**Process**

- Community Group creation
- Prepare Expression of Interest

**Rationale**

Rural Tourism (wide understanding) as driver for a diversified rural economy and society.

Rural Vision areas: all to more or less extent

Rural Pact areas: **all four** *(Stronger / Connected / Resilient / Prosperous Rural Areas)*

Requires cooperation and integrated approach, combining private sector, public administration and citizens / communities.
Objectives

• Organised representation of the topic within the Rural Pact ("amplifying voices")
• Cross-stakeholder exchange and understanding
• Best Practice transfer into policies
• Visibility and promotion ("Rural Tourism" as one of the core themes for 2025)

Next steps

• Gather interest from Rural Pact signatories (starting with reps in SG) – one month
• Draft EoI (June 24)
• Start of actions in autumn 2024
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DSR – Deemed Supplier Regime

In VAT Regulation: a wider platform or entity contributes VAT instead of the real producers of the product or service as a “Deemed Supplier”

ViDA – VAT in the Digital Age

Plans to introduce the DSR for all bookings of accommodation and transport services via online platforms.

This also sets a precedence case for other types of products or services.

Rural Areas are especially at risk (not only tourism – also small artisans, food producers, etc.) because their activity depends on simplified regulation and processes to be viable.
The issues

Many small services are VAT exempt or under simplified VAT schemes (= cannot recover supported VAT).

As non-business activity, they already support more taxation in total (VAT and income tax - between 23-28% of turnover) than comparable full businesses (8-16%).

Their price to customers would increase additionally by VAT of hospitality sector when selling via online platforms (de-facto mandatory for 60-80% or turnover). Direct sales are not affected.

Main arguments against DSR:

• The underlying argument (low taxation) is not true
• Double taxation on top of already high tax contribution
• Unfair increase of price, affecting competitiveness