



**SCOTTISH
TOURISM
ALLIANCE**

Your voice in tourism matters

4 June 2025

Dear Committee Convenor,

As the largest and overarching trade body for the tourism and hospitality industry in Scotland, the Scottish Tourism Alliance (STA) is writing to share our growing concerns that the introduction of a visitor levy in its current form risks causing significant damage to our economy – along with harming the thousands of small accommodation providers that support the sector and their local economies.

Now that the visitor levy has begun to be implemented in practice in Edinburgh and other local authorities have been consulting on introducing their own schemes, there is a strong belief among the sector and travel trade businesses, who annually bring thousands of visitors to Scotland, that the decision to introduce a percentage charging model – on top of 20% VAT – is absolutely the wrong approach.

The STA and other representatives from the tourism and hospitality enjoyed a close working relationship with the Scottish Government during the legislative process, including membership of the Visitor Levy Expert Group. However, the concerns we have raised all along about the charging model and its complexities have already begun to come to fruition. This is before a levy is even in place.

As part of the New Deal for Business (NDFB), industry has been actively encouraged to tell the Scottish Government when it gets things wrong and offer possible solutions.

However, the STA feels that since the power to introduce a visitor levy has been devolved to local authorities, there is little appetite amongst the Scottish Government to improve the visitor levy to ensure the sector remains competitive and drives economic growth. This is despite the STA and other members of the sector presenting possible solutions, including embracing a 21st century digital approach to levy collection.

In a matter of days, nearly 80 representatives from the tourism and hospitality industry and wider business community, including key members of the main NDFB Group, representing thousands of businesses between them, co-signed a letter to the Minister for Public Finance (dated 23 May) that shared our joint concerns about how the levy is being implemented. We continue to receive offers of support and expect this number to climb significantly.

Our discussions with many local authority officers also indicate that there are a number of councils that would prefer to have a simple, fixed fee charge in place and share our concerns about the potential damage to small businesses sitting near the VAT threshold.

From the outset, appointing the Local Government, Housing and Planning Committee to scrutinise the Visitor Levy (Scotland) Bill has meant that there has been a bias in putting the needs of local authorities over industry, and therefore a lack of recognition about the potential impact on the Scottish economy.

As a matter of urgency, we now ask the Economy and Fair Work Committee to **host an emergency session** to consider whether taking a different approach to the rest of the UK on this policy is putting the sector at a competitive disadvantage and causing considerable complexity and unnecessary cost to businesses. Unfortunately, we believe it is another example of a well-intentioned policy being badly implemented.

For more details, please see a [copy of the letter](#) we sent to the Minister for Public Health.

We look forward to continuing our engagement with you.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Marc Crothall', enclosed within a large, loopy oval shape.

Marc Crothall MBE
Chief Executive of the Scottish Tourism Alliance