

Tourism Tax: A Proposal for Ireland's EU Presidency

Team Name:

Teacher:

School:

The Challenge Facing Some EU Member States - insufficient funding for major cities

- Many large cities across the European Union face challenges due to limited funding from national governments.
- As tourism continues to grow, cities experience greater pressure on public services, but they do not always receive enough funding to cover these additional costs. This can lead to issues such as litter, congestion, and underinvestment in infrastructure.
- Dublin's tourism industry has grown significantly over the past decade, increasing by some 60%¹. Cities such as Dublin need new sources of funding to help maintain and improve urban environments.



¹ <https://www.failteireland.ie/en/research-and-insights/visitor-numbers-dashboard>

Tax Revenue Supports Public Services

- Taxes are the main source of funding for governments and local authorities like Dublin City Council. Revenue collected through taxes helps pay for services such as public transport, road maintenance, street cleaning, and public safety.
- If governments collect more tax revenue, they have greater resources available to invest in cities and improve services.
- A tourism tax is already in place in cities such as Amsterdam (12.5%)², Paris (variable nightly charge)³ and Lisbon (a fixed charge, per person, per night)⁴. Ireland is an outlier in the EU by not having one.

A look at Europe's tourist taxes—have they helped curb overcrowding?

We evaluated imposed tourist fees in European cities like Barcelona, Amsterdam, and Venice to find out where the money really goes.

Between the two tourist taxes, the Barcelona City Council expects to collect \$103 million this year, she explains. These charges haven't deterred tourists from visiting Barcelona. But they have improved the city as a destination, and enhanced quality of life for its residents, according to Guitart-Casalderrey.

She says the Barcelona City Council is transparent in publicly listing activities and projects funded by tourist tax revenue. Proceeds have been used to organize cultural events, expand public transport services, and fund tourism research.

Barcelona Turisme CEO Mateu Hernández says the tourist tax allows the city to pay for "better exhibitions, festivals, and sports events, benefiting both residents and tourists alike". It has helped fund Barcelona's role as host of the 2024 America's Cup, which involves five sailing events between August 22 and October 20.

This prestigious sports festival is key to the tourist tax's stated aim to "attract more quality visitors", according to Hernández. Tourist tax income also improves "daily life" for Barcelona residents. "Such as by investing in air conditioning for primary schools, demonstrating the direct benefits of tourism to the community," he explains.

"We ask visitors for a contribution to keep Amsterdam clean, safe and attractive, just like we ask from our own residents with local taxations," says van Buren. "On the one hand (the tax is used) to combat the negative sides of over-tourism, like littering, cleaning, law enforcement. On the other hand, we use this for infrastructure, education, cultural life, sport facilities."

² <https://cms.law/en/nld/legal-updates/amsterdam-tightens-the-screw-on-tourism-a-further-update>

³ <https://parisjetaime.com/eng/article/tourist-tax-a616>

⁴ <https://www.nextstoplisbon.com/lisbon-tourist-tax-how-much-is-it>

Introducing a Tourism Tax in Dublin

- Ireland could promote the introduction of a tourism tax during its EU Presidency.
- A simple €2 per night tax would generate approximately €17.5m annually for the City⁵.
- A 'Your Dublin, Your Voice' survey conducted in May 2025 indicated that 64% of Dubliners support a tourism tax⁶.
- The revenue collected should be ringfenced specifically for Dublin city improvements rather than being added to central government spending.



⁵ <https://www.travelextra.ie/dublin-city-council-considers-tourism-tax-of-e7-per-head/>

⁶ <https://www.dublineconomy.ie/insights/dubliners-voice-mixed-views-on-tourism-in-latest-survey-18513/>

Benefits of a Tourism Tax

- A tourism tax could generate additional funding for Dublin without increasing taxes on local residents.
- The revenue could be used for:
 - » more frequent litter collection
 - » street washing and cleaning
 - » improved streetscapes and public spaces
 - » enhanced public transport services
 - » better maintenance of tourist attractions
 - » a cleaner and more attractive city centre



Summary

- Dublin's tourism growth is placing added pressure on infrastructure and public services.
- We propose a **€2-per-night tourism tax** during Ireland's EU Presidency.
- We estimate the tax could raise **€17.5 million annually**.
- Dublin would align with cities such as Amsterdam, Paris and Lisbon, which already levy tourism taxes.
- A cited May 2025 survey found **64% of Dubliners support** the proposal.
- Revenue should be ringfenced for improvements in Dublin, including cleaning, transport, streetscapes, public spaces and attractions.
- The tax would fund city services without increasing taxes on local residents.