

**Greater London Authority Oversight Committee**  
**Follow up questions to 12 June 2025 online meeting**

**Tourism tax (Imposta di soggiorno)**

1. Have you seen a discernible impact on the number of visitors to Milan since introducing the tourism tax (imposta di soggiorno)?  
The tax seems to have no negative impact whatsoever on tourist flows. Since its introduction in 2012, arrivals and stays in Milan have steadily and significantly increased. Tourist numbers were already growing in 2012, before Expo 2015, and have taken a consistent leap forward since. In 2012 we counted more or less 4.3 M arrivals and 9.1 M nights: in 2024 that has turned into 9.06M arrivals and more than 18M nights. Therefore, numbers have doubled, in spite of the tax.
2. How did you engage and work with the hospitality industry when setting and implementing the tourism tax?  
The City Hall worked closely with the local Hoteliers' Associations, which were reluctant at first, both because of the perceived inconvenience to travellers and because of the added workload for hotel receptionists and employees. Some maintained the tax created the need for additional personnel, and therefore higher costs, simply to cope with the extra work. It was sometimes uneasy at first, and there was some resistance. A digital platform for tax registration was gradually implemented to make dealing with the matter less time-consuming and the tax became routine for hotels.
3. Did you have to lobby for any additional devolved powers in order to implement the tourism tax?  
Not at first, as the Tax was granted by the Government to cities with Milan's characteristics. The city fixed its rates independently, within limits fixed by national regulation. We are now trying to obtain from the Government the right to raise our rates, at least during the 2026 Winter Olympic and Paralympic Games.

**Municipal surcharge on personal income tax (Addizionale comunale sull'IRPEF)**

4. Could you provide further details on the operation of the municipal surcharge on personal income tax (addizionale comunale sull'IRPEF), including the rationale for this charge, and successes and challenges faced in its operation?

The additional tax is due to the Municipality of Milan by taxpayers who have their tax domicile in the Municipality itself. It is owed by individuals only if, for the same year, personal income tax is owed. The Municipality of Milan provides exemption thresholds for citizens who meet certain income requirements; starting from 2020, the additional income tax is not owed if the taxable income determined for personal income tax purposes does not exceed €23,000. The goal is to help citizens with medium-low incomes more and promote greater tax equity at a time when the cost of living weighs on families.

## International Relations

### Property-based taxes:

5. What are the main mechanisms by which the Municipality of Milan collects property-based taxes?

The local property-based tax in Milan is called IMU – Municipal Property Tax.

It came into force in 2012 and has been the subject of subsequent legislative interventions:

- abolition for the main residence - with some exceptions - starting from 2014;
- abolition of the IUC (Single Municipal Tax) in the IMU and TASI (Tax on Indivisible Services) components in force until 2019;
- new IMU regulation from 1 January 2020.

IMU does not apply to the real estate unit owned by elderly or disabled people who acquire residency in nursing or health institutions following permanent hospitalization, provided that the same is not rented. In the case of multiple real estate units, this relief can be applied to only one real estate unit.

IMU is due for:

- properties other than the main residence or assimilated, with the exception of:
  - main residence
  - pertinences of the residence
- building areas
- agricultural land.

### Use of funds collected:

6. How much of the taxes raised directly by the Municipality of Milan are retained in Milan? Are there limitations on how locally raised taxes are spent (e.g. are certain taxes ringfenced for specific purposes)?

The Municipality has specific taxing autonomy over property, waste, tourism, and income taxes. It retains all revenues collected directly in relation to these areas.

There are specific uses designated for the waste tax (to cover the cost of waste collection and disposal services) and for the tourism tax (to partially cover costs related to culture, maintenance, and public transportation).

7. Could you provide further detail on how the Municipality of Milan has financed the new metro line you mentioned during the meeting?

The Municipality of Milan has financed the new M4 metro line through a combination of public funds (including the Ministry of Infrastructure and Transport) and private funds, as well as European funding through the CEF Transport 2019 call, to support the development of the line, and financing from the European Investment Bank.

### **International Relations**

The concessionaire company, SPV Linea M4 Spa, is owned by the Municipality of Milan and other private entities, and is responsible for the construction and management of the entire line.

The Municipality of Milan holds the majority of the shares of the concessionaire company, SPV Linea M4 Spa, while the rest is divided between other entities and private companies.