

# BUSINESS TRAVEL: NEW HOTEL TAX IN COLOGNE CAUSES PROBLEMS



The German Business Travel Association (VDR) is criticizing the new version of the Cologne bed tax. Because of the new regulations effective from 1st December 2014, an additional bureaucratic expenditure has arisen for business travelers, their businesses, and the hotel industry.

“Business travelers are exempted only when they provide detailed forms. This expenditure is disproportionate and harms the economy,” said Dirk Gerdom, president of VDR.

From December, **business travelers must fill out an official form which requires information about the accommodation and the duration of stay** as well as the employer, name, address, and passport information of the traveler. Additionally, business travelers also need a confirmation from their employer about the necessity of an overnight stay. Those who do not hand in these documents at the hotel have to pay a cultural subsidy fixed at 5% of the price of the overnight stay.

“The forms are provided exclusively in German, and the city of Cologne is only accepting these specific forms. These conditions are completely old-fashioned and bureaucratic,” said Gerdom. VDR board member Daniela Schade added: “The effort is huge for the hotels, too. They have the task of asking whether the stay is business-related or private. As many as two documents per business traveler must then be archived, in order to be able to present them upon demand of the Treasury and Tax Office. **The implementation at such short notice and the fact that a city like Cologne does not provide an English translation are more than problematic.**”

Though business travelers also have to fill in a form in Berlin and Hamburg hotels, the authorities also accept the hotel receipt or the employer’s electronic booking confirmation. When asked why Cologne didn’t just do the same thing, the VDR was told that the communal tax regulation in North Rhine-Westphalia only allowed the guest to be the tax payer, and not the hotels themselves, as is the case in Hamburg or Berlin. Even in Thuringia the business travelers can be exempted from the bed tax since the regulations there allow it.

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