

57 – Tax Policy for Sustainable Tourism

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The World Tourism Organization has stated that tourism is one of the most affected sectors from COVID-19 but, at the same time, the capacity of tourism to stimulate economies - by creating employment, attracting investments and adding value nationally, regionally and locally - is well accepted at national and international level (in this field several documents of European and international organizations have been published).

In this complicated scenario, the pandemic situation should become an opportunity for the development of new models of tourism focused on the eco-sustainability: the guidelines of these new models are also described in depth by the European Charter for Sustainable Tourism

The tourism market requires a supportive regulatory environment, and it's clear that taxation is a crucial component of it: furthermore, the tourism sector includes a broad range of different economic activities, so that most taxes are likely to have an obvious impact to this extent.

In general, the model of sustainable tourism is founded on sustainable transports, on improvement of energy efficiency and on awareness of nature and environmental protection, etc. All of these “variables” require tax measures and incentives.

Different “models” and situations of sustainable tourism should be distinguished: because one of the most relevant problem is that sustainable tourism has often developed in areas (rural or mountainous) characterized by significant economic and logistic problems as well as by population displacement and by the lack of digital structures (i.e. the lack of internet).

Consequently, the main issue is not the usual one of tourism taxation, but of the reduction of taxation on tourism activities that are environmentally-friendly.

Against this backdrop, the goal of this paper is to explore different tools of tax policy and, in particular: the provision of tax incentives in the field of direct taxation (tax credit or specific deduction) to repopulate depressed areas or to encourage people to choose these areas as touristic; significant increase in the tax deductibility of environmentally sustainable transport costs.

One of the most important ways to increase the value added of the sustainable tourism sector is the support and promotion of local capacities and skills, allowing the adoption of tax reductions on new business models by local stakeholder (or by extending already existing favourable tax regimes to local activities).

Biographical note

Francesco Montanari is Associate Professor (Qualified as Full Professor) of Tax Law, University G. D'Annunzio of Chieti – Pescara (Italy). Degree in Law and Degree in Economics, Phd in European Taxation (University of Bologna). Francesco is the author of about 70 papers in national and international journals, of several chapters in national and international books and of three books.

Francesco has been member of many International Research Projects and he is also editor of A-ranked Italian scientific journals such as *Rivista trimestrale di diritto tributario* and *Rivista di diritto tributario internazionale*. Francesco is a member of the EATLP (European Association of Tax Law Professors).