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The Scottish Parliament
Pàrlamaid na h-Alba

Social Justice, Housing and Local Government Committee

The Visitor Levy (Miscellaneous Amendment) (Scotland) Regulations 2026 [draft]

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Social Justice, Housing and Local Government Committee

To consider and report on matters falling within the responsibility of the Cabinet Secretary for Social Justice and Housing, and on matters relating to local government within the responsibility of the Cabinet Secretary for Finance and Local Government

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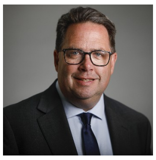
Committee Membership



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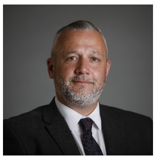

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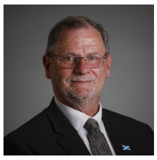

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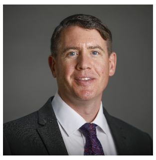

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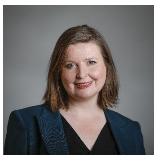

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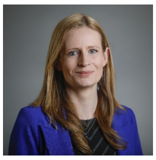

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Introduction

1. This report concerns the Visitor Levy (Miscellaneous Amendment) (Scotland) Regulations 2026 [draft], laid before the Parliament by the Scottish Government on 4 June 2026. The instrument, which was laid in draft, is subject to the affirmative procedure – which means it cannot be made unless it has been approved by a resolution of the Parliament.

2. It is for the Social Justice, Housing and Local Government Committee, as lead committee, to decide whether or not to recommend approval.

Background

3. The 2024 Visitor Levy Act gives local authorities the power to impose a levy in respect of persons staying in certain types of accommodation overnight. It aims to provide "a robust regime" to allow local authorities to enforce compliance with the rules around collecting and remitting visitor levy sums.[i] Part 4 of the Act requires accommodation providers to pay “returns” to their local authority within 30 days of the end of each “relevant period” (usually each quarter).

4. If the accommodation provider does not do this, or the sum returned is deemed to be inaccurate, then the Act empowers councils to pursue a course of action involving “assessments”. Section 45 of the Act states:

> “The Scottish Ministers may by regulations make provision for and in connection with a relevant local authority making an assessment of a levy payable by a person where the relevant local authority—
>
> has reason to believe that the person is liable to pay the levy but has not made a return to the authority in relation to that liability by the date required under section 26(2)(b), or
>
> is of the view honestly and reasonably that an assessment of the levy in a return made to the authority by the person in pursuance of that person's duty under section 26 is incorrect by reason of careless or deliberate miscalculation.”

5. The Government laid these regulations in January 2026 and they were approved by the Parliament in February 2026.

6. The draft regulations under consideration by the Committee at its meeting on 9 September 2026 provide the framework for how local authorities should assess the visitor levy payable in these circumstances. Specifically, the regulations set out:

- the process for local authorities to make an assessment of the amount of visitor levy payable;
- time limits for issuing notices and completing assessments;
- circumstances in which assessments may be altered;
- the relationship between assessments and review or appeal mechanisms.

7. Before making an assessment, the local authority must issue a notice advising the accommodation provider of its intentions and explain why the council thinks an assessment is necessary.

i Visitor Levy (Scotland) Bill. Policy Memorandum (SP Bill 28-PM, Session 6 (2023), para 24.

About the instrument

8. This instrument amends the Visitor Levy (Local Authority Assessment) (Scotland) Regulations 2026 ("the Local Authority Assessment Regulations"), substituting regulation 8 to specify when a penalty becomes payable where a local authority has assessed that an amount of visitor levy is due and the liable person has not paid it, and inserting a new regulation 8A to set out the point in time from which interest accrues on an unpaid amount that has been assessed by the local authority.

9. In the Visitor Levy (Scotland) Act 2024 ("the 2024 Act"), no provision specified when a penalty became payable where a local authority had made its own assessment of levy due and the liable person had not paid the amount by the date specified by the authority.

10. The substituted regulation 8 provides that a local authority may continue to impose penalties under sections 48 to 50 of the 2024 Act for continued failure to submit a return until it issues notice of the outcome of an assessment made under section 45 of that Act. Once the notice has been issued, no further penalties for continued failure to submit the return may be imposed.

11. Regulation 8 also modifies the application of section 52(1)(a) of the 2024 Act so that a failure to pay a penalty applies where a liable person does not pay the amount assessed by the local authority by the date specified in the assessment notice. The local authority is required to issue a reminder that the levy is due, and the penalty becomes payable if the levy remains unpaid 14 days after the date of the reminder.

12. The instrument also inserts a new regulation 8A into the Local Authority Assessment Regulations to stipulate that interest on any unpaid levy that the local authority has assessed is payable from the day after the payment deadline specified in the notice of the outcome of the authority's assessment.

13. Both regulations 8 and 8A apply where the local authority has made an assessment because either no return has been submitted, or the local authority honestly and reasonably believes that a submitted return contains a deliberate or careless miscalculation.

14. Minor drafting changes to regulations 5 and 9 of the Local Authority Assessment Regulations address comments made by the Delegated Powers and Law Reform Committee in its consideration of the draft principal regulations as laid.

15. The instrument also amends the First-tier Tribunal for Scotland (Local Taxation Chamber) (Rules of Procedure) Regulations 2022 ("the Local Taxation Chamber Regulations") to clarify references to the Visitor Levy (Scotland) Act 2024.

16. The Policy Note accompanying the instrument includes a summary of consultation undertaken on the instrument.

17. A Child Rights and Wellbeing Impact Assessment (CRWIA) was carried out, and no impacts were identified.

18. The policy note states that no business-related impact assessment was conducted as the instrument has no direct financial effects on the Scottish Government, local

government or on business.

Consideration by the Delegated Powers and Law Reform Committee

19. The Delegated Powers and Law Reform (DPLR) Committee is required to consider every instrument laid before the Parliament and decide whether to draw it to the attention of the Parliament on any of the “reporting grounds” set out in Rule 10.3 of the Parliament's standing orders.

20. The DPLR Committee considered the instrument on 23 June 2026 and reported on it in its 1st Report, 2026. The Committee agreed that it did not need to be drawn to the Parliament's attention on any of the reporting grounds.

Consideration by the Social Justice, Housing and Local Government Committee

21. At its meeting on 9 September, the Social Justice, Housing and Local Government Committee took evidence on the instrument from the Minister for Public Finance and officials.

22. The Minister made an opening statement, setting out the purpose and objectives of the instrument.

23. The Committee asked the Minister whether there were any early indications that accommodation providers were failing to collect or pay the levy. The Minister stated that the instrument was precautionary and that it was too early to identify any significant issues, as the first returns under Edinburgh's visitor levy would not be submitted until October. The Committee also asked whether any future non-compliance could result from accommodation providers still becoming accustomed to the new system rather than deliberate avoidance, which the Minister acknowledged might be the case. The Minister indicated that initial returns in the coming weeks would provide a clearer picture of how the system was operating in practice.

24. Following the oral evidence, the Minister moved motion S7M-00407—

> That the Social Justice, Housing and Local Government Committee recommends that the Visitor Levy (Miscellaneous Amendment) (Scotland) Regulations 2026 [draft] be approved.

25. The motion was agreed to.

Recommendation

26. The Committee recommends to the Parliament that The Visitor Levy (Miscellaneous Amendment) (Scotland) Regulations 2026 [draft] be approved.