Social Justice, Housing and Local Government Committee
Wednesday 9 September 2026
2nd Meeting, 2026 (Session 7)

Note by the Clerk on The Visitor Levy (Miscellaneous Amendment) (Scotland) Regulations 2026 [draft]

Overview

1. At this meeting, the Committee will take evidence from the Minister for Public Finance and officials on the Visitor Levy (Miscellaneous Amendment) (Scotland) Regulations 2026, before debating a motion in the name of the Minister, inviting the Committee to recommend approval of the instrument.

2. This is a draft Scottish Statutory Instrument (SSI), which requires approval by resolution of the Parliament before it can become law. More information about the instrument is summarised below:

   Title of instrument: The Visitor Levy (Miscellaneous Amendment) (Scotland) Regulations 2026 [draft]

   Laid under: Visitor Levy (Scotland) Act 2024

   Laid on: 4 June 2026

   Procedure: Affirmative

   Lead committee to report by: 16 September 2026

   Commencement: If approved, the regulations come into force on the day after the day on which they are made.

Procedure

3. Under the affirmative procedure, an instrument must be laid in draft and cannot be made (or come into force) unless it is approved by resolution of the Parliament.

4. Once laid, the instrument is referred to:

   - the Delegated Powers and Law Reform (DPLR) Committee, for scrutiny on various technical grounds, and

   - a lead committee, whose remit includes the subject-matter of the instrument, for scrutiny on policy grounds.

5. The lead committee, taking account of any recommendations made by the DPLR Committee (or any other committee), must report within 40 days of the instrument being laid.

6. The normal practice is to have two agenda items when an affirmative instrument is considered by the lead committee:

   - an evidence session with the Minister and officials, followed by

   - a formal debate on a motion, lodged by the Minister, inviting the lead committee to recommend approval of the instrument.

7. Only MSPs may participate in the debate, which may not last for more than 90 minutes. If there is a division on the motion, only committee members may vote. If the motion is agreed to, it is for the Chamber to decide, at a later date, whether to approve the instrument

Delegated Powers and Law Reform Committee consideration

8. The DPLR Committee considered the instrument on 23 June 2026 and reported on it in its 1st Report, 2026. The DPLR Committee made no recommendations in relation to the instrument.

Background

9. 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.[1] 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).

10. 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.”

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

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

12. 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.

13. 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.

Purpose of the instrument

14. 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.

15. 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.

16. 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.

17. 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.

18. 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.

19. 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.

20. 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.

21. 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.

22. The Policy Note accompanying the instrument is included in the annexe. It includes a summary of consultation undertaken on the instrument.

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

24. 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.

Report

25. Following today's meeting, a draft report will be prepared by the clerks. As the reporting deadline falls before the Committee's next meeting, the Committee should either:

- agree to consider the draft report by correspondence, and delegate to the Convener responsibility for resolving any differences of view (if members wish the report to make points of substance or recommendations); or

- delegate to the Convener responsibility for approving the draft for publication (if members are content with a short, factual report only).

Clerks to the Committee
September 2026

Annexe: Scottish Government Policy Note

Policy Note

The Visitor Levy (Miscellaneous Amendment) (Scotland) Regulations 2026

SSI 2026/XXX

The above instrument is made in exercise of the powers conferred by sections 45(1) and 78(1) of the Visitor Levy (Scotland) Act 2024 ("the 2024 Act"). The instrument is subject to affirmative procedure.

Summary Box

These Regulations make amendments to the Visitor Levy (Local Authority Assessment) (Scotland) Regulations 2026 ("the Local Authority Assessment Regulations") and the First -tier Tribunal for Scotland (Local Taxation Chamber) (Rules of Procedure) Regulations 2022 ("the Local Taxation Chamber Regulations").
The Regulations substitute a new regulation 8 into the Local Authority Assessment Regulations to provide for when a penalty becomes payable where a local authority has made an assessment of levy due and that levy is then not paid by the liable person. They also insert a new regulation 8A to set out the point in time from which interest is payable on any unpaid levy where a local authority has made an assessment of the levy due.
They make minor drafting changes to regulations 5 and 9 of the Local Authority Assessment Regulations to address comments made by the Delegated Powers and Legislative Reform Committee in its consideration of the draft principal regulations as laid.
Finally, the Regulations amend the Local Taxation Chamber Regulations to clarify references to the Visitor Levy (Scotland) Act 2024.

Policy Objectives

One purpose of these Regulations is to substitute a new regulation 8 into the Local Authority Assessment Regulations to provide for the point in time from which a penalty for failure to pay visitor levy is payable where a local authority has made an assessment of levy due and the amount due is then not paid by the liable person. Substituted regulation 8 precludes local authorities from imposing a penalty under sections 48 to 50 of the Visitor Levy (Scotland) Act 2024 ("the 2024 Act"), on continued failure to submit a return, where a local authority has made an assessment and issued notice of the outcome of the assessment. The penalty may, though, be imposed up until the point of issue of the notice; in other words, after the notice of intention to make an assessment has been issued. This is designed to incentivise submission of a return, during the interim period between notice of intention to make an assessment and notice of assessment. Section 45 of the 2024 Act provides for local authorities to make an assessment of levy due where a liable person fails to submit a return, or submits a return which the local authority honestly and reasonably believes to be incorrect because it contains a miscalculation of a careless or deliberate nature. The Local Authority Assessment Regulations set out the procedure for making such an assessment.

There was no provision in the 2024 Act to identify the point in time from which a penalty is payable where the liable person has failed to submit a return. Section 52 – penalty for failure to pay levy- is only tied to non-payment of levy on the same date as the return is made. Substituted regulation 8 provides that section 52(1)(a) also applies where a liable person has not paid by the due date the amount of levy notified as payable by the local authority as a result of an assessment made by the authority under section 45. Sections 52(1)(b) and (c) are not affected by these regulations and would then apply in either set of circumstances - where a liable person has made a return and not paid the levy due, or where the authority has made its own assessment of levy due and the liable person has not paid that by the date notified by the authority. These sections require an authority to issue a reminder that an amount of levy is due and specify that the penalty is payable after a period of 14 days from the date of the reminder has elapsed and the levy has not been paid. The modified application of section 52 will cover both local authority assessments made because a person has not submitted a return at all, and assessments made because a return has been submitted but it is honestly and reasonably believed by the local authority to be incorrect because it contains a miscalculation of a deliberate or careless nature.

The regulations also insert a new regulation 8A of the Local Authority Assessment Regulations to set out when interest is payable on any unpaid levy where a local authority has made an assessment of the levy due. In such circumstances interest is payable from the day after the day specified in the notice of the outcome of the assessment as the day by which the amount must be paid. This again applies to both assessments made because no return is submitted, and assessments made because a return submitted is honestly and reasonably believed by the local authority to contain a miscalculation of a careless or deliberate nature.

The Regulations also make minor drafting changes to regulations 5 and 9 of the Local Authority Assessment Regulations in response to points raised by the Delegated Powers and Legislative Reform Committee during its consideration of the instrument as laid in draft in January 2026.

Finally, the Regulations amend the Local Taxation Chamber Regulations to remove reference to the Visitor Levy (Scotland) Act 2024 as “the 2024 Act” in the interpretation provision in rule 1 as set out in the schedule, and clarify which references to “the 2024” Act in the rules are to the Visitor Levy (Scotland) Act 2024.

UNCRC Compatibility

The Scottish Ministers certify that, in their view, The Visitor Levy (Miscellaneous Amendment) (Scotland) Regulations 2026 are compatible with the UNCRC requirements as defined in section 1(2) of the UNCRC (Incorporation) (Scotland) Act 2024.

EU Alignment Consideration

This instrument is not relevant to the Scottish Government's policy to maintain alignment with the EU.

Consultation

There was no consultation on these regulations. They are technical in nature, intended to ensure that the interest and penalty provisions in the 2024 Act operate appropriately where a local authority assessment is made.

Impact Assessments

A Child Rights and Wellbeing Impact Assessment has been carried out in relation to these Regulations.

Financial Effects

The DFM and Cabinet Secretary for Finance and Local Government confirms that no Business-Related Impact Assessment is necessary as the instrument has no direct financial effects on the Scottish Government, local government or on business.

Scottish Government
Local Government and Communities

June 2026