	Asia	1999	WTO	<p>The rapid growth in tourism around the world has caught the attention of governments, always on the lookout for new sources of taxation revenue. Tourism is seen as an easy sector to tax – the taxation points are readily identified, taxes can be collected by the industry itself, and those who are taxed, namely tourists, are by definition visitors to the region and therefore generally not voters.</p> <p>© WTO</p>	
Tourism taxation: A synthetic control method for policy evaluation	3, 4	Italy	2017	Biagi, Bianca; Brandano, Maria Giovanna Brandano, Pulina Manuela	This study investigates how the introduction of a city tax impacts on both national and international tourism demand by using the synthetic control method. The case study is based on a panel of Italian	

					<p>municipalities, for the time span 2006–2011. Results from estimations with the synthetic control method show that the introduction of a visitor tax leads to a decline in domestic tourism demand. In contrast, there is no effect on international tourism inflows.</p> <p>© Wiley</p>	
<p>Tourism Taxation: Striking a Fair Deal</p>	3, 4	Various	1998	WTO	<p>analysis of the effects of taxation on the tourism industry and offers a series of recommendations aimed at assisting governments in finding the right tourism taxation structure.</p> <p>© WTO</p>	

<p>Tourism Taxation: Good or Bad for Cities?</p>	<p>1, 3</p>	<p>Rome, Florence, and Padua</p>	<p>2021</p>	<p>Biagi, Bianca; Giovanna Brandano, Maria, Pulina, Manuela</p>	<p>This chapter provides an overview of tourism taxation and explores the extent to which a tourism tax on overnight stays has an impact on domestic and international tourism demand. The analysis employs a policy evaluation technique. As a case study, three well-known Italian cities are considered, including Rome, Florence, and Padua. Overall, the SCM and the placebo analyses show that the public intervention on tourism demand, evaluated with three different indicators of tourist overnight stays, arrivals, and average length of stay, has not had a specific effect.</p> <p>© Springer</p>	
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<p>Tourism taxes by design: white paper: destination funding and the impact of tourism taxes on European cities and urban communities</p>	<p>1, 2, 3</p>	<p>Various</p>	<p>2020</p>	<p>Group NAO and Destination Sustainability Movement</p>	<p>From a handful of case studies, it is evident that revenues from tourism taxes can make a positive difference for destinations' work in nature preservation, restoration of cultural heritage, and help fund social and community projects. While tourism taxes are often a hot topic of debate and strongly opposed by industry stakeholders, there is also evidence that the willingness to pay (WTP) among consumers is comparatively higher if the purpose of taxation and the use of revenue is transparent and meaningful.</p> <p>© GROUP NAO</p>	
<p>Tourism taxes and negative externalities</p>	<p>3</p>	<p>Australia</p>	<p>2013</p>	<p>Ihalanayake, Ranjith</p>	<p>In this paper we analyse general equilibrium effects of</p>	

<p>in tourism in Australia: a CGE approach</p>					<p>an increase in a tourism tax which we hypothetically designed to internalise negative externalities of international tourism in Australia. Several simulations were carried out using a computable general equilibrium (CGE) model of the Australian economy. The simulation results suggest that due to an increase in tourism taxes, the international tourism sector tends to contract while the other sectors expand. Overall, an increase in tourism taxes appears to be welfare improving in the long-run though it generates a marginal contraction in overall economic activities in the short run.</p> <p>© Author</p>	
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<p>Tourism taxes in Italy: A sustainable perspective</p>	<p>2, 3</p>	<p>Italy</p>	<p>2019</p>	<p>Rotaris, Lucia; Carrozzo, Marta</p>	<p>In Italy, a tourism tax was introduced in 2011, since then it has been adopted in most of the Italian provincial capitals and tourist cities. The aim of this paper is to assess the acceptability of such a tax and to examine how the tax should be designed to better meet tourists' preferences while improving tourism sustainability. The results demonstrate that the willingness to pay (WTP) for the tourism tax depends not only on the vacation and the tourist type but also on how the fiscal revenues are used.</p> <p>© University of Trieste</p>	
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<p>Tourism Taxation: Striking a Fair Deal</p>	<p>3</p>	<p>Various</p>	<p>1998</p>	<p>WTO</p>	<p>This study presents a comprehensive analysis of the effects of taxation on the tourism industry and offers a series of recommendations aimed at assisting governments in finding the right tourism taxation structure. Building on and complementing previous reports on this subject, it is the result of detailed research and the input of six regional seminars held around the world. It provides an analysis and discussion of tourism taxation concepts and issues, a tourism taxation typology, and examines future trends. The findings and conclusions are illustrated with an analysis of 6 country case studies and a</p>	
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					further selection of other geographic examples. © WTO	
Tourism, Economic Growth and Sustainable Development in China	3, 4	China	2021	Yu Teng	Whilst this is a key concern to society, there are a limited number of studies that analyse the environmental impact of tourism and the validity of the tourism-led-growth hypothesis. Results show that growing international or domestic tourism contributes to economic growth but still at the sacrifice of the environment. Results indicate that even during the high uncertainty, tourism development still can promote economic growth and vice versa in China in a short period of time. The long-term tourism-led growth strategies will need to be carefully	

					considered by the Chinese government and policy. © The Author	
Tourism, Development, and Poverty Reduction: A Case Study from Nkhata Bay, Malawi	3,4	Nkhata Bay, Malawi	2008	Candice Marie Gartner	This study examines the development processes by which tourism affects poverty, analyses the effects of tourism employment on poverty conditions, and explores ways that tourism can contribute to poverty reduction. The main conclusions of the study are that tourism is not an indelible force for poverty alleviation, as it can have alleviating, perpetuating, and exacerbating effects on poverty. © Candice Marie Gartner 2008	

Tourist attitudes towards an accommodation tax earmarked for environmental protection: A survey in the Algarve	2, 3	Algarve	2012	Vincenzo Alfano/, Elina De Simone / Marcella D'Uva / Giuseppe Lucio Gaeta	<p>Tourist taxes have become increasingly popular worldwide in addressing environmental problems associated with tourism. his paper studies tourist attitudes towards an accommodation tax earmarked for environmental protection in the Algarve, the most important Portuguese tourism destination. The dominant one, labelled “typical sun and beach tourists”, shows a low willingness to pay the earmarked accommodation tax.</p> <p>© 2012 Elsevier Ltd</p>	
Tourist tax elasticity in Florida: Spatial effects of county-level room tax rate variation	2, 3	Florida	2019	Brian M. Millsa/ Mark S. Rosentraubb, Gidon Jakarb	We examine the spatial, county-level incidence of changes to tourist tax rates in Florida from 2003 to 2014. Florida allows county-level	Using a dynamic spatial autoregressive panel model

					<p>visitor tax increments to fund various tourism-related initiatives. As a result, there is considerable variation in visitor tax rates across counties and across time. Using a dynamic spatial autoregressive panel model, we show that direct and indirect effects of room tax rate changes on taxable hotel room expenditures are relatively small and largely exported to visitors. We find no measurable effects of a small number of facility relocations on hotel spending in the new or previous home-counties.</p> <p>© Elsevier</p>	
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<p>Tourist tax for sustainability: Determining willingness to pay</p>	<p>2, 3, 4</p>	<p>Istanbul</p>	<p>1994</p>	<p>Levent Selman Gökteş / and Gürel Çetin</p>	<p>Based on “the user pays principle”, tourist tax aims for a fair distribution of the costs created by tourism activity. It is therefore important to explore the tourists’ willingness to pay tourist tax, identify its antecedents, and examine outcomes of tourist tax. However, few studies have examined attitudes of tourist as taxpayers. Hence, the present study aims to the determine tourists’ willingness to pay (WTP) tourist tax to enhance sustainable tourism and identify the factors affecting their willingness. results indicate that average amount that tourists are willing to pay varied with each scenario. The WTP was lowest when the expenditure items were not</p>	<p>the Tobit model in the STATA v14 program</p>
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					<p>specified whereas it was highest for the cultural heritage support scenario. In line with the proposed model, willingness to pay also depended on socio-demographic variables, knowledge level, travel content, and behavioural factors.</p> <p>© The Authors</p>	
Tourist taxation as a sustainability financing mechanism for mass tourism destinations	2, 3, 4	Andalusia (Spain)	2022	Cárdenas-García, Pablo Juan, Guido-Fernández, Juan Ignacio, Durán-Román, José Luis et al	<p>Tourism taxation is one of the tools that can effectively contribute to obtaining resources that favour the development of policies to improve sustainability and the tourist experience in the destination. In this context, the objectives of this research are, on the one hand, to identify tourist preferences when</p>	

					<p>offered 15 different taxes and fees, and, on the other hand, to identify which socio-demographic factors and trip characteristics condition the tourist's willingness to pay (WTP) of the five most accepted taxes and fees. This study was carried out in Andalusia, a region in southern Spain with a mass tourism specialization.</p> <p>© The Authors</p>	
Tourist Tax to Improve Sustainability and the Experience in Mass Tourism Destinations: The Case of Andalusia (Spain)	2, 3	Andalusia	2021	Durán-Román, José Luis; Cárdenas-García, Pablo; Pulido-Fernández, Juan Ignacio	The objective of this study is to determine the amounts of taxes and/or public fees that tourists appear to be more willing to pay in order to improve the sustainability and experience of the mature tourism destination. It also attempts to identify the factors	

					<p>that determine tourists' willingness to pay. The study was carried out in Andalusia, a prominently touristic region of southern Spain, which received 32.4 million tourists in 2019.</p> <p>© Authors CC BY</p>	
<p>Tourist Tax: A report by the All Party Parliamentary Group for Hospitality and Tourism</p>	3, 4	Edinburgh	2019	<p>All-Party Parliamentary Group for Hospitality and Tourism</p>	<p>This report provides background information on tourist taxes, outlines some of the models used across Europe, and provides a summary of the arguments for and against tourist taxes. It includes a section on opposition to such taxes - the view of businesses, as well as a section on the views of Local Government. A case study on Edinburgh is provided.</p> <p>© APPGHT</p>	

<p>Tourist Taxes in Italy: The Choices of the Policy Makers and the Preferences of Tourists</p>	<p>2, 3, 4</p>	<p>Trieste, the capital of Friuli Venezia Giulia, Italy</p>	<p>2020</p>	<p>Lucia Rotaris</p>	<p>found that the willingness to pay was strongly influenced by the tax earmark. If the revenue allocation was unknown, tourists' willingness to pay the tax was very low; however, if the fiscal revenues were used for environmental protection or for the maintenance of the historical and architectural heritage, tourists' willingness to pay significantly increased. The willingness to pay was also influenced by the tourists' socio-demographic characteristics and by the journey type they chose.</p> <p>© Società editrice il Mulino</p>	<p>Contingent Valuation experiment</p>
<p>Tourist taxes in Italy and Russia</p>	<p>2, 3</p>	<p>Italy and Russia</p>	<p>2018</p>	<p>Fontana, C and Lagutin, I</p>	<p>The article deals with the legal regulation of tourist taxation in Italy with a view to improving the Russian tax system... The</p>	

					<p>authors point out that a nation's laws should include a direct link between a tax resident and the location of a vacationer or a tourist. They also conclude that the imposition of the tax may affect the number of tourists in a particular municipality since they may prefer to stay in a place free from resort fees. The paper also examines and supports the imposition of the tax as a reasonable and civilized solution to the problem of damage caused to the environment by a large influx of tourists into particular territories.</p> <p>© RLJ</p>	
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Tourists' willingness to pay to improve sustainability and experience at destination	2	Andalusia (Spain)	2021	Duran-Roman, JL; Cardenas-Garcia, PJ and Pulido-Fernandez, JI	<p>The objective of this study is to determine tourists' willingness to pay taxes and/or public fees. The study was carried out in Andalusia, a region of southern Spain with high rates of tourism, which received some 32.4 million tourists in 2019. A survey was conducted on 1068 tourists at the main tourism arrival points of this region. Highlights include –</p> <ul style="list-style-type: none"> • Three out of every four tourists demonstrated their willingness to pay. • Income, budget, sex, age and education level have been determinant to the WTP. • Income and budget have the greatest association with the amount to be paid. • Tourism demand is inelastic in the face of a moderate 	
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					increase in prices. © Elsevier	
The Characterization of Surf Tourists in the Algarve	2	Algarve	2014	Fabia Hanna Frank	Studies the attitudes of these surf tourists towards an accommodation tax earmarked for environmental protection in the Algarve. The relationship between some socio-demographic attributes and the willingness to pay this accommodation tax is assessed with the cross-tabulation process. The willingness to pay an accommodation tax only has a direct relationship with the nationality of a respondent. © Fabia Hanna Frank	
Transient Visitor Tax	3	Scotland	2018	Convention of Scottish Local Authorities	This report provides background on Transient Visitor Tax. It outlines potential benefits, as well as risks and	

					<p>concerns. It contains a section on lessons from Europe and provides case studies where visitor taxes have been implemented.</p> <p>© COSLA</p>	
Lodging Taxation in the United States	1, 2, 3	US	2009	Sara Diane Bender	<p>Currently, knowledgeable consumers have access to information through online resources and can quickly compare hotel prices, inclusive of tax. Consumers utilize this information to avoid staying in excessively high tax areas, when possible, and consequently shift the tax burden to the lodging industry. This research provides some evidence that locations with high lodging taxes, relative to neighbouring areas, can be adversely burdened by high taxes. Both leisure and</p>	

					<p>business travellers can easily cross taxing jurisdictions to avoid taxes which has a ix negative impact on the lodging industry in addition to all other industries supplying traveller services. This research also provides the most comprehensive data available on current lodging tax rates and trends in taxing jurisdictions and potential impacts on consumer behaviour.</p> <p>© 2010 by ProQuest LLC</p>	
Visitor attitudes to a policy instrument for visitor funding of conservation in a tourist area	2, 3, 4	English Peak District	1996	Bramwell, Billa/ Fearn, Adrian	An assessment was made of a proposed local tourism heritage trust, which would fund local conservation based on visitors paying a voluntary small levy on local tourist services in the English Peak	

					District. Results of a survey of visitor attitudes about the trust prior to implementation of activities provided management with information on the trust's feasibility and form and suggested many visitors would pay the levy. © The Authors	
Wildlife Conservation through the Lens of Pastoralism	3, 4	Maasai Steppe, Tanzania	2022	Justin Raycraft	Research is based on a continuous year of multisited ethnographic fieldwork (July 2019 – July 2020) carried out across twelve administrative villages surrounding Manyara Ranch and Randilen Wildlife Management Area (WMA), two community-based conservation areas in the central Maasai Steppe that protect vital wildlife habitat. Each is distinct in its legislative and institutional	

					<p>frameworks for governance, thus providing an opportunity for analytical comparison of the effectiveness of two different approaches to managing rangelands.</p> <p>© Justin Raycraft, 2022</p>	
Willingness to Pay for Tourist Tax in Destinations: Empirical Evidence from Istanbul	2, 3, 4	Istanbul	2017	Cetin, Gurel; Alrawadieh, Zaid; Dincer, Mithat Zeki et al	<p>The objectives of this paper are to evaluate tourism taxes as a compensation tool to cover the costs of tourism and to measure tourists' WTP. The paper also suggests a fair allocation of tax revenues based on tourists' perceptions.... An interesting highlight of this paper is that the majority of surveyed respondents reported that their travel decisions would not be negatively affected even if the total cost of their vacation</p>	

					increased by one third. The findings are expected to offer fresh and much-needed insights into tourist taxation for tourism policy makers and stakeholders. © Authors CC BY	
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Annex C – A Mapping of the Recommendations of this Report onto those of Group NAO (2020)

Recommendations of this report:	Group NAO (2020) recommendations	Notes:
Hypothecation of Visitor Levy Revenues.	Earmark and ring-fence.	Consensus that revenues should be supporting the tourism industry or mitigating its negative impacts on host communities.
Funding and spending organisations.	-	The Group NAO report does not consider the governance of spending decisions.
Inclusive decision making.	Public engagement and consultation is key.	Consensus that a wide range of stakeholders should be involved in decision making.
Ensuring local accountability	Local governance adds collaborative capability.	Consensus that decision making should be localised.
Wide scope of projects and activities funded.	Both benefits and burdens.	The Group NAO framing of benefits and burdens loosely corresponds to our framing of public goods and externalities.
Impact assessment.	Monitor and evaluate impact.	Consensus that there is too little assessment of impact amongst current visitor levy regimes.
Transparency and accountability.	High visibility and transparency works with consumers.	Group NAO's focus is on tourists' acceptance of visitor levies. We believe that transparency is equally important for other stakeholders.
Flexibility and adaptivity	-	The Group NAO report does not consider the evolution of visitor levy regimes post implementation.
-	Help establishments comply.	This is beyond the scope of our report.