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English Lawmakers Weigh Bill to Let Mayors Tax Overnight Stays

Ten mayors said they would keep any levy at or below 5%, with revenue remaining in the areas imposing it

Monday, November 16, 2026

England moved a step closer on Monday, November 16, to allowing local authorities to tax overnight stays as the House of Commons scheduled the second reading of a bill that would let mayors and strategic authorities, including the Mayor of London, impose a local levy on paid short-stay accommodation.

The proposal would create a new power that English authorities do not now have. If Parliament approves the bill, local leaders would be able to place a percentage charge on the price of commercial accommodation in their areas. The measure would apply to places such as hotels and other providers of short-term paid lodging, which would be responsible for calculating the tax, collecting it from guests and paying it over to the relevant authority.

The debate in the Commons marked the next formal stage for legislation that was introduced on November 4. As of the latest review of the parliamentary record for Monday, November 16, the official register had not yet shown the outcome of the second reading.

The bill has drawn attention because it would allow the cost of staying in England to vary from one destination to another, depending on local decisions. Revenue raised under the plan would stay in the area where it was collected, giving local authorities a new source of funding tied directly to visitor accommodation.

A central figure in the debate is 5%. Ten mayors have said that if they use the power, they will not set the tax above 5% of the price of accommodation in their territories. That commitment does not create a national cap in itself, but it sets a political benchmark around the bill and signals the level of levy some local leaders consider acceptable.

The proposal covers England’s market for commercial short-stay accommodation. It is designed as a percentage-based charge rather than a flat fee per room or per night. That means the amount paid would rise or fall with the price of the stay. A more expensive hotel booking would generate a higher tax payment than a lower-cost stay in the same area, as long as the same rate applied.

The bill would hand the power to mayoralties and strategic authorities in England. The inclusion of the Mayor of London is especially significant because of the capital’s size, its visitor economy and the large number of business and leisure stays booked there each year. A local accommodation tax in London could affect a broad range of travelers and businesses, while smaller regional authorities could choose different rates or decide not to impose a charge at all.

Supporters of the idea have argued that local areas should be able to raise money from tourism and direct that money to local priorities. The structure outlined in the bill would leave decisions on whether to impose the levy to local authorities rather than making the tax automatic across England. In practice, that would create a patchwork system in which one city or region might charge a levy while another might not.

For accommodation providers, the change would add an administrative role. Hotels and other businesses covered by the measure would have to incorporate the levy into their pricing and booking systems, keep records and transfer the money collected to the relevant authority. That could require changes to billing systems and accounting processes, especially for chains operating in multiple parts of England if different local rates emerge.

The bill’s progress is being closely watched by the hospitality sector because it could alter the final price paid by visitors and affect how accommodation is marketed. Businesses in areas that choose to impose a levy could face questions from customers

about why a stay costs more there than in nearby places without a charge. At the same time, local authorities that adopt the tax would gain a revenue stream linked to demand for overnight stays.

The parliamentary documents for Monday, November 16, and background material issued by the House of Commons Library on November 12 set out the proposal’s scope and procedure. Government material published on November 4 provided the earlier official outline of the plan. Together, those documents show that the legislation is intended to give English local authorities a power they have not previously held, rather than to create an immediate nationwide tax.

The second reading is an important stage because it allows lawmakers to debate the bill’s main principles before any detailed line-by-line scrutiny. A vote at that stage does not by itself bring the tax into force, but it determines whether the measure continues through Parliament. If it advances, lawmakers would still need to examine the text in more detail, and the bill would need to complete further stages before becoming law.

The issue has wider significance because England has not had a general local power of this kind for overnight accommodation. The bill would change that by shifting part of the decision over tourism-related taxation from the national level to local government. That would also place the burden of collection on accommodation providers, making them the point where policy meets the visitor.

For travelers, the immediate effect of the bill is not a new charge but the prospect that one could be introduced later in some areas. Even if the legislation passes, local leaders would still need to decide whether to use the power. The commitment by ten mayors to keep any levy at no more than 5% shows an effort to limit concern over the size of the charge while still preserving the principle of local control.

The House of Commons agenda on Monday, November 16, put that question squarely before lawmakers: whether English authorities should be allowed to add a local tax to the price of short-stay accommodation and keep the proceeds in their own areas. As the parliamentary record stood after review, the formal result of that stage had not yet appeared.