

Taxing tourists: beware the extra charges that can make your hotel more costly

City tax imposed on hotel stays in Europe, including in Paris, Berlin and Rome, could potentially add up to £6 per person per night to your bill



In Amsterdam, city tax is charged at a flat rate of 5% of your hotel room bill. Photograph: Fraser Hall/Getty Images

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You may have budgeted for your next overseas city break away, but you could still be in for a shock if your hotel charges city tax. The tax can add up to £12 a night to the cost of a double room, and you may only be presented with the bill when it's time to check out.

City tax is charged on hotel stays across many European cities including Paris, Berlin, Rome, Amsterdam and Barcelona, and in some more far-flung destinations, such as Dubai and America. Rates and charging structures vary, but can go up to £6 per person per night.

Bob Atkinson from TravelSupermarket.com says in some cities you can expect to pay on a per person, per night basis, while in others, such as Berlin, Amsterdam and Cologne, city tax is charged at a flat rate of 5% of your hotel room bill. You may have to pay for your children too - in Berlin, for instance, their stay is taxed, while in Italy there are usually exemptions for the under-14s or under-16s.

Paris is relatively cheap, says Atkinson, with charges from 20 cents to €1.50 (£1.30) per person per night, based on hotel location and star rating. In contrast, in Rome you can pay up to €7 per person per night, he says, which works out at more than £80 for two people if you're staying for a week.

It's generally hotels that charge city tax, according to Atkinson, as "small private accommodation tends to be exempt and stays at Airbnb seem to avoid it in some places, although Paris is one city where it must be collected". Once again, there are quirks in the system: in some places, including Cologne and Berlin, business travellers are exempt from the tax, and in Italy children under 14, (or 16 in some places), can be exempt.

While you may think this is a sneaky way for hotels to boost their coffers, the money doesn't go directly into their pockets, although where it goes varies too. "In some cities payments go to supporting the local tourist industry and developing it,

for example, in Cologne,” says Atkinson. But in Italy the tax is used to “raise revenue for hard-pressed government departments”.

In the Catalonia region of Spain where city tax has been in operation since 2012, it has raised a total of €126m, which has been split between the Catalan Tourism Agency, local tourism boards and town halls.

Since July, the Spanish government has charged a new “tourist tax” on hotel stays in the Balearic Islands, which include Mallorca, Ibiza, Formentera and Menorca. It’s charged at a rate of up to €2 per person per night, depending on the type of accommodation, and is collected by the hotel. The upper rate applies to four- and five-star hotels; you may only pay €1 a night if you’re staying in a basic holiday apartment.

As city tax isn’t an issue in the UK, holidaymakers heading abroad may easily be confused about whether it has already been included in their holiday price if they’ve booked a package deal, or whether they need to save some money to cover this. Sean Tipton from ABTA, the group representing travel agents, says the basic rule is that “any locally collected taxes, which includes city tax, won’t be included as part of your package”.



In the Balearic Islands, including Ibiza, the government charges a tourist tax of up to €2 per person per night, depending on the type of accommodation. Photograph: Alamy Stock Photo

This means it is up to you to cover the cost on arrival or departure at your hotel, which could be a shock if you haven’t read the notes with your booking.

Budget flight company Jet2.com confirms that the tax isn’t included in its city breaks packages and should be paid locally at the hotel. It says it warns customers upfront: “We notify customers when they book, and they have to tick a box to say that they’ve read this.” Details are also contained in Jet2’s terms and conditions.

Both Thomson and First Choice also say city tax (if levied at your destination) isn’t included in package prices, adding, “we advise customers they are chargeable on arrival rather than included in the package price”.

If you’re booking accommodation independently, check you read the hotel’s website carefully, including details of any city tax charges. While these should all be listed – sites such as Booking.com put details alongside the room listing – it can be possible to spot the room rate, think you’ve got a bargain and forget to factor in the extra costs. In most cases you can pay any tax due on departure, by cash or card.

While city tax isn’t an issue in the UK, Camden council did propose a form of a tourist tax last year to help with street cleaning, in the wake of government cuts. Camden was suggesting a £1 a night tax on hotel stays in central London, but imposing such changes would mean new legislation being brought in. A council spokesperson says that for now, “the idea remains an idea and it has not been adopted or dismissed”.

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