

Cezary Szydłowski
Uniwersytet Łódzki

AUDIT OF INCOME FROM LOCAL FEES IN SELECTED COMMUNES OF THE POMERANIAN PROVINCE IN POLAND

The article presents the importance of auditing the assessment of a commune's budget revenues for tourist fees (local fee or spa fee) as a tool enabling its increase by the commune authorized to impose it.

The purpose of this article is to present on the basis of selected coastal municipalities of the Pomeranian Voivodeship in Poland, the role and significance of the audit of the assessment of income to the municipal budget in terms of local and spa fees.

The article uses case study, analytical method, inference method and document examination method as the research methodology. The source materials for the analysis were documents made available on the pages of the Public Information Bulletin by the assessed local government units from the Pomeranian Voivodeship (reports on the implementation of the budget and Rb-27s reports containing information on revenue for the year).

The local and spa fees constitute a small share in the total income of the budgets of the surveyed municipalities. The key factor improving the revenues of municipalities from local and spa fees is the improvement of their collection system. The risk of inefficient collection of fees by those who collect them from tourists is a threat to effective collection of the fees. Therefore, individual communes should improve the supervision system and control of toll collection by hotel service providers.

Key words: audit, budget revenues, local tax, climate fee, public sector, local government.

JEL Codes: H71; H83

Introduction

Budget revenues of local government units include, in addition to traditional levies (e.g., their share of personal taxes), the possibility for local authorities to charge local or spa fees (tourist tax) under certain legal circumstances. These are tributes imposed on tourists or persons visiting a region or a city, which meet the requirements for tourist or health values specified by law. The local or climate fee is related to staying in a given locality (e.g. resulting from the number of overnight stays in the locality). The criteria for recognizing a town or city as a tourist or spa destination that is authorized to charge tourist fees are set out in national regulations. The local or spa fees constitute income towards the budget of local government units. Funds obtained by the commune in the form of tourist fees are spent on improving the tourist attractiveness of that locale.

Tourism is an important economic sectors which generates economic growth and contributes to the social and economic development of a country.¹

The amount of local or spa fees that is collected depends on the number of tourists and the effectiveness of collecting these fees by the municipalities. The higher the number of tourists, the higher the income of communes from tourist fees. The obtained funds may be used to improve tourist infrastructure, which contributes to improving the attractiveness of the town or commune for potential visitors. The process of collecting a local or spa fee from tourists should be audited internally or externally as part of a local government's assessment of the system of collecting income for its budget.²

Research method

In the article, case study, the analytical method, the inference method and the method of examining documents were used as the research methodology. Selected coastal urban and rural authorities of Pomorskie Voivodeship in Poland were assessed. The source materials for the analysis were the documents made available on the pages of the Public Information Bulletin by local government units from Pomorskie Voivodeship (reports on budget implementation and Rb-27s reports, containing information on income for the year).

The analyzed time horizon covered the years 2016-2018. In addition, the budgets of the evaluated municipalities and the applicable rates of the local and climate fees, together with the rules for collecting them from tourists, were assessed. The audit of revenues to the local fee budget was based on selected seaside resorts from the Pomorskie Voivodeship in Poland.

Local fee as budget income from the tourist community in Poland

Public tribute in the form of a tourist tax/tourism levy collected from visitors to a given tourist destination operate in many countries around the world. Tourism fees can be defined as "taxes levied on the supply of tourism goods and services in general, or income from tourism activities and remuneration for employees of tourism companies".³ However, their size, nature and mode of assessment depend on the specifics of each country. In most countries, taxes and tourist fees are the way in which the local governments that are authorized to levy them finance activities to improve the tourist attractiveness of their town or municipality. The amount of fees is determined by the relevant public authorities in each country. The amount differs based on the location and other factors which are taken into account in accordance with the laws of that country.⁴

Typically, a tourism tax is levied on tourists visiting certain geographical areas or towns that have special attractions for potential visitors. Tourist taxes are usually

¹ Camilleri, M. A., *The Tourism Industry: An Overview. In Travel Marketing, Tourism Economics and the Airline Product*, Cham, Switzerland, 2018, Springer Nature, Chapter 1, pp. 3-27.

² *Ustawa z dnia 27 sierpnia 2009 r. o finansach publicznych* (tj. Dz. U. z 2019 r., poz. 869).

³ *The Impact of Taxes on the Competitiveness of European Tourism. Final Report*, PricewaterhouseCoopers LLP (PwC), Luxembourg: Publications Office of the European Union, 2017 r., s. 43. (dostęp: 29.01.2020 r. <http://www.europarl.europa.eu/cmsdata/130660/The%20Impact%20of%20Taxes%20on%20the%20Competitiveness%20of%20European%20tourism.pdf>)

⁴ <https://www.lovemoney.com/guides/52231/tourist-tax-in-europe-what-you-will-pay-in-spain-italy-and-other-hotspots> [access: 29.01.2020].

collected from tourists through the hotel sector,⁵ where owners of a hotel or guesthouse business are obliged to charge tourists an appropriate fee for each night of their stay. This allows for systematic collection of these fees. However, the effective collection of tourist fees often depends on the system of incentives, usually financial, for the business owners. Most countries have decentralised the rules for setting the amount of the tax or tourist fee by delegating the responsibility for doing this to the relevant local authorities.⁶

Some countries, including Poland, do not always directly impose a tourism tax on tourists in the form of an added hotel tax. Local governments in Poland also have the right to impose a special local and tourist tax, which is collected as a local fee. The allocation of the revenues from the tourist fee (climatic, local) to specific tasks is the responsibility of the authorities of each commune. Revenues from the tourist tax should be used to finance the improvement of tourist infrastructure, or to promote the area and the tourist services it provides. The amount of tourist tax charged to guests for each day of their stay can affect their interest in visiting a given town. This has been confirmed by a study carried out by the City of Edinburgh City Council, which showed that an increase in the tourist tax (from £1 to £2 per night) would reduce the number of potential nights spent in the city. In addition, it was also found that a possible increase in the tourist charge would contribute to the search for cheaper accommodations.⁷

Tourism taxes, depending on the region of the world, add mainly to the budget revenue of local governments. According to OECD data, the number of tourism taxes and fees is increasing worldwide.⁸ It should be noted that Poland is also becoming more and more attractive for tourists, although it still holds a distant position in the rankings.⁹ The legal solutions in force in Poland enable local governments to collect public levies in the form of fees. The fee "is a compulsory, non-returnable, non-refundable financial benefit collected by a public-private association, which is payable for official activities and services of public sector entities".¹⁰ Polish legal regulations have specified that the local fee is one of the revenues to the municipal budget in Poland.¹¹

According to the Local Taxes and Charges Act of 12 January 1991, local governments meeting the relevant requirements may charge a local fee or a spa fee depending on whether they meet the criteria set out in the legislation.¹² There is a difference between a local fee and a spa fee. A health resort spa fee may be imposed in

⁵ A. Rinaldi, *Externalities and tourist tax. Evidence from Italy*, Rivista di Scienze del Turismo. Ambiente Cultura Diritto Economia, Vol 3, No 2 (2012), Milan 2012, p. 79-91.

⁶ M. Daley, *Options for a tourism levy for London. A publication for the London Finance Commission. Working Paper 83*, GLA Economics, Greater London Authority, 2017, p. 20.

⁷ *Transient Visitor Taxes in Scotland: Supporting a National Discussion*, A Scottish Government Discussion Document, 2018 r., p. 24-25, <https://www.gov.scot/publications/transient-visitor-taxes-scotland-supporting-national-discussion/> [access: 9.02.2020].

⁸ OECD (2014), *OECD Tourism Trends and Policies 2014*, OECD Publishing. [access: 10.02.2020 - <http://dx.doi.org/10.1787/tour-2014-en>].

⁹ *The Travel & Tourism Competitiveness Report 2019. Travel and Tourism at a Tipping Point*, World Economic Forum Geneva, 2019 The World Economic Forum, p. 65 [access: 10.02.2020, http://www3.weforum.org/docs/WEF_TTCR_2019.pdf].

¹⁰ A. Parlińska, *Parapodatkowe instrumenty finansowe* [w:] M. Podstawka (red.), *Finanse. Instytucje, Instrumenty, Podmioty, Rynki, Regulacje*, PWN, Warszawa 2010, p. 350.

¹¹ T. Wołowicz, D. Reško, J. Soboń, *Oplata miejscowa i uzdrowiskowa jako daniny samorządowe*, Zeszyty Naukowe WSEI seria Administracja, Nr 1/2016, Wyższa Szkoła Ekonomii i Innowacji w Lublinie, p. 5-15.

¹² *Ustawa z dnia 12 stycznia 1991 r. o podatkach i opłatach lokalnych*, Dz. U. z 2019, poz. 1170.

communes with appropriate therapeutic, health and climatic values, which also involves an obligation to limit investments and economic activities that may have a negative impact on its natural environment. In order to compensate for the possible developmental losses of communes that are designated as a health resort or that encompass an area in which such a health resort (bioclimate) operates, local governments were granted the right to impose a health resort fee on tourists for their stay in the area. Detailed regulations define the conditions to be met by a commune in order to be considered a health resort.¹³

A spa area is an area subject to special protection due to its bioclimatic qualities. Polish municipalities which are attractive to tourists may charge tourists a special local fee in spa resorts.¹⁴ A local fee may be levied by municipalities which encompass localities that have significant advantages in terms of recreation, tourism or medical treatment.¹⁵ The local fee, apart from being charged to tourists, may also be charged to persons staying in the commune while participating in training courses organized in the area.¹⁶ The local or spa fee constitutes income to the commune budget. The overall income to the budget depends on "the character of the commune, the level of social and economic infrastructure, as well as the commune's activities in obtaining it".¹⁷

Table 1. Maximum rates of the local fee and the spa fee in years 2016-2018

N.	The maximum rate of a given fee	Maximum rates in PLN in the years			The dynamics of rate change in %	
		2016	2017	2018	2017/2016	2018/2017
1	Local fee	2,18	2,17	2,22	99,54%	101,83%
2	Local fee in the localities with the status of spa protection area	3,10	3,08	3,14	99,35%	101,29%
3	Spa fee	4,27	4,24	4,33	99,30%	101,41%

Source: author's own study based on the announcements of the Ministry of Finance and the Ministry of Finance and Development on the upper limits of specific taxes and local fees in the years 2016, 2017, 2018 (Dz. U. z 2015 r., poz. 735, Dz. U. z 2016 r., poz. 779, Dz. U. z 2017 r., poz. 800).

The introduction of a spa or local fee is a decision of the local government, which also lays down the rules for its collection. The local government may also make decisions on possible exemptions from the obligation for tourists to pay these fees. The Ministry of Finance sets the maximum rates of fees, which are shown in Table 1. The rates in Table 1 were the basis for determining the fees included in Table 2.

The data in Table 2 shows that two coastal municipalities (Gdańsk, Gdynia) set the local charge rates at the maximum possible level in each given year. The other municipalities set the rates at lower levels than those set by the Ministry of Finance.

¹³ Ustawa z dnia 28 lipca 2005 r. o lecznictwie uzdrowiskowym, uzdrowiskach i obszarach ochrony uzdrowiskowej oraz gminach uzdrowiskowych, t.j. Dz. U. z 2017, poz. 1056, z 2019, poz. 1815, art. 33.

¹⁴ Rozporządzenie Rady Ministrów z dnia 18 grudnia 2007 r. w sprawie warunków, jakie powinna spełniać miejscowość, w której można pobierać opłatę miejscową Dz.U. 2007 nr 249 poz. 1851.

¹⁵ S. Czarnecki, *Opłaty uzdrowiskowa i miejscowa – podobieństwa i różnice*, WSEI Scientific Journal series Economics 13-14 (1-2/2017), Lublin, 2017, p. 117-127.

¹⁶ R. Kwaśniewski, I. Majewska, *Opłata miejscowa i uzdrowiskowa na przykładzie gmin województwa kujawsko-pomorskiego*, Prawo Budżetowe Państwa i Samorządu, Nr 4/2016, UMK, Toruń 2016, p. 97-120.

¹⁷ M. Podstawka, *Podstawy finansów. Teoria i praktyka*, Wyd. SGGW, Warszawa 2011, p. 112.

Three local governments left the rates at the same level during the 3-year period in question (Ustka, Krynica Morska, Hel). The Jastarnia municipality increased its rate from 1.80 PLN in 2016 and 2017, to 2 PLN in 2018. The highest fees were charged to tourists by the city of Sopot, which is a designated health resort area (4.20 PLN in 2016 and 2017, and 4.30 PLN per day in 2018).

Table 2. The rates of the local fee and the spa fee charged per person per day in selected urban communes of Pomorskie Voivodeship in the years 2016-2018

N.	Name of the municipality	Local/spa resort fee	The fee per day per person in PLN		
			2016	2017	2018
1	Gdańsk	Local	2,18	2,17	2,22
2	Gdynia	Local	2,18	2,17	2,22
3	Hel	Local	2	2	2
4	Jastarnia	Local	1,8	1,8	2
5	Krynica Morska	Local	2	2	2
6	City of Puck	Local	1,5	1,5	1,6
7	Sopot	Spa resort fee	4,2	4,2	4,3
8	City of Ustka	Spa resort fee	3	3	3
9	Władysławowo	Local	1,3	1,4	1,5

Source: Author's own study based on the Resolutions of local councils of individual communes published on the BIP website and in the Official Journal of Pomorskie Voivodship. (<http://edziennik.gdansk.uw.gov.pl>).

The decrease in the fees charged by the cities of Gdańsk and Gdynia in 2017 was the result of the decision by the Ministry of Finance to reduce the maximum fee rate for that year, making it lower than the rate in 2016. A municipality's decision to set the rates at the maximum or at a high level in relation to the applicable limit may be based on their need to increase revenues to their budget. On the other hand, communes which maintained the fees at the same level in the surveyed period may have been guided by the desire to improve their tourist attractiveness. Table 3 shows the fee rates in the analyzed coastal rural communes.

Table 3. Rates of the local fee and spa fee per person per day in selected rural communes of Pomeranian voivodship in the years 2016-2018

N.	Name of the municipality	Local/spa resort fee	The fee per day per person in PLN		
			2016	2017	2018
1	Choczewo	Local	1,5	1,5	1,5
2	Krokowa	Local	1,5	1,8	1,8
3	Smoldzino	Local	2	2	2
4	Stegna	Local	1,5	1,5	1,5
5	Commune Ustka	Local	2,18	2,17	2,22
6	Commune Ustka	Spa resort fee	2,7	3	4
7	Wicko	Local	1,6	1,6	1,6

Source: Author's own study based on the Resolutions of the Local Councils of individual rural communes published on the BIP website and in the Official Journal of Pomorskie voivodship. (<http://edziennik.gdansk.uw.gov.pl>).

The local and spa fees in coastal rural communes (according to Table 3), other than for one commune (Ustka), were set well below the maximum rate applicable in the given years. In the Ustka commune, both a spa fee and a local fee apply simultaneously (see Table 3). This is because part of the commune is a protected area covering the health

resort of the City of Ustka, while the remaining area of the rural commune, due to its tourist value, is covered by a local fee. The analysis of the rates set by the authorities of individual communes indicates that 4 out of 6 rural communes (Choczewo, Smółdzino, Stegna, Wicko) did not change the rates of the local fees in 2016-2018. The highest 20% increase in the local fees was introduced by the Krokowa commune in 2017, increasing the rate from PLN 1.50 to PLN 1.80. The lowest local fees were collected from tourists by the municipalities of Choczewo and Stegna (PLN 1.50 per day per person in 2018).

The local and spa fees in coastal rural communes (according to Table 3), other than for one commune (Ustka), were set well below the maximum rate applicable in the given years. In the Ustka commune, both a spa fee and a local fee apply simultaneously (see Table 3). This is because part of the commune is a protected area covering the health resort of the City of Ustka, while the remaining area of the rural commune, due to its tourist value, is covered by a local fee. The analysis of the rates set by the authorities of individual communes indicates that 4 out of 6 rural communes (Choczewo, Smółdzino, Stegna, Wicko) did not change the rates of the local fees in 2016-2018. The highest 20% increase in the local fees was introduced by the Krokowa commune in 2017, increasing the rate from PLN 1.50 to PLN 1.80. The lowest local fees were collected from tourists by the municipalities of Choczewo and Stegna (PLN 1.50 per day per person in 2018).

Of the analyzed rural communes, the highest rate was set by the commune of Ustka, which in 2018 collected 4 PLN for a health resort fee and 2,22 PLN for the local fee. The amount of the fees was determined by the fact that the commune of Ustka is located in a designated spa area, which limits the possibilities of the commune's development, which translates into lower income to the budget. A general analysis of the applicable local and spa fee rates clearly shows that rural communes set lower fee rates than municipal communes. This means that rural communes want to compete for potential tourists. It is difficult for small rural communes to compete with cities with high income, good brand name, rich offerings and economic significance (such as Gdańsk, Gdynia, and Sopot).

Audit of revenue from the local and spa fees

Auditing the process of collecting public funds by local governments is the basis for efficient financial management. Evaluation of the system of collecting taxes and local fees is a standard measure to ensure transparency of public finances. Public entities all over the world are obliged to audit the financial economy both in the scale of the state budget as well as the budgets of individual local governments. Audit procedures are helpful in this respect, which specify in detail the procedure and rules for the implementation of audit activities by authorized persons or entities.¹⁸ The audit including the assessment of the local government's fundraising process may be carried out by the internal audit unit, if any, or by external auditors. The basis is to ensure independent judgement and professional evaluation. The auditors, apart from the general assessment of the audited area, also pay attention to the risks which negatively affect the collection of taxes or fees by the local government.¹⁹ Charging tourists with local and spa fees

¹⁸*New Jersey Manual of Audit Procedures*, State of New Jersey Department of the Treasury Division of Taxation, [access: 11.02.2020 - <https://www.state.nj.us/treasury/taxation/pdf/njmap.pdf>].

¹⁹ K. Czerwiński, *Audyt wewnętrzny*, InfoAudit Sp. z o.o., wyd. 1, Warszawa 2004, p. 60.

Table 4 Statement of income to the budget on account of local and spa fees in the examined municipalities and rural areas in the years 2016-2018

N.	Name of the municipality	Local/spa resort fee	Total revenue to the budgets of the analysed municipality in 2016-2018 in PLN			Revenue from the local fee or health resort fee in 2016 - 2018 in PLN			Share of charges in the total revenue of the municipality 2016-2018		
			2016	2017	2018	2016	2017	2018	2016	2017	2018
1	Choczewo	Local	26 248 942	31 892 642	29 734 586	116 851	122 232	152 531	0,45%	0,38%	0,51%
2	Gdańsk	Local	2 794 081 080	2 922 798 782	3 276 985 538	1 619 214	1 769 422	2 161 883	0,06%	0,06%	0,07%
3	Gdynia	Local	1 361 861 892	1 409 667 667	1 605 977 090	278 695	270 556	309 480	0,02%	0,02%	0,02%
4	Hel	Local	16 174 874	17 778 506	18 869 984	286 876	303 769	341 646	1,77%	1,71%	1,81%
5	Jastarnia	Local	25 001 066	26 397 078	27 655 390	931 246	924 634	1 011 021	3,72%	3,50%	3,66%
6	Krokowa	Local	58 137 528	60 270 623	69 812 054	371 669	410 170	433 632	0,64%	0,68%	0,62%
7	Krynica Morska	Local	23 435 174	18 668 377	17 629 713	572 406	562 175	607 224	2,44%	3,01%	3,44%
8	City of Puck	Local	50 607 710	55 524 472	61 153 228	42 814	39 220	53 434	0,08%	0,07%	0,09%
9	Smol dzino	Local	14 859 935	16 078 055	16 479 796	22 242	19 027	18 944	0,15%	0,12%	0,11%
10	Sopot	Spa resort fee	299 516 562	294 965 739	329 271 246	2 367 442	2 556 152	2 778 406	0,79%	0,87%	0,84%
11	Stegna	Local	43 427 860	50 272 751	60 762 642	129 762	143 630	177 176	0,30%	0,29%	0,29%
12	City of Ustka	Spa resort fee	69 993 683	82 652 109	92 562 661	2 125 153	2 120 330	1 995 598	3,04%	2,57%	2,16%
13	Commune Ustka	Local	48 646 225	47 852 861	51 153 840	416 207	384 994	472 271	0,86%	0,80%	0,92%
14	Commune Ustka	Spa resort fee	48 646 225	47 852 861	51 153 840	344 824	364 186	323 655	0,71%	0,76%	0,63%
15	Wicko	Local	32 786 374	42 907 381	41 268 848	43 010	47 559	56 773	0,13%	0,11%	0,14%
16	Władysławowo	Local	81 167 785	90 660 191	98 907 833	1 993 500	1 949 305	2 089 211	2,46%	2,15%	2,11%

Source: Author's own study based on reports Rb-27s and reports on the implementation of the commune budget for 2016-2018 published in Public Information Bulletins by local governments.

involves a number of risks. The biggest one is the low collection of fees from tourists due to the collection system used, based primarily on the owners of hotels and guesthouses.

Owners of hotel facilities, especially private accommodation, are not interested in charging tourists because it affects the cost of a customer's stay. Therefore, conducting an audit in the area in question requires an analysis of the system of control and supervision of the municipal authorities over the collection of fees from tourists.

The risk analysis in the area under assessment should also include the municipality's system of internal control over the collection of fees.²⁰

Table 4 contains data on the amount of revenues to the budget of the assessed urban and rural communes in 2016-2018 and their share in the budget for a given year. Table 4 shows that income from local or spa fees constitutes a small level of overall income to the budget of a given municipality. The local or spa fee was the highest share in the total income to the commune budget in the case of five municipalities – Jastarnia, Krynica Morska, Ustka and Władysławo (over 2% in 2018). The lowest share of local and spa fees in the total income to the municipal budget was found in the cities of Gdańsk, Gdynia, and Puck (0.02% - 0.09% in 2018). The highest total nominal income from the spa fee was obtained by the city of Sopot (2,778,406 PLN in 2018). The high nominal income resulted from the higher rate of the spa fee in comparison with the rate of the local fee in other cities in the same year (in 2018, PLN 4.30 per person per day in Sopot; PLN 2.22 in Gdańsk and Gdynia). In the audited period, the City of Gdańsk generated the highest revenue from the local fee (PLN 2,161,883 in 2018). The city of Puck had the lowest nominal revenue from the local fee among municipalities.

Table 5. Changes in the level of income from the local fee and the spa fee in 2016-2018 in selected communes in Pomeranian voivodship

N.	Name of the municipality	Local/spa resort fee	Increase/decrease in the commune's income from local and spa fees in PLN		Growth/decrease in the commune's income from local and spa fees in %	
			2017/2016	2018/2017	2017/2016	2018/2017
1	Gdańsk	Local	150 208	392 461	109,28%	122,18%
2	Gdynia	Local	-8 139	38 924	97,08%	114,39%
3	Hel	Local	16 893	37 877	105,89%	112,47%
4	Jastarnia	Local	-6 612	86 387	99,29%	109,34%
5	Krynica Morska	Local	-10 231	45 049	98,21%	108,01%
6	Puck	Local	-3 594	14 214	91,61%	136,24%
7	Sopot	Spa resort fee	188 710	222 254	107,97%	108,69%
8	City of Ustka	Spa resort fee	-4 823	-124 732	99,77%	94,12%
9	Władysławowo	Local	-44 195	139 906	97,78%	107,18%

Source: Author's own study based on Rb-27s reports and reports on the implementation of the commune budget for 2016-2018 published in Public Information Bulletins by local governments.

The highest total nominal income to the budget among the assessed rural communes was recorded by the commune of Ustka. The total revenue of the Municipality of Ustka from the local fee and the health resort fee in 2016 was PLN 761,031. In 2017, it was

²⁰ R. Moeller, *Nowoczesny audyt wewnętrzny*, Wolters Kluwer Polska, Warszawa 2011, p. 47.

PLN 749,180 (a 1.56% drop in revenue), and PLN 795,926 in 2018 (an increase in revenue by 6.24% compared to 2017). The lowest income to the budget from the local fee among rural communes was recorded in the surveyed period by the Smółdzino rural commune of PLN 18,944 (0.11% share in total budget income) in 2018. Generally speaking, the highest share of the local or health resort fee in the total income of the communes was noted in municipalities whose economic development is linked to the tourism industry. Moreover, it should be noted that income from the local or spa fee is affected by its seasonality. The highest income is received in the period of the summer holiday season in Poland (July, August), when the largest number of tourists is present in the analyzed municipalities. Rural communes both nominally and as a percentage of the total budget are able to earn income from the local fee to a smaller extent. This may be due to the specificity of rural communes' tourist offerings and their weaker brand on the tourist services market.

Table 5 presents changes in the level of income to the municipal budget for health resort or local fees charged to tourists. According to the data in Table 5, the city of Władysławowo recorded the highest nominal decrease in revenue from the local fee in 2017 compared to revenue from the local fee in 2016 (down by PLN 44,195). The highest nominal decrease in income in 2018 compared to 2017 occurred in Ustka (down by PLN 124,732). The City of Ustka, both in 2017 and 2018, reduced the income from the health resort fee, alone among the 9 examined municipalities. This may have been the result of a lower interest from tourists in the commune, or of inefficiency in collecting the spa fee by the obliged business entities. Moreover, it may have been influenced by an ineffective system of controlling the fee collection in the commune, or by tourists' failure to pay it.

In 2017, 6 out of 9 analyzed municipalities (Table 5) recorded a decrease in revenue from the local fee and the health resort fee as compared to 2016. The decrease could have been caused by lower fee collection, lower number of tourists or lower rates of maximum local and spa fees. The highest nominal increase in revenue from the health resort fee in 2017 compared to 2016 was recorded by the city of Sopot (increase by PLN 188,710). A significant nominal increase in revenue on account of the local fee (increase by PLN 150,208) in 2017 compared to 2016 was recorded by the city of Gdańsk. The highest annual income growth rate was found in three cities (Gdańsk, Hel and Sopot). Table 6 presents changes in the level of income to the budget of rural communes for health resort or local fees charged to tourists.

Table 6. Changes in the level of income from the local fee and the spa fee in the years 2016-2018 in selected rural communes in Pomeranian voivodship

N.	Name of the municipality	Local/spa resort fee	Increase/decrease in the commune's income from local and spa fees in PLN		Growth/decrease in the commune's income from local and spa fees in %	
			2017/2016	2018/2017	2017/2016	2018/2017
1	Choczewo	Local	5 381	30 299	104,61%	124,79%
2	Krokowa	Local	38 501	23 462	110,36%	105,72%
3	Smółdzino	Local	-3 215	-83	85,55%	99,56%
4	Stegna	Local	13 868	33 546	110,69%	123,36%
5	Commune Ustka	Local	-31 213	87 277	92,50%	122,67%
6	Commune Ustka	Spa resort fee	19 362	-40 531	105,62%	88,87%
7	Wicko	Local	4 549	9 214	110,58%	119,37%

Source: Author's own study based on Rb-27s reports and reports on the implementation of the budget of a given commune for 2016-2018 published in Public Information Bulletins by local governments.

The highest decrease in the collection of the health resort and local fees was found in the municipality of Ustka, which, like the city of Ustka, noted a significant decrease in the collection of these fees. In 2017, the Municipality of Ustka recorded a 7.5% decrease in the income of the local fee, which in monetary value meant a decrease in revenue by PLN 31,213 compared to revenue in 2016. On the other hand, in 2018, the Municipality of Ustka recorded an over 11% decrease in income from the health resort fee compared to 2017 (nominal decrease of income by PLN 40,531). This means a general trend of decrease in revenue from health resort fees in the communes of Ustka (urban and rural), which may have resulted from a reduction in the number of tourists or from the ineffectiveness of toll collection. A positive trend in the Municipality of Ustka should be noted by a 22% increase in revenue from the local fee in 2018 compared to 2017. Despite this, it can be seen that Ustka Municipality should implement more effective mechanisms of charging the fee in order to reduce the risk of losing revenue from inefficient collection from tourists.

The municipality of Smóldzino recorded a twofold nominal decrease in revenue from the local fee in 2017 and 2018. The highest increase in revenue from fees in 2017 was seen in the municipalities of Krokowa, Stegna and Wicko (over 10% increase compared to 2016). In percentage terms and in nominal terms, the highest increase in 2018 among the rural municipalities from the local fee was recorded by the municipalities of Choczewo (over 24% increase), Stegna (over 23% increase), Ustka (over 22%), and Wicko (over 19%). The level of income to the budget of a given coastal commune from the local and spa fee depends on the system in force for their collection.

As stated earlier in this paper, the surveyed municipalities collect the fees by way of collection through persons providing services for the stay or accommodation of natural persons for more than 24 hours (e.g. in the form of sanatoriums, hotels, guesthouses, holiday homes, agri-tourism). Some communes (e.g. Gdańsk) include in their annual fee-setting resolution a list of hotel facilities who collect the local fee from tourists to the city. Another approach is for the commune to appoint additional persons (fee collectors) in addition to hotel facility owners. The collection of income from these fees requires an efficient fee collection record system, which depends to a large extent on reliable registration by the collectors from all tourists staying in a given hotel facility. Some municipalities (e.g. the city of Hel) have instituted an obligation to document the fact that a local charge has been collected in a special register ('Local charge books'). This type of register makes it possible to monitor the number of tourists and the fees charged to them.

There is a high risk that tourists will try to avoid paying the fees that are sent to the municipality. Such risk can be reduced by monitoring the individual business entities that are obliged to collect these fees from tourists. As stated earlier, owners of hotels, guesthouses or private accommodation may not be interested in collecting fees for the municipalities, as they constitute an additional cost for tourists, which may lower the attractiveness of a given resort and town, thus reducing the number of tourists and the income these owners derive from them.

The authorities of the assessed communes have introduced a system of motivating local or spa fee collection by establishing remuneration for these activities. Remuneration for fee collectors constitutes a percentage share in the fees that they collect from tourists. The remuneration due to the collectors is paid in advance from the bank account of the given commune. Remuneration for fee collectors is therefore a cost

of collecting fees, which ultimately reduces the municipalities' income. Communes have established different deadlines and systems for settling the collected fees by fee collectors. However, the remuneration system is unified – as a percentage of collected tourist payments. The amount of remuneration for the fee collectors in the surveyed coastal communes (urban and rural) is shown in Table 7.

Table 7. Remuneration determined by selected communes in Pomeranian voivodship for collection of local and spa fees in 2016-2018

N.	Name of the municipality	Local/spa resort fee	Collection fee in % in years		
			2016	2017	2018
1	Choczewo	Local	10%	10%	10%
2	Gdańsk	Local	20%	20%	20%
3	Gdynia	Local	20%	20%	20%
4	Hel	Local	10%	10%	10%
5	Jastarnia	Local	15%	15%	15%
6	Krokowa	Local	5%	5%	5%
7	Krynica Morska	Local	10%	10%	10%
8	City of Puck	Local	5%	5%	5%
9	Smoldzino	Local	15%	15%	15%
10	Sopot	Spa resort fee	10%	10%	10%
11	Stegna	Local	10%	20%	20%
12	City of Ustka	Spa resort fee	7,50%	15%	15%
13	Commune Ustka	Local	11%	11%	11%
14	Commune Ustka	Spa resort fee	11%	11%	11%
15	Wicko	Local	20%	20%	20%
16	Władysławowo	Local	10%	10%	10%

Source: Author's own study based on the Resolutions of local self-government councils in individual communes published on the BIP website and in the Official Journal of Pomorskie Voivodship. (<http://edziennik.gdansk.uw.gov.pl/actbymonths>).

Table 7 shows that only two communes (Ustka, Stegna) out of a total of 15 changed their remuneration for the collection of local or spa fees. The increase in the amount of collection by the City of Ustka from 7.5% to 15% from 2017 did not affect the increase in income from the health resort fee (according to the data in Table 5), because in 2017 and 2018 there was a decrease in income. A different situation occurred in the municipality of Stegna, which has increased the collection rate from 10% to 20% since 2017. This allowed to increase the income of Stegna municipality from the local fee. This indicates that the increase in the collection remuneration by Stegna Municipality increased the collection of the fee. There are significant differences in the amount of remuneration for fee collection in the surveyed communes from 5% (in Puck and Krokowa) to 20% (in Gdańsk, Gdynia, Stegna and Wicko). High remuneration for fee collectors does not always mean an increase in revenue from the fee, as can be seen in Gdynia, where revenue fell in 2017. On the other hand, a lower remuneration for fee collectors at the level of 5% did not reduce the revenue of Wicko municipality. Only the city of Puck, which also set the remuneration at 5%, recorded a decrease in revenue from the local fee in 2017.

Generally, it can be confirmed that there is a correlation between the effectiveness of collecting the local or spa fee and the amount of remuneration for fee collectors. However, it should be remembered that the collectors' remuneration is paid from the fees

collected. Therefore, the higher the collector's remuneration (e.g. 20%), the lower the overall income from a given fee to the municipal budget.

Summary

The local and spa fees constitute a small share in the total income of the budgets of the surveyed municipalities (maximum 3.7% in the case of Jastarnia). In the case of most of the analyzed communes, nominal fee income increased. A decrease in income from these fees was recorded by individual communes.

The key factor improving the revenues of municipalities from local and spa fees is the improvement of their collection system. The risk of inefficient collection of fees from tourists is a threat to effective collection of fees. Therefore, individual communes should improve the supervision system and control of toll collection by hotel service providers. Increasing the number of inspections during the summer season of the centres obliged to collect fees may improve the collection rate. Moreover, communes should keep reliable records of entities providing accommodation services for tourists. In addition, a calculation of the costs of collection should be made in relation to the planned budget revenue. The collection system should also be modified. In this respect, it is possible to adjust the amount of remuneration for charging fees in order to better motivate fee collectors. Another solution is to consider the abolition of local fees in the commune, which may lead to an increase in tourism to the area. This solution will of course deprive the commune of income. However, the potential increase in the number of tourists may contribute to better economic development of the commune.

To summarize, it should be noted that work is currently underway to introduce a new tourist fee to replace the local and spa fees in Poland. The planned tourist fee would be revenue for the national state budget, so the local authorities would lose income from the current local fees. This proposal was included in the draft "White Paper on the regulation of the system of tourist promotion in Poland", which is currently at the consultation stage²¹. If the proposal is put into effect, it will mean a significant change in the system of collecting fees from tourists for their stay in tourist resorts and will affect the financial situation of individual local governments.

References:

- Camilleri, M. A., *The Tourism Industry: An Overview. In Travel Marketing, Tourism Economics and the Airline Product*, Cham, Switzerland, 2018, Springer Nature, Chapter 1.
- Czarnecki S., *Oplaty uzdrowiskowa i miejscowa – podobieństwa i różnice*, WSEI Scientific Journal series Economics 13-14 (1-2/2017), Lublin, 2017.
- K. Czerwiński, *Audyt wewnętrzny*, InfoAudit Sp. z o.o., wyd. 1, Warszawa 2004.
- Daley M., *Options for a tourism levy for London. A publication for the London Finance Commission. Working Paper 83*, GLA Economics, Greater London Authority, 2017 r.
- OECD (2014), *OECD Tourism Trends and Policies 2014*, OECD Publishing. <http://dx.doi.org/10.1787/tour-2014-en>.
- Moeller R., *Nowoczesny audyt wewnętrzny*, Wolters Kluwer Polska, Warszawa 2011.

²¹ <https://www.gov.pl/web/rozwoj/raport-z-prekonsultacji-projektu-bialej-ksiegi-regulacji-systemu-promocji-turystycznej-w-polsce> [access: 11.02.2020].

New Jersey Manual of Audit Procedures, State of New Jersey Department of the Treasury Division of Taxation - <https://www.state.nj.us/treasury/taxation/pdf/njmap.pdf>

Kwaśniewski R., Majewska I., *Oplata miejscowa i uzdrowiskowa na przykładzie gmin województwa kujawsko-pomorskiego*, Prawo Budżetowe Państwa i Samorządu, Nr 4/2016, UMK, Toruń 2016.

Podstawka M. (red.), *Finanse. Instytucje, Instrumenty, Podmioty, Rynki, Regulacje*, PWN, Warszawa 2010

Podstawka, M. *Podstawy finansów. Teoria i praktyka*, Wyd. SGGW, Warszawa 2011.

A. Rinaldi, *Externalities and tourist tax. Evidence from Italy*, Rivista di Scienze del Turismo. Ambiente Cultura Diritto Economia, Vol 3, No 2 (2012), Milan 2012

Spencer Pickett K. H., *The internal auditing handbook. Third edition*, John Wiley & Sons Ltd, West Sussex, United Kingdom, 2010.

The Impact of Taxes on the Competitiveness of European Tourism. Final Report, PricewaterhouseCoopers LLP (PwC), Luxembourg: Publications Office of the European Union, 2017.

The Travel & Tourism Competitiveness Report 2019. Travel and Tourism at a Tipping Point, World Economic Forum Geneva, 2019 The World Economic Forum.

Transient Visitor Taxes in Scotland: Supporting a National Discussion, A Scottish Government Discussion Document, 2018 r., s. 24-25, <https://www.gov.scot/publications/transient-visitor-taxes-scotland-supporting-national-discussion/>

<https://www.lovemoney.com/guides/52231/tourist-tax-in-europe-what-you-will-pay-in-spain-italy-and-other-hotspots>

T. Wołowicz, D. Reško, J. Soboń, *Oplata miejscowa i uzdrowiskowa jako daniny samorządowe*, Zeszyty Naukowe WSEI seria Administracja, Nr 1/2016, Wyższa Szkoła Ekonomii i Innowacji w Lublinie.

<http://edziennik.gdansk.uw.gov.pl/actbymonths>

<http://reports.weforum.org/travel-and-tourism-competitiveness-report-2019/country-profiles/#economy=POL>

Audyt dochodów z tytułu opłaty miejscowej w wybranych gminach województwa pomorskiego w Polsce

Streszczenie

Artykuł przedstawia znaczenie audytu oceny dochodów do budżetu gminy z tytułu opłat turystycznych (opłaty miejscowej lub opłaty uzdrowiskowej) jako narzędzia umożliwiającego zwiększanie jego poboru przez gminę uprawnioną do jej nakładania.

Głównym celem artykułu było ustalenie jaki poziom dochodów budżetowych nadmorskich gmin województwa pomorskiego w Polsce stanowią wpływy z opłaty miejscowej i uzdrowiskowej.

W artykule jako metodę badawczą wykorzystano studium przypadku, metodę analityczną, metodę wnioskowania oraz metodę badania dokumentów. Ocenie poddano wybrane nadmorskie samorządy miejskie oraz wiejskie województwa pomorskiego w Polsce. Materiał źródłowy do analizy stanowiły sprawozdania z realizacji budżetu oraz sprawozdania Rb-27s zawierające informacje o dochodach za dany rok.

Przeprowadzone badania uwiarykowały, że dochody z opłaty miejscowej i uzdrowiskowej stanowią niewielki udział w budżecie poszczególnych gmin. Kluczowym czynnikiem wpływającym na poprawę dochodów gmin z tytułu opłat miejscowych i uzdrowiskowych jest usprawnienie systemu ich poboru.

Słowa kluczowe: audyt, dochody budżetowe, opłata miejscowa, opłata klimatyczna, sektor publiczny, samorząd terytorialny.

JEL Codes: H71; H83.

Information about the author:

Dr Cezary Szydłowski

University of Łódź

Faculty of Economics and Sociology,

Department of Finance and Accounting SME

e-mail: cezary.szydowski@uni.lodz.pl

ORCID: 0000-0002-7454-2908