An Bille Rialtais Áitiúil (Muirir ar Sheomraí), 2026
Local Government (Room Charges) Bill 2026

Meabhrán Míniúcháin
Explanatory Memorandum

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Purpose of the Bill

While tourism growth benefits local economies, the associated infrastructure costs — maintenance of public spaces, waste management, transport, cultural and recreational facilities — fall on local authorities without a dedicated revenue stream linked to the volume of visitors. The Bill addresses this gap by providing a legal basis for a locally-determined accommodation charge, commonly referred to as a tourist tax or bed tax, which is a standard feature of the fiscal architecture in most European countries.

France, Germany, Italy, Spain, the Netherlands, Belgium and Austria all operate accommodation levies, typically at municipal or regional level and typically ranging from €1 to €5 per person per night depending on the category of accommodation. In the United Kingdom, Manchester introduced a city visitor charge in 2023. In Ireland, the matter has been the subject of recurring policy discussion. The Tourism Action Plan 2023–2025 identified an accommodation levy as a potential revenue instrument for local authorities. Proposals were considered by the Joint Oireachtas Committee on Tourism, Culture, Arts, Sport and Media.

The Bill does not require any local authority to adopt a scheme, nor does it specify the rate of the charge. Instead, the scheme enables each local authority to decide whether to set a rate, or different rates for different categories of accommodation, appropriate to its own circumstances.

The charge is imposed on the room provider rather than directly on the occupant. It is recoverable by the local authority as a simple contract debt. The amount of the charge, the area to which it applies, and the return and payment dates are all matters for determination by the local authority under its adopted scheme. The Bill also provides for the Revenue Commissioners to share relevant VAT registration and returns information with local authorities to assist them in identifying room providers operating within their areas and in verifying the accuracy of charges paid.

Provisions of the Bill

Section 1 sets out the definitions for the Bill. The key definitions are as follows. “Room” is defined by reference to paragraph 11 of Schedule 3 to the Value-Added Tax Consolidation Act 2010, which covers the supply of guest or holiday accommodation subject to the reduced rate of VAT. This encompasses hotels, guesthouses, and self-catering accommodation let on a short-term basis, but excludes caravan parks and camping sites.

The use of the VAT definition ensures consistency with the existing tax framework and avoids the need for a separate and potentially overlapping categorisation of accommodation types. Equally, "room provider" means a person who is an accountable person under the 2010 Act in respect of the provision of such accommodation. This confines the charge to commercial operators registered for VAT, thereby excluding casual or occasional lettings that fall below the VAT registration threshold.

Section 2 provides the enabling power. A local authority may by resolution adopt, amend or replace a scheme. A scheme must specify: the area within the local authority's functional area to which it applies; that a charge is payable by the room provider in respect of each overnight occupation; the amount of the charge per night, which may differ for different categories of room; the dates by which returns must be made; the dates by which payment must be made; and such other provisions as the local authority considers necessary for the satisfactory operation of the scheme.

The scheme mechanism gives local authorities full discretion as to whether to adopt a scheme at all, the geographic scope of any scheme, and the rate. A local authority may, for example, confine a scheme to a particular town or resort area within its functional area rather than applying it across the entire county.

Section 3 places obligations on room providers whose accommodation falls within an area covered by an adopted scheme. They must make returns and pay the charges due on the dates specified by the scheme. Where a local authority is of opinion that a charge is owed but has not been paid, it may recover the amount as a simple contract debt in any court of competent jurisdiction. The civil debt recovery mechanism is modelled on similar provisions in local government legislation and avoids the need for a separate criminal enforcement regime.

Section 4 provides for the sharing of information between the Revenue Commissioners and local authorities. Notwithstanding any enactment or rule of law restricting disclosure of Revenue information, the Commissioners must, on request from a local authority, provide such information obtained pursuant to the 2010 Act as the authority reasonably requires for the purposes of: identifying rooms in its functional area; verifying the accuracy of information it holds about such rooms; verifying the accuracy of charges paid; and generally performing its functions under the Bill.

The information-sharing provision is necessary because local authorities have no independent means of identifying all VAT-registered accommodation providers within their areas or of cross-checking the returns made by providers. Without access to Revenue data, compliance verification would be largely ineffective.

The section provides the GDPR basis for any processing of personal data received under the section, identifying it as processing necessary for the performance of a task carried out in the public interest within the meaning of Article 6(1)(e) of the General Data Protection Regulation. Local authorities may process the data only for the purposes specified in subsection (1).

Section 5 provides for the short title and for commencement six months after passing. The deferred commencement is intended to allow local authorities adequate time to prepare schemes and to inform room providers of the new obligation before it takes effect.

Ged Nash, TD,

Samhain, 2026.