

WRITTEN QUESTION E-1261/02
by Carlos Ripoll y Martínez de Bedoya (PPE-DE)
to the Commission

Subject: Tax in the Balearic Islands

On 23 April 2002 the Government of the Balearic Islands adopted Law 7/2001 on a tax to be levied on stays in accommodation owned by holiday companies and to be paid into a fund which has been set up to improve tourist facilities and to protect the environment.

In the explanatory memorandum to that law it is stated that the tax is to be levied on stays (which are an expression of a tax-payer's financial means) in accommodation owned by holiday companies.

Does the Commission not think that such a tax may affect freedom of establishment in the case of companies intending to operate in the Balearic Islands?

Does the Commission not think that such a tax would have a distorting effect on a company's decision as to where to trade, since it would constitute a factor external to the market and would therefore tend to undermine the foundations upon which the internal market is built?