

Some Information Concerning the Project of the New Tourist Tax

The Commune's authorities have set up a working group to discuss the framework of the future tourist tax. This working group will be led by which is led by Mr. Clivaz. It is composed of Mrs Martine Perruchoud Hofstädter (municipal councillor in charge of tourism) and Messrs Alain Perruchoud (President of the Commune), Arnaldo Corvasce and Jacques Perret (representative of Verco R2).

1. Commune's Current Setup with Regards to Tourism

- a. Running the Tourist Office, whose annual expenses run at approximately CHF 330'000. This sum is financed to the tune of CHF 170'000 from the visitors' tax and CHF 160'000 from Communal subsidies.
- b. local animations, including welcome of new arrivals, race to find Easter eggs
- c. running of tourist and sports installations such as Minigolf, Creux du Lavioz, hiking trails, bus shuttles inside the village, etc...

2. New Cantonal Law on Communal Tourist Services and the Financing Thereof

According to the Valais Tourism Act and the relevant ordinance, the tourist tax must not be used for tourism promotion, nor to finance the ordinary tasks of the Commune. It contributes to financing in particular (art 1, paragraph 2 of the draft regulation):

- a. the operation of an information and reservation service for chalets/apartments/rooms
- b. local animation
- c. the creation and operation of tourist, cultural or sports facilities

The financing of the tourist activities made available by the Commune will be ensured by:

- a. the tourist tax, which concerns both R2s (acronym for second home owners) and tourists staying at dedicated residences (hotels, BB, etc.),
- b. the tourism promotion tax that will be paid by companies active in tourism,
- c. the Cantonal tourism fund.

3. Draft of the New Tourist Tax (preliminary note, early January 2019)

The "tourist tax" working group is considering a tax of 3 Swiss Francs per room/night and an assumed average annual occupancy of 50 days for owners of second homes (R2) who occasionally rent their property (chalet or co-op). It should be noted that these are only very approximate figures which are subject to change. This "theoretical" average is below the current actual average occupancy of 60 days for R2 chalets in Vercorin according to statistics from the Valais Observatory of Tourism (15.9.2017). The proposed "all inclusive" annual fee is also intended to encourage R2s to rent their property to reduce the "cold bed" problem since R2 owners will be entitled to keep for themselves the tourist tax they can charge on the rentals of their property. According to initial estimates, the tourist tax could therefore amount to 3 Swiss Francs per night/room (figure to be taken as a working hypothesis and not as a final figure). Multiplied by the average occupancy of 50 days, this would give an annual amount of CHF 150 per room. For a 3-room dwelling, we would have an annual tax of CHF 450, for a 4-room dwelling, a tax of CHF 600 and for a 6-room dwelling and more ("ceiling" size according to the Commune's proposal), a tax of CHF 900. It should be recalled that the current amount of the tourist tax is CHF 75 per person/year, which gives an annual amount of CHF 300 for a

family of 4 people. The number of rooms per chalet is an already established figure, mentioned in the Commune's official register.

With the new tourist tax project, its amount will increase from around CHF 170,000 per year to around CHF 480,000 per year (estimate based on the following calculation: 800 R2 x CHF 600). This amount excludes for the time being any potential subsidies from the Commune.

It should be recalled that, in addition to the tourist tax, the R2s pay local and cantonal taxes (about 10% of the Commune's tax revenues) and a sewer tax of CHF 237.35, a garbage tax of CHF 221 and a water tax of CHF 237.35, an amount multiplied by a coefficient determined by the area of the land owned.

4. General Assembly of Verco R2 on 23.2.2019

On this occasion, we will most probably have additional information concerning the Commune's projects for tourism and their financing, and we will have to give our opinion on the tourist tax and on the services that we wish to see financed by this tourist tax.

Those who wish to participate in this general assembly are invited to become a member of Verco R2 by sending an email to saurerandreas@bluewin.ch and to pay the 2018 contribution of 50 francs to Verco R2 -3967 Vercorin -IBAN account: CH54 0900 0000 1419 5013 8.

15.1.2019

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