



## Report to the Finance Strategic Policy Committee

### Hotel Bed Tax: Legal Advice

At the meeting of the Finance Strategic Policy Committee on 21<sup>st</sup> January 2016, the issue of the introduction of a Hotel Bed Tax was considered. It was agreed that a further report would be sought from the Law Agent seeking further detail on the legal capacity of Dublin City Council to make a charge relating to a hotel bed tax. Set out below is a summary of the advice received from Terence O’Keeffe, Law Agent:

The Law Agent was asked to advise whether Dublin City Council has a legal basis for imposing a bed tax on hotels / bed and breakfast establishments in Dublin. The idea would be that the tax would be collected by the hoteliers and passed on to the local authority for expenditure on specified purposes.

In order to carry out any of its functions a local authority must first have a legal power imposed by statute in order to do so. The primary governing statute in this regard is the Local Government Act 2001-2014.

The Law Agent cannot find any power in that Act to impose a bed tax on hoteliers. There are wide powers given to the local authority to promote the interests of the local community etc. However, there is a big difference between promoting the interests of a local community and requiring hoteliers to impose a tax.

Section 66B of the Act imposes an obligation on each local authority to make a 6 year local economic and community plan. The section goes on to set out what the plan should try to achieve and the way in which it should be done. Subsection (3) sets out what shall be deemed to be promotion of local and community development and at paragraph (f) provides as follows:

“Exploiting and coordinating funding sources from the public, private and community and voluntary sectors to stimulate and support local development and sustainability”.

The Law Agent has confirmed that there is no provision in the Local Government Act 2001-2014 to impose this tax. There is a requirement on Local Authorities under the legislation to prepare an Economic and Community plan. There is provision for exploring funding mechanisms to stimulate and support local development.

There is no specific provision in the legislation that authorises a local authority to impose a hotel bed tax and any such tax could, in his view, only be imposed with the co-operation of the Hotel industry”.

**Kathy Quinn**  
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**With responsibility for ICT**