

Research Paper - A Dublin Local Authority Visitor Levy

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FOREWARD

Dublin has set itself apart as one of Europe's go-to destinations for visitors. However, as our city and its tourism industry continue to grow, a topic of conversation has been the impact of growing tourism numbers and role a Dublin visitor levy may have in meeting the cost of tourism.

To examine the benefits and potential pitfalls of such a levy, in April 2025, I commissioned the Oireachtas Library & Research Service to prepare research, with relevant examples of similar levies in other European jurisdictions of broadly similar size to Dublin. The Oireachtas Library & Research Service also carried out an updated review of the document and reissued it in February 2026 to take account of international developments.

This research outlines the rationale of such a levy and highlights arguments relevant in an Irish context. I am now publishing this research to further open the discussion on what a Dublin Accommodation Levy could look like in the Dublin tourism landscape.

Arising from the research, I believe Government should now bring forward legislation that would give each of the four Dublin local authorities the legal power to introduce such a visitor levy.

Having published the research, I welcome and encourage the feedback of relevant stakeholders and intend to engage with those in the industry to shape any draft legislation which I may bring forward.

Any levy must be based on the following key principles:

- **Local Decision Making** - Enabling each of the four councils to decide if a levy is appropriate in their area and the rate which would be appropriate.
- **Ringfenced Funding** - The funds should be strictly ring-fenced for investment in local public services, tourism infrastructure, and the public realm, rather than being absorbed into the general council budget.
- **The Cost of Administration** - The introduction of any levy should also take into account the administrative feasibility for collection.

I have also proposed the outline of proposed legislation to give further clarity to how a levy would be introduced and operated. As with all proposed legislation, it would benefit from the full legislative process where the matter can be scrutinised and amended.

I wish to thank the staff of the Oireachtas Library & Research Service for their work on this document and my own team for their assistance with its preparation.

Paul McAuliffe

OUTLINE OF LEGISLATION REQUIRED

From the research, it is my view that the Government should now bring forward legislation for consideration on a visitor accommodation levy.

This legislation should include in its provisions the following points:

- Allow Dublin local authorities to adopt a scheme to impose a visitor accommodation levy by resolution under the Local Government Act.
- A scheme may apply the levy as a fixed amount per person per night, or as a percentage of the nightly accommodation charge, provided that the rate shall not exceed a maximum percentage of the total accommodation charge per night.
- The levy shall be collected and remitted to the local authority by the accommodation provider.
- Oblige a Dublin local authorities to publish a draft of the proposed scheme at least 60 days before the adoption of a resolution by the Council.
- The authority should be obliged to invite and consider written submissions from members of the public and relevant stakeholders during that period.
- A report on the outcome of the consultation should be prepared and published before the scheme is considered by the Council.
- Revenue raised from the levy should be ring-fenced and used for purposes including:
 - Investment in tourism infrastructure and services
 - Enhancement of the public realm
 - Cultural, sporting, or heritage events
 - Sustainable tourism initiatives
 - Purposes directly or indirectly related to the impact of tourism
- Each Dublin local authority should publish an annual report detailing income received, expenditure made, and an assessment of impact and this should be made available on its website.
- The levy should not apply to accommodation provided for humanitarian or emergency purposes by or on behalf of a public body, or any additional categories of accommodation as may be prescribed by regulation.
- Each Dublin local authority should maintain a register of accommodation providers liable to collect the levy.



- Empower a local authority to appoint authorised officers for the purpose of conducting inspections of premises, and ensuring compliance with this Act and regulations made under it.
- Allow the relevant Minister to prescribe procedures for collection, reporting, and remittance.
- Allow two or more Dublin local authorities to make arrangements to jointly administer any function under the Act, including through shared services, common registration or reporting systems, or other coordinated approaches.
- Allow the relevant Minister to issue non-binding guidelines to assist local authorities in the implementation of this Act.
- Allow the relevant Minister or a local authority to enter into cooperation agreements with digital accommodation platforms for the purposes of obtaining information to support compliance and facilitating collection or verification of the levy.
- Allow the relevant Minister to make regulations prescribing procedures and timelines for collection and remittance, specifying mechanisms for shared services or coordination between local authorities, enabling simplified procedures for small accommodation providers.
- Oblige the relevant Minister, not later than 3 years after the commencement of the Act, conduct a review of its operation and lay a report before each House of the Oireachtas.

Hotel bedroom tax

Originally completed 13 May 2025, updated February 2026

Enquiry No. 2026/100

Abstract

The purpose of this briefing paper is to provide information on hotel bedroom tax, in the context of its possible introduction in Dublin. It outlines rationale that has been put forward in support of this policy measure, in addition to highlighting certain counter arguments that may also be relevant in an Irish context. It provides an overview of the implementation, or proposed implementation, of such measures in four countries for comparative purposes: Latvia, Scotland, Wales and the Netherlands. Finally, it briefly assesses selected key reports and stakeholder commentary on the topic in Ireland. This is based on available authoritative sources and data.



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Introduction

The enquiry resulting in this briefing paper sought information on hotel bedroom tax, i.e. a charge levied on tourists for short-term stays in paid accommodation.¹ In particular, the enquiry requested information on experiences from other jurisdictions for comparative purposes. Specifically, it sought selected high-level descriptions of European cities / countries where hotel bedroom taxes are already in operation. In addition, there was interest expressed in any discussion at national level on arguments in favour of, or against, the introduction of a hotel bedroom tax.

By way of context, the first section outlines rationale that has been put forward in support of this policy measure, in addition to highlighting certain counter arguments that may be relevant in an Irish context (essentially a pros and cons for this policy measure). The second section of this briefing paper looks at four international examples of hotel bedroom taxes from European countries (Latvia, Scotland, Wales² and the Netherlands). The final section highlights selected key reports and commentary by relevant stakeholders regarding the possibility of introducing a hotel bedroom tax in Dublin.

This paper was prepared using the most up-to-date information available from various sources, including the [Scottish Parliament](#) and relevant national or local government websites³ (such as the [Riga State City Municipality Finance Department](#)). As an aid, it contains links to relevant sources throughout.

¹ Also known as a tourist accommodation charge or visitor transient levy (or variations such as accommodation or city taxes, tourist or transient visitor taxes) in different jurisdictions and literature on the topic. Whilst this briefing paper mostly uses the term hotel bedroom tax, it may occasionally use some of the other terms, mostly to mirror terminology used in specific literature or jurisdictions.

² While the Welsh visitor accommodation levy has not yet been implemented by local councils, Wales was selected as it provides useful insights regarding the background process, including details of significant research and consultation. In addition, some of the context may be relatable to an Irish audience, including wider concerns around aspects of taxation such as VAT for tourism and how a levy will interact with these existing factors.

³ In some cases, it was necessary to rely on English language translations of webpages and thus the accuracy of information sourced from same is dependent on those translations.

Rationale for and against hotel bedroom tax

In recent years, many cities have introduced some form of hotel bedroom tax. Different rationale has been proposed for this policy measure, as outlined below. Before exploring these, it is worth noting that, as with any policy option, the specific characteristics of the country involved is an important consideration when assessing its suitability for the potential introduction of a hotel bedroom tax. For example, the degree to which a country's system of local government has developed, local authorities' ability to raise funds from various sources and the extent of local authority autonomy within a country's overall political system could be very significant and influence the likely success or otherwise of a hotel bedroom tax. Rationale that fits one country might not necessarily translate well in countries with different political structures, tourism industries and motivations for introducing the tax.

Bearing this in mind, this section of the briefing paper looks at some of the rationale for a hotel bedroom tax, setting out key arguments often made in favour of the tax. It also describes arguments against, or concerns, likely to be raised in relation to same. In general, the introduction of any new tax or levy will typically generate strong reaction from different stakeholders, with some likely to consider it to be controversial or unnecessary. This makes soundly testing out the rationale in advance all the more important.

Funding for local authorities

Increasing the level of funding available to local authorities is amongst the key rationale for introducing a hotel bedroom tax. Local authorities often have limited resources available for the provision of public services and maintenance of the public realm. In the absence of such taxes, tourists can benefit from local services and amenities without having to contribute financially. In contrast, it often falls on local residents to fund local authorities, whilst at the same time potentially being the ones disproportionately affected by any strain on local public services in the area where they live. Introducing a charge on tourists is one means of spreading the financial burden arising from the consumption of public services.

The above may prompt consideration of the funding of local authorities more generally, including what alternative sources of funding they have. In Ireland, services delivered by local authorities are currently financed through several different sources, including:

1. **Charges for goods and service:** while many local authority services are provided for free, charges apply in certain cases (e.g. housing rents, parking charges and planning application fees).
2. **Local Government Fund (LGF):** this is a central fund that partially funds the work of local authorities. The two primary sources for the LGF are Local Property Tax revenues and payments from the Exchequer.
3. **State funding and programmes:** many departments make funding available to local authorities to deliver schemes or services (e.g. the development of housing or road maintenance).

4. **Commercial rates:** Local authorities collect commercial rates on commercial properties (properties intended for business use), with these monies put towards running day-to-day services of the local authority.⁴

Tourist taxes are often implemented with the explicit intention of increasing the level of funding for the provision of local services, which may in turn increase tourist numbers through these better funded and improved amenities. The revenue may also be earmarked for public investment in tourism development and promotion. In order to achieve this, the system may be designed in a way that requires the monies collected to be ring-fenced exclusively for a specific purpose (known as tax hypothecation⁵).

This introduces the issue of how a hotel bedroom tax in Dublin could work in practice if the intention were to invest the funds raised into local services, and possibly increase tourism in the process. The former Minister for Finance highlighted some potential issues around this in response to a 2025 parliamentary question:

“I would, however, add that a tourism accommodation levy is not a matter I believe appropriate to my Department. It is an issue very much separate and distinct from our general taxation system. The purpose of a tourism accommodation levy would be to provide funding for local facilities and services in order to help attract more visitors and improve local amenities, amongst other things. The only way such monies could be allocated appropriately would be if it were collected locally. As a general rule, it is not possible to hypothecate funding for specific purposes when it is collected as part of the general taxation system”.⁶

The above highlights important points to consider in terms of ringfencing the monies for the purposes of providing and improving local services, in addition to how the levy might best be introduced particularly in terms of the means of collection (i.e. would it be done at local level or centrally). RTÉ News has reported that some proponents of this policy measure, while not having an exact figure as to how much the tax could raise, have estimated it to be a minimum of €12 million for Dublin city alone.⁷ Further estimates of revenues are outlined in the final section of this briefing paper.

Raising the level of funding available to local authorities to provide public services may be the intended policy objective of a hotel bedroom tax. However, a counter argument could suggest

⁴ Local Government Ireland webpage, *How local authorities are funded*. Available at <https://www.localgov.ie/about-local-government/how-local-authorities-are-funded>

⁵ This Parliamentary Budget Office [note](#) explains that “Tax hypothecation is the dedication of the revenue from a specific tax for a particular expenditure purpose”. See Parliamentary Budget Office (2022) Tax hypothecation. Available at https://data.oireachtas.ie/ie/oireachtas/parliamentaryBudgetOffice/2022/2022-07-05_tax-hypothecation_en.pdf

⁶ Written Answers - Tourism Policy (PQ 183). Minister for Finance. Dáil Éireann Debate, 20 February 2025. Available at <https://www.oireachtas.ie/en/debates/question/2025-02-20/183/>

⁷ RTÉ News (2025), Proposed tourist tax could raise €12m for Dublin city. 17 April 2025. Available at <https://www.rte.ie/news/dublin/2025/0417/1508161-dublin-hotel-tax/>

the local authorities consider existing revenue streams before introducing new taxes.⁸ Specifically, the issue of local property tax and the potential for the Dublin local authorities to look at their own internal revenue bases first before a tourism tax has been suggested.

A 2024 article for RTÉ News considered interesting points regarding the rationale for tourists to contribute to provision of public services where they visit, a counter-argument regarding the concept of tax exporting and related links to local government accountability:

“One justification for a tourist tax is based on the user-pays principle: visitors use the streets, parks, beaches, water and wastewater, and so they should contribute towards the cost of providing and maintaining these public services. This is one reason why this tax is popular with local governments: it is not imposed on the residents who vote for and elect the local politicians.

This, however, is the main argument against such a tax. Known as tax exporting, where the tax liability does not fall on the local resident and beneficiary of the local service but is exported, in this case, to a tourist. By breaking the link between the local taxes paid and the local benefits received, it weakens the accountability of local government to local residents and the electorate. It is also a very visible tax, which is both good (transparent) and bad (unpopular). In theory, it could also be used to target over-tourism in popular but congested tourist destinations”.⁹

Impact of tourism on public goods and services

The term “tourism consumption” refers to the consumption of goods and services by tourists.¹⁰ In this context, another argument in support of a hotel bedroom tax is how tourism consumption impacts the overall level and quality of goods and services in a country. The [Report of the Commission on Taxation and Welfare](#) (published in 2022) notes that accommodation or city taxes (also referred to as tourist or transient visitor taxes) have been introduced across the globe in response to tourism consumption and the pressures it places on the provision of public goods and services:

“Tourists and other visitors get a short-term benefit from public goods and services, such as water and sewerage systems, utilities, waste facilities, parks, security and public safety services, without having contributed to their funding. The rationale behind an accommodation tax is to ensure that those guests contribute to the ongoing costs of providing these goods and services. Depending on their design, accommodation taxes may also make the tourism industry more sustainable by providing a revenue stream

⁸ See, for example: Tourism Industry, Dáil debate (8 May 2025). Available at <https://www.oireachtas.ie/en/debates/debate/dail/2025-05-08/15/>

⁹ RTÉ News (2024) *Could a tourist tax be the next new tax in Ireland?* 25 September 2024. Available at <https://www.rte.ie/brainstorm/2024/0925/1471705-what-is-a-tourist-tax-ireland-explainer/>

¹⁰ GIS Études touristiques webpage, *Tourism consumption*. Available at <https://gisetudestouristiques.fr/en/encyclopedie/tourism-consumption/>

that can improve environmental and economic sustainability as well as improving infrastructure”.¹¹

The same [report](#) posits that an accommodation tax can be regarded as an adaptation of the general ‘polluter-pays principle’ to a ‘user-pays principle’ that calls upon the user of resources (i.e. the tourist) to bear the cost in a more sustainable way.

Some cities have introduced tourist taxes with the intention of curbing visitor numbers, rather than potentially attracting more tourists with enhanced amenities. This may especially be the case in locations where there is a perception of overtourism and associated concerns regarding the impact of tourism on cities and its residents. One report highlights that “destinations with the highest levels of taxation on visitor accommodation, notably Amsterdam¹² and Barcelona, have done so in support of their policy objective to actually reduce and restrict visitor numbers”.¹³ As such, the ultimate motivation behind introducing a hotel bedroom tax should be to the forefront when assessing arguments for and against this measure. It would not appear prudent to consider a policy objective of increasing local authorities’ revenues in isolation from a potential impact on tourist numbers.

Collection mechanism / administrative burden

The above discussion about hypothecating funding for specific purposes is closely related to questions regarding the most appropriate collection mechanism for a hotel bedroom tax if it were to be introduced in Dublin. The former Minister for Finance has already strongly suggested that the best way to ensure funds raised through a hotel bedroom tax would be ringfenced specifically for use by local authorities to provide services would be to collect at local level, separate to the general system of taxation in Ireland. He has explained this method is used in other countries that already have such charges in place:

“In other Member States where city taxes and accommodation levies are applied, the levy is collected at local level, by Local Authorities, who oversee the collection and redistribution of funds for projects locally. If such a levy were to be introduced here, the same system should apply. In this regard, you should note for instance that the Scottish Government introduced a Visitor Levy in 2024, which will be collected by Local

¹¹ The Commission on Taxation and Welfare (CoTW) (2022) *Foundations for the Future: Report of the Commission on Taxation and Welfare*. Available at <https://www.gov.ie/en/publication/7fbef-report-of-the-commission/> This report to the Minister for Finance was published on 14 September 2022 and contains a total of 116 recommendations which may influence future changes to Ireland’s tax and welfare regimes.

¹² In the case of Amsterdam, more recent commentary has suggested that while the tax was originally introduced to reduce tourist arrivals, the City of Amsterdam has since changed its reasoning for the tax from tackling overtourism to raising funds. An [article](#) for National Geographic suggests that this shift was due to a city-commissioned report which found the tax would not likely reduce tourism unless the rate was tripled. See National Geographic (2024) *A look at Europe’s tourist taxes—have they helped curb overcrowding?* Available at <https://www.nationalgeographic.com/travel/article/europe-tourist-tax-impact>

¹³ Tourism Alliance (2023) *Taxing Tourists: The UK vs competitor destinations*. Available at <https://tourismalliance.com/wp-content/uploads/2023/09/Tourism-Alliance-Tourism-Taxation-Report-FINAL-FOR-PUBLICATION.pdf>

Authorities. The Welsh Government is also currently considering a similar proposal with again the collection likely to be carried out by Local Authorities if implemented".¹⁴

There are also wider issues about the potential administrative impact for both the local authorities and the accommodation providers to consider, in addition to the practicalities around the collection mechanism. Based on the experiences in other countries (discussed in the section on *International examples*), this might include obligations on the accommodation provider to register for the tax, keep a visitor register log, and pay the monies raised to the authority in charge of collecting it. These tasks would presumably involve a certain amount of staff time and other potential expenses for those involved. Some reactions to plans to introduce a tourist tax in Wales expressed concerns regarding an administrative burden for accommodation providers.¹⁵ For the local authorities themselves, there might be certain set-up requirements, such as new forms, website/web resources and administration related to the collection and enforcement function if undertaking those tasks.

Impact on tourism industry

Tourism makes a significant contribution to the Irish economy, including through employment in rural areas. According to Fáilte Ireland, in 2024, out-of-state (overseas and Northern Ireland) tourist expenditure amounted to €6.6 billion, with a further €1.5 billion spent by overseas visitors on fares to Irish carriers, taking total foreign exchange earnings to over €8 billion.¹⁶ Expenditure from domestic tourism amounted to €3.6 billion, making tourism what it termed an almost €12 billion industry annually.

Tourism also helps to drive employment in several sectors such as hospitality and food, and can be particularly important from a regional perspective. Direct employment in the tourism sector derives from activities such as cultural and recreational; transport, rental, and leasing; passenger transport; and accommodation and food beverage services. In the final quarter of 2023, CSO data show that accommodation supported 50,300 jobs directly, and food and beverage service activities supported 132,800 jobs.¹⁷

¹⁴ Written Answers - Tourism Policy (PQ 183). Minister for Finance. Dáil Éireann Debate, 20 February 2025. Available at <https://www.oireachtas.ie/en/debates/question/2025-02-20/183/>

¹⁵ Office of the Head of Finance, Finance Department (2023) *Report 15 – 2023 to the Finance SPC Update on Visitor Accommodation Tax*. Available at <https://councilmeetings.dublincity.ie/documents/s42471/Report%2015%20-%202023%20-%20Visitor%20Accommodation%20Tax%20Update.pdf>

¹⁶ Fáilte Ireland (2025) *Key Tourism Facts 2024*. Available at https://www.failteireland.ie/FailteIreland/media/WebsiteStructure/Documents/Research/Key%20Tourism%20Facts%20and%20Figures%202024/FI_Key-Tourism-Facts-2024_National-Summary_1.pdf?ext=.pdf

¹⁷ Information in this paragraph has been adapted from the following source: Jim Power (2024) *Analysis of Government induced costs on Tourism & Hospitality Enterprises* (report for the Irish Tourism Industry Confederation (ITIC) by economist Jim Power). Available at https://www.itic.ie/wp-content/uploads/2024/03/Analysis_of_Government_induced_costs_on_tourism_enterprises_Jim-Power_ITIC_March2024.pdf

At the same time, the tourism sector, like many others across the economy, is facing challenging conditions including due to global issues. Ireland together with much of Europe has experienced higher energy prices in recent years, due to the war in Ukraine and the subsequent energy crisis. There is also significant uncertainty due to changing international trading conditions, including around US tariffs and policy. These factors are likely to have a negative effect on sentiment and economic growth. Irrespective of the extent to which it is linked to these circumstances, tourism data for March 2025 pointed to a drop in visitor numbers:

“Recent CSO figures show a 15% reduction in the number of overseas visitors in March 2025 compared to the corresponding month in 2024. The CSO figures for the first three months of the year show a 23% reduction”.¹⁸

The CSO’s full year data for 2025 shows the total number of overnight visitors from overseas was just over 6.4 million.¹⁹ This represents a decrease of 3% compared with 6.6 million visitors in 2024. Expenditure by foreign visitors for 2025 was estimated at €5.5 billion, down 9% compared with 2024 (€6 billion).

At national level, some tourism bodies have warned of difficulties facing the industry. For example, a 2024 report for the Irish Tourism Industry Confederation (ITIC) has argued for the restoration of the 9% VAT rate for the sector²⁰, changes to employer PRSI rates, and an annual enterprise support package”.²¹ Notwithstanding the relative size of tourism within the Irish economy, media commentary has also highlighted industry concerns about key issues and challenges for the tourism sector. The issue of price competitiveness of Ireland’s tourism offering against key competitors arises in this context, along with the impact of other factors including employment costs and operating costs.²² In 2024, the Irish Independent reported:

¹⁸ Written Answers - Tourism Industry (PQ 89). Minister for Tourism, Culture, Arts, Gaeltacht, Sport and Media. Dáil Éireann Debate, 30 April 2025. Available at <https://www.oireachtas.ie/en/debates/question/2025-04-30/89/>

¹⁹ CSO (2026) *Inbound Tourism December 2025*. Available at <https://www.cso.ie/en/releasesandpublications/ep/p-ibt/inboundtourismdecember2025/>

²⁰ The 9% VAT rate was applied on a temporary basis to the hospitality and tourism sectors until 31 August 2023 when it reverted to the 13.5% rate. It was announced in Budget 2026 that the [second reduced VAT rate of 9%](#) will apply to certain food and drink when supplied as part of a restaurant, catering or a hot takeaway service from 1 July 2026.

²¹ Jim Power (2024) *Analysis of Government induced costs on Tourism & Hospitality Enterprises* (report for the Irish Tourism Industry Confederation (ITIC) by economist Jim Power).

²² Irish Independent, Editorial: *Pricing ourselves out of tourism comes at a cost for country – and we can’t say we haven’t been warned*. 28 October 2024. Available at <https://www.independent.ie/opinion/editorial/editorial-pricing-ourselves-out-of-tourism-comes-at-a-cost-for-country-and-we-cant-say-we-havent-been-warned/a1779750843.html>

“The price comparisons are stark. Ireland is now ranked as the third most expensive EU country for restaurants and hotels, and the second most expensive for alcohol”.²³

Fáilte Ireland’s *Tourism Barometer* (published September 2025) found that overall, 37% of businesses increased their revenue in summer 2025 compared to summer 2024, 20% had the same level and 43% experienced decreased revenue. *Previous research* from the tourism development authority, explained that 68% of businesses increased their prices in 2024, with rising costs dominating the reasons.²⁴ In assessing the key factors affecting performance, the *September 2025 Tourism Barometer* noted that costs continue to dominate concerns, especially energy (cited by 52%) and payroll in some sectors (81% of hotels and food & drink operators).²⁵

Finally, it has been suggested the impact of a hotel bedroom tax applied solely in Dublin might need consideration in terms of the capital and its relationship with neighbouring counties. Specifically, as reported by the Irish Times, there could be a potential issue of a disproportionate regional effect:

“I don’t know how it would work that it would just attach to one county, but for argument’s sake, if it did attach to just one county like Dublin, what’s to stop somebody from staying in Wicklow getting the Dart in and not paying the tax?” the Minister said.

[...]

‘And as I say they’ll stay in Wicklow, they’ll stay in Kildare and maybe go to Limerick with Galway. Wouldn’t that be totally counterproductive for the Dublin tourism industry?’²⁶

Against this backdrop, it would seem particularly important to have careful and considered stakeholder engagement, with a view to ensuring concerns are explored and adequately addressed throughout any process of introducing a levy.

Potential factors for further consideration

The above sections presented key arguments for and against a hotel bedroom tax. In addition, policymakers may wish to consider certain factors in more detail prior to the introduction of a hotel bedroom tax in Ireland. In this context, evidence from international examples can assist

²³ Irish Independent, Editorial: *Pricing ourselves out of tourism comes at a cost for country – and we can’t say we haven’t been warned*. 28 October 2024. Available at <https://www.independent.ie/opinion/editorial/editorial-pricing-ourselves-out-of-tourism-comes-at-a-cost-for-country-and-we-cant-say-we-havent-been-warned/a1779750843.html>

²⁴ Fáilte Ireland (2025) *Tourism Barometer* (January 2025). Available at [https://www.failteireland.ie/FailteIreland/media/WebsiteStructure/Documents/Research/REPORT-Barometer-January-2025-\(2\).pdf?ext=.pdf](https://www.failteireland.ie/FailteIreland/media/WebsiteStructure/Documents/Research/REPORT-Barometer-January-2025-(2).pdf?ext=.pdf)

²⁵ Fáilte Ireland (2025) *Tourism Barometer* (September 2025). Available at <https://www.failteireland.ie/FailteIreland/media/WebsiteStructure/Documents/Research/Tourism-Barometer-September-2025.pdf?ext=.pdf>

²⁶ Irish Times (2025) *City taxes for tourists ‘last thing we need to be doing’, says O’Donovan*. 17 April 2025. Available at <https://www.irishtimes.com/politics/2025/04/17/city-taxes-for-tourists-last-thing-we-need-to-be-doing-says-odonovan/>

in terms of outlining approaches taken by other countries. Such factors, could include, but are not limited to the following:

- Persons the levy would be applied to – should it apply to international or domestic visitors or both, should it apply to all overnight visitors including business visitors etc.
- Would the levy apply equally to the various forms of accommodation, or would some types be treated differently to others (e.g. 5-star hotels compared to a bed and breakfast etc).
- The geographic scope - would it be applied in Dublin only or would all local authorities be given the opportunity to apply such a levy.
- The level of discretion the local authority would have over the levy.

International examples

The enquiry requested information on experiences from other jurisdictions for comparative purposes in the form of a number of international examples of a hotel bedroom tax. Several European cities already apply such charges to tourist accommodation. This section draws on the experiences from four European countries (Latvia, Scotland, Wales and the Netherlands) that have either introduced or plan on introducing tourist charges.

A 2017 report, written by PricewaterhouseCoopers LLP (PwC) for the European Commission, summarised the overall situation regarding the prevalence of occupancy taxes in Europe as follows:

“Occupancy taxes are levied on short-term stays in 18 MS and typically charged per person, per night, with significant municipal discretion over the rates applied. The rate typically varies by the standard of accommodation (e.g. star rating of the hotel or resort), location and local authority, and children often attract reduced rates or are exempt entirely. Comparatively low rates are charged in the Eastern European MS, and the tax revenues are hypothecated for tourism purposes in a number of countries.”²⁷

As part of its general observations, it notes that there are several taxes which EU Member States can tailor to the tourism industry, outlining that:

“A ‘tourism friendly’ tax regime could include reduced VAT rates for accommodation and transport of passengers and no occupancy taxes or departure taxes. Cyprus, Estonia, Finland, Ireland, Latvia, Luxembourg and Sweden have used all of these policy instruments. Greece uses all these instruments, except for the reduced VAT rate for the transportation of passengers. Malta, Poland, Portugal, Slovenia and Spain impose an occupancy tax, but use the other ‘tourism friendly’ policy instruments. What most of these countries have in common is their relative small size and/or a geographic position outside Central Europe. Both factors could be interpreted as signs that this group of countries see potential for inbound tourism for their economies which is not currently fully exploited. This could help explain the policy decisions taken around these tax regimes.

On the other end of the spectrum, countries like Austria, France, Germany, Italy and the UK use several elements to levy taxes on tourism related services, although none of them combine high VAT rates on accommodation with occupancy tax and departure tax. Some Eastern European MS such as Bulgaria, Croatia, Czech Republic, Hungary, Slovakia and Romania follow a similar approach.”²⁸

²⁷ European Commission (2017) *The Impact of Taxes on the Competitiveness of European Tourism*.

Written by PricewaterhouseCoopers LLP (PwC). Available at

<https://www.europarl.europa.eu/cmsdata/130660/The%20Impact%20of%20Taxes%20on%20the%20Competitiveness%20of%20European%20tourism.pdf>

²⁸ European Commission (2017) *The Impact of Taxes on the Competitiveness of European Tourism*.

Written by PricewaterhouseCoopers LLP (PwC). Available at

<https://www.europarl.europa.eu/cmsdata/130660/The%20Impact%20of%20Taxes%20on%20the%20Competitiveness%20of%20European%20tourism.pdf>

Latvia

Riga is the capital of Latvia and has a population of 595,053 or 850,455 for the Riga statistical region (at the start of 2025).²⁹ A third of all inhabitants live in the capital Riga.³⁰

Riga introduced a tourist charge in January 2023, applicable to all accommodation intended for tourists. The relevant legislation is the [Riga City Council Binding Regulations No. Nr. RD-22-173-sn “On the Municipal Fee for Hosting Visitors and Tourists in Riga”](#) of 9 November 2022. This established the municipal fee for hosting visitors and tourists introduced in Riga, starting from 1 January 2023. The Riga municipal government had previously adopted similar regulations in 2019, with a view to introducing a tourism charge in 2021, but this was postponed due to the negative impact of Covid-19 on tourism.

The fee was originally set at €1 per day for each guest staying overnight in tourist accommodation, up to a maximum of €10 for a single uninterrupted period of stay.³¹ The fee was later reduced, with a rate of €0.89 per night applied from 1 November 2023, up to a maximum of €8.90 for the total uninterrupted time of stay at the tourist accommodation.³² Certain exemptions apply, including for those under 18 years of age.³³

The administration of fees is ensured by Riga City Council Municipal Revenue Office. The tourist charge itself is paid by those who host guests in paid tourist accommodations in the city (the fee payer). Specifically, the legislation describes the fee payer as “a person providing paid accommodation to vacationers and tourists at tourist accommodation establishments in Riga”.³⁴ The first step for those providing tourist accommodations in Riga is to register as a fee payer on the portal within 10 weekdays from the start of the operations.

Obligations on the fee payer thereafter include submitting a monthly report on the number of guests staying at the tourist accommodation and the charge to be paid. Each quarter, the fee payer is required to pay the fee calculated for the previous quarter into the local government’s

²⁹ Official statistics of Latvia webpage, *Population and population change*. Available at <https://stat.gov.lv/en/statistics-themes/population/population/247-population-and-population-change?themeCode=IR>

³⁰ Official statistics of Latvia webpage, *Population and population change*. Available at <https://stat.gov.lv/en/statistics-themes/population/population/247-population-and-population-change?themeCode=IR>

³¹ Riga City Council (2022) *Riga introducing a tourist charge next year*. Available at https://www.riga.lv/en/article/riga-introducing-tourist-charge-next-year?utm_source=https%3A%2F%2Fwww.google.ie%2F (published 7 November 2022).

³² Riga State City Municipality Finance Department webpage, *The Municipal Fee for Reception of Holidaymakers and Tourists in Riga*. Available at <https://pip.riga.lv/turisma-nodeva-eng/> Translated into English

³³ Riga State City Municipality Finance Department webpage, *Fee for the reception of holidaymakers and tourists in Riga*. Available at <https://pip.riga.lv/turisma-nodeva-eng/> Translated into English.

³⁴ Riga City Council Binding Regulations No. Nr. RD-22-173-sn “On the Municipal Fee for Hosting Visitors and Tourists in Riga”. Available at <https://pip.riga.lv/uploads/Riga-City-Council-Binding-Regulations-No.pdf>

budget, entering the code of the tourist accommodation establishment as the purpose of the payment.

In addition, the fee payer is responsible for creating the record-keeping register for visitors and tourists. The fee payer ensures that the tourist record-keeping register is available for each fee payer's tourist accommodation establishment in which the included information corresponds to the information of the number of visitors and tourists hosted in the previous month and the calculated fees as specified in the submitted report.³⁵

Prior to its introduction, Riga City Council explained that the "city will use the revenue generated by the charge to implement projects supporting tourism or developing tourism infrastructure and to promote the international image of Riga".³⁶

It has been reported that the goal was to collect €800,000 in 2023, with revenues coming in a higher figure of €1.3 million.³⁷ The money has already been invested in various tourism development programs. The same source reports that the Latvian Hotel and Restaurants Association maintains that the hotel industry there is, for the most part, positive about this, especially due to the fact that investments in tourism marketing in Latvia have long been insufficient.

Scotland

The Scottish Government has proposed giving councils powers to introduce what they refer to as a visitor levy (also known as a 'tourism tax'), as part of its commitment to devolve more powers to local councils. The aim is to generate funds to invest in local facilities and services, thereby helping to attract more visitors.

To this end, the [Visitor Levy \(Scotland\) Bill](#)³⁸ was introduced to the Scottish Parliament in May 2023 and became an [Act](#) on 5 July 2024 (the [Visitor Levy \(Scotland\) Act 2024](#)). This legislation allows a visitor levy (a type of fee or tax) to be charged on overnight stays in some types of accommodation, to be paid to the local authority should it decide to apply the levy.

³⁵ Riga State City Municipality Finance Department webpage, *The Municipal Fee for Reception of Holidaymakers and Tourists in Riga*. Available at <https://pip.riga.lv/turisma-nodeva-eng/> Translated into English.

³⁶ Riga City Council (2022) *Riga introducing a tourist charge next year* (published 7 November 2022).

³⁷ LSM+ English (Latvian Public Media) (2023) *Rīga tourism fees bring good results*. 27 December 2023. Available at <https://eng.lsm.lv/article/economy/economy/27.12.2023-riga-tourism-fees-bring-good-results.a536746/>

³⁸ The [Visitor Levy \(Scotland\) Bill](#) was accompanied by [explanatory notes](#), a [policy memorandum](#) and [financial memorandum](#) (all published on the Scottish Parliament website). In addition, the Scottish Government published a number of impact assessments:

- [Business and regulatory impact assessment](#)
- [Equality impact assessment](#)
- [Fairer Scotland duty assessment](#)
- [Island communities impact assessment](#)
- [Child rights and wellbeing impact assessment](#)
- [Data protection impact assessment](#).

Information on the levy, as originally proposed, is outlined in the following five paragraphs. Amending legislation was introduced in January 2026 and is briefly described thereafter.

Each local authority would also be able to decide what the level of the charge should be – it would be based on a percentage of the cost, with the rate set by individual councils. The percentage rate may vary for different purposes or different areas within the local authority's area, but not in relation to different types of overnight accommodation.

The legislation also provides councils with discretion over whether to apply the levy in all or part of their area. However, consultation with local communities, businesses and tourist organisations is required before introducing a levy.

The person liable to pay the levy to the local authority is the person who provides the accommodation and who is the occupier of the premises at which the accommodation is provided, although in practice, the liable person will be able to collect the amount of the levy from the person who pays to stay overnight in, or at, the accommodation (that person is referred to in the legislation as a "visitor").

A local authority is required to keep a separate account for the Visitor Levy scheme which must, for each financial year, be credited with the monies received under the scheme and debited with the expenses of operating the scheme. Funds raised by the levy must be reinvested in local facilities and services used by visitors.

Publication of the [Visitor Levy \(Scotland\) Bill](#) was preceded by a relatively extensive consultation process, which was structured around four broad questions which offer useful food for thought:

1. What would the reasons be for introducing a transient visitor tax?
2. What would a well-designed and operated transient visitor tax look like?
3. What positive and negative impacts could a transient visitor tax have?
4. How could a transient visitor tax be used, and how can revenues be distributed fairly?³⁹

The [Visitor Levy \(Amendment\) Bill](#), introduced by the Scottish Government on 6 January 2026, aims to modify the [Visitor Levy \(Scotland\) Act 2024](#). The purpose of the Bill is to give local authorities further flexibility in designing and implementing the visitor levy, and to provide clearer rules to support its future operation.⁴⁰ It proposes changes to the operation of the levy. These include allowing local authorities to charge a visitor levy as a fixed amount or different fixed amounts. Currently they can only charge a percentage of the cost of an overnight stay.

One analysis of the bill notes that while it is unusual to introduce amending legislation so soon after the passing of an act, the Scottish Government decided on this course of action following

³⁹ The Scottish Parliament webpage, *Summary of the Scottish Government's "national discussion" on tourist taxes, in 2018 and 2019*. Available at <https://digitalpublications.parliament.scot/ResearchBriefings/Report/2023/9/4/188fd140-9ade-4984-b2ef-812cb51bd118#b3d9d333-bea6-4f19-a2f9-a01c6e07cbcd.dita>

⁴⁰ The Scottish Parliament webpage, *Visitor Levy (Amendment) (Scotland) Bill*. Available at <https://www.parliament.scot/bills-and-laws/bills/s6/visitor-levy-amendment-scotland-bill>

engagement with local authorities and businesses.⁴¹ In addition, it explains that industry representatives had highlighted "insurmountable operational challenges" with the original Act and the need for the amendment bill to be passed "in this parliamentary session".⁴² The Bill is currently at [Stage 2 in the Scottish Parliament](#), with the likelihood of enactment in the near future:

"The Bill process has been expedited - in laymen's terms "speeded-up" in order that the legislation is passed before the end of the current Parliamentary session in April 2026, and so that legislation is in place ahead of the first visitor levy scheme coming into place in July 2026".⁴³

The former Minister for Finance has highlighted the following in relation to the Scottish system:

"The Scottish Government introduced a Visitor Levy in 2024, which will be collected by Local Authorities. The Welsh Government is also currently considering a similar proposal with again the collection likely to be carried out by Local Authorities if implemented".⁴⁴

The following comments regarding the requirement to hypothecate the funds in Scotland might be of interest to the reader:

"By requiring funds to be hypothecated, the Bill restricts what local authorities can do with the money they raise from a Visitor Levy - it cannot just be added to general funding. This has been an ask of the tourism industry since the National Discussion in 2018, with the STA insisting earlier this year that the Bill "must explicitly state that the revenue raised through the levy will be reinvested in tourism priorities". The Association of Scottish Visitor Attractions made a similar call in May, stating that Levy money should be used to help tackle the "chronic underfunding in tourism product and infrastructure at local authority level".

There are many examples around Europe of such hypothecation of tourist tax funds. The annex to the Bill's BRIA describes similar schemes in Catalonia, Slovenia, Lithuania, Croatia, Hamburg and France. However, there are other destinations, such as Berlin and Amsterdam, where tourist tax money appears to be added to the general budget and is not ring-fenced".⁴⁵

⁴¹ SPICe (2026) SPICe Briefing, *Visitor Levy (Amendment) (Scotland) Bill*. Available at <https://www.parliament.scot/chamber-and-committees/research-prepared-for-parliament/research-briefings/2026/2/10/sb-2610/pdf>

⁴² The bill's [Policy Memorandum](#) acknowledges that as councils and industry began planning for implementation, challenges emerged, particularly around calculation methods and third-party sales.

⁴³ SPICe (2026) SPICe Briefing, *Visitor Levy (Amendment) (Scotland) Bill*. Available at <https://www.parliament.scot/chamber-and-committees/research-prepared-for-parliament/research-briefings/2026/2/10/sb-2610/pdf>

⁴⁴ Written Answers - Tourism Policy (PQ 183). Minister for Finance. Dáil Éireann Debate, 20 February 2025. Available at <https://www.oireachtas.ie/en/debates/question/2025-02-20/183/>

⁴⁵ The Scottish Parliament webpage, Part 3 - what the Bill does. Available at <https://digitalpublications.parliament.scot/ResearchBriefings/Report/2023/9/4/188fd140-9ade-4984-b2ef-812cb51bd118#02f06d9e-f57f-4248-bd93-fb74d3db9437.dita>

The first visitor levy scheme in Scotland (Edinburgh) is due to commence in July 2026. The Irish Times has reported that visitors to Edinburgh in Scotland will face a 5% overnight levy on accommodation costs from July 2026, a move expected to raise £100 million (€117m) by 2030 to help fund public services, cultural programmes and city infrastructure.⁴⁶

In addition to Edinburgh, Glasgow, Aberdeen, Stirling and West Dunbartonshire councils have all consulted on visitor levy schemes in their areas and have subsequently announced plans to introduce schemes.⁴⁷ These are all based on a percentage charge.⁴⁸

Wales

The Welsh government has also taken steps to introduce a charge on visitors. Specifically, the [Visitor Accommodation \(Register and Levy\) Etc. \(Wales\) Act 2025](#) gives local authorities the choice to introduce a levy on overnight stays in visitor accommodation.⁴⁹ Local authorities can decide whether to introduce a visitor levy but must consult with the local community before doing so. The earliest a council could bring in a visitor levy is April 2027.

The legislation introduces a per person per night charge, applying to overnight stays in visitor accommodation in Wales in areas where the local authority decides to introduce a visitor levy. The rate will be set nationally to ensure consistency. It would apply to all visitors, with the levy rate set as a per person per night charge on overnight accommodation as follows:

- £0.75 per person per night for those staying at campsites (pitches) and hostels.
- £1.30 per person per night for those staying in all other visitor accommodation types.⁵⁰

Providers will be responsible for paying the levy, with it considered likely that they will pass this charge on to visitors as an 'indirect tax'. It will be collected and managed by the [Welsh Revenue Authority \(WRA\)](#). This is the body in Wales which has been responsible, since 1 April 2018, for collecting and managing two devolved taxes on behalf of Welsh Government (the Land Transaction Tax and the Landfill Disposals Tax).

The Welsh legislation also establishes a register of visitor accommodation providers operating in Wales.⁵¹ The register will include the type of visitor accommodation and location of the

⁴⁶ Irish Times (2025) *Tax on hotel guests planned by four Dublin councils*. 17 April 2025. Available at <https://www.irishtimes.com/business/economy/2025/04/17/tax-on-hotel-guests-planned-by-four-dublin-councils/>

⁴⁷ SPICe (2026) SPICe Briefing, *Visitor Levy (Amendment) (Scotland) Bill*. Available at <https://www.parliament.scot/chamber-and-committees/research-prepared-for-parliament/research-briefings/2026/2/10/sb-2610/pdf>

⁴⁸ Some councils have paused implementation of their schemes in light of potential legislative changes as they prefer the option of a fixed amount. Details of visitor levy schemes formally approved and announced are available at <https://www.visitscotland.org/tourism-events-industry/visitor-levy#guidance>

⁴⁹ The Act allowing councils to introduce an overnight visitor levy to raise funds for local tourism received Royal Assent on 18 September 2025.

⁵⁰ While initial proposals suggested a higher rate levy of £1.25, the final legislated rate for other accommodation is £1.30.

⁵¹ Visitor accommodation registration opens in [autumn 2026](#).

premises they operate across Wales. All visitor accommodation providers will be required to register, regardless of whether the local authority area they are operating in has chosen to introduce a visitor levy. The register is the first step towards a [statutory licensing scheme for visitor accommodation in Wales](#).⁵²

The Welsh government [estimated](#) that it could generate up to £33 million a year across Wales, provided all local authorities in Wales introduce a levy. The Welsh government has suggested that money raised from the levy can help communities respond to the costs associated with tourism, also support the Welsh language and help tourism grow.⁵³ In addition, it should help improve the likes of toilets, footpaths, beaches, and support visitor centres to the benefit of both visitors and local residents.

The Welsh government has published substantial accompanying documents to the proposed legislation. Similar to Scotland, several [impact assessments](#) have been published and an explanatory memorandum and regulatory impact assessment for the legislation is available on the [Senedd webpage](#). In addition, [related research](#) on the topic is publicly available online. There was also a consultation, which explored the proposed design of the visitor levy. This ended on 13 December 2022, with details of the [outcome of the consultation](#) also published.

Interestingly, during government engagement on the Bill with the tourism industry, businesses highlighted concerns about the tax burden facing the industry. In particular, concerns were raised around VAT.⁵⁴ Similar to Ireland at one point, this sector in Wales has seen its VAT rate increase in recent years. In response to these concerns, the Welsh government commissioned [research to understand the different tax systems facing the visitor economy](#) in general, and the accommodation sector in particular, in countries with similar economic and tourism characteristics to Wales. This was undertaken to help in understanding the relative tax burdens facing the tourism industry in other countries, and how the proposed levy would interact with these.

The Netherlands

Those operating a tourist accommodation (such as a hotel, bed and breakfast, holiday park, camp site, or marina) in the Netherlands are obliged to pay the municipal tourist tax for providing accommodation to guests from outside their municipality. The accommodation provider can pass on the tourist tax to their guests, with the tax applying to both tourist and business stays. There are two types of tourist tax:

- land tourist tax (for accommodation in hotels, bed and breakfasts, holiday cottages, caravans, tents, etc.)
- water tourist tax (for accommodation on board vessels)

⁵² Welsh Government webpage, *Visitor Accommodation (Register and Levy) Etc. (Wales) Bill*. Available at <https://www.gov.wales/VisitorLevy>

⁵³ Welsh Government webpage. *Visitor Accommodation (Register and Levy) Etc. (Wales) Bill*. Available at <https://www.gov.wales/VisitorLevy>

⁵⁴ VAT rates are set by the UK government. The UK government set the VAT rate back to 20% for the hospitality sector as of 1 April 2022. This is an uplift from the 12.5% rate that had been in place for the sector since October 2021.

Before opening a hotel, B&B, or other tourist accommodation, the accommodation provider must register with their local authority for the tourist tax. This allows him/her to declare the tourist tax. Depending on the municipality, he/she must do so each quarter or once a year.

There is also an obligation to keep a visitor register. The municipality can ask accommodation providers to submit the information from their [visitor register](#) with their tourist tax return. This records details of who is staying in the accommodation and the time period when guests are staying.

The amount of tourist tax due varies per guest according to the applicable tourist tax rate in a given municipal authority. The municipality can set a fixed amount per person per night or day. They can also set a percentage of the costs for an overnight stay. The rates or percentages are adjusted every year.

Certain exemption from the tourist tax apply, including guests who are registered in the local [municipal personal records database](#) (residents). Other exemptions vary by municipality.⁵⁵

In the case of **Amsterdam**, those offering paid overnight accommodation to people who are not registered in the City of Amsterdam must pay tourist tax (toeristenbelasting). This involves registering as a landlord and then declaring the tourist tax each year.

The tourist tax (toeristenbelasting) applies to hotels, hostels, guesthouses, apartments, recreational bungalows, bed and breakfasts, short-stay rentals and campsites. The City of Amsterdam has set a Day Tourist Tax for transit sea cruise and river cruise passengers mooring within the municipal boundaries of Amsterdam. The following rates of tourist tax apply:

- Tourist tax: 12.5% of the overnight price (excluding VAT⁵⁶)
- Day tourist tax: €15 per passenger⁵⁷

In addition to the above, it is worth highlighting that the City of Amsterdam is working to prevent tourism that “causes nuisances, and has set a maximum number of visitors”.⁵⁸ In response to a public initiative titled ‘Amsterdam has a choice’, in June 2021 the City Council approved a new policy on tourism, ‘Tourism in balance in Amsterdam’. The plan sets a maximum number of overnight stays and day visits by tourist, with a maximum of 20 million visitors per year. If the number of visitors reaches 18m, the council is required to implement visitor reduction measures.⁵⁹ In this context, one source has noted:

⁵⁵ The above information has been adapted from the following source: Netherlands Enterprise Agency, RVO webpage, *Tourist tax*. Available at <https://business.gov.nl/regulation/tourist-tax/>

⁵⁶ The Dutch government [increased the VAT rate](#) for overnight accommodation from 9% to 21% in 2026, with the aim of increasing tax revenues with the higher VAT rate. The 21% VAT rate applies to short-stay accommodation, including hotels and hostels.

⁵⁷ Netherlands Enterprise Agency, RVO webpage, *Municipality Amsterdam: Tourist tax*. Available at <https://business.gov.nl/regulation/tourist-tax/municipality/amsterdam/>

⁵⁸ City of Amsterdam webpage, *Policy: Tourism*. Available at <https://www.amsterdam.nl/en/policy/policy-tourism/>

⁵⁹ Tourism Alliance (2023) *Taxing Tourists: The UK Vs Competitor Destinations*. Available at <https://tourismalliance.com/wp-content/uploads/2023/09/Tourism-Alliance-Tourism-Taxation-Report-FINAL-FOR-PUBLICATION.pdf>

“That is to say that the official policy of the City of Amsterdam authorities is to restrict the number of tourists coming to the city. Increasing tourism taxes is seen by the council as one of the tools it has at its disposal to do this”.⁶⁰

In an interesting development, Euronews reported last September that residents of Amsterdam have taken “a pioneering step to express their frustration with the city’s overtourism problem” by launching legal action against the council over visitor numbers.⁶¹ It explains that the residents argue that authorities are not complying with their own legislation and are not doing enough to combat overtourism. The same source states that while the city’s tourist tax of 12.5% is the highest in Europe, residents involved in the legal action say it needs to be increased once again. Amsterdam officials are said to have described the limit on tourist numbers (set at 20 million overnight stays in 2020) as a target rather than a legal threshold in court documents.⁶² The case is ongoing at the time of writing this briefing paper.

It is also worth reflecting again on the nature of the relationship between the local authority and those within its area of responsibility. For example, Amsterdam City Council (ACC) is used to engagement on these types of matters:

“ACC has greater autonomy than local authorities in Ireland and as such there is ongoing engagement with all businesses and residents on tax matters administered by ACC. In this way there are established information exchanges and parameters between the accommodation (hotels, Airbnb etc.) operators and ACC”.⁶³

⁶⁰ Tourism Alliance (2023) *Taxing Tourists: The UK Vs Competitor Destinations*. Available at <https://tourismalliance.com/wp-content/uploads/2023/09/Tourism-Alliance-Tourism-Taxation-Report-FINAL-FOR-PUBLICATION.pdf>

⁶¹ Euronews (2025) *Why Amsterdam’s embattled residents are suing the city over mass tourism*. 24 September 2025. Available at <https://www.euronews.com/travel/2025/09/24/why-amsterdams-embattled-residents-are-suing-the-city-over-mass-tourism>

⁶² Dutch News (2026) *Amsterdam says 20 million tourist cap is not legally binding*. 23 February 2026. Available at <https://www.dutchnews.nl/2026/02/amsterdam-says-20-million-tourist-cap-is-not-legally-binding/>

⁶³ Office of the Head of Finance, Finance Department (2023) *Report 15 – 2023 to the Finance SPC Update on Visitor Accommodation Tax*. Available at <https://councilmeetings.dublincity.ie/documents/s42471/Report%2015%20-%202023%20-%20Visitor%20Accommodation%20Tax%20Update.pdf>

National commentary

Whilst topical at the moment, the idea of a hotel bedroom tax for Dublin has been around for several years. Accordingly, there have been some policy discussions on the topic. This section provides an overview of key reports that discuss the possible introduction of a levy in Ireland, in addition to commentary by selected stakeholders in response to recent discussions around same.

Key reports

In terms of history of the proposal, the [Report of the Commission on Taxation and Welfare](#) (published in 2022) included a recommendation on introducing an accommodation tax. It highlighted the importance of advance notice and early engagement before introduction:

“The intention to introduce this tax should be signalled early and a process of engagement with relevant stakeholders should be undertaken prior to implementation of the tax”.

The [Dublin City Taskforce](#) was established by Government in May 2024 to take a holistic view of the measures required to rejuvenate Dublin City Centre, north and south. The [Report of the Dublin City Taskforce](#), published in October 2024, made ten recommendations. In terms of funding these, the report (on page 20) highlights the need for “commitment from government for significant funding on an immediate and a sustained basis to deliver the scale of work required at pace”.

The report identifies a number of funding mechanisms that could be leveraged to support implementation of this plan ringfenced for the city, including:

- State level supports through funds like the Urban Regeneration and Development Fund (URDF),
- European level supports through the European Investment Bank (EIB),
- Public-private partnerships and
- The introduction or enforcement of levies such as a **tourist tax**, congestion charges, increased vacant property levies or a lifting of the derogation for rates on State buildings.

The report notes that any decision on fundraising is a matter for government and is outside the remit of the Taskforce. In addition, a detailed review of funding mechanisms could be carried out by the implementation team.

The topic has also been a feature of the work of Dublin City Council in recent years. The introduction of a Hotel Bed Tax / Transient Visitor Levy is listed in the Finance Strategic Policy Committee’s [work programme 2019 to 2024](#). The [Multi Annual Work Programme of the Finance SPC 2024 to 2029](#) includes the following issue, which is described as being “currently underway”: The SPC will propose to Government the supporting framework for the introduction of a transient visitor levy (TVL) should be provided.

The Finance SPC considered the introduction of a Hotel Bed Tax in Dublin prior to the Covid-19 pandemic. A [Report to the Finance Strategic Policy Committee on Accommodation Tax](#) (dated

19 January 2023) responded to a request that a future meeting outline the potential yield from an accommodation charge in the Dublin City Council area. The report estimated:⁶⁴

- a potential yield of €10.2m from an Accommodation Charge based on 1% of the cost of accommodation, using data for January to October 2022 (10 months).
- a potential yield of €11.1m from an Accommodation Charge based on 1% of the cost of accommodation, using data from November 2021 to October 2022 (12 months).⁶⁵

The [report](#) concludes by explaining that as it stands, Dublin City Council does not have the legal capacity to introduce such a charge, enabling legislation is required to progress. It therefore asked the SPC members consider an agreed approach to proceed, incorporating full engagement and partnership with interested parties.

An [update report](#) on Visitor Accommodation Tax to the Finance Strategic Policy Committee was published in September 2023. That report detailed engagements made with bodies in two other countries on this subject in recent months, one where an Accommodation Tax is in operation, the other where an Accommodation Tax is in the process of being introduced. Remote meetings were held with officials from the Amsterdam City Council (ACC) and also with officials from the Welsh Government.

Stakeholder reactions

General concerns from the tourist industry regarding price competitiveness of the industry and rising costs were outlined on [pages 8 to 10 of this briefing paper](#). In addition, a selection of reactions to a potential tourist tax in Dublin are outlined below:

- The Director of Dublin's Skylon Hotel is reported as saying that there are "no grounds" for introducing a tourist tax, rather that Ireland needs a "sustainable type of tourism" and did not believe this is a sustainable route.⁶⁶
- Minister for Culture, Communications and Sport, Patrick O'Donovan, stated that he would not welcome a tourist tax and "the last thing we need to do" is to add more costs to people. In addition, he is reported to have suggested that councils can come together and propose the idea, but ultimately the levying of tax is an issue for the Minister for Finance.⁶⁷

⁶⁴ Dublin City Council Office of the Head of Finance, Finance Department (2023) *Report to the Finance Strategic Policy Committee Accommodation Tax*. Available at

<https://councilmeetings.dublincity.ie/documents/s40413/Report%201%20-%202023%20Accommodation%20Tax.pdf>

⁶⁵ Explanatory notes regarding use of data are set out on [page 1](#) of the report and provide important context.

⁶⁶ RTÉ News (2025) Proposed tourist tax could raise €12m for Dublin city. 17 Apr 2025. Available at <https://www.rte.ie/news/dublin/2025/0417/1508161-dublin-hotel-tax/>

⁶⁷ RTÉ News (2025) Proposed tourist tax could raise €12m for Dublin city. 17 Apr 2025. Available at <https://www.rte.ie/news/dublin/2025/0417/1508161-dublin-hotel-tax/>

- In April 2025, the Irish Times reported that the Irish Hotels Federation is opposed to the possibility of a hotel bedroom tax, with the prospect of a visitor levy referred to as proving contentious in the past:

“The Irish Hotels Federation said there were no grounds for introducing an additional tourist tax. Its members were already making ‘an enormous contribution’ to the exchequer and local authority services. It said that in Dublin hotels pay approximately €1,000 per bedroom in commercial rates, amounting to over €25 million a year. ‘Given the massive cost increases over recent years the last thing we should be doing is to increase taxes further and making Ireland less attractive,’ it said. ‘A bedroom tax would mean less money for tourists to spend in downstream tourism businesses, and less money when tourists go on to visit and stay in other parts of the country.’”⁶⁸

- An October 2025 article published by RTÉ noted that while it is “difficult to measure the price elasticity of visitor demand, the tourist industry claims that visitor demand is price sensitive and that a visitor tax would damage competitiveness and jeopardise the viability of some accommodation providers, and, indirectly, other businesses in the tourist sector such as restaurants and operators of visitor attractions”.⁶⁹ In addition, it estimated potential revenues as follows⁷⁰:

“Based on accommodation data on bedspaces in January 2025, the total estimated revenue nationwide ranges from a low of €32m (minimum charge of €1, on hotels only) to a high of €213m (maximum charge of €3, on all Fáilte Ireland approved accommodation and an estimate of short-term lets). As for location, whereas a tourist tax of €1 per person, per night on all paid accommodation could potentially raise €7.8m for Kerry County Council, the same tourist tax would only raise €2m for Wicklow County Council, a local authority with a similar population as Kerry but with an economic profile less dependent on tourism and visitor numbers”.

⁶⁸ Irish Times (2025) *Tax on hotel guests planned by four Dublin councils*. 17 April 2025. Available at <https://www.irishtimes.com/business/economy/2025/04/17/tax-on-hotel-guests-planned-by-four-dublin-councils/>

⁶⁹ RTÉ (2025) *What tax, which could bring in €213m, won't be in Budget 2026?* 6 October 2025. Available at <https://www.rte.ie/brainstorm/2025/1006/1536830-ireland-tourist-tax-purpose-advantages-disadvantages-revenue/>

⁷⁰ These calculations were based on a number of factors including an overall bed occupancy rate of 55%, with no exemptions applied. As for the tax rate, hypothetical flat rates were applied, from a minimum charge of €1 per person, per night to a maximum charge of €3 per person, per night.



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