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Note of information

Tax on e-commerce delivery companies in Barcelona, Spain

The TREC (*tasa de reparto e-commerce*) is applied in Barcelona, Spain since March 1, 2023. It targets the delivery of B2C activities (business to consumer, purchases made online). It is, rather improperly, commonly called in Spain the "Amazon tax", it applies in fact to delivery companies that have as customers e-tailers like Amazon. It is 1.25%, applied on the turnover (see below for details on the basis).

The general objectives of this tax are to fight congestion and unfair competition from e-commerce, which, unlike local commerce, does not pay local taxes such as the waste collection tax. And it has the much more specific objective of promoting deliveries to collect points or lockers, to the detriment of home deliveries. The delivery operations carried out on relay points are in fact exempt from the tax.

Operations carried out by clean vehicles from urban logistics micro-hubs are also removed from the tax base, which gives a third objective to the tax, that of combating emissions (NOx, CO₂, particles). However, this objective is less present in the discourse of the municipality.

The tax also responds to a request from the autonomous community of Catalonia, which asked Catalan municipalities to introduce this type of measure.¹

The tax is charged to operators with at least one million euros of turnover per year for their parcel delivery activities in Barcelona.² It will be based on an annual declaration each summer of the following year, see last point below.

It is legally based on the pricing of the use of public space (in this case - but this needs to be verified - rather on the basis of the costs of management and maintenance of the delivery areas, not of environmental or social externalities). It has been calculated on the basis of academic work (UC3M of Madrid, Institute of Economics of the University of Barcelona). These estimated "economic costs" to the community of the use of delivery areas (nearly 8,300 delivery areas³ in Barcelona). The Institute of Economics first calculated the "economic

¹ Catalan law of commerce: <https://www.boe.es/buscar/act.php?id=BOE-A-2017-11320>. Article 16/5 "Los ayuntamientos deben regular y tasar mediante ordenanzas la distribución de los productos adquiridos por Internet o a distancia, de acuerdo con sus competencias en materia de movilidad, sostenibilidad y seguridad en su municipio."

² Figure 1. The average turnover of each parcel delivery operator in Spain is 23 million euros. The VAT applied for Barcelona is 4.2%, which represents one million euros. This is the approximate minimum level of turnover that has been identified at which operators operating in Barcelona would be taxed.

³ Note that the delivery areas in Barcelona are, in general, quite well regulated, controlled and respected. All delivery drivers (and artisans) in Barcelona must identify themselves (either by an application on their smartphone, by sms or at the parking meter) as soon as they stop to load or unload goods on the public space

impact" of delivery areas in Barcelona (estimated at 2.6 million euros⁴). It then compared it to the 200 million euros invoiced annually⁵ by all companies delivering to Barcelona. The tax rate is a result of this comparison, 1.25%. See figure 1 below.

This represents a kind of paid parking - but annual and proportional not to the time spent on these areas but to the volume delivered in the city - for the use of the delivery areas, so to speak. But it only applies to B2C (and only to large operators), which I think could be grounds for appeal.

26 operators at this stage have been identified as falling under the tax, the main ones being (in order) Amazon, Correos Exprés, Seur, DHL and UPS. It is estimated that they charge more than one million euros to online retailers whose customers are located in Barcelona (Figure 1 below). These 26 operators, according to the municipality's figures, would represent 62% of the B2C parcel market.

Smaller operators are exempted, even when they are subcontracted by the larger ones for the delivery rounds. It remains to be seen whether this subcontracted share is removed from the basis of calculation for identifying the taxpayers, probably not.

The system relies on a large number of self-assessments by the operators concerned: each year, they will have to provide information on their local sales figures and on the proportion of deliveries made by relay points on the one hand and by clean vehicles on the other. For its part, the municipality is beginning to establish databases (including a census of the micro-hubs available in the city).

The Logistics City's assessment:

This initiative has the merit of having taken **great care to arrive at a legally realistic measure, in particular through the use of economic evaluations** to justify the rates, the companies liable, etc. These calculations do not include carbon costs, so the initiative avoids the controversy surrounding comparisons between physical commerce and e-commerce in terms of carbon footprint.⁶

On the other hand, by targeting only B2C when the main justification is to charge for the use of public space by operators who currently occupy it for free, despite the economic costs of that use, the Barcelona tax seems to be open to challenge.

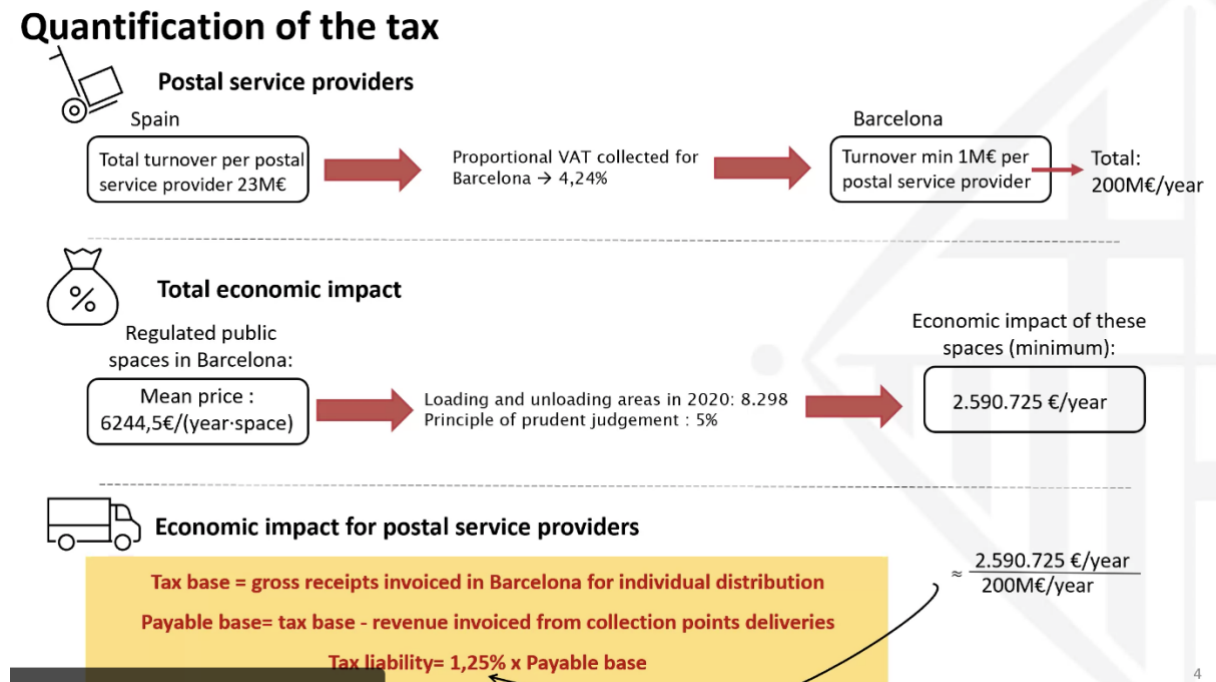
The tax is also both new and complex, and therefore likely to be challenged in court. In response to our question, Ms. Savall told me that several operators were probably preparing appeals.

⁴ Figure 1. We do not know the method of calculation nor the definition of this economic impact: external costs? Or simple maintenance and control costs?

⁵ See Figure 1 (that remains to be specified, how do we go from 23 million per operator to 200 million for all operators?)

⁶ Buldeo Rai, H., Touami, S., Dablanc, L. (2022) Not All E-commerce Emits Equally: Systematic Quantitative Review of Online and Store Purchases' Carbon Footprint. *Environmental Science and Technology*. <https://doi.org/10.1021/acs.est.2c00299>.

Figure 1. Method of calculation of the "Amazon tax" in Barcelona



Source: Maria Savall, municipality of Barcelona, 3 March 2023 POLIS-ALICE workshop

Figure 2. The main target of the TREC according to the municipality of Barcelona: the "special use of public space by the large postal operators"



Source: Maria Savall, municipality of Barcelona, 3 March 2023 POLIS-ALICE workshop

Sources

- Maria Savall, Barcelona City Council and PhD student at the University of Catalonia, presentation in a European seminar POLIS-ALICE, March 3, 2023 "Webinar Consumer Engagement: Provision Consistent Information on Sustainability" and personal discussions.

- <https://elpais.com/espana/catalunya/2023-03-02/la-tasa-amazon-de-barcelona-entra-en-vigor-sin-saber-si-repercutira-en-los-comercios-o-en-los-consumidores.html>
- <https://elpais.com/espana/catalunya/2022-12-02/barcelona-comenzara-a-cobrar-en-marzo-la-tasa-amazon-la-pagaran-los-grandes-operadores-de-reparto-por-aparcar-al-entregar-a-domicilio.html>