



Councillors Adopt Resolution on Tourism Levy

2024-10-21

For years, Krakow has advocated the introduction of a tourism levy in Poland by amending the Act on Local Taxes and Fees, and on 9 October, councillors unanimously decided to forward a resolution on this matter to the Polish government.

A tourism levy is a type of tax that is collected in most tourist destinations around the world, and the legislation amendment, as prepared by Kraków and the Association of Polish Cities, stipulates that the funds from the tourist levy would flow into the municipal budget, and could thus be allocated to projects aligned with the sustainable tourism policy, i.e. projects aimed at improving the comfort of residents and visitors.

In Poland, there is no legislation that allows for the collection of a tourist levy. Pursuant to the Act on Local Taxes and Fees (consolidated text in the Journal of Laws of 2023, item 70), a local levy may be charged to persons staying in a given locality for leisure, health or tourist purposes, provided that the locality meets three conditions simultaneously, which are as follows:

- favourable climatic properties;
- landscape value;
- conditions that allow for tourism, leisure and training stays.

The decision to establish a local levy in a specific area is taken by the municipal council. Such a local levy was collected in Krakow between 2004 and 2015, but it was discontinued after environmental regulations were amended and Krakow, along with the metropolis, failed to meet the conditions set out therein. As of 1 January 2024, the maximum rate of the local levy in Poland is PLN 3.22 per overnight stay.

In order to be able to still charge a local levy “independent of climatic conditions,” a proposal has been prepared in Krakow to introduce a so-called tourism levy by amending the Act on Local Taxes and Fees and the Act on the Income of Local Government Units.

In 2017, Krakow prepared and forwarded a proposal to amend these Acts to the Association of Polish Cities, which was then sent to government bodies, as well as to the Ministry of Sport and Tourism. It provided for the voluntary introduction of a tourism levy in municipalities, within the limit set by the Ministry of Finance, once a locality has met the conditions for the existence of cultural and landscape values, as well as the infrastructure necessary for the reception of visitors, excluding the environmental aspects required for the local levy.

The demand for the introduction of a tourism levy in Poland has also been the subject of repeated representations by the Mayor of the City of Krakow to the relevant ministries responsible for tourism. The last such representation to the Minister of Sport and Tourism was made on 9 January 2024, and representatives of the City of Krakow and the Association of Polish Cities also talk about the prepared solutions during all industry discussions, interviews, meetings or conferences related to city life.