

Alejandra Ferrer, Ana Juan and Bartomeu Escandell —the president, vice-president/trade chief and economy/tax office chief of the Consell, respectively— sat down today with representatives of the island’s small- and medium-sized business group, Chamber of Commerce and Federation of Hotels. Attendees discussed the roadmap of measures within local government jurisdiction which were hammered out with the sector in an effort to complement measures implemented by other levels of government like liquidity assistance for businesses and access to credit.

The Consell de Formentera has already announced it will not collect fees or taxes for the duration of the state of alarm. The period for voluntary payment of periodic taxes has also been extended until December 2020 for the following:

- *Economic activity tax
- *Special-characteristics real estate tax
- *Rural real estate tax
- *Urban real estate tax
- *Mechanical traction vehicle tax
- *Bicycle tax
- *Occupation of public thoroughfare tax
- *Waste collection tax
- *Access rights for entrances/exits tax

Meeting attendees agreed that the Consell would implement the following measures:

Line of support for freelancers with commercial activity affected by emergency orders. The scope, scale and terms of assistance will be determined in accordance with available budget.

Line of support for small- and medium-sized businesses with commercial activity affected by emergency orders. The scope, scale and terms of assistance will be determined in accordance with available budget.

Extension of pay period to year’s end 2020 for fees associated with new tourism-related

commercial enterprises and holiday rental permits.

Twelve-month extension of holiday rental permits.

Extension of the 2015-2019 plan for quality holiday rentals until 2022.

Full rebate on the public areas occupancy tax as it relates to itinerant markets. Vendors obliged to provide service.

Full rebate on the tax on terraces and other small-business use of public spaces from rollout of emergency orders to 31 December 2020. One-off elimination of compulsory minimums for commercial activity.

Thirty per cent reduction of coastal concessionaires' taxes. Reduction by coastal authority pending. Obligation to provide service.

Full rebate of tax on musical and other performances in establishments, one-off elimination of commercial activity compulsory minimums, easing of guidelines for mandated service provision.

Pending further review, assistance for financing costs due to debt from public health crisis-related drop in commercial activity.

Extension of construction execution periods and increasingly flexible extension request procedure.

One-off easing of summer works ordinance to allow commercial establishments to complete upgrades for summer season.

Full rebate of tax on dynamic advertising in taxis.

Urban improvement plan including provisions to hire local contractors and firms.

Other areas where negotiations will continue after initial agreements:

1- Blue Zone: At the outset, the work of parking attendants will remain key to ensuring vehicle rotation and sufficient parking in towns. Also crucial will be the establishment of vouchers for guests of overnight lodging or rollout of three-day parking allowance typically reserved for winter months.

2- Sustainable Tourism Tax: In order to ease the burden that direct estimations place on businesses, sustained pressure on the Govern will be crucial to ensuring a retooling of payment modalities on the basis of falling occupancy rates.

3- Pending decision by coastal authority re: parking fee collections, wait-and-see stance regarding entry checks at Ses Salines nature reserve. Area patrols and protections remain crucial.

4- Concerning reductions/rebates on real estate taxes and rubbish fees in 2020, these annual fees are calculated from 1 January, and authority to make such changes lies with the central government, which is therefore responsible for any delegating thereof that occurs this year.

Easing measures

At the meeting, representatives of the sector shared their thoughts about the early rollout of easing measures that Formentera and three of the Canary Islands will enjoy given low coronavirus case counts. Acting as an intermediary with the Govern balear, the Formentera Department of Trade will do its best to provide restaurant and hotel owners all information concerning safety measures during the easing process.

30 April 2020
Department of Communications
Consell de Formentera