



FIFE **VISITOR LEVY** **CONSULTATION**

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Early Engagement

Business, Community and Visitor Consultation

3rd November- 31st January 2026

Your Views Matter



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What is a Visitor Levy

The Visitor Levy (Scotland) Act 2024 gives Scottish local authorities the power to introduce a charge on the purchase of overnight accommodation, calculated as a percentage \ fixed rate on the accommodation cost.

Each local authority can decide, following consultation with businesses, communities and visitors, whether to introduce a visitor levy scheme in its area. The levy would be collected from visitors, and the net proceeds must be used to develop, support, or sustain facilities and services that are substantially for, or used by, visitors.



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Where & when would a Visitor Levy apply?

Accommodation Types

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

- Self-catering properties
 - Home Sharing
 - Home Letting
 - Secondary Homes
- Hotels
- Bed and Breakfasts (B&Bs)
- Guesthouses
- Hostels
- Student Lets - only when let out to visitors non Fife students
- Caravan & Camping sites
- Vessels or vehicles used for commercial overnight stays that are permanently or predominantly situated in one place.



Decisions to be Discussed.....

- Local authorities have the power to create exemptions and may choose to remove certain accommodation types from scope within their local schemes.
- Should the levy apply in the whole area, or only parts of the area.
- Should the levy would apply for the whole year, or only for parts of the year.

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How much revenue could a Visitor Levy Raise in Fife?

The Moffat Centre was commissioned to produce a report on income scenario modelling for a visitor levy in Fife. Although forecasting income from a future levy is complicated due to estimating several variables including future accommodation stock levels, occupancy rates, visitor demand and average daily rates, the following table shows an estimate of the income that could be expected based on current market conditions.

Any money raised through a Visitor Levy must be spent on tourism infrastructure and align with the Fife Tourism Strategy 2023-2030.

Decisions to be Discussed.....

- What rate may be implemented
- Should businesses retain a percentage of the levy to help cover administration costs
- Should there be a cap on the number of nights
- What would the levy be spent on

Levy Percentage	Amount Raised
1%	£1,466,965.55
3%	£4,400,896.66
5%	£7,334,827.76
7%	£10,268,758.87

These figures are indicative, subject to change, and will vary depending on future accommodation stock, occupancy rates, visitor demand, and pricing.

Further economic modelling will establish if demand for accommodation would be affected if a levy is introduced.

Please note figures around a fixed rate are being modeled and will be available in due course.



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Percentage Rate v Fixed Rate

The underpinning legislation, Visitor Levy (Scotland) Act 2024 explicitly says it must be a percentage rate. In December 2025 Scottish Government announced an amendment would be made to the legislation to allow for a fixed rate to be an option for local authorities. **Full details to be announced ASAP.**

What Rate would people pay in Fife

This has not yet been decided for Fife. Consultation with businesses, communities and visitors will help shape the decision.

There is no limit on how much the levy can be.

Other local authorities such as the City of Edinburgh and Glasgow Council's are proposing a 5% charge. Aberdeen City Council is proposing a 7% charge.

Details on a fixed rate option are to follow from Scottish Government.



Decisions to be Discussed.....

- Percentage \ fixed rate which may be applied
- Should there be a cap on the number of nights charged
- Any exemptions to the levy
- What could potential impacts be on businesses and communities



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Fixed Rate Option

On the 2nd December 2025 Scottish Government announced potential changes to the Visitor Levy Bill to allow for a Fixed Rate option to be introduced as part of any scheme.

How would a Fixed Rate work?

The amendment allows council to decide whether to charge a fixed rate per person per night, or per night per unit. There may also be an option to adjust this rate for different property types.

For example it may be that hotels and BB's are per person per night and STL properties and campsites are per unit per night.

No rate structure has been provided as yet for this option.

Scottish Government may however implement a maximum per night charge.



Decisions to be Discussed.....

- Should it be a Percentage rate or fixed rate
- Should a flat rate be per person per night or per night only
- What should the rate be
- Should the same rate be applied to all accommodation types

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Other Local Authorities

It is for each Local Authority to set the percentage for the Levy following consultation process.

Area	Levy Rate \ Position
Edinburgh	5% Levy applies from 24th July 2026
Glasgow	5% Levy applies from 25th Jan 2027
Aberdeen	7% Levy applies from 1st April 2027
Stirling	3% Levy applied from 14th June 2027
Perth and Kinross	Early Engagement Oct 25 Now paused
Dundee	Early Engagement consultation ended Dec 2025

How would a business charge the levy?

Any visitor levy would be charged per room per night based only on accommodation portion of the room rate. For example:

Room Only Cost EX VAT: £100 per night

5% Visitor Levy: £5.00 per night

Total Before VAT: £105 per night

Total Room Rate Inc Vat (20%): £126.00

Visitor Levy must be included in the total advertised rate.

Visitor Levy must be included in the total advertised rate. The legislation only requires that the visitor levy is charged if a person actually stays at your accommodation business

When to charge the levy is a matter for accommodation providers to decide. Some may wish to:

- Charge the visitor in full when they make their reservation
- Charge the visitor when they check in
- Charge the visitor on check out
- Not charge the visitor and pay on their behalf

Decisions to be Discussed.....

- Should Fife introduce a visitor levy
- Percentage \ flat rate that may be applied
- How the introduction of a levy could effect communities and businesses
- What could a levy be used for
- Should Non VAT registered businesses be included



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How would funds be collected?

A new visitor levy online collection platform, visitorlevy.scot, is being developed by the Improvement Service to support the introduction of visitor levy schemes across Scotland.

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



How often would returns be submitted?

Quarterly returns: Providers would submit quarterly visitor levy returns in arrears, reporting total accommodation revenue only (excluding meals, transport, and other extras) 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.



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Will I pay VAT on the visitor levy?

How VAT applies to the visitor levy depends on your VAT status and the rules set by your local authority.

If you are VAT-registered: The visitor 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: You do not charge VAT on the visitor levy if you are not VAT-registered. 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.

Advice: Monitor your turnover carefully and seek advice from HMRC or your accountant to ensure compliance. Further guidance from HMRC and Scottish Government will be provided in due course.

Decisions to be Discussed.....

- Local authorities must specify whether accommodation providers below the VAT threshold will be included or exempt from the visitor levy - this will be set out in their scheme.
- Further guidance to be provided in due course from HMRC and Scottish Government
- Should the council provide support to businesses for administration costs



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Who are visitors and who would be exempt

A 'visitor' is defined in the legislation as anyone staying overnight in paid accommodation who is not living there as their usual place of residence. This includes visitors from Scotland and the UK and may include residents in Fife staying overnight outwith their usual place of residence.

Who is Exempt

The legislation gives some groups of people automatic exemption from paying the levy. These include those who use overnight accommodation as their only or main residence (for reasons like homelessness, poor housing conditions, experiencing domestic abuse, or being an asylum seeker or refugee). It also includes people who are in receipt of the following:

- Disability living allowance
- Disability allowance
- Attendance allowance
- Pension age disability benefit
- Personal independence payment



Decisions to be Discussed.....

- Should Fife residents who make a booking within the local authority area pay the levy
- Should carers pay the visitor levy
- Should people visiting family in care homes or hospitals pay the levy
- Should those visiting for work pay the levy
- Should the levy rate be the same for different trip purposes, business or medical visits



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What could revenue collected be spent on?

The objectives for tourism in the area will be set out in the [Fife Tourism Strategy](#) and these will inform where the money is spent.

After administration costs, all money raised would be reinvested locally on facilities and services that are used by, or substantially for, leisure and business visitors. This includes:



Tourism Infrastructure



Events and Marketing



Community and
sustainability projects



Attractions &
Town Centres



Decisions to be Discussed.....

- What could funds be used for across Fife
- What wouldn't you want funds spent on
- Should businesses received a percentage of the revenue for administration costs
- Who would form part of a Visitor Levy Forum

As residents and visitors use many of the same facilities, the visitor levy has the potential to improve facilities for all.



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How would a Visitor Levy scheme be governed

Each local authority must establish a Visitor Levy Forum within six months of introducing a levy and maintain it for the lifetime 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 visitor levy scheme. It must be involved in any statutory consultations, for example when:

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

Ongoing Role

The local authority must also share with the Forum:

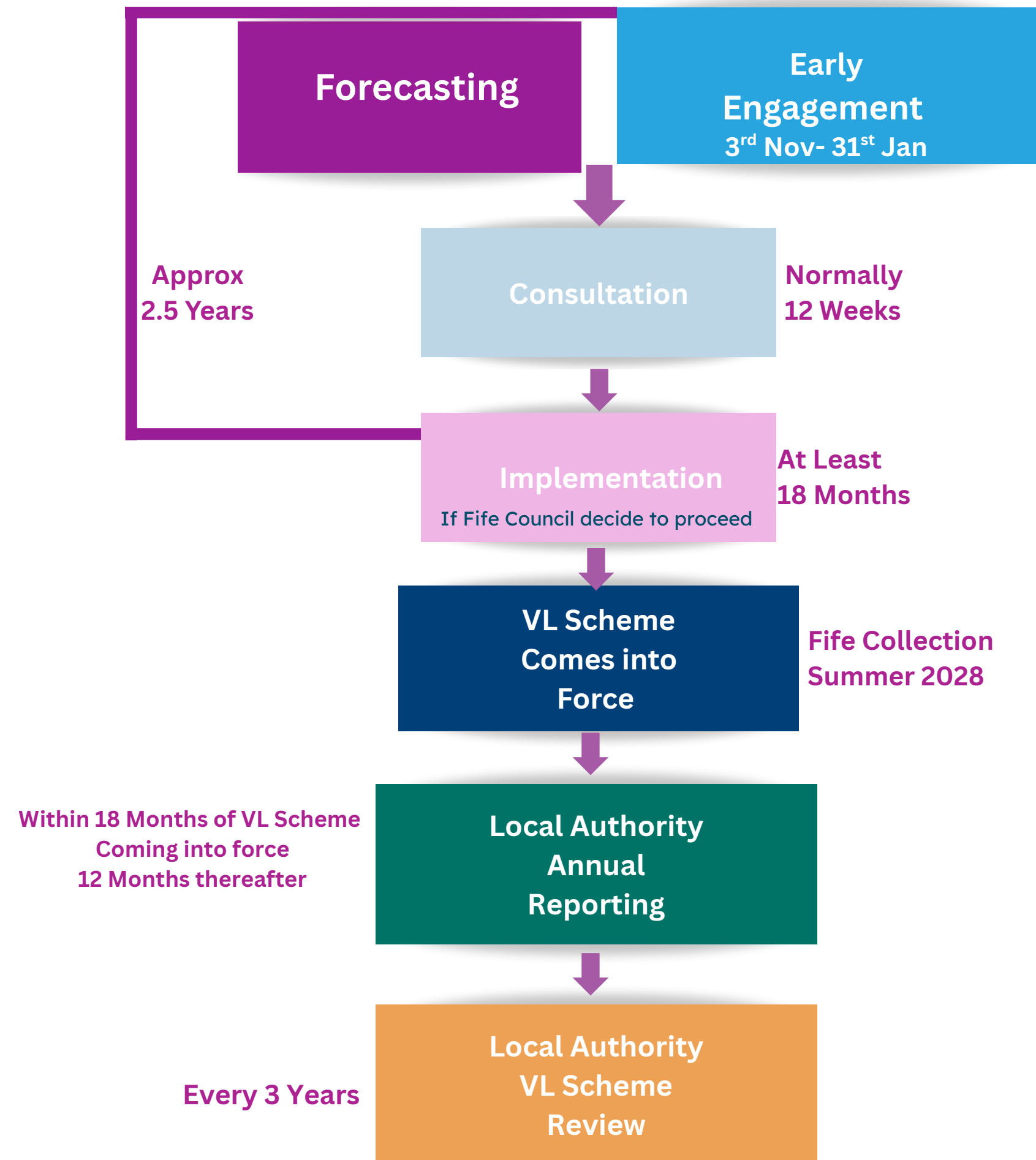
- Each annual report on levy income and spending
- The statutory review of the levy

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Fife Timeline



The above is as an indication only dates may change depending on results of consultations



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Additional Guidance Documents

Scottish Government [Visitor Levy \(Scotland\) Bill](#)

- [VisitScotland Levy Advice and Information](#)
- [VisitScotland Visitor Levy FAQ's](#)

Fife Council

- [Fife Council Visitor Levy FAQ's](#)

Fife Council Committee Papers

- [View Cabinet Committee Papers Here](#)
- [View Cabinet Committee Minutes Here](#)

World Wide Case Studies

<https://trippz.com/tourist-tax>



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Support & Guidance

If you have any questions, or need further support with Visitor Levy our dedicated team are here to help answer your questions.



Contact Us:

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[fife.gov.uk\visitorlevy](https://fife.gov.uk/visitorlevy)
industry.welcometofife.com
CitizenSpace

Your Views Matter

