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Local Authorities  
Accommodation Providers  
Accommodation Third Parties

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Colleagues

## **VISITOR LEVY (SCOTLAND) ACT 2024 - NEW NATIONAL EXEMPTIONS**

Thank you for attending the Scottish Government's visitor levy stakeholder sessions last month.

As discussed at these, concerns had been raised with the Scottish Government about how to calculate the visitor levy on third-party accommodation purchases, particularly where these were part of a package booking and there was no clear accommodation price. To address this issue, we propose to create a new national exemption under Section 11 of the Visitor Levy (Scotland) Act. This will allow the levy to be calculated on the first sale price where a visitor does not purchase accommodation from the accommodation provider. We shared initial text for this exemption and sought feedback on it. We also undertook to engage further and this letter continues that engagement and consultation, as required by the Act.

During the session, attendees asked about how the proposed exemption would interact with online travel agents and booking platforms. This interaction will depend on the operating model of the platform/agent and whether it purchases accommodation for re-sale or markets/facilitates the sale of accommodation. The exemption applies where an accommodation provider sells accommodation to a third-party and not the guest. In these circumstances the levy payable is the amount calculated on the accommodation portion of that first sale price and not against any subsequent sales or prices. The regulations allow that any amount of levy calculated on a subsequent room price above that of the first sale price is exempt. The exemption does not apply where a third party does not purchase the accommodation and instead markets or facilitates the sale of the accommodation.

It is also important to note that this is not an amendment to the Act. Section 11 of the Act contains powers for the Scottish Minister to create new national exemptions and it is this power that is being used in this case.

