

HOTEL TAX TO INCREASE CONSIDERABLY IN FRANCE



The French Minister for Tourism, Laurent Fabius, announced coming changes to the hotel tax rates that will affect not only the traditional hotels but apartments booked via internet like Airbnb website as well.

Laurent Fabius called the increases reasonable since they are not as high as originally expected and modern because **they apply to non-traditional accommodations such as rental homes usually**

booked through internet.

Unrated hotels and similar facilities will be taxed at 0.75 Euros, instead of 0.40 per person per night. This tax now will be levied on so-called non-traditional accommodations such as those booked through Airbnb.com. Accommodations with a single star will continue to be taxed at the rate of 0.75 Euro. Furthermore, the tax remains unchanged at 0.90 Euro for 2-star facilities as well.

However, it rises from 1 to 1.5 Euro for 3-star hotels, from 1.5 to 2.25 Euros for 4-star hotels, and doubles for 5-star hotels, from 1.5 to 3 Euros. Finally, luxury accommodation facilities which had been classified as 5-star+, will now fall into their own category and taxed at 4 Euros per person per night.

"We cannot attract tourists if taxes are increased too much," said the minister to the press. "Online companies, through which unconventional tourist accommodations are booked, would become the fiscal representatives of the hosts and would collect the tax on their behalf," said Fabius.

Hotel industry unions responded: "Enacting into law the fairness in taxation for all types of lodging including apartment rentals, is a measure of tax justice and like the Alur law, another building block in the struggle to counter unfair competition suffered by our establishments. The same rules should apply to all players in the lodging market. In the manner of decisions adopted in New York, San Francisco, Barcelona, Madrid or Berlin, we want to continue working with the Government to restrict overnight rentals by imposing a minimum stay of six nights," remarked Roland Heguy, Confederal President of UMIH and Jacques Barre, president of GNC.

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