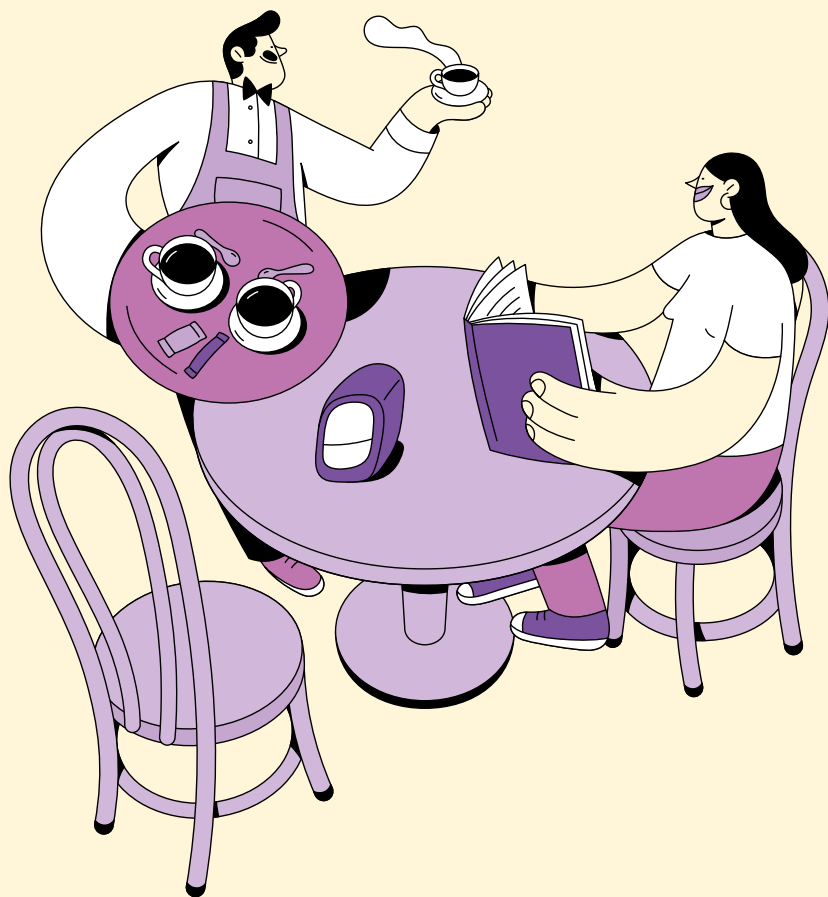


The new tax on pavement terraces is no coincidence



Gremi
Restauració
Barcelona

The Guild's fight to defend pavement terraces has once again been successful.

We never agreed with the unreasonable hike approved in 2019 and, since then, we've worked hard to keep the restaurateurs' complaint alive.

With the disappearance of the 75% discount adopted during the pandemic, a new Tax Ordinance has come into force, agreed with the Guild, that benefits all the city's establishments with a pavement terrace.

Savings

We estimate the sector will save more than 7 million euros annually.

Tax reduction

6,000 pavement terraces have gone from a 75% discount to a structural reduction of 60%.

Political consensus

The new Tax Ordinance has been passed thanks to a large political majority of 27 councillors.

A conflict that has lasted five years



Photo: Mariona Gil

2019

In December 2019, Barcelona City Council updates the rates applied for the different local taxes. Whilst in most cases the hikes range between 10% and 50%, an unprecedented exorbitant increase is applied to the pavement terrace tax, in some cases up to 1000%. However, in spite of massive protests from the sector, the measure goes ahead.

2020-2021

The new rates come into force on 1 January 2020. Nevertheless, shortly afterwards the outbreak of the pandemic and the forced closure of the hotel and catering industry leads the municipal government and the Guild to announce an agreement to temporarily reduce the rate by 75%. This discount continues in 2021, a year still affected by health restrictions.

2022-2023

Once the pandemic is over, the Guild openly raises the need to discuss the pavement terrace tax further. Due to its exceptional nature, the pandemic discount has to be agreed specifically, year by year, otherwise the rates approved in 2019 are applied by default. Maintaining the discount in 2022 and 2023 avoids conflict with the hotel and catering industry.

Details of the agreement

- 1.** The Ordinance applies new lower tax rates, in many cases close to the ones paid before the 2019 hike. The rate is still calculated according to the number of tables and the zone where they are located. The new rate will be applied automatically year after year, without the need for fresh agreements.
- 2.** The biggest change is the conversion of the duty into a progressive tax, for instance like personal income tax. This means the unit cost increases as the number of tables increases (previously it was always the same). In any case, the most practical approach is to divide the tax levied by the number of tables.
- 3.** The zoning for the tax remains unchanged which, for the case of pavement terraces, was established in 2019. Each road in the city is assigned a tax category between 0 and 5, with 0 being taxed at the highest rate.



Scan the QR code to consult the zones in detail.

Without the Guild's determination and perseverance, such a disproportionate increase would have become established.

Details of the tax cut

- 1.** Nine out of ten pavement terraces in the city (i.e. around 6,000 licences) have between 1 and 8 tables. These licences change from a 75% discount (exceptional and linked to the pandemic) to a 60% reduction compared with the amounts that, without any agreement, would have been applied in 2024. However, the Ordinance doesn't use the term "reduction"; the amounts levied are deemed to be of an ordinary nature.
- 2.** Since the pandemic discount was larger, the cost of the tax is higher in 2024 than in 2023 (approximately double). This cost should be compared with the one in 2019. In most cases, the new tax is similar to what was paid previously (except for pavement terraces located in zone 0 and in those cases where the tax category has been amended). There will be no change between 2024 and 2025.
- 3.** Thanks to the agreement promoted by the Guild, Barcelona's hotel and catering industry as a whole will save more than seven million euros annually. Consequently, the tax burden on the sector has been significantly reduced but without affecting the Council's solvency to any great extent, given that the municipal agency's budget exceeds 3.8 billion euros.

In most cases, the amount paid now is similar to before the hike.

Political consensus



PSC

10 councillors



Junts

11 councillors



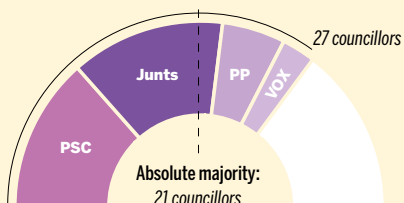
PP

4 councillors



VOX

2 councillors



The amendment of the Tax Ordinance was approved with the votes of the government (PSC party) and those of Junts per Catalunya, Partido Popular and VOX. These 27 councillors make up a broad political majority in favour of reaching an understanding with the hotel and catering industry.

Payment deadlines

Non-direct debit

From 09.10.24 to 09.12.24



Outside this period, a new bill must be requested and then paid via one of the channels provided.

Direct debit

23.12.24



Scan the QR code to pay the tax over the next few years by direct debit.

These payment deadlines are for the 2024 tax. The tax schedule that was customary before the pandemic may be restored in 2025; if so, the tax will be paid in the spring.

This agreement has been possible because thousands of restaurateurs trust the Guild. They realise it's the only organisation that defends the sector's interests.

If you're not a member yet, don't look the other way - take the plunge!

Joining the Guild is the best way to look out for your business.



TELEPHONE

T. 722 858 769



JOIN US



ADDRESS

Gran Via de les Corts Catalanes, 481
08015 Barcelona