

Annex C: Consultation Questions

The Scottish Government wishes to explore how much responsibility for the design of the visitor levy should sit at the local level.

Q1. Do you think that the design of a visitor levy should be set out:

- a) wholly in a national framework
- b) mostly at a national level with some local discretion
- c) mostly at local level with some overarching national principles.

Please tick one box

Please provide a reason (or reasons) for your answer:

- Tourism impacts locally and thus a local authority should decide
- One size fits all approach may not be appropriate (e.g. Highlands high proportion of day visitors compared to Edinburgh)

However, note impact on competitiveness and visitor perception if too many different rates without a means of control.

a) and c) are comparable: national framework with local discretion e.g. maximum rate that can be set by local authorities.

Scottish Government is committed to legislating to provide local authorities with the power to apply a discretionary visitor levy.

Q2: Is an overnight stay in commercially let accommodation an appropriate basis for applying a levy on visitors?

- Yes
- No
- Don't know

Please provide a reason (or reasons) for your answer:

- Easiest means to collect the tax

This is only appropriate if implemented well and not burdensome on accommodation providers.

Also note this method targets visitors who generally spend more in destination and may not be appropriate for some local authorities (e.g. Highlands high proportion of day

visitors) or where the accommodation supply is low due to short season and therefore harder to justify investment.

Furthermore, it should be considered what is classed as 'commercial' as this could cause ambiguity, particularly in respect of peer to peer accommodation or those who let just for short term events such as festivals.

We wish to explore if it would be feasible for a visitor levy to be extended to other visitor activities notwithstanding the challenges this might present (see section 4.2)

Q3: Which of the following activities do you think a visitor levy could be robustly applied to and enforced, and how?

Tick all boxes that apply and provide reasons where possible

Day visitors not staying overnight

Please explain how a visitor levy could be applied and enforced on day visitors:

A local authority should be given the option to decide if this is appropriate for them and how best this can be applied.

However, as highlighted in the report this is a difficult tax to apply and enforce as shown by the delayed introduction of a day tax in Venice.

Cruise ship passengers who disembark for a day before re-joining the vessel

Please explain how a visitor levy could be applied and enforced on cruise ship passengers:

Amsterdam and Barcelona levy a tax on cruise ship passengers and Croatia will from 2020. Further information on how this is collected in Amsterdam can be found on the [Port of Amsterdam webpage](#).

This method may be more appropriate for some local authorities such as the Orkney Islands.

Wild or rough camping, including in motorhomes and camper vans



Please explain how a visitor levy could be applied and enforced on rough camping, including motorhomes and camper vans:

A pay and display parking permit

Q4: The consultation paper sets out four options for the basis of the charge (section 5.1).

Please tick which one you think would work best in Scotland? (Tick one box below)

Flat rate per person per night

Flat rate per room per night

A percentage of total accommodation charge

Flat rate per night dependent on the quality of accommodation

Please provide a reason (or reasons) for your answer:

The percentage of total accommodation charge should exclude VAT and extras such as local excursions bought from the accommodation provider.

This is fair due to proportionality and in line with Adam Smith principles.

This is only appropriate if implemented well and easy for accommodation providers to be compliant. Accommodation providers are legally required to provide full pricing information to consumers prior to sale.

Q5: In addition, for each option in Q4 what are: the considerations for accommodation users, accommodation providers and local authorities.

Flat rate per person per night

Implications for accommodation users:

- Regressive
- Easy to understand and budget

Implications for accommodation providers:

- Easy to collect but need to retain a record of passengers staying
- In Croatia there is a nationwide [e-Visitor programme](#) used by accommodation providers to register visitors and pay the tourist tax online.

Implications for local authorities:

- Regressive
- At odds with Adam Smith's principle of proportionality

Flat rate per room

Implications for accommodation users:

- Greater burden for a single person

Implications for accommodation providers:

- Easy to collect

Implications for local authorities:

- Greater burden for a single person and may discourage the person from staying

A percentage of total accommodation charge

Implications for accommodation users:

- Fair due to proportionality

Implications for accommodation providers:

- May not be easy to administer due to dynamic pricing

Implications for local authorities:

Flat rate per night dependent on the quality of accommodation

Implications for accommodation users:

- Easy to understand and budget

Implications for accommodation providers:

- No obligatory quality rating scheme in operation

Implications for local authorities:

- No obligatory quality rating scheme in operation
- Can create a perverse incentive to stay in a lower rating bracket

Q6: Do you think that the basis of the charge should be set out in a national framework, or be for a local authority to decide?

Tick one box:

Set out in a national framework

Decided by local authorities

Don't know

Please provide a reason (or reasons) for your answer:

- Tourism impacts locally and thus a local authority should decide within a national framework (e.g. maximum rate that can be set by local authorities and notice period of implementation and change)

- One size fits all approach may not be appropriate (e.g. Highlands high proportion of day visitors compared to Edinburgh)

Q7: Do you think that the rate of the visitor levy should be set out in a national framework or should it be for the local authority to decide?

Tick one box:

Set out at national level

Decided by local authorities

Don't know

Please provide a reason (or reasons) for your answer:

- Tourism impacts locally and thus a local authority should decide the rate within a national framework (e.g. maximum rate that can be set by local authorities)

- The rate should not be subject to VAT

Q8: What factors should be considered to ensure the rate of the visitor levy is appropriate?

Please provide a reason (or reasons) for your answer:

- Local circumstance
- Consideration should be given for those staying longer and thus generally contributing more in destination (e.g. a lower rate or exempt after a number of days)
- Impact on competitiveness and for other destinations
- Notice period of any change
- Hypothetical and additionality – a local authority needs to ensure that local tax raising does not become a reason for withdrawal of national investment e.g. for infrastructure

Q9: If the rate of the visitor levy were to be set by individual local authorities, should an upper limit or cap be set at a national level?

Tick one box

- Set out at a national level**
- Decided by local authorities**
- Don't know**

Please provide a reason (or reasons) for your answer:

Otherwise can impact competitiveness and for other destinations too

The Scottish Government is of the opinion that there are some groups that it would be unacceptable to impose a visitor levy on under any circumstances. These include:

- Homeless people
- Asylum seekers/refugees
- Travelling communities (such as Gypsy travellers and other traveller communities)
- Victims of domestic abuse placed temporarily in refuges or short-term accommodation because their normal home is unsafe for them to stay in
- Those placed temporarily in refuges or short-term accommodation because their normal home is unsafe for them to stay in.

Beyond these groups, other groups could be included for exemption either at the national or local level.

Q10: Do you think that all exemptions should be the same across Scotland and therefore set out in the national legislation, or should local authorities have scope to select some exemptions?

Tick one box below:

All exemptions should be the same across Scotland and local authorities should not have any discretion. Yes to reduce uncertainty for businesses and visitors and helps when planning a multi-city tour



Some exemptions should be set at national level, and some should be at the local authority's discretion



Q11: Which additional exemptions from the list below do you think should be applied to a visitor levy?

Tick all that apply

Disabled people and registered blind/deaf and their carers



Those travelling out with their local authority area for medical care, and their carers or next of kin



Children and young people under a certain age



Students



Long stay guests (e.g. people staying for more than 14 days)



Business travellers



Local resident (paying for overnight accommodation within the local authority in which they reside permanently)



Q12: Are there any other exemptions that you think should apply?

Please list together with reasons below:

Visitors staying in low season

Q13: What is your view of the proposal that accommodation providers should be ultimately responsible for the collection and remittance to the appropriate local authority, even if the tax is collected by a third party booking agent or platform

Tick one

Agree

Disagree

Please explain and provide any other comments on this proposal:

Tax should be easy to pay, collect and remit by visitors and accommodation providers, and be cost effective to administer.

Q14: If accommodation providers were required to remit visitor levies after the overnight stays to which they relate (even if the payment was made well in advance) how frequently should the levies collected be required to be remitted to the levying local authority?

Tick one box

Ongoing basis (e.g. each night)

Monthly

Quarterly

Annually

Please provide a reason (or reasons) for your answer:

- Ongoing basis will be costly to administer
- Monthly or Quarterly is commonly used elsewhere in Europe
- Option to align with VAT returns to help with administration

It will be necessary for accommodation providers to collect information from visitors to apply the visitor levy correctly and retain records to demonstrate compliance. This information may vary depending on the basis of the charge. It will be essential that local authorities and accommodation providers comply with General Data Protection Regulation (GDPR) in handling personal data.

Q15: What information should an accommodation provider be required to collect and retain to ensure compliance?

Actual occupancy rates including peer to peer accommodation to help local authorities and destination management organisations to assess how many visitors are staying overnight in destination.

Please list below and explain why you think that information is needed for the four different scenarios below:

If the basis of the charge is on a:

a) flat rate per person per night

b) flat rate per room per night

c) percentage of total accommodation charge

d) flat rate per night dependent on the quality of accommodation

Q16: How can a local authority choosing to apply a visitor levy ensure it has a comprehensive list of all those providing overnight accommodation on a commercial basis in their local authority area?

Please provide a reason (or reasons) for your answer:

Q17: What enforcement powers should a local authority have to ensure compliance and prevent avoidance and evasion by accommodation providers?

Please provide a reason (or reasons) for your answer:

Q18: Should non-compliance by an accommodation provider be subject to a civil penalty (i.e a fine) and if so, what would be the appropriate level be?

Tick one:

Yes

No

Don't Know

Please state level of civil penalty (fine) (in £ pounds sterling) that you think is appropriate?

Q19: A list of requirements that local authorities could be expected to meet before being able to introduce a visitor levy is summarised below.

Do you agree or disagree with these options. (please tick the appropriate box)

If you have any other suggestion for requirements then please add these in the box below together with your reasons

	Agree	Disagree
Produce an initial statement of intention to consider introducing a visitor levy	×	
A timeframe for introduction of at least one financial year following conclusion of consultation and engagement activities	×	
Have held a consultation in their local area to gather views from all those who will be affected by the visitor levy	×	
Have conducted required impact assessments	×	
Have assessed the administrative burden on businesses and taken steps to minimise this	×	
If the legislation allows the rate to be set locally the local authority has demonstrated why the chosen rate of the visitor levy is optimal for that area	×	
Have appropriate mechanisms in place to allow visitor levies collected to be remitted to the local authority	×	
Have made information about the visitor levy and how to pay it available and in the public domain, for both business and visitors	×	
The approach to collaborative decision making on revenue spending is set out in the public domain	×	
Establish an approach to monitoring and publically reporting revenues raised and their expenditure on an annual basis	×	
The approach to monitoring and reporting on the impact of the visitor levy on an annual basis, is clearly set out in the public domain	×	
Establish an approach to evaluating and publically reporting, the impact of the visitor levy, within a reasonable period after introduction	×	

Please add any other comments on the requirements listed above

There should be sufficient notice of any change (especially if above inflation), preferably 18-24 months, given industry's product budget cycle. Anything under 12 months is certain to give rise to costs that industry cannot pass on. Thus, in effect it is the tour operator's margin that is taxed.

Please list any other requirements you think might be necessary, together with reasons below:

Q20: Should Scottish Government be able to prevent a local authority from applying a visitor levy?

Yes

No

Don't Know



Q21: Under what circumstances should Scottish Government be able to do this?

Please provide a reason (or reasons) for your answer:

Insufficient transparency in how the tax revenue is used

Q22: What requirements might be placed on local authorities to engage with local stakeholders to determine how revenues are spent?

Please provide a reason (or reasons) for your answer:

Engage with tourism industry stakeholders (both local and incoming tourism) and the local community through working groups to determine how the tax revenue is used.

Q23: How might this engagement be best achieved?

Please provide a reason (or reasons) for your answer:

Working groups and consultation

Q24: Should revenues from a visitor levy be allocated to priorities articulated through local tourism strategies, where they exist?

Yes

No

Don't Know



Please provide a reason (or reasons) for your answer:

Needs have been identified but working groups and consultation should have a say in decision.

Q25: What reporting arrangements might be required of local authorities to account for the expenditure of receipts from a visitor levy?

Please provide a reason (or reasons) for your answer:

Local authorities should be transparent in how the money is spent and communicating through the local authority's website is an easy way to achieve this.

Good examples by other destinations:

1. The Balearic Islands have published a website which details the projects funded by the 'eco-tax'. (www.sustainableislands.travel)

2. Bled and Zermatt both highlight how the tax revenue is used for specific projects. www.bled.si/en/news/2018/06/403-New-tourist-tax-in-the-municipality-of-Bled www.ztnet.ch/de/Hotel/TaxenReglemente/Kurtaxen-1
3. To date, the tourism tax in Barcelona has subsidised 89 local projects related to tourism. (web.gencat.cat/es/actualitat/detall/6-milions-deuros-de-limpost-turistic-per-subvencionar-projectes-locales)

Q26: If a local authority was to impose a visitor levy on a specific area within the authority, should any revenue raised have to be spent only in that area?

Yes

No

Don't Know

Please provide a reason (or reasons) for your answer:

Yes but revenue should also be spent in areas where tourism activity is consumed and the resulting wear and tear. For example, a national park may be in a different area to where accommodation is located.

Further, consideration should be given to help visitors when staying in destination e.g. in some destinations in Switzerland, overnight visitors who pay the tourist tax receive a guest card entitling the visitor to free public transport during the stay. In destinations such as Basel and Lucerne, the benefit is extended to include free Wi-Fi access at hotspots and discounted entry to visitor attractions.

Basel: www.basel.com/en/BaselCard and Lucerne: www.luzern.com/en/footer/navigation/services/visitor-card-lucerne/

Q27: Is the name 'visitor levy' appropriate for the new powers proposed in the consultation document?

Yes

No

Don't Know

Please provide a reason (or reasons) for your answer:

Q28: If not, what do you consider to be a better alternative and why?

Please provide a reason (or reasons) for your answer:

Under existing law accommodation providers already must clearly display the price of their accommodation and any VAT which applies to their prices.

Q29: What requirements should apply to ensure accommodation prices transparently display a visitor levy?

Please provide a reason (or reasons) for your answer:

Stated separately on invoice

Q30: What, if any, transition arrangements should apply when accommodation is reserved and paid for in advance of a local authority choosing to impose, or subsequently vary, a visitor levy for the period the accommodation is let?

Please provide a reason (or reasons) for your answer:

The applicable tax rate should be the date when full payment is made (same as when VAT is paid) and helps with budget planning.

Q31. Should these transition arrangements be set out in a national framework or be decided by local authorities?

Tick one box:

Set out in a national framework

Decided by local authorities

Don't know



Please provide a reason (or reasons) for your answer:

Set out in national framework to ensure compliance by local authorities

Our partial BRIA indicates that the main groups that will be affected by a visitor levy are:

- Visitors (both domestic and international)
- Tourism accommodation providers and their employees
- Other tourism businesses and wider economy
- Local residents and general public
- Local Authorities

Q32: In addition to what is set out in our draft BRIA are you aware of any additional impacts the visitor levy will have for any of these groups?

Please specify group and additional impact.

Q33: Are there any other groups not listed here that should be given attention in the impact assessments?

Please list and state how they will be affected.

- 'Incoming' tourism businesses
- Private peer to peer hosts