

# **A Study on Tourist Taxes and Its Impact after Covid-19 Pandemic in India Special Reference to Tamil Nadu**

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**Abstract:**

*Tourism is a vital sector for Tamil Nadu's economy, known for its cultural heritage, scenic landscapes, and historical sites. However, the COVID-19 pandemic severely disrupted the industry, leading to reduced travel and significant revenue losses. In response, tourist taxes have gained prominence as a financial tool to support economic recovery and promote sustainable tourism. This study explores the impact of tourist taxes in Tamil Nadu post-pandemic, analyzing their role in revenue generation, infrastructure development, and heritage conservation. Tourist taxes, including Goods and Services Tax (GST), entry fees, and airport development charges, have been pivotal in financing tourism recovery. They fund essential projects such as eco-tourism initiatives, public health improvements, and marketing campaigns to attract domestic and international travelers. However, the study identifies challenges such as the potential deterrent effect on budget-conscious travelers and the competitiveness of Tamil Nadu as a global destination. Through an analysis of government policies, stakeholder perspectives, and global practices, this research highlights the need for a balanced approach. It recommends strategies that ensure affordability while leveraging tourist taxes for long-term sustainability. The findings underscore the importance of innovation, inclusivity, and sustainability in positioning Tamil Nadu as a leading tourism destination in the post-pandemic era.*

**Keywords:** *Tourism, COVID-19, GST, marketing and infrastructure.*

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## **I. Introduction:**

A **tourist tax** is a fee that some countries or cities charge visitors during their short-term stay. In the US and Europe, travelers most often deal with a tourist tax imposed on guests in lodging accommodations. It's usually a small amount, a few dollars per night. The accommodation provider collects the fee on the government's behalf. Notably, the tax is not included in the price and is always invoiced separately. **AIM:** This study explores the implications of tourist taxes in Tamil Nadu, considering factors such as revenue generation, impact on tourist behavior, and the potential for sustainable tourism development. By analyzing data and stakeholder perspectives, the research aims to provide insights into whether tourist taxes serve as a viable strategy for revitalizing the tourism sector in Tamil Nadu without compromising its appeal. Moreover, the study evaluates how the state's tourism policies align with global best practices in promoting resilience and sustainability in the post-pandemic world. **HISTORICAL DEVELOPMENT:** European nations in the 20th century, where popular destinations like France, Italy, and Spain implemented them to manage the influx of tourists. These taxes were used to fund public services, infrastructure maintenance, and heritage conservation. In India, the concept is relatively recent, primarily surfacing in the form of levies on hotel accommodations, entry fees to heritage sites, and environmental charges in eco-sensitive areas such as Himachal Pradesh and Uttarakhand. Types- hotel, arrival, departure, cruise, others. Tamil Nadu Tourism Development Corporation (TTDC). Thailand- tourists have to pay for visiting temples, etc. Northside developed by these taxes- Varanasi . Ministry of tourism- 6.19 million in 2022. Departure tax - 500 - need to pay this tax if it isn't included in the price of the ticket. **RECENT TRENDS:** As of October 1, 2023, the TCS rate for overseas tour packages is 20% for packages over Rs 7 lakh and 5% for packages up to Rs 7 lakh. Decline visitors in Chennai. **COMPARISON:** European countries like France and Italy impose daily taxes on accommodations based on hotel star ratings, while Southeast Asian destinations like Bali have introduced environmental taxes to combat pollution and climate change. In India, cities like Jaipur and Agra have leveraged tourist taxes for the upkeep of iconic sites such as the Amber Fort and Taj Mahal. Chennai, with its rich heritage and vibrant culture, has the potential to position itself competitively by adopting best practices from these global models. Tourism is one of the most significant contributors to economic growth, generating employment, foreign exchange, and business opportunities. In India, the sector holds substantial potential, especially in states like Tamil

Nadu, known for its rich cultural heritage, scenic beauty, and historical landmarks. **FACTOR AFFECTED:** However, the COVID-19 pandemic dealt a severe blow to the tourism industry globally, leading to unprecedented disruptions in travel and hospitality. The pandemic-induced travel restrictions and lockdowns significantly affected Tamil Nadu's tourism sector. Iconic destinations such as the Meenakshi Amman Temple, Mahabalipuram, and hill stations like Ooty saw a dramatic decline in visitor numbers. As the state gradually recovers, tourist taxes are being utilized not just to rebuild the tourism ecosystem but also to address new challenges, such as maintaining public health and safety standards. Tamil Nadu's unique position as a cultural and spiritual hub presents both opportunities and challenges in implementing tourist taxes effectively. While tourist taxes can support economic recovery and infrastructure development, they also raise critical questions about affordability and accessibility. Over-reliance on such taxes might deter budget-conscious travelers, particularly domestic tourists who form the backbone of Tamil Nadu's tourism industry.

#### **OBJECTIVES :**

- To understand the primary purpose of tourist taxes.
- To understand public belief in tourist taxes aiding economic recovery post-COVID-19.
- To investigate revenue usage and implementation challenges.
- To analyze the option of "Tourism taxes don't affect tourism rate in India."

## **II. LITERATURE REVIEW**

1. **Divya Vasant Jagdale and Dr. Heena Ganatra(2021)** This study examines the impact of COVID-19 on India's tourism sector, highlighting its potential as a significant employment generator and foreign exchange source. The study aims to understand the sector's importance in the Indian economy and its impact on the industry.
2. **Dogra, T. (2020)** The study examines the impact of COVID-19 on India's tourism industry, estimating a 38 million job loss. It suggests restructuring the sector to recover trust and confidence, implementing social behavior changes.
3. **Jaipuria, S., Parida, R., & Ray, P. (2021);** This study examines the impact of COVID-19 on India's tourism sector, highlighting its potential as a significant employment generator and foreign exchange source. The study aims to understand the sector's importance in the Indian economy and its impact on the industry.
4. **Patel, P., Sharma, J., Kharoliwal, S., & Khemariya, P. (2020)** This paper examines the impact of Covid-19 on the global tourism industry, estimating the destruction caused by the virus. Data from reliable sources shows China and India become no longer tourist destinations, leading to economic consequences and a 20% to 30% decrease in international tourist arrivals.
5. **Vasant J Harijan (2023)** The COVID-19 pandemic significantly impacted India's hospitality and tourism sector, leading to significant declines in the first quarter of 2020. The lockdown closed hotel and travel sectors, causing job losses and a decline in the economy.
6. **Ranasinghe, Ruwan & Damunupola, Anupama & Wijesundara, Wgs & Karunarathne, Chandhi & Nawarathna, Dhananjaya & Gamage, Sammani & Ranaweera, Amaya & Idroos, Ali. (2020).** The novel Corona pandemic has disrupted socio-economic structures and challenged globalization, particularly in the travel industry. Tourism, a key contributor to Sri Lanka's economy, is expected to play a significant role in regaining stability. However, the first Sri Lankan national tested positive for COVID-19 on 10th March 2020.
7. **Pawan Kumar(2021)** The COVID-19 pandemic significantly disrupted the global economy, affecting the travel and tourism industry, particularly in India. The virus infected 195 million people and caused 4.1 million deaths, causing livelihood loss and a decrease in tourist arrivals.
8. **Doris Chenguang Wu, Chenyu Cao, Wei Liu, Jason Li Chen (2022)** The COVID-19 pandemic has impacted the global tourism industry, but domestic tourism has shown signs of recovery in Guangdong Province, China. The tourism satellite account (TSA) method shows a decrease in direct contribution to Guangdong's economy, with changes in visitor composition and industries' proportional contributions.
9. **Ahlert, G. (2008).** This article discusses the use of model-based macroeconomic analyses using tourism satellite accounts (TSAs) for structural information. It highlights the benefits of dynamically formulated macroeconomic structural models, such as Interindustry Forecasting Germany (INFORGE), for the German economy. The article also discusses the potential for Germany to increase its market share in international tourism.
10. **Bae, S. Y., & Chang, P. J. (2020).** The study examines the impact of COVID-19 risk perception on 'untact' tourism in South Korea. It found that affective risk perception antecedents attitude, while cognitive risk perception positively influences subjective norms. However, affective risk perception has a negative influence on behavioural intention. Attitude was found to be a significant mediator, while subjective norms mediated the relationship between cognitive perception and behavioural intention.

11. **Beynon, M., Jones, C., & Munday, M. (2009).** The paper analyzes the linkage of tourism-related sectors in a regional economy, focusing on the impact of changes in tourism demand on these sectors and the economy. It uses satellite account frameworks to construct linkage measures and explore regional transaction intensity, examining the significance of key sectors in Wales.
12. **Pandey, K., Mahadevan, K., & Joshi, S. (2024).** The COVID-19 pandemic has significantly impacted the Indian tourism industry, causing severe adverse consequences. This study aims to assess the impact and propose a sustainable recovery framework for stakeholders. A narrative literature review-based approach is used to evaluate the literature, revealing the industry's significant impact on stakeholders.
13. **Aman Vashisht, Tanay D. Munshi, Rachel Grace Mathai (2020),** The research paper examines the impact of COVID-19 on India's tourism industry, focusing on losses and comparisons with the industry's statistics over the past two years. It also explores the relationship between the pandemic and foreign tourist arrivals and foreign exchange earnings.
14. **Dash SB, Sharma P. (2021)**The conference discusses a roundtable discussion on reviving tourism post-pandemic, conducted by the Centre for Marketing in Emerging Economies at the Indian Institute of Management. Experts discussed challenges, solutions, and strategies, and a survey was conducted to assess travel willingness and concerns.
15. **Bai Y., Yao L., Wei T., Tian F., Jin D.Y.(2020),** This study describes possible transmission of novel coronavirus disease 2019 (COVID-19) from an asymptomatic Wuhan resident to 5 family members in Anyang, a Chinese city in the neighboring province of Hubei.
16. **Md Ozair Arshad, Shahbaz Khan, Abid Haleem, Hannan Mansoor, Md Osaid Arshad, Md Ekrama Arshad (2023),** This study investigates the impact of Covid-19 on the Indian tourism industry, using the seasonal autoregressive integrated moving average (SARIMA) method. The model predicts a significant loss of foreign tourist arrivals in the next three quarters, with a projected loss of approximately 2 million, 2.3 million, and 3.2 million respectively.
17. **Arshad, M.O., Khan, S., Haleem, A., Mansoor, H., Arshad, M.O. and Arshad, M.E. (2023),** The COVID-19 pandemic has significantly impacted the tourism sector, affecting foreign exchange earnings (FEE) and regional developments. This paper uses artificial neural networks to predict foreign tourists' arrival and FEE in India, analyzing the impact of lockdown on FEE loss and gain. The findings will aid policymakers in making strategic decisions.
18. **Utpal Kumar De, Bidyajyoti Borah(2021),** The study examines the COVID-19 pandemic's impact on India's tourism sector, highlighting its potential for growth and employment. It finds a significant decline in Foreign Exchange Earnings and Foreign Tourist Arrivals, and suggests recovery strategies for the sector's revival.
19. **Professor Anil K. Sharma, Mr K. A. Siddiqui, Mr Devender Pratap, Mr Asrar Alam et al (2021)** The study assesses the economic and household income losses due to the COVID-19 pandemic, focusing on the direct and indirect impacts of tourism activities. It also estimates the loss in income and jobs, the impact of domestic and international tourism openings, and proposes policy measures for relief. The Tourism Satellite Account estimates tourism's contribution to GDP.
20. **Rahman, Fazlur, Norhazliza abd Halim, Abdul Ahad, Aftab Alam, and Kahkashan Noor. (2023).** The COVID-19 pandemic has significantly impacted the tourism sector in Kochi, Kerala, causing a dip in the local economy and a decrease in employability. The study suggests a balanced allocation of financial assistance to support recovery efforts.

### III. METHODOLOGY:

The research method followed here is empirical research. The data is collected through a questionnaire and the sample size is 106. A convenience sampling method is adopted in the study to collect the data. The samples were collected from the general public. The independent variables are gender, age, education qualification, occupation, marital status of respondents. The dependent variables are the purpose, public belief in tourist taxes aiding economic recovery post-COVID-19, revenue usage, implementation challenges, and the option of tourism taxes not affecting India's tourism rate. The researcher used graphs to analyse the data collected.

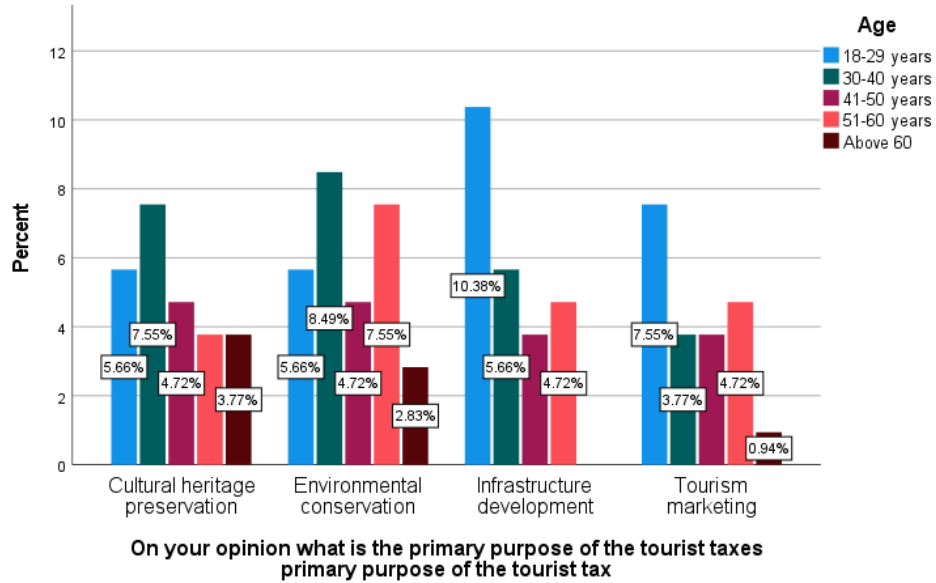
#### RESEARCH HYPOTHESIS

There is no direct correlation between tourist taxes and tourism in India.  
The hypothesis is proved.

**ANALYSIS:**

**FIGURE 1**

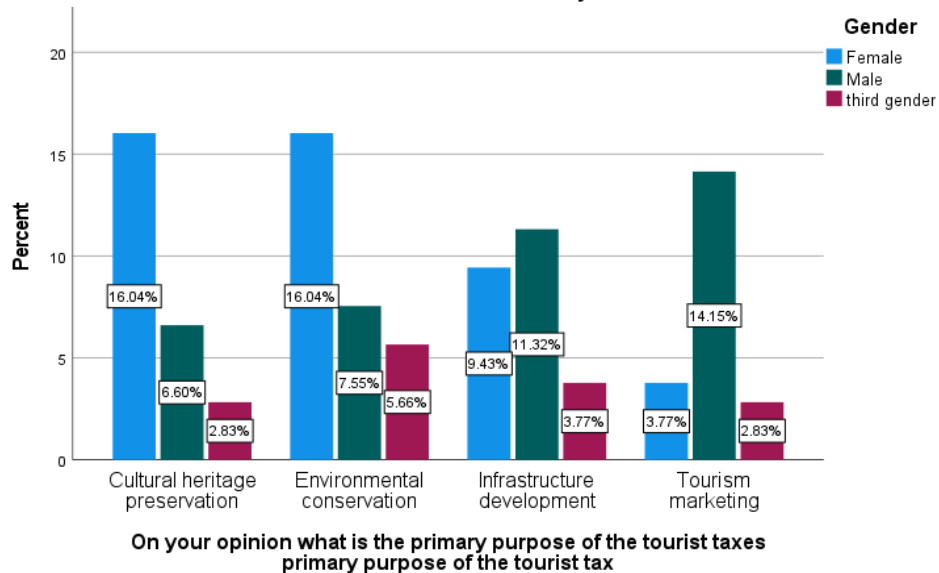
**Clustered Bar Percent of On your opinion what is the primary purpose of the tourist taxes primary purpose of the tourist tax by Age**



LEGEND: Figure 1 shows the respondents opinion on the primary purpose of the tourist tax with age of the respondent.

**FIGURE 2**

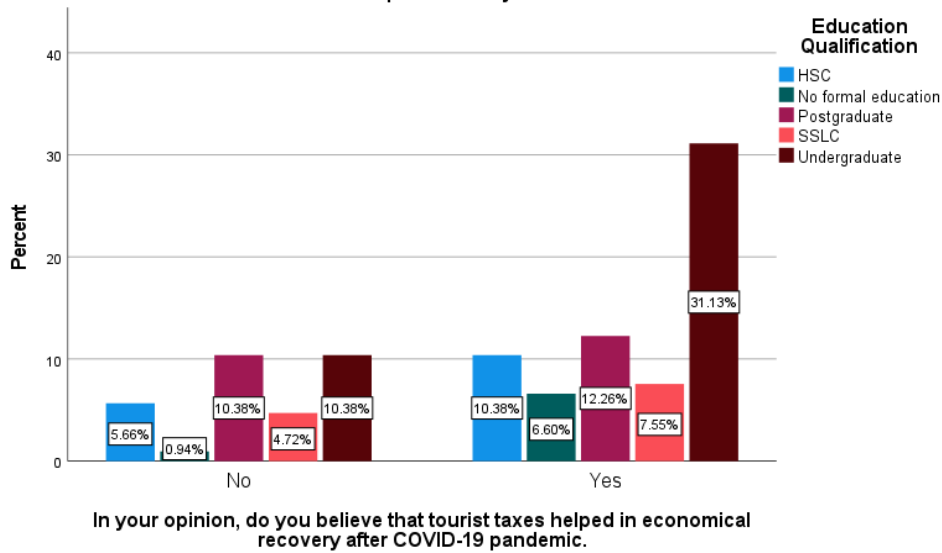
**Clustered Bar Percent of On your opinion what is the primary purpose of the tourist taxes primary purpose of the tourist tax by Gender**



LEGEND: Figure 2 shows the respondents opinion on the primary purpose of the tourist tax with the gender of the respondent.

**FIGURE 3**

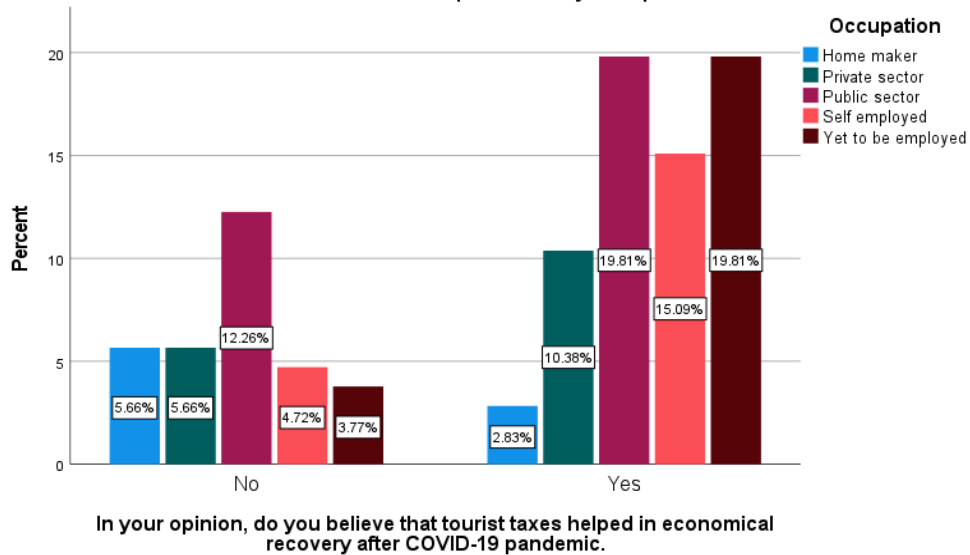
**Clustered Bar Percent of In your opinion, do you believe that tourist taxes helped in economical recovery after COVID-19 pandemic. by Education Qualification**



LEGEND: Figure 3 shows respondents' opinion on the tourist tax helped in economic recovery after COVID-19 pandemic with education qualification of the respondents.

**FIGURE 4**

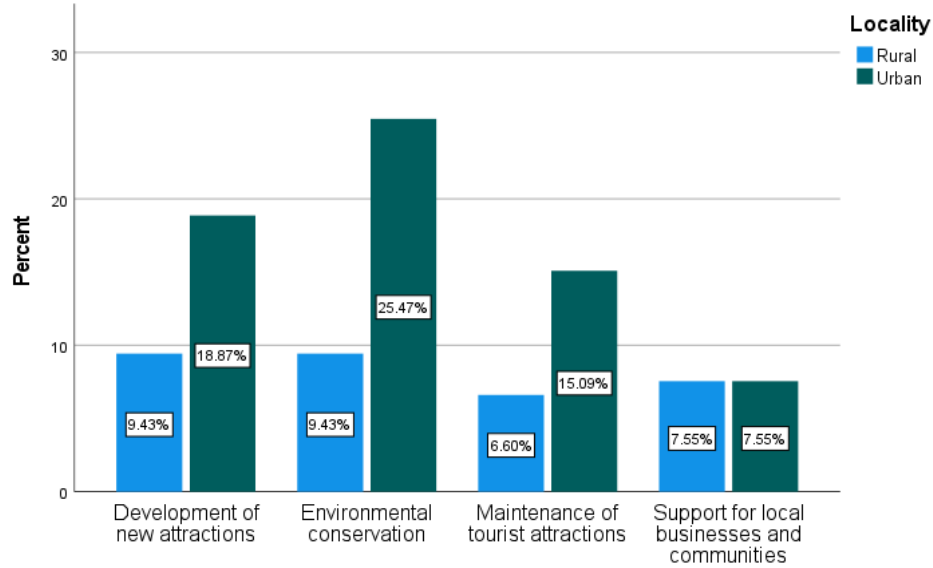
**Clustered Bar Percent of In your opinion, do you believe that tourist taxes helped in economical recovery after COVID-19 pandemic. by Occupation**



LEGEND: Figure 4 shows respondents' opinion on the tourist tax helped in economic recovery after COVID-19 pandemic with occupation of the respondents.

**FIGURE 5**

**Clustered Bar Percent of In your opinion, how should the revenue from the tourist tax be used by Locality**

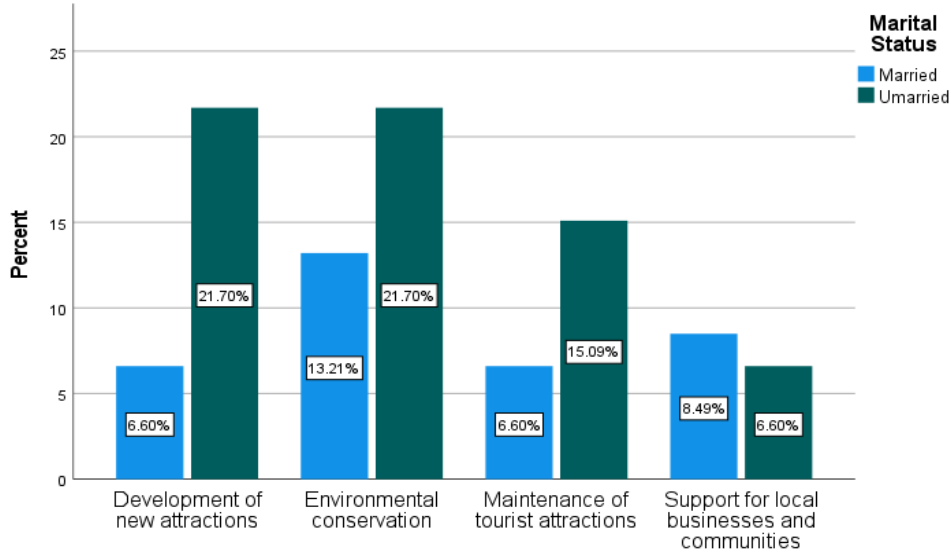


**In your opinion, how should the revenue from the tourist tax be used**

LEGEND: Figure 5 shows the respondents opinion on the revenue from the tourist tax be used with the locality of the respondents.

**FIGURE 6**

**Clustered Bar Percent of In your opinion, how should the revenue from the tourist tax be used by Marital Status**

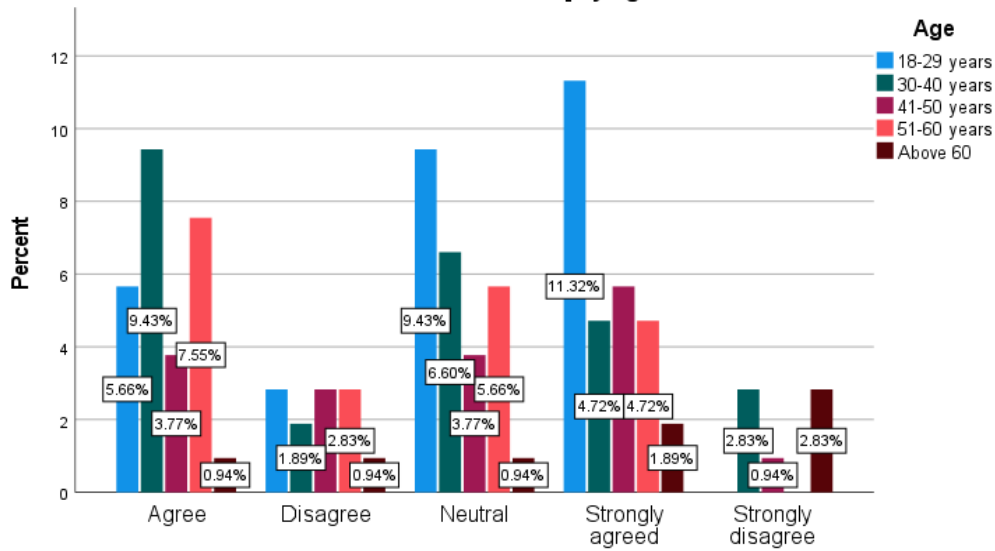


**In your opinion, how should the revenue from the tourist tax be used**

LEGEND: Figure 6 shows the respondents opinion on the revenue from the tourist tax be used with the marital status of the respondents.

**FIGURE 7**

**Clustered Bar Percent of In your option what is the challenges in implementing tourist tax [Mismanagement of funds] by Age**

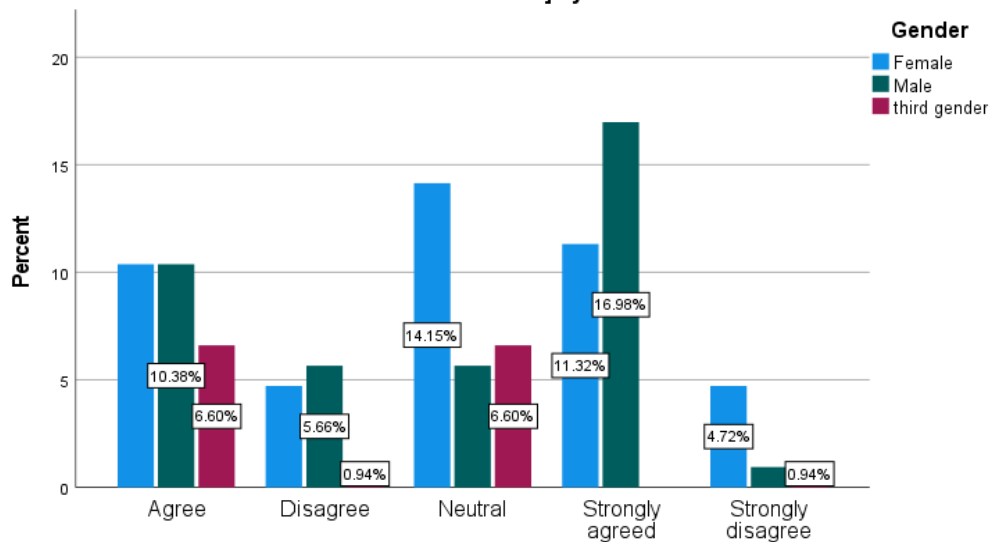


**In your option what is the challenges in implementing tourist tax [Mismanagement of funds]**

LEGEND: Figure 7 shows the respondents opinion on the mismanagement of funds as the challenges in implementing tourist tax with age of the respondents.

**FIGURE 8**

**Clustered Bar Percent of In your option what is the challenges in implementing tourist tax [Mismanagement of funds] by Gender**

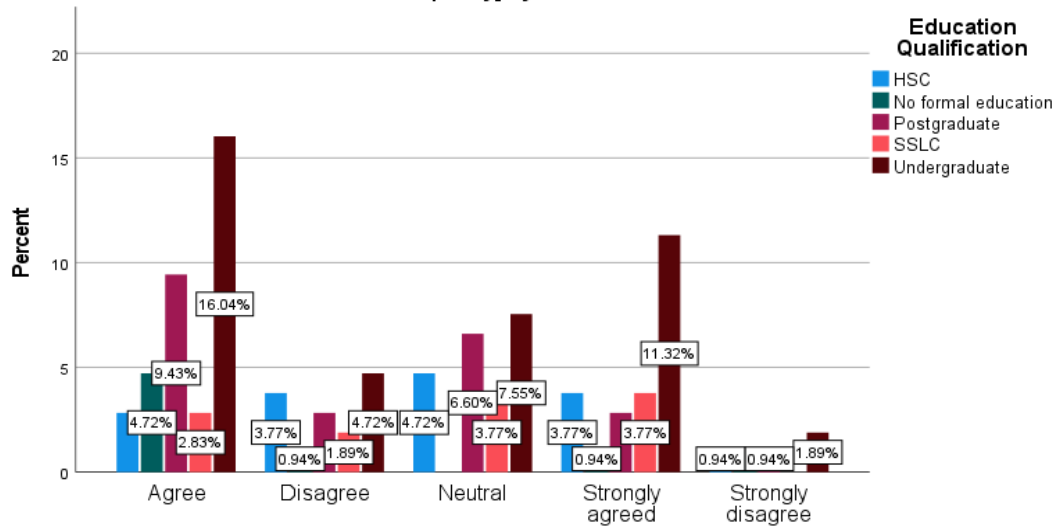


**In your option what is the challenges in implementing tourist tax [Mismanagement of funds]**

LEGEND: Figure 8 shows the respondents opinion on the mismanagement of funds as the challenges in implementing tourist tax with gender of the respondents.

**FIGURE 9**

**Clustered Bar Percent of In your option what is the challenges in implementing tourist tax [Lack of awareness about policy] by Education Qualification**

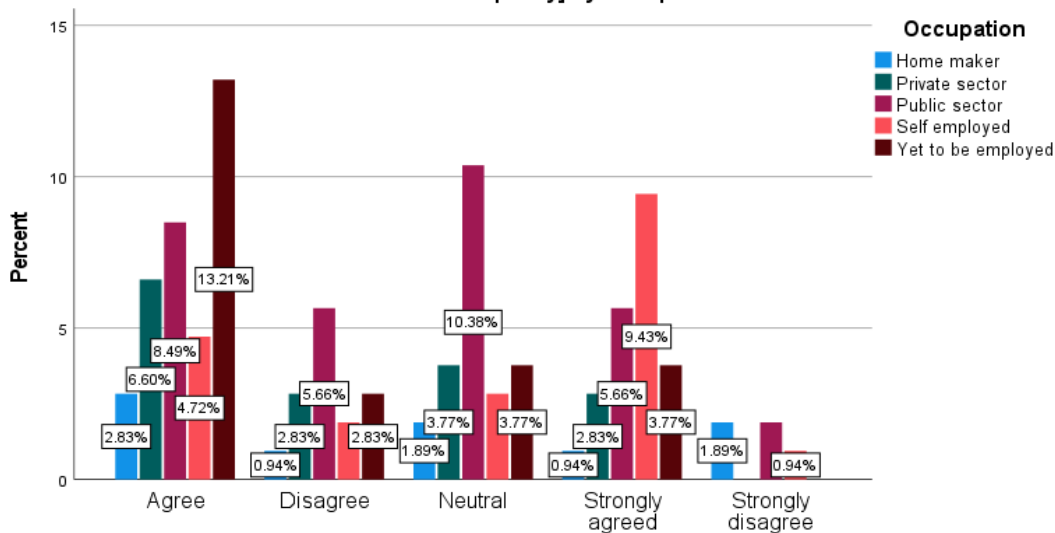


**In your option what is the challenges in implementing tourist tax [Lack of awareness about policy]**

LEGEND: Figure 9 shows the respondents opinion on the lack of awareness about policy as the challenges in implementing tourist tax with education qualification of the respondents.

**FIGURE 10**

**Clustered Bar Percent of In your option what is the challenges in implementing tourist tax [Lack of awareness about policy] by Occupation**



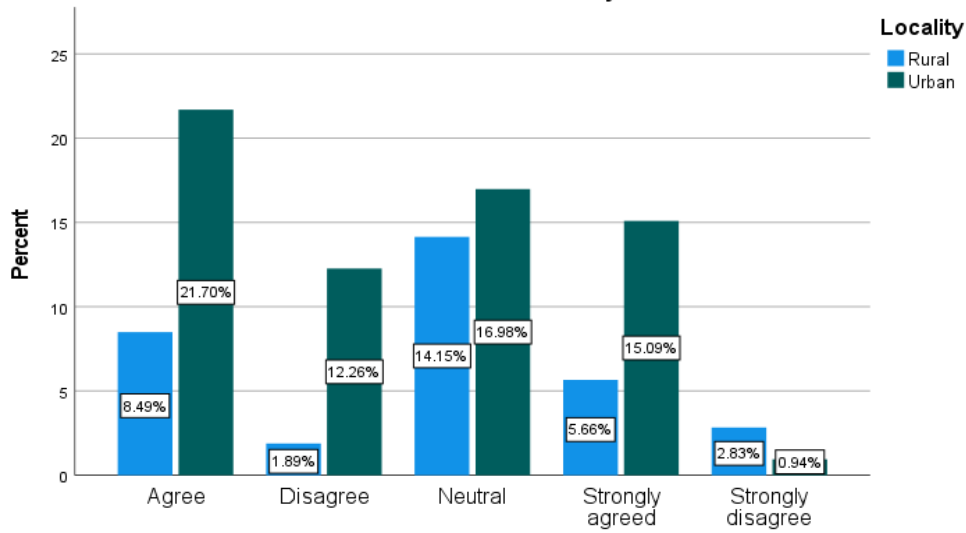
**In your option what is the challenges in implementing tourist tax [Lack of awareness about policy]**

LEGEND: Figure 10 shows the respondents opinion on the lack of awareness about policy as the challenges in implementing tourist tax with occupation of the respondents.



**FIGURE 11**

**Clustered Bar Percent of In your option what is the challenges in implementing tourist tax [Security issues] by Locality**

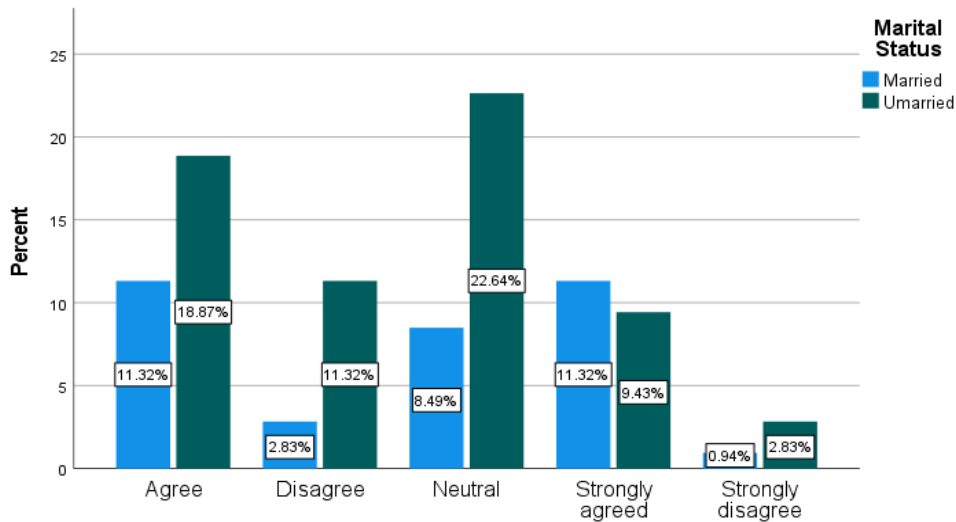


**In your option what is the challenges in implementing tourist tax [Security issues]**

LEGEND: Figure 11 shows the respondents opinion on the security issues as the challenges in implementing tourist tax with the locality of the respondents.

**FIGURE 12**

**Clustered Bar Percent of In your option what is the challenges in implementing tourist tax [Security issues] by Marital Status**

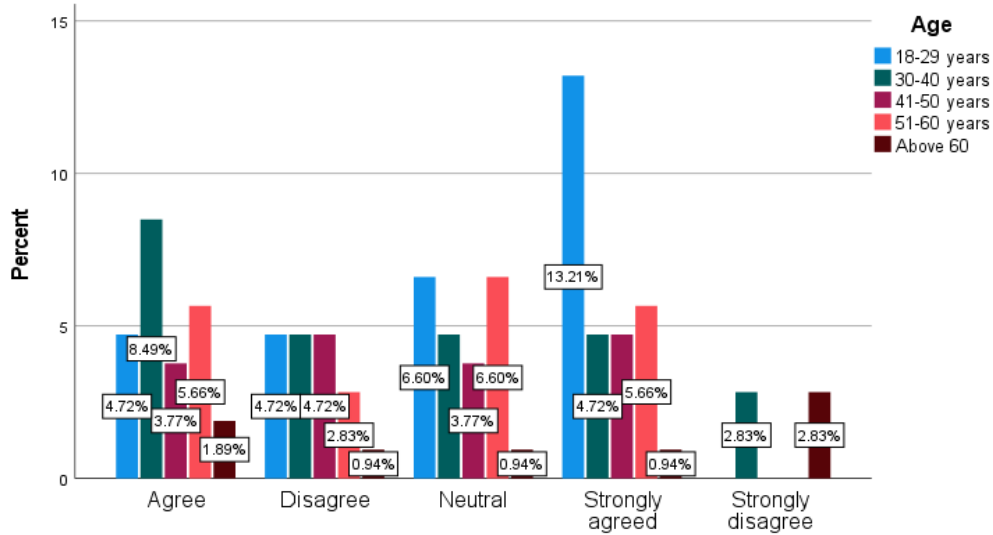


**In your option what is the challenges in implementing tourist tax [Security issues]**

LEGEND: Figure 12 shows the respondents opinion on the security issues as the challenges in implementing tourist tax with the marital status of the respondents.

**FIGURE 13**

**Clustered Bar Percent of In your option what is the challenges in implementing tourist tax [Impact on affordability of travel] by Age**

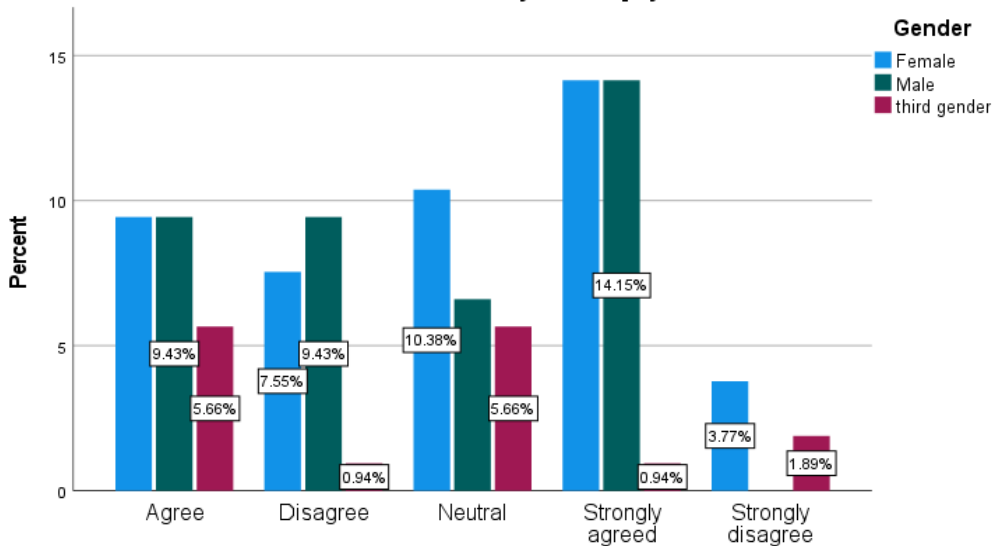


**In your option what is the challenges in implementing tourist tax [Impact on affordability of travel]**

LEGEND: Figure 13 shows the respondents opinion on the impact on affordability of travel as the challenges in implementing tourist tax with the age of the respondents.

**FIGURE 14**

**Clustered Bar Percent of In your option what is the challenges in implementing tourist tax [Impact on affordability of travel] by Gender**

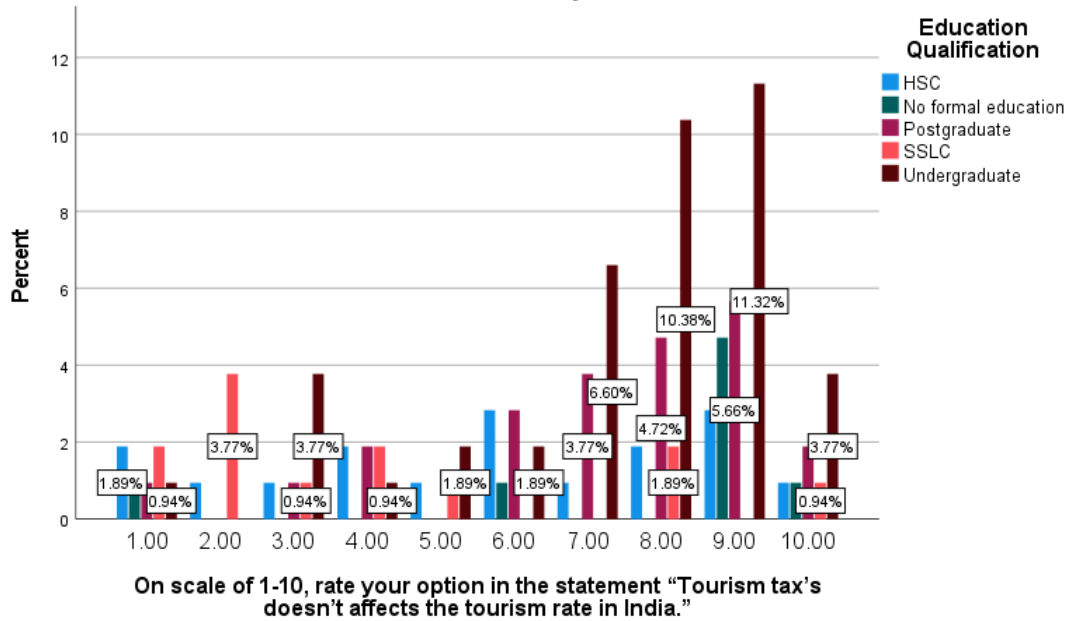


**In your option what is the challenges in implementing tourist tax [Impact on affordability of travel]**

LEGEND: Figure 14 shows the respondents opinion on the impact on affordability of travel as the challenges in implementing tourist tax with the gender of the respondents.

**FIGURE 15**

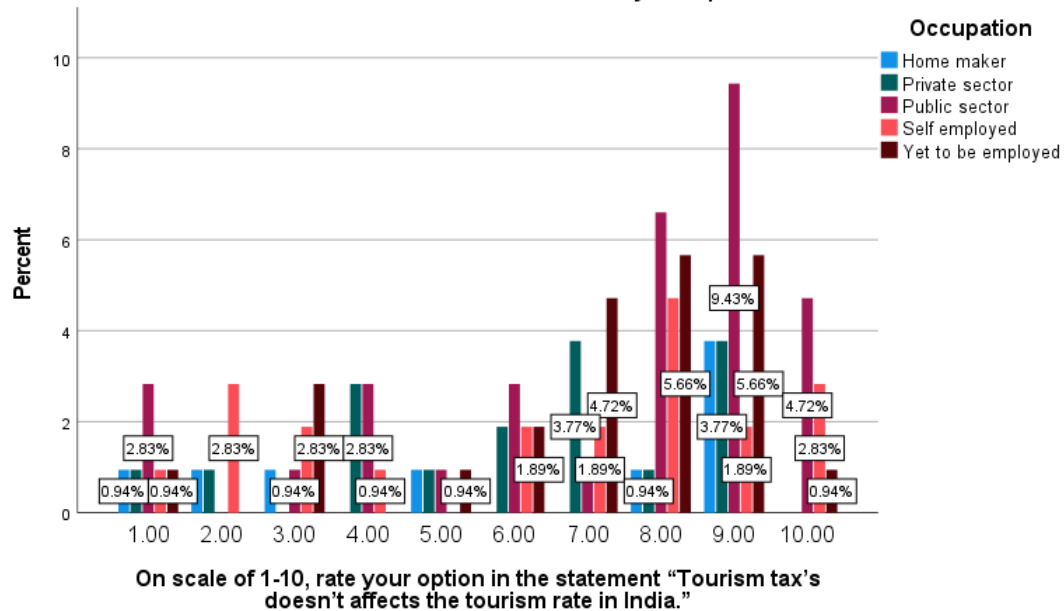
**Clustered Bar Percent of On scale of 1-10, rate your option in the statement "Tourism tax's doesn't affects the tourism rate in India." by Education Qualification**



LEGEND: Figure 15 shows the respondents opinion on the level of the fact that tourism taxes doesn't affect the tourism rate in India with the education qualification of the respondents.

**FIGURE 16**

**Clustered Bar Percent of On scale of 1-10, rate your option in the statement "Tourism tax's doesn't affects the tourism rate in India." by Occupation**



LEGEND: Figure 16 shows the respondents opinion on the level of the fact that tourism taxes doesn't affect the tourism rate in India with the occupation of the respondents.

**TABLE 1**  
**CHI-SQUARE TEST**

NULL HYPOTHESIS: There is no association between the primary purpose of taxes and the gender of the respondents.

ALTERNATIVE HYPOTHESIS: There is an association between the primary purpose of taxes and the gender of the respondents.

**On your opinion what is the primary purpose of the tourist taxes primary purpose of the tourist tax \* Gender Crosstabulation**

Count

		Gender			Total
		Female	Male	third gender	
On your opinion what is the primary purpose of the tourist taxes primary purpose of the tourist tax	Cultural heritage preservation	17	7	3	27
	Environmental conservation	17	8	6	31
	Infrastructure development	10	12	4	26
	Tourism marketing	4	15	3	22
Total		48	42	16	106

**Chi-Square Tests**

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	14.594 <sup>a</sup>	6	.024
Likelihood Ratio	14.986	6	.020
N of Valid Cases	106		

a. 4 cells (33.3%) have expected count less than 5. The minimum expected count is 3.32.

**INTERPRETATION**

The calculated p value is .024. Since P value >0.05, the null hypothesis is rejected. So there is an association between the primary purpose of taxes and the gender of the respondents.

**TABLE 2**  
**CHI-SQUARE TEST**

NULL HYPOTHESIS: There is no association between the tourist taxes that helped in economic recovery after COVID-19 pandemic and the age of the respondents.

ALTERNATIVE HYPOTHESIS: There is an association between the tourist taxes that helped in economic recovery after COVID-19 pandemic and the age of the respondents.

**In your opinion, do you believe that tourist taxes helped in economical recovery after COVID-19 pandemic. \* Age Crosstabulation**

Count		Age					Total
		18-29 years	30-40 years	41-50 years	51-60 years	Above 60	
In your opinion, do you believe that tourist taxes helped in economical recovery after COVID-19 pandemic.	No	5	9	9	6	5	34
	Yes	26	18	9	16	3	72
Total		31	27	18	22	8	106

**Chi-Square Tests**

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	9.924 <sup>a</sup>	4	.042
Likelihood Ratio	9.933	4	.042
N of Valid Cases	106		

a. 1 cells (10.0%) have expected count less than 5. The minimum expected count is 2.57.

**INTERPRETATION**

The calculated p value is .042. Since P value >0.05, the null hypothesis is rejected. So there is an association between the tourist taxes that helped in economic recovery after COVID-19 pandemic and the age of the respondents.

**TABLE 3  
CHI-SQUARE**

NULL HYPOTHESIS: There is no association between the statement “tourism taxes doesn’t affect the tourism rate in India” and the education qualification of the respondent.

ALTERNATIVE HYPOTHESIS: There is an association between the statement “tourism taxes doesn’t affect the tourism rate in India” and the education qualification of the respondent.

**On scale of 1-10, rate your option in the statement “Tourism tax’s doesn’t affects the tourism rate in India.” \* Education Qualification Crosstabulation**

Count		Education Qualification					Total
		HSC	No formal education	Postgraduate	SSLC	Undergraduate	
On scale of 1-10, rate your option in the statement “Tourism tax’s doesn’t affects the tourism rate in India.”	1.00	2	1	1	2	1	7
	2.00	1	0	0	4	0	5
	3.00	1	0	1	1	4	7
	4.00	2	0	2	2	1	7
	5.00	1	0	0	1	2	4
	6.00	3	1	3	0	2	9
	7.00	1	0	4	0	7	12
	8.00	2	0	5	2	11	20
	9.00	3	5	6	0	12	26
	10.00	1	1	2	1	4	9
Total		17	8	24	13	44	106

**Chi-Square Tests**

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	53.807 <sup>a</sup>	36	.029
Likelihood Ratio	55.090	36	.022
N of Valid Cases	106		

a. 47 cells (94.0%) have expected count less than 5. The minimum expected count is .30.

**INTERPRETATION**

The calculated p value is .029. Since P value >0.05, the null hypothesis is rejected. So there is an association between the statement “tourism taxes do not affect the tourism rate in India” and the education qualification of the respondent.

#### IV. RESULTS:

**Figure 1** shows 10.38% of 18-29 yrs respondents stated infrastructure development as the primary purpose of tax. **Figure 2** shows 16.04% of female respondents stated cultural heritage preservation as the primary purpose of tax. **Figure 3** shows 31.13% of undergraduate respondents stated tourist tax helped in economic recovery after COVID-19 pandemic. **Figure 4** shows 19.81% public sector respondents stated tourist tax helped in economic recovery after COVID-19 pandemic. **Figure 5** shows 25.47% urban area respondents stated the revenue from the tourist tax be used for environmental conservation. **Figure 6** shows 21.70% unmarried respondents stated the revenue from the tourist tax be used for environmental conservation. **Figure 7** shows 11.32% 18-29 yrs respondents had strongly agreed on the fact that mismanagement of funds is the challenge in implementing tourist tax. **Figure 8** shows 16.98% male respondents had strongly agreed on the fact that mismanagement of funds is the challenge in implementing tourist tax. **Figure 9** shows 16.04% UG respondents had agreed on the fact that lack of awareness about policy is the challenge in implementing tourist tax. **Figure 10** shows 13.21% yet to be employed respondents had agreed on the fact that lack of awareness about policy is the challenge in implementing tourist tax. **Figure 11** shows 21.70% urban area respondents had agreed on the fact that security issues are the challenge in implementing tourist tax. **Figure 12** shows 22.64% unmarried respondents had strongly agreed on the fact that security issues are the challenge in implementing tourist tax. **Figure 13** shows 13.21% 18-29 yrs respondents had strongly agreed on the fact that impact on affordability of travel is the challenge in implementing tourist tax. **Figure 14** shows 14.15% female respondents had strongly agreed on the fact that impact on affordability of travel is the challenge in implementing tourist tax. **Figure 15** shows 11.32% UG respondents rated 9 in scale of 1-10, on the level, in fact, that tourism taxes don't affect the tourism rate in India. **Figure 16** shows 9.43% yet to be employed respondents rated 9 in scale of 1-10, on the level, in fact, that tourism taxes don't affect the tourism rate in India. **TABLE 1**, The calculated p value is .024. Since P value >0.05, the null hypothesis is rejected. So there is an association between the primary purpose of taxes and the gender of the respondents. **TABLE 2**, The calculated p value is .042. Since P value >0.05, the null hypothesis is rejected. So there is an association between the tourist taxes that helped in economic recovery after COVID-19 pandemic and the age of the respondents. **TABLE 3**, The calculated p value is .029. Since P value >0.05, the null hypothesis is rejected. So there is an association between the statement "tourism taxes do not affect the tourism rate in India" and the education qualification of the respondent.

#### V. DISCUSSION:

**Figure 1** shows 10.38% of respondents aged 18-29 identified infrastructure development as the primary purpose of tax, possibly due to increased awareness of its role in improving public services, transportation, and urban growth. This demographic likely associates taxes with tangible benefits like better roads, bridges, and public facilities for societal advancement. **Figure 2** shows 16.04% of female respondents identified cultural heritage preservation as the primary purpose of tax, likely reflecting a strong connection to preserving local traditions, monuments, and cultural sites. This demographic may prioritize the protection of cultural identity and heritage, viewing taxes as a means to fund such preservation efforts. **Figure 3** shows 31.13% of undergraduate respondents stated that tourist tax helped in economic recovery after the COVID-19 pandemic, likely because they associate tourism with economic revitalization. Taxes from tourism may have been seen as a crucial source of revenue to support local businesses, create jobs, and fund recovery initiatives in the post-pandemic economy. **Figure 4** shows 19.81% of public sector respondents stated that tourist tax helped in economic recovery after the COVID-19 pandemic, likely because they recognize its role in funding public services and infrastructure. Tourism-generated tax revenue may have been viewed as vital for supporting government initiatives, job creation, and revitalizing local economies post-pandemic. **Figure 5** shows 25.47% of urban area respondents stated that revenue from the tourist tax should be used for environmental conservation, likely due to concerns about the impact of tourism on urban ecosystems. They may see this tax as a way to mitigate environmental damage by funding sustainability projects, green spaces, and pollution control efforts. **Figure 6** shows 21.70% of unmarried respondents stated that revenue from the tourist tax should be used for environmental conservation, possibly reflecting a greater awareness of sustainability and environmental issues. They may feel a sense of responsibility to protect natural resources for future generations, viewing the tax as a tool for promoting eco-friendly initiatives. **Figure 7** shows 11.32% of 18-29-year-old respondents strongly agreed that mismanagement of funds is a challenge in implementing tourist tax, likely due to concerns about transparency and accountability in government spending. This age group may be more critical of how public funds are used, fearing inefficiency or corruption in the allocation of tax revenue. **Figure 8** shows 16.98% of male respondents strongly agreed that mismanagement of funds is a challenge in implementing tourist tax, possibly reflecting concerns over the effective use of public money. They may perceive that misallocation or lack of transparency in fund distribution could hinder the intended benefits of the tourist tax, such as infrastructure or environmental projects. **Figure 9** shows 16.04% of

undergraduate respondents agreed that lack of awareness about the policy is a challenge in implementing tourist tax, likely because they may have observed a gap in understanding among the public. Without proper awareness, individuals may be unaware of the tax's purpose or benefits, hindering its successful implementation and compliance. **Figure 10** shows 13.21% of yet-to-be-employed respondents agreed that lack of awareness about the policy is a challenge in implementing tourist tax, possibly due to their limited exposure to the policy or its implications. This group might recognize that without clear communication and understanding, the effectiveness of the tax could be diminished, leading to confusion or non-compliance. **Figure 11** shows 21.70% of urban area respondents agreed that security issues are a challenge in implementing tourist tax, likely due to concerns about how the tax may be enforced and monitored. In urban areas, the high volume of tourists and the need for secure collection systems could lead to potential risks, including fraud or misuse of funds. **Figure 12** shows 22.64% of unmarried respondents strongly agreed that security issues are a challenge in implementing tourist tax, possibly due to concerns over the safety of both tourists and tax collection systems. They may worry about the risk of theft, fraud, or other security breaches in areas with high tourist traffic, which could undermine the effectiveness of the tax. **Figure 13** shows 13.21% of 18-29-year-old respondents strongly agreed that the impact on affordability of travel is a challenge in implementing tourist tax, likely because they may view the tax as an additional financial burden. This age group, often with limited income or student status, might be particularly sensitive to price increases that could affect their ability to travel. **Figure 14** shows 14.15% of female respondents strongly agreed that the impact on affordability of travel is a challenge in implementing tourist tax, likely due to concerns about the rising costs of travel. They may feel that the tax could disproportionately affect budget-conscious travelers, limiting their ability to afford trips or access certain tourist destinations. **Figure 15** shows 11.32% of undergraduate respondents rated 9 on the scale of 1-10, indicating that they believe tourism taxes don't significantly affect the tourism rate in India. This group may feel that other factors, such as cultural appeal, infrastructure, and accessibility, play a more substantial role in attracting tourists, making them less convinced that taxes would deter tourism. **Figure 16** shows 9.43% of yet-to-be-employed respondents rated 9 on the scale of 1-10, believing that tourism taxes don't significantly affect the tourism rate in India. This group may perceive that tourism decisions are more influenced by factors such as destination appeal, affordability, and overall experience rather than the imposition of taxes, leading them to downplay the tax's impact. **TABLE 1**, The calculated p value is .024. Since P value >0.05, the null hypothesis is rejected. So there is an association between the primary purpose of taxes and the gender of the respondents because the data suggests that different genders prioritize the use of tax revenue differently. For example, male and female respondents may have varying perspectives on issues like infrastructure development, environmental conservation, or cultural heritage preservation. These differences could reflect distinct values, experiences, or societal roles, leading to a significant relationship between gender and the perceived primary purpose of taxes. The statistical test shows this association is unlikely to be due to chance. **TABLE 2**, The calculated p value is .042. Since P value >0.05, the null hypothesis is rejected. So there is an association between the belief that tourist taxes helped in economic recovery after the COVID-19 pandemic and the age of the respondents because different age groups may have varying perspectives on the role of tourism in economic recovery. Younger respondents may view tourism as a key driver of job creation and economic activity, while older respondents might focus more on broader recovery measures. Age could influence how individuals perceive the effectiveness of specific recovery strategies, such as tourist taxes, based on their personal experiences and priorities during the pandemic. **TABLE 3**, The calculated p value is .029. Since P value >0.05, the null hypothesis is rejected. So there There is an association between the statement "tourism taxes do not affect the tourism rate in India" and the education qualification of the respondent because individuals with different educational backgrounds may have varying levels of understanding about the economic and social impacts of tourism taxes. Highly educated respondents might be more aware of the complexities surrounding tourism, including factors like market demand, destination attractiveness, and economic conditions, leading them to believe that taxes have a minimal impact. In contrast, those with lower education levels may focus more on immediate costs and might not fully grasp the broader economic factors influencing tourism.

## VI. CONCLUSION :

Tourist taxes have played a crucial role in revitalizing Tamil Nadu's tourism sector post-COVID-19, supporting infrastructure development, heritage preservation, and eco-tourism initiatives. These taxes have helped rebuild the state's tourism ecosystem while promoting sustainability. However, challenges such as affordability for domestic travelers and global competitiveness must be addressed. Tamil Nadu has complemented these efforts with government initiatives, including financial relief programs and public-private partnerships, to enhance tourism infrastructure and attract visitors. By focusing on innovation, inclusivity, and sustainability, Tamil Nadu can effectively utilize tourist taxes to ensure long-term growth, preserve its rich heritage, and strengthen its position as a leading destination.

## VII. SUGGESTION :

Focus on highlighting Tamil Nadu's strengths as a cultural and natural hub while emphasizing the balanced use of tourist taxes for economic recovery and sustainable growth. Mention the importance of addressing affordability for domestic travelers and staying competitive globally. Additionally, suggest linking tourist taxes to targeted initiatives like eco-tourism and heritage preservation to attract diverse traveler segments. Stress the role of government programs and partnerships in complementing these efforts.

## LIMITATION :

The research faces significant limitations due to data collection issues, including limited post-pandemic data, generalization challenges, respondent bias, dynamic tourism trends, and overlapping external factors like inflation. Accessing key stakeholders and quantifying tourist tax impact may also hinder the study's comprehensiveness.

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ABSTRACT :

Tourism is a vital sector for Tamil Nadu's economy, known for its cultural heritage, scenic landscapes, and historical sites. However, the COVID-19 pandemic severely disrupted the industry, leading to reduced travel and significant revenue losses. In response, tourist taxes have gained prominence as a financial tool to support economic recovery and promote sustainable tourism. This study explores the impact of tourist taxes in Tamil Nadu post-pandemic, analyzing their role in revenue generation, infrastructure development, and heritage conservation. Tourist taxes, including Goods and Services Tax (GST), entry fees, and airport development charges, have been pivotal in financing tourism recovery.

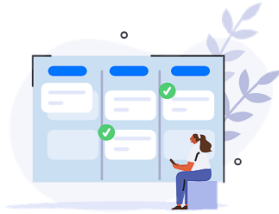
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