

Record of Decisions

Motion - Cutting Tourism VAT

Decision Taker

Mayor on 29 September 2011

Decision

That the motion be supported.

Reason for the Decision

To respond to the motion.

Implementation (resource implications tab to be renamed Implementation)

This decision will come into force and may be implemented on Wednesday, 12 October 2011 unless the call-in procedure is triggered (as set out in the Standing Orders in relation to Overview and Scrutiny.)

Information

At the Council meeting held on 29 September 2011, Members received a Motion, as set out below, notice of which had been given in accordance with Standing Order A14 by Councillors Richards and Stringer:

‘That the Council notes that the Irish government has moved to reduce VAT on hotel accommodation and food to 9% for at least 18 months from 1 July 2011; recognises that EU rules allow such a sectorally-targeted VAT reduction to support tourism; observes that Germany reduced VAT in hotels from 19% to 7% in January 2010 with successful results; recalls that France reduced VAT on restaurant meals from 19.6% to 5.5% from July 2009 saving businesses and creating jobs; further recognises that such targeted VAT reductions to help employment and private sector growth are also compatible with the deficit reduction programmes being pursued by the governments who have introduced them; calls on the Government to introduce such a measure to help the tourism sector and consumers in the UK; and points out that the International Monetary Fund has said that the Government should consider some tax cuts to stimulate economic activity.

Such tax break could significantly boost Torbay’s tourism industry and help 2012 be a ‘year of tourism’.

Alternative Options considered and rejected at the time of the decision

None

Is this a Key Decision?

No

Does the call-in procedure apply?

Yes

Declarations of interest (including details of any relevant dispensations issued by the Standards Committee)

None

Published

4 October 2011

Signed: _____
Mayor of Torbay

Date: _____