

EXPLANATORY NOTES

Visitor Levy (Amendment) (Scotland) Act 2026 (asp 18)

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VISITOR LEVY (AMENDMENT) (SCOTLAND) ACT 2026

EXPLANATORY NOTES

INTRODUCTION

1. These Explanatory Notes have been prepared by the Scottish Government in order to assist the reader of the Visitor Levy (Amendment) (Scotland) Act 2026. They do not form part of the Act and have not been endorsed by the Parliament.

2. These Notes should be read in conjunction with the Act. They are not, and are not meant to be, a comprehensive description of the Act. So where a section or schedule, or a part of a section or schedule, does not seem to require any explanation or comment, none is given.

THE ACT

3. The Visitor Levy (Amendment) (Scotland) Act 2026 ("the 2026 Act") has two Parts.

4. Part 1 modifies the Visitor Levy (Scotland) Act 2024 ("the 2024 Act") to:

- require a local authority seeking to (a) introduce a visitor levy scheme (a "VL scheme"), or (b) modify a VL scheme to change the basis on which the levy is to be charged, to determine whether the levy to be charged is to be on the basis of either a percentage rate (or percentage rates) or a fixed amount (or fixed amounts), and, if the levy is to be based on a fixed amount, how this amount is to be set;
- provide that a local authority may, as part of a VL scheme, permit accommodation providers who are liable to pay the levy (referred to in the 2024 Act as "liable persons") to deduct and retain an amount from the levy that would otherwise be payable in full;
- adjust the implementation periods for some significant modifications of a VL scheme;
- clarify what is a "chargeable transaction" in relation to purchases by third parties;
- adjust the requirements relating to returns made by liable persons, and enable provision to be made in regulations to allow for these returns to be amended;
- modify (on a transitional basis) consultation and reporting requirements under the 2024 Act for modifications made to an existing or proposed VL scheme to take account of certain changes (made by the 2026 Act) to the required content of the scheme;
- provide (on a transitional basis) that a liable person is to be treated as satisfying a relevant local authority that there is a reasonable excuse for a failure to comply with sections 26, 28 or 29 of the 2024 Act, where the authority considers that the

failure is attributable to changes made to the 2024 Act by section 4 (chargeable transactions: purchases by third parties), section 5 (duty to make returns) or Part 3 (other changes relating to chargeable transactions and returns etc.) of the schedule of the 2026 Act;

- make further provision about matters to be considered as part of the review of a VL scheme under section 21 of the 2024 Act and about matters to be set out in the report to be prepared under section 75 of the 2024 Act (on the operation of the 2024 Act);
- confer a regulation-making power on the Scottish Ministers to make further provision about the operation of Part 2 (key concepts) and Part 3 (introduction and administration of the levy) of the 2024 Act; and
- make provision for connected purposes.

5. Part 2 introduces a schedule (which makes consequential and minor modifications of the 2024 Act) and makes provision about commencement and other ancillary matters.

PART 1 – AMENDMENTS TO THE 2024 ACT

Basis on which levy is to be charged

Section 1 - Basis on which levy is to be charged

6. This section inserts new sections 4A and 6A into Part 2 (key concepts) of the 2024 Act.

7. New section 4A provides that a local authority seeking to (a) introduce a new VL scheme, or (b) modify an existing VL scheme to change the basis on which the levy is to be charged, must determine whether the levy to be charged in respect of each chargeable transaction to which the scheme relates is to be on the basis of either: a percentage rate (or rates) or a fixed amount (or amounts). In the 2024 Act, a "chargeable transaction" is a purchase for value of the right to reside in or at overnight accommodation situated within the area to which a VL scheme relates for a period of one or more nights. The levy to be charged in respect of chargeable transactions under the same scheme cannot therefore involve a hybrid of the two bases (with, for example, the levy for some chargeable transactions being based on a percentage rate, and the levy for other chargeable transactions being based on a fixed amount).

8. New section 6A applies where a local authority is seeking to (a) introduce a new VL scheme under which the levy is to be charged in respect of a chargeable transaction on the basis of a fixed amount or (b) modify an existing VL scheme to provide for the levy to be charged on that basis. It requires the local authority to set the fixed amount to be charged in respect of a chargeable transaction for each night to which the transaction relates. The amount set is to be an amount that is multiplied by the number of rooms or areas in or at which any number of persons have a right to reside in pursuance of the transaction on the night. In calculating the amount of the levy to be charged, no account is to be taken of a room or area to which no part of the amount paid under the transaction relates. For example, if 20 rooms in a hotel are booked for a night by a bus tour company for a group of tourists and the hotel provides a complimentary room to the bus driver, no account is to be taken of the free room when calculating the amount of the levy to be charged.

9. The amount set under section 6A(2) may be different for different purposes or areas. Different amounts may be set, for example, by reference to different sizes, types, values or locations of overnight accommodation (including different types of overnight accommodation differentiated by the number of persons who may reside in or at the accommodation or the amount paid for the right to reside there), or by reference to different times of year when chargeable transactions are agreed or when persons otherwise take entry to such accommodation. For example, a different fixed amount may be set for a room that accommodates one person only (such as a single room in a hotel), as compared to a room or area that accommodates two or more persons (such as an entire cottage or a double or twin room in a hotel).

10. Where the amount to be set for a given night is a different amount in relation to different categories of overnight accommodation, the amount set in relation to any such category is to be an amount that is multiplied by the number of rooms or areas falling within that particular category in or at which any number of persons have a right to reside in pursuance of the transaction on the night (see section 6A(6)).

11. For example, the amount of the levy to be charged in respect of a chargeable transaction (for each night to which the transaction relates) could be £2 for a single room in a hotel multiplied by the number of such rooms in or at which, in pursuance of the transaction, at least one person has a right to reside on the night. If the same transaction also involves the purchase of the right to reside in a different category of overnight accommodation (such as a self-catering cottage) on the same night, a different fixed amount may be set for that category of accommodation too. In those circumstances, the amount of the levy to be charged in respect of a chargeable transaction for the particular night will comprise the amount of the levy to be charged for the single rooms in the hotel on the night, plus the amount of the levy to be charged for the self-catering cottage on the night.

12. Section 6A(7) and (8) provides that the Scottish Ministers may by regulations specify the maximum amount that may be set, and the regulations may specify different maximum amounts for different purposes. Before making any such regulations, the Scottish Ministers must first consult local authorities, such persons as they consider to be representative of communities, businesses engaged in tourism and tourist organisations, and such other persons as they consider appropriate. A draft of the regulations must also be laid before and approved by the Scottish Parliament before any regulations can be made (see also section 29 of the Interpretation and Legislative Reform (Scotland) Act 2010 for the meaning of "the affirmative procedure").

Permitted deduction by liable persons from levy payable

Section 2 - Permitted deduction by liable persons from levy payable

13. This section inserts new sections 12A and 12B into the 2024 Act.

14. New section 12A provides that, in introducing or modifying a VL scheme, a local authority may permit persons who are required to pay the levy in respect of a chargeable transaction to deduct and retain an amount from the levy payable. A person is required to pay the levy if the person: (a) provides overnight accommodation to a visitor in pursuance of the transaction, and (b) is the occupier of the premises in or at which that overnight accommodation is provided (see section 8 of the 2024 Act). The person who is required to pay the levy is referred to as "the liable person". If a local authority permits liable persons to deduct and retain an amount from the levy payable in respect of a chargeable transaction, the local authority must

set the maximum amount of such a deduction in relation to the VL scheme (referred to as "the permitted deduction"). The permitted deduction may be (a) a maximum fixed amount that may be deducted from the levy payable in respect of a chargeable transaction or (b) a maximum percentage of the amount of the levy payable in respect of a chargeable transaction. The permitted deduction may also be different for different purposes. For example, different maximum amounts of deduction may be permitted for different accommodation providers according to the size of the business (or another criterion).

15. New section 12B confers a regulation-making power on the Scottish Ministers to make further provision for or in connection with local authorities permitting liable persons under section 12A to deduct and retain an amount from the levy payable in respect of a chargeable transaction. Regulations under this power may, in particular, make provision about the matters listed in subsection (2) of section 12B. This includes making provision about local authorities disallowing the deduction and retention of an amount from the levy payable in relation to relevant periods.

16. Liable persons are required to make returns to local authorities that include an assessment of the levy payable in respect of each relevant period. These returns must assess the levy payable in respect of each quarter or such other period or periods as may be specified in the VL scheme to which the return relates (see section 26 of the 2024 Act). If a return by a liable person proposes a deduction from the total amount of the levies payable for a relevant period and a local authority determines that a penalty imposed by it on the liable person under Chapter 3 of Part 5 of the 2024 Act relates to that period, the deduction is disallowed (see section 29A of the 2024 Act). In that case, the total amount of the levy payable in respect of the relevant period will need to be paid to the local authority in accordance with that section 29A (see also paragraph 68 of these Notes).

17. If regulations under section 12B amend the text of primary legislation, a draft of the regulations must be laid before and approved by the Scottish Parliament before they can be made. In other cases, the regulations are subject to the negative procedure which means that the Parliament could annul them (see also section 28 of the Interpretation and Legislative Reform (Scotland) Act 2010 for the meaning of "the negative procedure").

Significant modification of VL scheme: adjusted implementation periods

Section 3 - Significant modification of VL scheme: adjusted implementation periods

18. This section modifies section 14 of the 2024 Act to make provision (in new subsections (3A) and (3B)) about when a significant modification of a VL scheme can take effect.

19. New subsection (3A) deals with a significant modification made after a VL scheme is in force. If the modification expands the scheme area or removes from the scheme any cases or circumstances in which the levy (or an equivalent sum) is not payable or may be reimbursed, the date on which the modification of the scheme is to take effect must be at least 18 months after the date on which the local authority publishes a report under section 13(1)(c) of the 2024 Act stating that it intends to proceed with the modification. This just restates the existing requirement for such modifications. For modifications that increase the percentage rate for, or the fixed amount of, the levy or changes the basis on which the levy is charged from a percentage rate to a fixed amount (or vice versa), the corresponding minimum period between the publication of a report under section 13(1)(c) of the 2024 Act and the modification taking effect is 6 months (rather than 18 months).

20. New subsection (3B) deals with a significant modification made to a VL scheme that is not yet in force. The date on which any such modification is to take effect must be at least 18 months after the date on which the local authority publishes a report under section 13(1)(c) of the 2024 Act stating that it intends to proceed with the modification.

21. These changes to section 14 of the 2024 Act relate only to significant modifications of a VL scheme as defined by section 14(4) of that Act. Any other modification of a VL scheme may come into force on a date specified after the local authority publishes a report under section 13(1)(c) stating that it intends to proceed with the modification (see section 14(5) of the 2024 Act). But see also the notes (below) on the transitional provisions in sections 7 and 8 of the 2026 Act.

Chargeable transactions

Section 4 - Chargeable transactions: purchases by third parties

22. This section modifies section 3 of the 2024 Act to add new subsections (2A), (2B) and (4).

23. Under section 12 of the 2024 Act, a local authority may introduce a VL scheme to impose the levy for all or part of its area. Section 3 of the 2024 Act provides that the levy is to be charged in respect of a chargeable transaction. In this context, a "chargeable transaction" is a purchase for value of the right to reside in or at overnight accommodation situated within the area to which such a scheme relates for a period of one or more nights. But the levy becomes payable only if and when a person ("a visitor") takes entry to such accommodation in pursuance of the transaction.

24. In some cases, an accommodation provider will sell a right to reside in or at overnight accommodation to a person (a "third party provider") who intends to sell the right to another person. There may be a chain of one or more such transactions before the right is purchased by a visitor. Whilst each purchase for value of such a right is defined as a chargeable transaction (under existing section 3(2) of the 2024 Act), the levy is payable only if and when a visitor takes entry to accommodation in pursuance of the particular transaction (see section 3(1)(b) of the 2024 Act).

25. Where a third party provider is involved, there could be a chain of two or more chargeable transactions pursuant to which a visitor may take entry to overnight accommodation. In these circumstances, new subsections (2A) and (2B)(a) modify the 2024 Act so that the "chargeable transaction" is the initial transaction between the accommodation provider and the third party provider (and not any subsequent transaction, including the final one with the visitor). Additionally, in such cases, new subsection (2B)(b) makes it clear that, for the purposes of the 2024 Act, the visitor is to be treated as taking entry to the overnight accommodation in pursuance of the initial transaction, and that the visitor is to be treated as being provided overnight accommodation by the accommodation provider in pursuance of the initial transaction.

26. New subsection (4) provides definitions for the expressions "accommodation provider" and "third party" that are used in new subsections (2A) and (2B).

Duty to make returns

Section 5 - Duty to make returns

27. This section modifies section 26(3)(a) of the 2024 Act (duty to make returns).

28. Section 8 of the 2024 Act provides that the person liable to pay the levy under a VL scheme is the person who (a) provides overnight accommodation to the visitor in pursuance of a chargeable transaction and (b) is the occupier of the premises at which the accommodation is provided.

29. Section 26 of the 2024 Act provides that the liable person must make returns to the local authority which introduced the scheme. Each return must include an assessment of the amount of the levy payable in respect of each quarter or such other period specified by the local authority.

30. More specifically, existing section 26(3)(a) states that, for this assessment, the amount of the levy payable is the total amount of the levies in respect of chargeable transactions entered into by the liable person during the period. The assessment (included in a return for a period) would therefore need to cover all chargeable transactions entered into during the period even if a visitor does not take entry to overnight accommodation during the period in pursuance of the transaction.

31. Section 3 of the 2026 Act modifies section 26(3)(a) so that, for each assessment in respect of a period, the amount of the levy payable is the total amount of the levies that become payable during the period. This change means that a return for a given period would need to assess only the levies due in cases where a visitor takes entry to overnight accommodation during the period in pursuance of a chargeable transaction (rather than also having to anticipate the levies that might arise in cases where a transaction has been entered into but a visitor has not yet taken entry). This change will also ensure that the assessment of the levies that are due for a given period aligns with the amounts to be paid to the local authority for the period under section 29 of the 2024 Act.

Amendment of returns

Section 6 - Amendment of returns: regulations

32. This section inserts new section 28A into the 2024 Act.

33. New section 28A confers a regulation-making power on the Scottish Ministers to make provision for or in connection with the amendment of a levy return made under section 26 of the 2024 Act. The power may, in particular, be used to make provision for or in connection with the matters described in subsection (2) of the new section. For example, it may be used to set out the circumstances in which a liable person may make a request to a local authority for the amendment of a return (such as where an error is identified and the liable person wishes to correct it), or the circumstances in which a local authority may amend a return on its own initiative. A draft of the regulations must be laid before and approved by the Scottish Parliament before they can be made.

Transitional provisions: chargeable transactions and returns

Section 7 - Modification of existing visitor levy scheme

34. This section makes transitional provision in relation to modifications of an existing VL scheme to take account of changes made to section 14(1) of the 2024 Act (required content of a scheme) by paragraphs 8 and 21 of the schedule of the 2026 Act.

35. Paragraph 8 of the schedule inserts new paragraph (fa) into section 14(1). The inserted new paragraph requires a VL scheme to specify whether liable persons are permitted to deduct and retain an amount from the levy payable in respect of a chargeable transaction and, if so, the maximum amount of such a deduction.

36. Paragraph 21 of the schedule changes section 14(1)(d) so that a VL scheme must specify the period when the taking of entry to overnight accommodation is to give rise to the levy (as opposed to the period when the purchase of the right to reside there is to give rise to the levy).

37. It also changes section 14(1)(k) so that any such scheme must specify arrangements for the reimbursement of the levy (or a sum equivalent to it) to a person who has entered into a chargeable transaction or a subsequent transaction. This change ensures that the scheme must specify any such arrangements in relation to any person who has entered into such a transaction, and not just a visitor. This would include a person, other than a visitor, who purchases a right to reside in or at overnight accommodation from the accommodation provider or someone else with the intention of selling the right to another person (whether or not to a visitor who intends to take entry to it).

38. If a local authority proposes in the future to modify an existing VL scheme to take account of any of these changes to section 14(1) of the 2024 Act, section 7 of the 2026 Act ensures that the local authority will not need to consult on this modification in accordance with section 13(1) to (3) of the 2024 Act, and that the modification can come into force on a date specified by the authority (rather than having to wait until after the authority has publicised a report under that section stating that it intends to proceed with the proposed modification).

Section 8 - Modification of proposed visitor levy scheme

39. This section makes transitional provision in relation to modifications of a proposed VL scheme to take account of changes made to section 14(1) of the 2024 Act by paragraphs 8 and 21 of the schedule of the 2026 Act. (These changes are described in the notes above in relation to section 7 of the 2024 Act.)

40. If a local authority has previously publicised information about, and consulted on, a proposed VL scheme in accordance with section 13(1)(a) and (b) of the 2024 Act, and subsequently adjusts the proposed scheme to take account of any of these changes to section 14(1) of the 2024 Act, section 8 of the 2026 Act ensures that the local authority will not need to consult on this adjustment in accordance with section 13(1)(a) and (b) of the 2026 Act.

41. If the local authority has previously publicised a report under section 13(1)(c) in relation to the proposed scheme (before it was adjusted), the authority is treated as having publicised a report in relation to the proposed scheme that has been adjusted to take account of any of the changes to section 14(1) of the 2024 Act mentioned in paragraph 39 of these Notes. But if the local authority in question has not yet publicised a report on the proposed scheme, then the report to be publicised under section 13(1)(c) is required to state whether or not the authority intends to proceed with the adjusted proposed scheme.

Section 9 - Amendments of the 2024 Act and reasonable excuse for failure to make return, pay levy or keep records

42. This section makes transitional provision in relation to modifications of the 2024 Act that are to be made by sections 4 and 5, and Part 3 of the schedule, of the 2026 Act.

43. This transitional provision applies if a person liable to pay the levy under a VL scheme fails to comply with the requirements of section 26 (duty to make returns), section 28 (duty to keep and preserve records) or section 29 (payment of levy) in respect of a relevant chargeable transaction, and the local authority considers that the failure may be attributed to any such modification of the 2024 Act. In this context, "relevant chargeable transaction" means a chargeable transaction that is entered into by the liable person before the day on which the provisions mentioned in section 16(2) of the 2026 Act come into force.

44. In these circumstances, the liable person is to be treated (for the purposes of sections 51(1), 55(1) and 53(1) of the 2024 Act) as satisfying the local authority that there is a reasonable excuse for the failure to comply with section 26, 28 or 29 of the 2024 Act (as the case may be).

Reviews and reports

Section 10 - Review of VL scheme: matters to be considered

45. This section modifies section 21 of the 2024 Act (review of scheme) so that a local authority must, in carrying out a review of a VL scheme under that section, consider whether the scheme should be modified or revoked (as opposed to being continued with no modifications).

Section 11 - Reporting on impact on tourism in rural areas

46. This section modifies section 75 of the 2024 Act (report on operation of Act) so that the report under that section must, in addition to setting out an assessment of the impact of VL schemes introduced under that Act on businesses and communities, set out an assessment of the impact of such schemes on tourism in rural areas.

Section 12 - Power to make further provision about the operation of the 2024 Act

47. This section inserts new section 75A into the 2024 Act.

48. New section 75A provides that the Scottish Ministers may by regulations make further provision about the operation of Parts 2 and 3 of the 2024 Act.

49. Part 2 of the 2024 Act makes provision about the basis and calculation of the levy and about exemptions and rebates, and Part 3 makes provision about the introduction and administration of the levy. Regulations under the new section may therefore make further provision about how these aspects of the 2024 Act are to work and, in doing so, they may modify the 2024 Act itself. For example, regulations under the new section may, in particular, make provision about how the levy is to be calculated, charged and paid in particular circumstances or types of case.

50. Before making regulations under the new section, the Scottish Ministers must consult local authorities, such persons as they consider to be representative of communities, businesses engaged in tourism and tourist organisations, and such other persons as they consider appropriate. If the regulations amend the text of primary legislation, a draft of the regulations must be laid before and approved by the Scottish Parliament before they can be made. In other cases, the regulations are subject to the negative procedure.

PART 2 – FINAL PROVISIONS

Section 13 - Ancillary provision

51. This section enables the Scottish Ministers to make ancillary provision, by regulations, to give full effect to the 2026 Act or any provision made under it. This includes a power to modify other enactments (including the 2026 Act itself). If the regulations amend the text of primary legislation, a draft of the regulations must be laid before and approved by the Scottish Parliament before they can be made. In other cases, the regulations are subject to the negative procedure.

Section 14 - Meaning of "the 2024 Act"

52. This section provides that references in the 2026 Act to the "the 2024 Act" are to be read as references to the Visitor Levy (Scotland) Act 2024.

Section 15 - Consequential and minor modifications

53. This section introduces the schedule which contains consequential and minor modifications of the 2024 Act.

Section 16 - Commencement

54. This section provides that sections 13, 14, 16 and 17 come into force on the day after Royal Assent, and that sections 2, 4, 5, 7, 8, 9 and 15 (to the extent that it relates to Parts 2 and 3 of the schedule), and Parts 2 and 3 of the schedule, come into force at the end of the period of two months beginning with the day of Royal Assent.

55. Sections 1, 3, 6, 10, 11, 12 and 15 (to the extent that it relates to Part 1 of the schedule), and Part 1 of the schedule, require to be commenced by regulations under section 16(3). Regulations under section 16(3) may provide for different provisions to come into force on different dates. They may also include transitional, transitory or saving provision. Any such commencement regulations are not subject to any parliamentary procedure (other than laying).

Section 17 - Short title

56. This section gives the 2026 Act its short title (being the name by which it may be formally cited). Its short title is the Visitor Levy (Amendment) (Scotland) Act 2026.

SCHEDULE – CONSEQUENTIAL AND MINOR MODIFICATIONS OF THE 2024 ACT

Part 1 - Changes relating to the basis on which levy is to be charged

57. Part 1 of the schedule makes changes to the 2024 Act that are consequential on section 1 of the 2026 Act, and other minor related changes to the 2024 Act, as follows.

58. Paragraph 2 modifies section 5 of the 2024 Act (calculation of levy) so that it applies only where a local authority has either: (a) introduced a new VL scheme under which the levy is to be charged on the basis of a percentage rate, or (b) modified an existing VL scheme to provide for the levy to be charged on that basis. It also modifies the section title in consequence of these changes.

59. Paragraph 3 modifies section 6 of the 2024 Act (rate for levy) so that it applies only where a local authority is seeking to either: (a) introduce a VL scheme under which the levy is to be charged on the basis of a percentage rate, or (b) modify a VL scheme to provide for the levy to be charged on that basis. It also modifies the section title in consequence of these changes.

60. Paragraph 4 modifies section 10 of the 2024 Act (billing of overnight accommodation) so that section 10(2) applies only where the levy to be charged is based on a percentage rate. It also inserts new subsection (2A) to make it clear that, where the levy to be charged is a fixed amount (or fixed amounts) set under section 6A, the regulation-making power in section 10(1) may, in particular, require persons to issue an invoice setting out the amount of the levy chargeable for each room or area for each night, or require persons to publish this amount.

61. Paragraph 5 modifies section 12 of the 2024 Act (scheme to impose levy) so that a VL scheme, or two or more VL schemes taken together, may not impose more than one levy in respect of the purchase of a right to reside in or at a particular room or area comprising overnight accommodation on a particular night.

62. Paragraph 6(a) modifies section 14(1) of the 2024 Act (required content of a scheme). In particular, it requires a VL scheme to specify the basis on which the levy is to be charged in respect of each chargeable transaction to which the scheme relates in accordance with new section 4A of the 2024 Act (as inserted by section 1 of the 2026 Act). It also requires any such scheme to specify the percentage rate (or rates) or, as the case may be, the fixed amount (or fixed amounts) of the levy.

63. Paragraph 6(b) modifies the meaning of a "significant modification" in section 14(4) of the 2024 Act so that it includes any modification of a VL scheme that increases the fixed amount (or amounts) of the levy (see inserted paragraph (ba)), or changes the basis on which the levy is to be charged from a levy based on a percentage rate to a fixed amount (or vice versa) (see inserted paragraph (bb)). Any such modification cannot take effect until 18 months after the date on which a local authority publishes a report under section 13(1)(c) of the 2024 Act stating that it intends to proceed with a VL scheme with the modification (but see also transitional provisions in sections 7 and 8 of the 2026 Act discussed above).

Part 2 - Changes relating to permitted deductions by liable persons from levy payable

64. Part 2 of the schedule makes changes to the 2024 Act that are consequential on section 2 of the 2026 Act, and other minor related changes to the 2024 Act, as follows.

65. Paragraph 8 inserts new paragraph (fa) into section 14(1) of the 2024 Act (required content of a scheme). The inserted new paragraph requires a VL scheme to specify whether liable persons are permitted to deduct and retain an amount from the levy payable in respect of a chargeable transaction and, if so, specify the maximum amount of such a deduction (referred to in the 2024 Act as "the permitted deduction").

66. Paragraph 9 modifies section 26(2) of the 2024 Act (duty to make returns) so that, if a liable person is permitted under the VL scheme to deduct and retain an amount from the levy payable, the return to which the levy relates must also include (a) a statement of any such amount that is to be deducted from the amount of the levy payable in respect of the relevant period, and (b) a statement of the corresponding net amount of the levy payable in respect of the relevant period.

67. Paragraph 10 modifies section 29(1) of the 2024 Act (payment of levy) so that, if a return made by a liable person under section 26 of the 2024 Act includes a statement about a deduction that relates to a chargeable transaction (and this deduction not disallowed – see notes on paragraph 11 of the schedule of the 2026 Act, which inserts new section 29A into the 2024 Act), the liable person must pay (to the local authority that introduced the VL scheme – "the relevant local authority") the amount of the levy payable in respect of the transaction less the amount of the deduction. It also modifies section 29(2) so that, if the return includes a statement in accordance with section 26(2)(a)(ii) of the 2024 Act of an amount (not exceeding the permitted deduction) that is to be deducted from the total amount of the levy payable in respect of the relevant period, the liable person must, at the same time as the return is made, pay (to the relevant local authority) the total amount of the levy payable in respect of the period less the amount of the deduction.

68. Paragraph 11 inserts new section 29A into the 2024 Act. The new section applies if (a) a liable person's return under section 26 of the 2024 Act includes a statement about an amount that is to be deducted from the total amount of the levy payable in respect of the relevant period, (b) the relevant local authority has imposed a penalty under Chapter 3 of Part 5 of the 2024 Act on the liable person, and (c) the relevant local authority decides that the penalty relates to the relevant period (see section 26(4) of the 2024 Act). If the new section applies, the liable person's deduction is disallowed, and the total amount of the levy must instead be paid to the relevant local authority by no later than the end of the period specified by the authority in a notice given to the liable person.

69. Paragraph 12 modifies section 52 of the 2024 Act (penalty for failure to pay levy) which provides that a penalty is payable if a liable person fails to pay the levy payable within a period of 14 days beginning with the day on which a reminder is given that the payment is due. The modification ensures that the penalty is payable if the liable person fails to pay the levy within this period, regardless of whether the levy was payable under section 29(2)(a) or (b) or section 29A(2).

70. Paragraph 13 modifies section 53 of the 2024 Act (reasonable excuse for failure to pay levy) so that liability to a penalty under section 52 of the 2024 Act also does not arise if a liable person satisfies the relevant local authority that there is a reasonable excuse for a failure to comply with new section 29A(2) of the 2024 Act.

71. Paragraph 14 modifies section 66 of the 2024 Act (interest on unpaid levy) so that, if section 29A of the 2024 Act applies to a return (i.e. a deduction from the levy payable is disallowed), the total amount of the levy payable in respect of the relevant period to which the return relates is to be treated for the purposes of section 66(1) as if it had been payable in accordance with section 29(2)(b) of the 2024 Act (i.e. from the time of making the return), with interest payable on any unpaid levy in accordance with section 66.

72. Paragraph 15 modifies section 70 of the 2024 Act (summary warrant) so that a local authority may also apply to the sheriff for a summary warrant if a person fails to pay an amount of the levy payable in accordance with section 29A(2) of the 2024 Act.

73. Paragraph 16 modifies section 76 of the 2024 Act so that references in the 2024 Act to a "permitted deduction" are to be construed in accordance with new section 12A(2) of the 2024 Act.

Part 3 - Other changes relating to chargeable transactions and returns etc.

74. Part 3 of the schedule makes changes to the 2024 Act that are consequential on other provisions of the 2026 Act, and other minor changes to the 2024 Act, as follows.

75. Paragraph 18 modifies section 7 of the 2024 Act (maximum number of nights of overnight accommodation) so that a local authority may, when seeking to modify an existing VL scheme (as well as when it is seeking to introduce a new VL scheme), specify that a maximum number of nights may apply in respect of a chargeable transaction for the right to reside in or at that accommodation for a period of consecutive nights.

76. Paragraph 19 modifies section 10 of the 2024 Act (billing of overnight accommodation) to add references to "subsequent transactions" (defined in new section 3(2A)(b) of the 2024 Act – as inserted by section 4(2) of the 2026 Act) in addition to "chargeable transactions". It also removes a redundant reference to deductions made under section 5(1)(b) of the 2024 Act as provision for deductions under that section was removed during the parliamentary passage of the Bill for the 2024 Act.

77. Paragraph 20 modifies section 11 of the 2024 Act (exemptions and rebates) in light of changes made to section 3 of the 2024 Act by section 4 of the 2026 Act.

78. Paragraph 21 modifies section 14(1) of the 2024 Act (required content of a scheme). It modifies paragraph (d) to reflect that it is the taking of entry to overnight accommodation that results in the levy being payable (under section 3(1)(b) of the 2024 Act). It also modifies paragraph (k) so that it also refers to the reimbursement of a levy (or an equivalent amount) to persons who have entered into subsequent transactions (in addition to chargeable transactions), as a result of the changes made to section 3 of the 2024 Act by section 4 of the 2026 Act.

79. Paragraph 22 modifies section 28 of the 2024 Act (duty to keep and preserve records) in consequence of the change made to section 26(3) of that Act by section 5 of the 2026 Act.

80. Paragraph 23 inserts a missing word ("in") into section 45(3) of the 2024 Act (power to allow a local authority to make or substitute an assessment). (The effect of the section is unchanged.)

81. Paragraph 24 modifies section 47(1) of the 2024 Act (penalty for failure to make returns) to emphasise that the obligation to make a return in accordance with section 26 of the 2024 Act is to be read with section 25(1) of that Act. (This emphasises that, for the purpose of section 47, the making of a return will be in accordance with section 26 only if the making of the return complies with the requirements of Part 4 of the 2024 Act. This includes the requirement in section 27 that the return must be in the form specified by the relevant local authority, and that the return must contain the information, and be made in the manner, as may be specified by the relevant local authority.)

82. Paragraph 25 modifies section 76(1) of the 2024 Act to adjust the meaning of "chargeable transaction" and to define "subsequent transaction" in consequence of section 4 of the 2026 Act.

CROWN APPLICATION

83. Section 20 of the Interpretation and Legislative Reform (Scotland) Act 2010 provides that the Crown will be bound by an Act of the Scottish Parliament or Scottish statutory instrument unless the provision expressly exempts it. As such, the 2026 Act applies to the Crown in the same way as it applies to everyone else. However, where the 2026 Act amends an existing enactment, it makes no change to the application of the enactment to the Crown.

PARLIAMENTARY HISTORY

84. The following is a list of the proceedings in the Scottish Parliament on the Bill for the 2026 Act and significant documents connected to the Bill published by the Parliament during the Bill's parliamentary passage.

Proceedings and reports	**Reference**
Bill as introduced	SP Bill 79 Visitor Levy (Amendment) (Scotland) Bill [as introduced] Session 6 (2026)
Explanatory Notes	SP Bill 79 Visitor Levy (Amendment) (Scotland) Bill [explanatory notes] Session 6 (2026)
Policy Memorandum	SP Bill 79 Visitor Levy (Amendment) (Scotland) Bill [policy memorandum] Session 6 (2026)
Financial Memorandum	SP Bill 79 Visitor Levy (Amendment) (Scotland) Bill [financial memorandum] Session 6 (2026)
Delegated Powers Memorandum	SP Bill 79 Visitor Levy (Amendment) (Scotland) Bill [delegated powers memorandum] Session 6 (2026)
Stage 1	
Delegated Powers and Law Reform Committee, 13 January 2026	SP OR Delegated Powers and Law Reform Committee 13 January 2026
Delegated Powers and Law Reform Committee report	Delegated Powers and Law Reform Committee 7th report, 2026, Delegated Powers in the Visitor Levy (Amendment) (Scotland) Bill at Stage 1 (SPP 965)
Local Government, Housing and Planning Committee, 27 January 2026	SP OR Local Government, Housing and Planning Committee 27 January 2026

Proceedings and reports	**Reference**
Local Government, Housing and Planning Committee, 3 February 2026	SP OR Local Government, Housing and Planning Committee 3 February 2026
Local Government, Housing and Planning Committee, 10 February 2026	SP OR Local Government, Housing and Planning Committee 10 February 2026
Local Government, Housing and Planning Committee report	Local Government, Housing and Planning Committee 3rd report, 2026, Local Government, Housing and Planning Committee report on Stage 1 of the Visitor Levy (Amendment) (Scotland) Bill (SPP 1001)
Chamber, 19 February 2026	SP OR 19 February 2026
Stage 2	
Marshalled List of Amendments for Stage 2	SP Bill 79 Visitor Levy (Amendment) (Scotland) Bill [marshalled list of amendments for stage 2] Session 6 (2026)
Groupings of Amendments for Stage 2	SP Bill 79 Visitor Levy (Amendment) (Scotland) Bill [groupings of amendments for stage 2] Session 6 (2026)
Local Government, Housing and Planning Committee, 4 March 2026	SP OR Local Government, Housing and Planning Committee 4 March 2026
Bill as amended at Stage 2	SP Bill 79A Visitor Levy (Amendment) (Scotland) Bill [as amended at Stage 2] Session 6 (2026)
Supplementary Delegated Powers Memorandum	SP Bill 79A Visitor Levy (Amendment) (Scotland) Bill [supplementary delegated powers memorandum] Session 6 (2026)
Delegated Powers and Law Reform Committee report	Delegated Powers and Law Reform Committee 30th report, 2026, Delegated powers in the Visitor Levy (Amendment) (Scotland) Bill (as amended at Stage 2) (SPP 1059)
Revised Explanatory Notes	SP Bill 79A Visitor Levy (Amendment) (Scotland) Bill [revised explanatory notes] Session 6 (2026)
Stage 3	
Marshalled List of Amendments for Stage 3	SP Bill 79A Visitor Levy (Amendment) (Scotland) Bill [marshalled list of amendments for stage 3] Session 6 (2026)
Timed Groupings of Amendments for Stage 3	SP Bill 79A Visitor Levy (Amendment) (Scotland) Bill [timed groupings of amendments for stage 3] Session 6 (2026)
Chamber, 19 March 2026	SP OR 19 March 2026
Chamber, 24 March 2026	SP OR 24 March 2026
Bill as passed	SP Bill 79B Visitor Levy (Amendment) (Scotland) Bill [as passed] Session 6 (2026)
Post passage	
Royal Assent, 21 May 2026	2026 asp 18

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