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Scottish Government

Daniel Johnson MSP
Convener, Economy and Fair Work Committee
The Scottish Parliament

22 September 2025

Dear Daniel,

Visitor Levy – Update on Subordinate Legislation and Economic Assessment

Thank you for your letter of 9 September regarding the Committee's recent evidence session on the health of Scotland's tourism and hospitality sectors and the readiness for the introduction of the Visitor Levy.

I welcome the Committee's continued engagement on this important policy area and am pleased to provide an update on the Scottish Government's legislative plans and approach to economic assessment.

Subordinate Legislation – Timings and Scope

Officials are currently finalising the necessary regulations to support the implementation of the Visitor Levy (Scotland) Act 2024, in advance of Edinburgh's scheme commencing on 24 July 2026. The following regulations are scheduled to be lodged in early in 2026, with commencement prior to the parliamentary dissolution:

- Rate of Interest Regulations;
- Make or Substitute Assessment Regulations;
- Reviews and Appeals Regulations;
- We are also considering whether a third-party wholesale regulation is required, in order to simplify this matter for overnight accommodation providers.

These instruments will help ensure operational clarity and consistency across local authority schemes.

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Economic Assessment and Local Sensitivity

We recognise the importance of robust, place-specific economic assessments in informing local authority decisions on whether and how to implement a visitor levy. The legislation requires authorities to consult stakeholders and publish detailed scheme proposals, which must include consideration of local economic impacts. This is an important consideration for any local authority considering taking forward a proposed visitor levy.

VisitScotland support local authorities in developing methodologies that reflect:

- Local market price sensitivity.
- Seasonal variations in visitor demand.
- Sectoral and geographic impacts within local areas.

Future Flexibility and Improvement

The Visitor Levy has the potential to deliver meaningful benefits for local communities, authorities, and businesses. Councils have a wide range of powers to introduce local flexibilities and structure the levy in a way that suits their local context. However, Ministers are aware that some areas of Scotland are seeking greater flexibility in how the levy is applied and administered. Consequently, we are now actively considering extending powers to local authorities, including the option to introduce a single flat rate or tiered flat rate model alongside the existing percentage-based approach. I will ensure that your Committee and Parliament are kept informed as this work develops and an appropriate legislative vehicle is determined.

I trust this update is helpful and I look forward to continuing to work with the Committee as we progress implementation.

Ivan McKee
Minister for Public Finance

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