

Court of First Instance ruling regarding the tourist levy rate increase from 9.5% to 12.5% as of January 1, 2023

On September 23, 2024, the Court of First Instance of Aruba (hereinafter: 'Tax Court') issued a ruling regarding the application of the tourist levy rate increase which took place on January 1, 2023 from 9.5% to 12.5%.

The case was about the bookings that were made before January 1, 2023 for stays that took place as of January 1, 2023. The tax inspector agreed in December 2022 that the old rate of 9.5% could be applied for bookings that were made and paid in 2022 for stays that took place as of January 1, 2023 (in an e-mail to AHATA). However, later, in February 2023, the tax inspector changed her mind and decided that these bookings were subject to the new tax rate of 12.5% (also in an e-mail to AHATA).

The Tax Court agreed with the hotel that the tax inspector should honor the interpretation of the law that she initially used in December 2022 and that she could not change her mind afterwards. For this reason, the rate of 9.5% remained applicable for bookings which were made and paid in 2022 for stays that took place as of January 1, 2023. According to the Tax Court the hotel was entitled to a considerable refund of tourist levy for January 2023.



Implications for hotels and accommodations

Considering this ruling of the Tax Court, a refund is possible for all hotels and accommodations which have filed objections against their own tourist levy returns in this similar situation as of January 2023. Please note it is possible to request for an ex officio reduction (in Dutch: 'verzoek ambtshalve vermindering') of overpaid tourist levy based on article 32 of the State Ordinance General Taxes. However, it is at the discretion of the tax inspector whether this is to be granted or not. If you need assistance, please contact us.

Contact us

If you would like to know more or would like to request a meeting/consultation with one of our tax advisors then please contact us at:



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