

CRUISE SHIPS ARE MUCH LESS TAXED THAN HOTELS



Cruise holidays may well give the impression of an exotic getaway, but new research reveals that for the passenger they have one surprising advantage - far lower taxes. According to a study by the NGO Transport & Environment (T&E), a night on a cruise ship in Europe is, on average, 40% cheaper (after taxes) than a night in a hotel - despite having a devastating impact on local eco-systems.

The report compared the total taxes paid for a hotel room costing 100 euro per night to those paid for a cruise vacation in France, Italy and Spain, with similar prices. For example, **in France, hotel room taxes account for 24% of the price of a room compared to 9% for a cruise passenger.** This discrepancy occurs because, according to European law, “a ship is a mode of transport and not a hotel”, meaning that cruises escape VAT and other taxes specific to the hospitality sector.

Not a Means of Transport

The report considers this interpretation outdated since modern cruise ships have shifted towards being more of a floating accommodation than a transport, with passengers tending to embark and disembark at the same place and making the ports of call an extension of their holiday.

According to T&E, this “unfair advantage” should be solved by taxing cruise vacations at the same level as hotel stays, both to offset the environmental damage caused and to reduce tensions with locals who are often overwhelmed by mass tourism.

Massive Unaccounted Costs

The environmental impact of the cruise industry is significant, with emissions of greenhouse gases and other pollutants not accounted for in the current tax system. The report estimates that in France, Spain and Italy, emissions from cruise ships will cost 550 to 930 million euros in 2025 (based on the European Maritime Emissions Trading System). Meanwhile, the taxes due to ports only reach 6% of the value of hotel room leases in these countries.

Moreover, a cruise passenger has a carbon footprint 2-4 times higher than a tourist who travels by plane or train and stays in a hotel (according to the International Council on Clean Transportation).

Learning from Others

Several European destinations have introduced or are considering introducing a specific tax for cruise passengers. For example, in Greece, a passenger tax of 5 to 20 euros is applied, depending on the port and the time of year. In addition, Amsterdam, Barcelona and Dubrovnik have implemented or are considering a system of charges for cruise ships to limit congestion and pollution.

In France, T&E believes an ideal solution would be to introduce a passenger tax of 15 euros per stop (53 million euros revenue per year), which could fund the state’s economy, ecosystems and infrastructure (such as connecting jetties). With a taxonomic revision of the industry’s status, this would allow local governments to recoup some of the costs incurred in the management of port activities.

Beyond taxation: Regulatory Action Needed

The T&E report recommends that, in addition to direct taxation, **European authorities should also introduce regulatory measures such as promoting alternative low-carbon maritime fuels and possibly restricting the number of cruise ships.** By encouraging a shift in the balance between different modes of transport, as well as more sustainable tourism, these measures would contribute to reducing the environmental impact of the cruise industry and give local governments more tools to manage the consequences of mass tourism. If the number of cruising passengers in Europe is set to rise sharply in the coming years, it remains to be seen whether policy makers will continue to support the industry as a whole or take steps to ensure the sector contributes its fair share.

Date: 2026-07-06

Article link:

<https://www.tourism-review.com/cruise-ships-taxation-is-lower-than-hotel-taxes-news15548>