POLICY NOTE

THE VISITOR LEVY (MISCELLANEOUS AMENDMENT) (SCOTLAND) REGULATIONS 2026

SSI 2026/268

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