Visitor Levy FAQs for Accommodation Providers

Version 2, August 2026

Contents

Introductory Note

This is Version 2 of the FAQs (August 2026). They will be updated periodically as required.

The Visitor Levy (Scotland) Act 2024 gives local authorities the power to introduce a visitor levy. The 2024 Act was amended by the Visitor Levy (Amendment) (Scotland) Act 2026 to permit local authorities to set the visitor levy as a fixed amount or different fixed amounts per room or area per night. A room or area is the single unit of overnight accommodation that is purchased by the visitor. This means that a visitor levy can be set as either a percentage rate or a fixed amount.

The 2026 Act also clarifies operational details that arose as the 2024 Act began to be implemented by local authorities. The amendments brought in by the 2026 Act will be incorporated into the 2024 Act and there is no need to cross-refer to both pieces of legislation. References to “the Act” later in these FAQs refer to the 2024 Act as amended by the 2026 Act.

These FAQs are not intended to be exhaustive, nor are they an authoritative statement of the law. Accommodation providers may wish to seek their own legal and accounting advice.

While the FAQs below provide a national overview, the exact rules and processes may vary between local authority areas and according to agreed visitor levy schemes. The FAQs should be read in conjunction with your local authority guidance. They are intended as guidance and support and do not address every detailed circumstance.

The Act does not prescribe a single methodology for all aspects of the visitor levy, which gives accommodation providers flexibility in how certain requirements are applied. There may be situations where you wish to seek your own legal or accounting advice.

For further information and links to each local authority with a visitor levy scheme, visit: VisitScotland – Visitor Levy.

1 | General Overview (Visitor Levy Purpose and Scope)

1.1 What is the visitor levy?

The Act gives Scottish local authorities the power to introduce a charge on the purchase of overnight accommodation. This can be set as a percentage of the accommodation cost or as a fixed amount(s) on a per room or area per night basis.

Each local authority will decide, following consultation, whether to introduce a visitor levy scheme in its area.

The levy is to be paid by visitors, and the net proceeds must be used to develop, support, or sustain facilities and services that are substantially for, or used by, visitors. **Accommodation providers are**

liable for calculating and paying the levy to local authorities.

1.2 Who counts as a 'visitor'?

A 'visitor' is **anyone staying in paid overnight accommodation which is not their usual place of residence.** You might refer to them as a customer or a guest.

1.3 Is the visitor levy a national scheme?

No. The Act gives Scottish local authorities the **discretionary power** to decide whether to introduce a levy in their area.

Local authorities can work together to introduce a levy scheme across more than one local authority area. A single local authority can have multiple levy schemes in its area. Where multiple schemes are operating in one local authority area, only one levy can apply to a single stay on a particular night. Each local authority may design its scheme to reflect local priorities, but must do so following consultation.

1.4 What if I have properties in multiple local authorities?

If you operate in more than one local authority area, you must check with each local authority separately to understand the details of their levy scheme. Schemes may differ depending on local priorities and the flexibilities available to each local authority.

For further information from relevant local authorities, visit: VisitScotland – Visitor Levy.

1.5 When will the visitor levy come into effect and do I need to apply the visitor levy for advanced bookings?

It is for each local authority to decide whether it intends to introduce a levy and, if so, when that would come into effect. A new levy scheme cannot be introduced without at least 18 months notice.

The levy should not be applied to accommodation booked before a local authority has formally announced its decision to introduce a scheme.

Under the legislation, if a booking is made after the decision to proceed but before the scheme comes into force and the stay takes place after the levy comes into force, the levy may apply. The local authority will set out any specific transition period.

Local authorities will need to provide accommodation providers and third parties with clear information as soon as possible following their levy scheme being formally announced. This must include when liability for forward bookings made before the implementation date will commence.

For example, in Edinburgh the levy had to be applied from 1 October 2025 for all stays taking place on or after 24 July 2026.

You should check the exact dates with your local authority and ensure visitors are informed about the levy at the point of booking.

For further information from relevant local authorities, visit: VisitScotland – Visitor Levy.

1.6 Is the same rate applied across the whole local authority area?

A local authority may choose to apply different rates in different parts of its area, and at different times of year depending on local priorities.

Percentage rate levy

A local authority could decide to introduce a visitor levy only in a specific area within its boundary.

However, a local authority **cannot** set different rates for different types of accommodation, meaning that all accommodation types in that area (such as B&Bs, hotels, and self-catering properties) must be charged at the same percentage rate.

Fixed amount levy

If a local authority opts for a fixed amount levy, this **can** be different for different types of accommodation. A local authority could decide to charge different amounts based on the categorisation of accommodation. For example, one rate for hotels, B&Bs and self-catering, and another rate for caravan parks and hostels.

For further information from relevant local authorities, visit: VisitScotland – Visitor Levy.

1.7 Will the visitor levy apply all year round?

This will depend on the approach taken by each local authority. All local authorities to date that have decided to introduce a scheme have chosen to apply the visitor levy year-round. Others may decide on a seasonal approach, for example applying the levy from 1 April to 31 October.

Also, different rates could apply at different times of year, for example £5 or 5% levy in the peak season and £2 or 2% at other times of year.

1.8 How should the visitor levy revenue be spent by the local authority?

Revenue raised through the levy must be used to support facilities and services that are primarily for or used by visitors, and spending should be aligned with local, regional, and national tourism strategies.

Local authorities are required to:

- Produce annual reports detailing how the funds have been used
- Establish a Visitor Levy Forum with balanced representation from communities, tourism businesses, and relevant organisations

The consultation held before introducing a levy, along with the ongoing work of the Visitor Levy Forum, is expected to help shape and advise how funds are allocated.

2 | Rates, Structure, and Calculation

The levy can be set as a percentage of the accommodation portion of a chargeable transaction or it can be set as a fixed amount(s) per room or area per night. Each local authority will be responsible for setting the rate or fixed amount(s), which may also include a cap on the maximum number of nights the levy applies. It is important that accommodation providers should apply their methodology consistently across comparable bookings, maintain appropriate records, and be able to explain and evidence their approach if required.

To reflect the significant differences between percentage rate and fixed amount levy schemes, this section has been split for clarity.

Percentage rate visitor levy

2.1 In a percentage rate scheme what counts as the 'Accommodation Portion'?

The levy only applies to the part of the charge that covers the cost of overnight accommodation. This is called the accommodation portion. The Act specifies that the accommodation portion does not include any amount attributed to meals or drinks; parking; laundry facilities or services; entertainment or transportation to or from the accommodation, i.e. transfers.

It does not apply to any extra charges that are separate from, or added to, the cost of the accommodation.

2.1.1 What costs are excluded by law?

The accommodation portion (and therefore the levy) does not include any amount reasonably attributable to the provision of:

- Meals or drinks
- Parking (other than a parking area provided as overnight accommodation)
- Laundry services or facilities Entertainment
- Transport to or from the accommodation

It is expected that in most cases optional extras (such as towel hire, early check-in, or anything a visitor chooses to add on) would not be considered part of the accommodation portion. As the liable person it is your responsibility as the accommodation provider to make sure that the levy is calculated correctly, removing any costs reasonably attributable to the provision of anything in the above list.

You are best placed to determine what proportion of a charge reasonably relates to the cost of accommodation. It is important that any methodology used is applied consistently across comparable bookings, supported by appropriate records, and can be explained and evidenced if required.

2.1.2 What costs should form part of the accommodation charge?

Even though these are not defined in the Act, it is expected that services routinely included in the room or unit price should be counted as part of the accommodation cost. This means that any services which are not optional can typically count as part of the accommodation cost.

Possible examples include:

- Standard cleaning between visitors
- Utilities e.g. electricity, water, heating, and complimentary WiFi
- Basic amenities e.g. soap or toilet paper
- Complimentary refreshments given to all visitors on arrival e.g. tea, coffee, or biscuits in a welcome pack

2.2 For a percentage rate levy, how do I calculate the visitor levy when I don't separate out the cost of breakfast?

Accommodation providers may choose from a range of methods to reasonably attribute a cost for breakfast, provided the approach used can be justified if required. Possible options could include:

- Deduct your breakfast price before applying the levy if you normally charge for breakfast separately.
- Assign a reasonable value to the breakfast (based on your own pricing or the market rate for an equivalent breakfast) and deduct this amount before applying the levy, if breakfast is normally included in your rate.

Whichever approach you take, it should be:

- Applied consistently,
- Recorded accurately, and
- Capable of being explained to your local authority if requested.

Example – double room overnight stay for two visitors

Two visitors pay £150* for one night in a double room, including breakfast. The provider normally charges £15 per person for breakfast.

- Accommodation portion = £150* – (£15 × 2) = £150 – £30 = £120
- If the levy is set at 5%, the levy charge is £120 × 5% = £6*

** excluding VAT*

2.3 When calculating a percentage rate levy, is Online Travel Agent (OTA) commission included?

The Act does not stipulate whether commission is included, and therefore commission may or may not be included in the accommodation portion on which the visitor levy is calculated, and it is for the accommodation provider to be able to evidence the approach taken.

Example with commission **excluded**:
A visitor books accommodation for £150 per night, which includes £30 commission, and the local visitor levy is 5%. If the accommodation provider does not include the commission in the levy calculation, the levy is £6.00 ((£150 − £30) × 5%).

Example with commission **included**:
A visitor books accommodation for £150 per night and the local visitor levy is 5%. If the accommodation provider includes the commission in the levy calculation, the levy is £7.50 (£150 × 5%).

Accommodation providers should refer to their local authority's visitor levy scheme and local guidance, which may provide further information on the treatment of commission and agency fees.

2.4 Are agency fees included when calculating a percentage rate visitor levy?

Accommodation providers may choose whether to include or exclude agency fees, provided their approach is applied consistently and can be clearly evidenced. In some circumstances, accommodation providers may deem it appropriate to include agency fees where they are directly related to the provision of the accommodation.

Accommodation providers should refer to their local authority's visitor levy scheme and local guidance, which may provide further information on the treatment of commission and agency fees.

2.5 How are third-party bookings for percentage rate levies calculated (e.g. with a tour operator)?

Where bookings involve a third party (such as a tour operator), the levy must always be based on the initial transaction where the accommodation is purchased from the accommodation provider. The levy will remain constant after the initial contract, regardless of the number of subsequent third-party transactions and any price changes, right up to and including the point at which the visitor purchases the accommodation.

A third party selling an accommodation package directly to visitors can choose to include the levy charge in the packaged price. Where the third party does not include the levy in the overall package cost, the accommodation provider can collect the levy at check-in or check-out.

Key responsibilities

- The accommodation provider always remains legally responsible for ensuring the levy is calculated and paid to the local authority
- If the third party does not collect the levy, the accommodation provider should collect it directly (for example, at check-in, check-out or through an invoice).
- The total price shown to the visitor at the time of booking **must** always include the levy.
- In some cases, a third party may agree with a local authority to remit the levy directly to the local authority – meaning the third party would not need to pass funds to the accommodation provider for onward payment to the local authority. Unless such an agreement is in place, the accommodation provider must remit the levy to the local authority.
- Regardless of the approach, accommodation providers must keep clear records of their chosen method, showing why it was the most reasonable approach in the circumstances.

Fixed amount(s) visitor levy

2.6 Do I need to calculate the accommodation portion in a fixed amount(s) scheme?

No. The accommodation portion only needs to be calculated where a percentage rate is applied. Fixed amount(s) will be set by the local authority for a room or area on a per night basis.

2.7 How are third party bookings for fixed amount levies calculated (e.g. with a tour operator)?

Fixed amount levies are set on a per room or area per night basis irrespective of whether it is a direct sale or through a third party. Third parties can either apply the levy to their bundled package price or the levy can be excluded from the bundled package and the payment taken by the accommodation provider.

Key responsibilities

- The accommodation provider always remains legally responsible for ensuring the levy is paid to the local authority
- If the third party does not collect the levy, the accommodation provider should collect it directly

(for example, at check-in, check-out or through an invoice).

- The total price shown to the visitor at the time of booking **must** always include the levy.
- In some cases, a third party may agree with a local authority to remit the levy directly to the local authority – meaning the third party would not need to pass funds to the accommodation provider for onward payment to the local authority. Unless such an agreement is in place, the accommodation provider must remit the levy to the local authority.
- Regardless of the approach, accommodation providers must keep clear records of their chosen method, showing why it was the most reasonable approach in the circumstances.

All visitor levy schemes (percentage / fixed amount(s)

2.8 What records do I need to keep on how I've calculated the visitor levy?

As standard good practice you should keep all necessary records for at least five years (or longer if your local authority asks) and records must be available for inspection by the local authority if requested.

It is important that any methodology used is applied consistently across comparable bookings, supported by appropriate records, and can be explained and evidenced if required. You should be able to evidence how you determined the accommodation portion of the charge.

Records you may need to keep include:

- Invoices or booking confirmations showing the breakdown of charges, and when the booking was made (*applicable to both percentage rates and fixed amount(s)*).
- Internal notes explaining how you set standard values, such as a breakfast deduction (*applicable to percentage rates*).
- Copies of your terms and conditions where relevant (*applicable to both percentage rates and fixed amount(s)*).

Good practice
Keep your levy records in line with your VAT and accounting systems. This consistency will make your reporting easier and reduce the risk of problems if audited.

2.9 Can the visitor levy be capped by number of nights?

Yes, local authorities may choose to introduce a cap on the number of nights on which a levy can be charged. This cap is designed to help maintain affordability, particularly for longer stays.

Local authorities will need to confirm their approach, which can differ between local authorities.

For example:

- Visitors to Edinburgh will not be charged a visitor levy beyond 5 nights.
- Visitors to Stirling **will** pay the visitor levy for the duration of their stay but can be reimbursed via the local authority for the visitor levy charged beyond 7 nights.
- Visitors to Aberdeen, Glasgow and West Dunbartonshire will be charged the levy on the full length of the stay, as they have not introduced a cap.

For further information, visit: VisitScotland – Visitor Levy.

2.10 How does the visitor levy apply to larger self-catering accommodation (e.g. sleeping 10 people)?

The visitor levy applies to the cost of the accommodation unit, not per person or per room.

Percentage rate example:

- A self-catering property that sleeps 10 is booked for £3,000* for 5 nights
- The local authority has set the visitor levy at 5%
- Total levy due = £3,000 × 5% = £150

The calculation is always based on the amount paid for the overnight accommodation.

**excluding VAT*

Fixed amount example:

- A self-catering property that sleeps 10 is booked for £3,000* for 5 nights. The property is rented as a single area
- The local authority has set the visitor levy at £3 per room or area per night
- Total levy due = £3 x 5 = £15

**excluding VAT*

2.11 If a regular visitor stays Monday to Thursday each week and checks out every Friday, does the chargeable stay reset if there is a cap on the number of nights charged?

If a local authority sets a maximum number of nights for which the levy can be charged, the cap applies to consecutive nights.

For example, Edinburgh's scheme has a 5-night cap which applies to each separate stay. Once a visitor checks out, the stay is treated as complete.

If the same visitor returns the following week, the levy calculation starts again from the first night, regardless of how many times they have stayed before. Only consecutive nights within a single stay count towards the cap. City of Edinburgh Council have published information for businesses which outlines the specifics of their 5-night cap.

2.12 How are exemptions managed?

The way exemptions are managed will be decided by each local authority. It will be for the local authority to determine if the levy will be 'not payable', or 'reimbursed'. Local authorities will likely choose to administer exemptions directly through a reimbursement process.

If local authorities confirm a reimbursement process which they will administer (you will need to check with your local authority for specific arrangements), reimbursements for exempted parties, such as those entitled to certain disability benefits, would be dealt with by the local authority, not by accommodation providers or third parties. Further details can be found in Section 6 of these FAQs.

2.13 What if a visitor pays the levy twice accidentally (e.g. via a third party and at check-in or check-out)?

If a visitor pays the levy more than once, the duplicate payment should be refunded. Third parties and accommodation providers should work together to ensure it is clear whether the levy has already been charged.

2.14 Will I pay VAT on the visitor levy?

How VAT applies to the levy depends on your VAT status and the rules set by your local authority. Local authorities must specify whether accommodation providers operating below the VAT threshold will be included or exempt from the levy - this will be set out in their scheme.

- If you are VAT-registered: The levy is treated as part of your taxable turnover and VAT must be applied at your standard rate. This means the levy itself is subject to VAT, and the VAT element must be shown clearly on invoices and receipts.

- If you are not VAT-registered: Check your local authority's scheme to see whether or not the levy is payable. If not payable, then you would not charge VAT on the visitor levy. However, the levy still counts towards your taxable turnover. If the combined total of your accommodation charges and levy collections takes you over the VAT registration threshold (currently £90,000), you may be required to register for VAT.

Important: You should monitor your turnover carefully and seek advice from HMRC or your accountant to ensure compliance. Further guidance from HMRC will be provided in due course.

2.15 For VAT and accounting purposes, should the visitor levy be reported based on the dates of the stay or the booking/invoice dates?

The levy is only chargeable when the visitor takes entry into the accommodation. The Act requires returns to local authorities to be made against the actual dates of stay, not the booking or invoice dates.

If a booking is cancelled and the visitor does not stay, any pre-paid visitor levy must be refunded to the visitor and should not be remitted to the local authority.

Local authorities will set out the deadlines for returns, which are expected to be on a quarterly basis in arrears. Any visitor levy due to the local authority must be paid at the time the return is submitted.

2.16 How is the visitor levy rounded and calculated where decimals arise?

You should follow standard accounting and rounding practices that you already use in your business.

3 | Booking and Payment Journey

The key requirement is that the total price, inclusive of the levy, is communicated clearly to the visitor at the point of booking.

Possible collection options

- At the point of booking – e.g. online booking platforms or full payment taken upfront from accommodation provider.
- When the balance is paid – common in self-catering and serviced apartments.
- On arrival or at check-out – typical for B&Bs or hotels where payment is taken in person.

Examples

- Self-catering property: A deposit of 25% is taken at booking and the balance is due 30 days before arrival. The balance may be collected inclusive of the levy or shown as a separate line on the balance invoice.
- Online booking via Online Travel Agency (OTA): If the platform does not calculate the levy automatically, you must include it in the listed price and arrange to collect it separately (e.g. at check-in/out or via pre-arrival communication).
- Hotel/hostel with walk-in visitors: The levy can be added to the bill and collected at check-in or check-out, as long as it is explained to the visitor when the accommodation is purchased.

Key points

- The levy must always be included in the total price presented to the visitor.
- Terms and conditions, invoices, and receipts should reflect the inclusion of the levy.
- Application of the levy is supported by appropriate record keeping, and can be explained if requested during audit or compliance activity.
- For no-shows and cancellations, the visitor is entitled to a refund of the levy amount.

3.1 How should the visitor levy be displayed to visitors?

The legislation does not prescribe a specific format for displaying the levy. Existing pricing regulations therefore continue to apply.

Key requirements

- The total price, inclusive of the levy, must always be shown at the point of booking.
- Your terms and conditions, invoices, and receipts should make clear that the levy is included in the total price.
- This applies equally to advance bookings and to walk-in visitors.

Good practice

For transparency and consistency, you may wish to:

- Update your website, advertising, and promotional materials to indicate that the levy applies.
- Clearly explain to visitors that the levy is part of the total cost, even if it is not itemised separately.

All displayed prices must comply with pricing regulations and ensure visitors are fully informed.

3.2 Should I show the visitor levy as included in the total price?

Legally, the total price shown to visitors at the time of booking must always include the visitor levy.

You are not required to display the levy as a separate item, but you may choose to do so. Itemising the levy can be good practice as it helps visitors understand what the charge relates to, but this is a business decision rather than a legal requirement.

3.3 What if a visitor cancels the booking?

A visitor levy only applies where a person stays at your accommodation. You should only remit the levy charged to the local authority after a stay is complete.

If the visitor does not stay in your accommodation and no levy payment has been received, you do not need to take any action.

If the visitor already pre-paid the levy but did not stay in the accommodation, it is your responsibility to refund them the levy in full, regardless of whether the rest of the stay is refundable.

3.4 How is the visitor levy applied to bookings that span the implementation date?

The visitor levy only applies to overnight stays from the local authority's levy scheme commencement date onwards. Any nights stayed before that date are not liable for the levy.

For bookings that span the commencement date, check with your relevant local authority.

3.5 How does the visitor levy apply to free stays, vouchers, discounts and loyalty rewards?

Complimentary/free stays

Where accommodation is provided to staff free of charge, such as an employee staying in a hotel room as part of their employment, and no payment is made by the staff member or any other party for that accommodation, it is likely that no levy would be liable because there is no chargeable transaction.

However, where the accommodation forms part of a wider paid arrangement, the levy may be liable.

The treatment of other forms of complimentary stays depends on whether the local authority has introduced a fixed amount scheme or a percentage rate scheme.

Percentage rate scheme

- The levy is calculated by reference to the accommodation portion of the transaction, meaning the amount actually charged for the accommodation, multiplied by the percentage rate set by the local authority.
- Where a promotional offer reduces the price paid by the visitor, the levy is applied to the total accommodation amount actually paid. For example, under a "5 nights for the price of 4" offer, the levy would be applied to the total value of the stay.
- If the accommodation is fully free, and no payment is made by the visitor or by a third party for the accommodation, no levy would arise under a percentage rate scheme because there is no chargeable transaction. However, where the stay forms part of a wider paid booking or promotional transaction, the levy may be liable.

Fixed amount scheme

- The levy is set and charged on a per room/area per night basis. This means the number of nights stayed determines the levy due, rather than the amount charged for each individual night.
- Where a booking includes a promotional offer, such as "5 nights for the price of 4", all nights

forming part of that booking are treated as part of the chargeable transaction. The levy is therefore payable on each night of the stay, including the night described as “free”.

- Where a standalone complimentary stay is provided that is not associated with any chargeable transaction, no levy would be liable.

Gift vouchers

- A value voucher (e.g. £50) used towards a £100 stay counts as a cash payment. The levy is based on the full accommodation cost (£100).
- The levy must be shown at the point of booking the stay, not when the voucher is purchased. However, it is good practice to flag this when selling vouchers.
- If the voucher covers a fully paid stay, the levy could be included when the accommodation is purchased, meaning no extra charge for the visitor at check-in.

Deals and discount companies e.g. Groupon, Itison)

- The accommodation provider remains responsible for the levy, even if the stay is sold through a deal site.
- Listings should clearly state whether the levy is included in the advertised price or if it will be collected separately (at booking or on arrival).

Hotel rewards and loyalty points

Whether a local authority operates a percentage or a fixed amount scheme, the levy is charged in respect of a chargeable transaction. Accommodation providers should therefore determine whether a booking made using loyalty points, reward nights, membership benefits or similar schemes forms part of a chargeable transaction. The levy treatment will depend on the specific arrangements of the loyalty or reward scheme.

Percentage rate scheme

- Where accommodation is provided through a loyalty or reward scheme, the levy treatment will depend on the specific arrangements of that scheme. As an example, where points, rewards or benefits are used towards the cost of accommodation, it may be that the levy could be calculated on the amount payable after those benefits have been deducted. Other approaches may also be appropriate depending on the nature of the loyalty or reward scheme, and accommodation providers should seek advice where necessary.
- Where the loyalty or reward scheme operator pays or reimburses the accommodation provider for the stay, the levy will generally be due on the amount paid or reimbursed.

Fixed amount scheme

- Where accommodation is provided through a loyalty or reward scheme, the levy treatment will depend on the specific arrangements of that scheme. Where the stay forms part of a chargeable transaction, a levy will likely be due where loyalty points or rewards make up part of the value of the booking. This is because, in a fixed amount levy, the number of nights stayed determines the levy due.

<u>All visitor levy schemes (percentage / fixed amount(s)</u>

- Providers should keep records showing how the stay was paid for, including any loyalty points, reward redemption, reimbursement or remaining cash balance.

4 | Accommodation Types, and Visitor Definitions

4.1 What types of accommodation are in scope?

The visitor levy applies to a wide range of accommodation types, including (but not limited to):

- Self-catering properties
- Hotels
- Bed and Breakfasts (B&Bs)
- Guesthouses
- Hostels
- Caravan parks
- Camping sites (but not local authority or registered social landlord or gypsy or traveller sites)
- Vessels or vehicles used for commercial overnight stays that are permanently or predominantly situated in one place

Local authorities have the power to create exemptions and may choose to remove certain accommodation types from scope within their local schemes.

4.2 Are charitable or non-profit accommodation providers exempt from applying the visitor levy?

Charitable and non-profit accommodation providers are not automatically exempt from applying the visitor levy. However, local authorities have the discretion to introduce exemptions as part of their visitor levy scheme.

4.3 Are motorhomes or cruise passengers included in the visitor levy?

Motorhomes are included if they are staying in formal accommodation, such as a paid pitch within a caravan park or campsite. Motorhomes staying outside formal sites are not covered by the legislation.

Cruise passengers are not included in the scope of the visitor levy.

4.4 Are business visitors, NHS patients or local residents included?

Accommodation purchased for use by business visitors, NHS patients and local residents are within scope of the visitor levy. However, local authorities may introduce local exemptions if they consider it appropriate.

For example, in Stirling, local residents will pay the levy, but can subsequently apply to the local authority for a refund through its reimbursement process.

Check with your local authority guidance for details: VisitScotland – Visitor Levy.

4.5 Are barter stays, house-sitting, or unpaid work exchanges subject to the visitor levy?

Where no financial transaction takes place, the visitor levy does not apply.

5 | Legal Responsibilities and Compliance

5.1 Who is legally responsible for calculating and remitting the visitor levy?

Under the Act, the accommodation provider is always the liable person for calculating and remitting.

In some cases, a third party may remit the levy directly to the local authority, but this is only possible where a formal agreement has been put in place with that authority. This would mean the third party would not need to pass funds to the accommodation provider for onward payment to the local authority. However, without such an agreement, the accommodation provider remains responsible for remitting the levy.

5.2 What if a third-party platform (e.g. OTA) takes the payment?

The accommodation provider always remains the liable person for the visitor levy, even when a third-party platform (such as Airbnb, Booking.com, or Vrbo) is involved.

There are a few examples of how this could work:

Most Likely:

- You collect and pay – You collect the levy directly from the visitor (either included in the booking price or separately on arrival/departure) and remit it to the local authority.

- A third party collects and you pay – An OTA collects the levy from the visitor and passes it to you. You remain responsible for remitting the levy to the local authority.

In some circumstances:

- A third party collects and remits – If a formal agreement is established between the relevant local authority and a specific OTA, there might be the possibility of having them remit the levy on an accommodation provider's behalf. These agreements are not automatic and must be formally established.

In all cases, visitors must be clearly informed at the point of booking that the total price includes the visitor levy.

Please refer to information from your local authority and communication from any OTA you choose to work with.

5.3 How will refunds be managed in the case of cancellation or no-show

The visitor levy only applies when a visitor actually stays overnight in the accommodation.

5.3.1 Cancellations and no-Shows

- If the visitor does not stay, the levy is not payable and does not need to be remitted to the local authority.

- If you have already collected the levy in advance, you should refund it in full to the visitor, regardless of whether the rest of their stay is refundable.

- If the levy has not yet been collected, no further action is needed.

5.3.2 Virtual cards and OTA payments

If payment is made through a virtual card (via an OTA):

- You, as the accommodation provider, are still legally responsible for the levy, even if the OTA processes the payment.

- If the visitor does not stay, you must make sure the levy is refunded in full.

- If the OTA does not refund it automatically, you should refund the visitor directly.

- Keep clear records showing the original charge, the cancellation or no-show, and the refund.

5.3.3 VAT implications

If you refund the levy to the visitor in full (including VAT) because of a cancellation or no-show, you do not need to pay VAT to HMRC on the refunded amount.

5.3.4 Levy returns for no-shows and cancellations

If the levy is refunded in full, or not collected because of a cancellation or no-show, you do not need to include it in your levy return.

5.4 What if an accommodation provider/liable person refuses to collect the visitor levy?

An accommodation provider may choose not to pass on the cost of the visitor levy to the visitor and instead absorb the cost by paying it themselves.

However, if the provider as the liable person refuses pay the levy, the local authority has the right to take enforcement action. For details of the enforcement measures available, see guidance provided by your local authority. For further information, visit: VisitScotland – Visitor Levy.

5.5 What happens if a visitor refuses to pay the visitor levy?

If a visitor refuses to pay the visitor levy when booking or on arrival, the accommodation provider remains the liable person under the Act.

In this situation, the provider has two options:

- Cancel the booking if the visitor will not agree to pay, or
- Absorb the cost themselves and still remit the levy to the local authority.

If a stay has taken place, the levy must always be paid to the local authority, regardless of the visitor's refusal to pay. To minimise the risk of disputes, providers should ensure the levy is clearly communicated to visitors at the time of booking.

5.6 Will there be an appeals process for levy disputes?

Accommodation providers will be able to challenge decisions relating to levy liability.

Appeals process

- Internal review – You may first request that your local authority reviews any decision, including an information notice or a penalty.
- Appeal to Tribunal – If you remain dissatisfied after the internal review, you may appeal to the First-tier Tribunal.

The Visitor Levy (Reviews and Appeals) (Scotland) Regulations 2026 set out the statutory framework for reviews and appeals relating to decisions made by local authorities under the Visitor Levy

(Scotland) Act 2024. Accommodation providers should also check their local authority's guidance for instructions on how to submit a request and must follow all deadlines.

Recommended actions for accommodation providers

- Keep copies of all notices, correspondence, and supporting evidence
- Record statutory time limits immediately on receipt of a notice and set reminders
- Use clear, factual representations with documents to support your case
- Confirm the correct contact point at the local authority before submitting any request
- Seek professional advice if required

5.7 How should responsibility for collecting and remitting the visitor levy be managed in cases where privately owned holiday homes on parks are sublet by individual owners, particularly when the park operator is not directly involved in the transaction?

In these cases, the caravan or holiday home owner is the accommodation provider and therefore the liable person under the legislation. It is their responsibility to calculate the visitor levy and remit it to the local authority. Where refunds for no-shows are required, it will be the responsibility of the accommodation provider to make arrangements to ensure they can determine if the visitor has stayed in the accommodation or not.

The local authority is responsible for monitoring compliance and taking enforcement action where necessary, in the same way as for other local taxes and charges.

5.8 What records must I keep?

Accommodation providers are responsible for keeping accurate records of all visitor levy transactions and ensuring that required returns are submitted on time.

Your local authority will confirm exactly what information must be recorded and reported, including how often returns are due. Accommodation providers in participating local authority areas will be able to use visitorlevy.scot to record and remit visitor levy payments.

Local authorities will also set out record-keeping requirements, including how long records must be retained. In most cases, this will be five years from the date on which a submission is made, unless specified otherwise.

Good practice
Keep your levy records in line with your VAT and accounting systems. This consistency will make your reporting easier and reduce the risk of problems if audited.

5.9 What is the Visitor Levy Forum?

Each local authority must establish a Visitor Levy Forum within six months of deciding to introduce a levy and maintain it for the duration of the scheme.

Membership

The Forum must include balanced representation from:

- Local communities
- Tourism businesses
- Tourism organisations

Purpose

The Forum provides advice to the local authority on matters relating to the operation of the levy scheme. It must be involved in any statutory consultations, for example when:

- Proposals are made to modify the scheme, or
- The planned use of levy funds is to be changed.

Ongoing role

The local authority must also share with the Forum:

- Each annual report on levy income and spending
- The statutory review of the levy scheme, carried out every three years.

6 | Reimbursement and Exemptions

6.1 Who is exempt from the visitor levy?

The Act provides for both statutory exemptions (which apply everywhere) and local exemptions (which may vary by authority).

6.1.1 Statutory exemptions

The following groups are exempt from the levy in all local authority areas:

- People entitled to qualifying disability benefits, including:
    - Adult Disability Payment

- Pension Age Disability Payment
- Child Disability Payment
- Disability Living Allowance
- Attendance Allowance
- Personal Independence Payment
- War-related pensions and supplements

The exemption also applies to certain individuals who reside in the United Kingdom and who are entitled to benefits, payments or allowances equivalent to those listed in the Act.

6.1.2 Local exemptions

Local authorities have the power to introduce local exemptions alongside the statutory exemptions set out in the Act.

Where a local authority chooses to do so, it must:

- Specify the cases or circumstances where the levy is not payable, or where it may be reimbursed
- Outline the process for how these exemptions or reimbursements will be administered. This information must be clearly explained in the local authority's guidance.

For further information, visit: VisitScotland – Visitor Levy.

6.2 What do exemptions mean for accommodation providers?

If a local authority decides it will administer exemptions through reimbursement, you must still collect the visitor levy from all visitors at the point of booking or stay.

In this scenario, the responsibility lies with the local authority, which should ensure a clear and accessible reimbursement process and communicate this effectively to both accommodation providers and third-party platforms. Accommodation providers would not be responsible for verifying or processing exemption claims.

Visitors who believe they qualify for an exemption should be directed to the local authority, where they can apply for reimbursement and provide any evidence required.

6.3 Does the visitor levy apply to long-stay visitors at caravan parks or campsites?

Visitors booking on a standard nightly or weekly basis remain liable for the visitor levy, even for extended stays, unless the local authority has introduced a cap on the maximum number of nights charged.

Seasonal touring pitches, however, are not in scope. These are designated pitches rented for an extended period (typically a season), allowing caravan or motorhome owners to leave their vehicle in place without occupying it continuously.

Example:

- A visitor books a touring pitch for a continuous four-week stay, without holding a seasonal contract and without leaving the van on-site between bookings.
- This is not classed as a seasonal tourer, so the stay would be subject to the visitor levy.

6.4 How does a visitor apply for a refund from an accommodation provider?

The levy is only payable when a visitor actually stays in the accommodation. You should therefore remit the levy to the local authority only after the stay has been completed.

- If the visitor does not stay and has not paid the levy: No action is required.
- If the visitor has pre-paid the levy but does not stay: You must refund the levy in full to the visitor.
- If the visitor is exempt from the levy but completes their stay: Assuming the local authority has confirmed that they will administer exemptions, the visitor will pay the levy as normal and apply for a reimbursement via the local authority. In this circumstance, exemption reimbursements are not the responsibility of the accommodation provider.

6.5 How is VAT handled if a visitor is entitled to a levy refund from the local authority due to an exemption?

Details will be provided on this question in future versions of this document.

7 | Systems, Remittance, and Digital Support

7.1 What assistance is available to businesses and can I get relief for business costs incurred?

Accommodation providers, as the liable person, are required to pay the full visitor levy to the local authority and cannot deduct their own costs unless the local authority has put specific arrangements in place.

Local authorities may choose to enable accommodation providers to retain a percentage or fixed amount of levy payable to help mitigate against administrative costs. This is not mandatory and it is for each authority to decide whether to permit deductions. To date, all local authorities with agreed schemes have permitted deductions which range between 1.5% and 3%.

Where applied, this deduction will be administered automatically through the new national visitorlevy.scot platform, provided your local authority participates in that system.

For further information, visit: VisitScotland – Visitor Levy.

7.2 Is there a national system to help with visitor levy returns?

A national visitor levy platform, visitorlevy.scot, developed by the Improvement Service to support the introduction of levy schemes across Scotland is now live.

- The platform is free to access.
- It has been co-designed with four local authorities (Edinburgh, Argyll & Bute, Highland, and Glasgow) and with direct input from accommodation providers through workshops and meetings.
- The system is designed to be user-friendly and will support both providers and local authorities in managing levy returns.

You will be able to use the platform if your local authority decides to participate.

Important: The platform is for accommodation providers only, not for visitors. Any visitor queries, including exemption requests or reimbursement claims, must be directed to the relevant local authority.

7.3 What functionality will the digital platform offer?

The visitorlevy.scot platform has been designed to provide a consistent, user-friendly system for accommodation providers across Scotland. It is scalable, meaning other local authorities can adopt it over time to ensure standardisation of returns and payments.

Key features

- Registration: Providers will be able to register their property or properties by entering basic details such as:
    - Accommodation type (e.g. hotel, B&B, campsite, self-catering, hostel)
    - Number of units or rooms
    - Relevant reference numbers (e.g. NDR, Council Tax, or Short-term Let Licence)
    - Website and VAT number (if applicable)
    - Correspondence details
    - Providers may also use a unique code to fast-track registration.

- Quarterly returns: Providers must submit quarterly visitor levy returns in arrears, reporting total accommodation revenue only (excluding meals, transport, and other extras in a percentage rate scheme) for each month in the period.
- System prompts: Where a local authority has specific conditions (such as a cap on chargeable nights or a defined start date), the platform will prompt providers to enter the information needed to ensure accurate calculation.
- Payments: Once a return is submitted, the system will display the levy amount due, which can be paid online or by bank transfer.

7.4 What does this mean for accommodation providers in Edinburgh?

In Edinburgh, the visitor levy applied from 1 October 2025 for all forward bookings with stays taking place on or after 24 July 2026.

City of Edinburgh Council published information for businesses on the specifics of their scheme.

The first levy remittance will not be due until October 2026, covering the period from 24 July to 30 September 2026.

Accommodation providers are able to onboard to the visitorlevy.scot platform now, giving time to register properties, familiarise themselves with the system, and prepare for returns.

7.5 Will the system be mandatory?

Each local authority will decide whether to use the national visitorlevy.scot platform or to operate an alternative local system.

It is expected that most local authorities introducing a visitor levy will adopt the national platform, as this will provide consistency and ease of use for accommodation providers across Scotland.

7.6 What happens if the system fails or there are errors?

The visitor levy guidance for local authorities provides examples of what may constitute a reasonable excuse for non-compliance, including certain technical issues.

This list is not exhaustive. Local authorities should provide clear guidance and support channels for accommodation providers experiencing problems.

For further information, visit: VisitScotland – Visitor Levy.

7.7 Will guidance and training be provided on system use?

A dedicated helpdesk is available through the visitorlevy.scot platform, supported by a comprehensive range of training materials to help accommodation providers register, submit returns, and make payments with confidence.

7.8 How often must returns be submitted?

The frequency of returns is determined by each local authority. However, the national visitorlevy.scot platform, which most local authorities are expected to use, will operate on a quarterly cycle in arrears.

This means returns will be submitted four times a year, aligned with the financial year quarters, providing consistency across Scotland.

For further information, visit: VisitScotland – Visitor Levy.

7.9 Will there be accommodation provider exemptions from frequent remittance or reporting? (e.g. small businesses, individual operators)

All accommodation providers that fall within the scope of the visitor levy (see Question 4.1) are expected to follow the same remittance deadlines as other providers, unless a local authority specifies otherwise.

Even where a provider has no visitor levy to declare for a reporting period, they will still be required to submit a nil return each quarter. This ensures a clear audit trail and avoids repeated requests for information from local authorities.

If you are closed for an extended period (e.g. seasonally, or undergoing renovations), the online platform allows you to mark your property as temporarily closed, and you do not have to submit a nil return. This is at the local authority's discretion, and the accommodation must be closed for a full quarter or more.

7.10 Who do I contact for help with visitor levy compliance?

Each local authority operating a visitor levy scheme will publish guidance on how it works locally, including contact details for support.

For a list of local authority details, visit: VisitScotland – Visitor Levy.

7.11 Who do I contact for further support for questions on the levy not raised in this document?

Step 1: Check your local authority's visitor levy page, which should answer most area-specific questions. Links to these can be found here: VisitScotland – Visitor Levy.

Step 2: If you still need help on questions relating to the levy applied in your local authority, contact your local authority directly.

Step 3: For specific enquiries about these FAQs, you can email: business.support@visitscotland.com. VisitScotland will respond to enquiries and give general advice where possible but this is **not definitive legal advice**. You are advised to seek your own independent tax or legal advice for detailed queries.

8 | Final Note

The Visitor Levy (Scotland) Act 2024 gives local authorities the power to design and implement visitor levy schemes. These FAQs should be read in conjunction with your local authority guidance.

For further information and links to each local authority, visit: VisitScotland – Visitor Levy