Appendix 3

Perth and Kinross Council

Draft Visitor Levy Scheme – FIXED RATE

Proposed adoption under the Visitor Levy (Scotland) Act 2024

Perth and Kinross Council intend to use the powers conferred on it by the Visitor Levy (Scotland) Act 2024 ('the Act') to impose a visitor levy in respect of persons staying in certain types of accommodation overnight in its local authority area. Below are the details of the Perth and Kinross Visitor Levy Scheme ('the Scheme') based on a Fixed Rate Levy.

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Perth and Kinross Council

Draft Visitor Levy Scheme – FIXED RATE

1. Background

VISITOR LEVY (SCOTLAND) ACT

The Visitor Levy (Scotland) Act was passed by the Scottish Parliament on 28 May 2025. The Act provides Local Authorities across Scotland with the discretionary power to introduce a visitor levy by applying a set percentage charge to the cost of overnight accommodation paid by visitors staying within their area.

Under the legislation, it is for each individual Local Authority to determine:

- whether a visitor levy should be introduced
- the percentage rate at which the levy would be set
- how any revenues raised would be allocated

In February 2025, following the launch of the Perth and Kinross Tourism Strategy and Action Plan 2025–2030, the Economy and Infrastructure Committee of Perth & Kinross Council agreed to commence a period of early stage engagement on a visitor levy. The purpose of this engagement was to explore whether, and how, a visitor levy could be implemented within the Perth and Kinross area.

The findings from this early-stage engagement have been used to inform:

- whether a Visitor Levy should be introduced in Perth and Kinross
- which visitors, or types of accommodation would be subject to the levy
- the priority areas which revenues raised by the levy could be directed to

An extensive early – stage engagement process was undertaken, including an online survey, in person drop-in sessions and 1-2-1 meetings with accommodation providers.

An analysis of the results is available.

VISITOR LEVY (SCOTLAND) AMENDMENT ACT

The Scottish Parliament passed the Visitor Levy (Scotland) Amendment Act in March 2026. This legislation provides Local Authorities with additional flexibility in how a visitor levy may be applied to overnight accommodation. In particular, the Amendment Act enables councils to introduce a levy based on:-

- a fixed amount per room or area per night

- a variable fixed-amount per room or area per night

This is as an alternative to a percentage-based levy.

Following Royal Assent, the Amendment Act is projected to come into force in September/October 2026. Once a commencement date has been set this will allow Local Authorities to set a fixed monetary charge per room, or area per night.

The Visitor Levy (Scotland) Amendment Act was introduced following Perth and Kinross Council's early-stage engagement phase. That engagement was undertaken in the context of the original legislation and therefore focused solely on a percentage-based levy model. As such, consultees were not specifically asked for views on a fixed amount visitor levy scheme. The possibility of a fixed amount model was raised during the engagement regularly as a preferred option, particularly for accommodation providers. This was also fed back nationally and, along with other areas and direct representation from the tourism industry, helped to shape the amendment.

Perth and Kinross Council intend to use the powers conferred by both the Visitor Levy (Scotland) Act 2024 ("the Act") and the Visitor Levy (Scotland) Amendment Act to develop and draft a visitor levy scheme for consideration. The proposed scheme would apply to persons staying overnight in specified types of accommodation within the Perth and Kinross local authority area.

2. Strategic Context & Alignment

The visitor economy is one of the most important sectors in Perth and Kinross, supporting businesses, employment, and communities across the area.

This is reflected in our Perth and Kinross Local Economic Action Plan 2025 - 2030 and the Tay Cities Regional Prospectus for Growth 2025-2035.

It is also one of the key action areas under the Council's Corporate Plan 2022 2028 priority of '*developing a resilient, stronger, and greener local economy'*, where we commit to promoting what our city and towns have to offer to businesses, investors and visitors. Nationally, the visitor economy is also one of the Scottish Government's six key growth sectors.

The Perth and Kinross visitor economy sector generates: -

- 2.01 million visits to Perth and Kinross in 2024
- 2.8 nights average length of stay
- Total economic impact of £641 million for local businesses and communities
- 7000 full time equivalent jobs

The Visitor Levy (Scotland) Act requires that income raised through a visitor levy is reinvested locally in facilities and services which are used by, or for the benefit of, leisure and business visitors.

In developing an outline draft visitor levy scheme, Local Authorities are required to identify their own priorities for development and delivery within their local area. In doing so, a Local Authority must have regard to, and align with, the principles and objectives of relevant local tourism strategies, alongside other national, regional, and local strategies which impact upon the visitor economy.

The Council has therefore aligned the draft scheme to the proposed investment priorities with the **Perth and Kinross Tourism Strategy and Action Plan 2025–2030**, as well as wider economic, community and place-based objectives.

3. Scheme Objectives

The Visitor Levy Guidance requires that revenues raised through a visitor levy are reinvested locally in facilities and services which are used by, or for the benefit of, leisure and business visitors.

The proposed Visitor Levy Scheme is intended to strengthen this sector by ensuring that tourism growth is well-managed, sustainable and delivers tangible benefits for residents, as well as visitors.

The overarching aim of the proposed Visitor Levy scheme is to both sustain tourism and mitigate against visitor impacts across Perth and Kinross, supporting year-round visitation, encouraging longer stays, and maintaining a commitment to delivering high-quality visitor experiences that also benefit local communities.

The strategic purpose of the levy is therefore to:

- Support the tourism sector
- Support communities and managing impacts of tourism

For consultation purposes, it is proposed that investment would be broadly balanced between these priority areas, while allowing flexibility to respond to emerging needs and priorities.

SUPPORTING TOURISM

If a Visitor Levy is introduced, revenues raised would be reinvested in the following priority areas, in alignment with the Tourism Strategy; -

- **Area Promotion and Destination Marketing**
  Investment to promote Perth and Kinross as a high-quality, year-round destination, encouraging longer stays, increased visitor spend and dispersal across the area

- **Investment and Infrastructure**
  Investment in visitor facing infrastructure and services that enhance the visitor experience.

- **Market Development and Internationalisation**
  Support for the development of tourism products, cultural and heritage experiences, and opportunities to grow new and international markets

- **Industry Growth and Resilience**
  Support to strengthen the sustainability and resilience of the visitor economy, including skills, business support, and employability

- **Supporting Community-Led Initiatives – Community Tourism Fund**
  Targeted funding to support local, community-led visitor projects, particularly in rural areas and outside the peak season

How the levy could be used in practice.

By way of illustration, one year of visitor levy income could support investment in.

- Support for the promotion of Perthshire as a year-round destination, especially out of season

-New integrated visitor hubs on key routes such as the River Tay Way, including toilets, showers, bike shelters and changing places facilities

-Support for local heritage, interpretation and visitor information services, including libraries and local archives providing tourist information.

-Enhance signage, wayfinding and interpretation across Perth, rural towns and key long distance tourism routes

-Infrastructure for campervan and motorhome facilities, including waste disposal points along high demand corridors such as the A9

-A programme of countryside rangers at visitor management tourism hotspots to protect landscapes and reduce pressure on communities

- Development of cultural and heritage experiences linked to Perth's UNESCO City of Craft and Folk Art status.

- Support for off season festivals, major events and business tourism activity, helping extend the season and spread visitor benefits year round

-Investment in active travel and cycling infrastructure, building in the UCI Gran Fondo legacy

-Community grants for locally-led visitor projects in towns and villages across Perth and Kinross

SUPPORTING COMMMUNITIES AND MANAGING IMPACTS OF TOURISM

The visitor levy is not only about supporting tourism growth. The levy income can also be used to help communities manage visitor pressures. Many facilities and services used by visitors are shared with, and relied upon by local residents and communities.

This may include investment to: -

- Support the maintenance of roads, car parks, toilets and waste facilities in high-pressure areas
- Support for the maintenance and enhancement of local cultural and community assets, including libraries, some leisure facilities which are used by visitors and both residents and visitors
- Support transport connectivity, active travel infrastructure and public realm improvements which improve accessibility for residents, visitors and local businesses
- Improve public spaces, parks and visitor-facing town centre infrastructure which support both community wellbeing and the visitor experience

- Support local amenity improvements in places affected by tourism.
- Contribute to projects addressing housing and short-term let pressures, where clearly linked to visitor impacts.
- Support the maintenance and improvement of community facilities and public assets which experience additional demand associated with visitor activity.
- Improve visitor management, signage and parking to reduce disruption to local communities
- Provide additional countryside rangers and land management at busy visitor sites

This approach ensures that the benefits of tourism are more directly reinvested into the places most affected by visitor activity, helping to balance economic opportunity with community wellbeing and environmental sustainability. It recognises that investment in the visitor economy can also deliver wider social and place-based benefits for residents across Perth and Kinross.

4. Scheme Area, Start Date and Duration

The Scheme covers all the Perth and Kinross Council boundary area and will apply to overnight stays commencing on the scheme start date, which will be confirmed following the statutory 18-month implementation period.

Accommodation bookings made on, or after the date of the formal scheme adoption by the Council, will be subject to the levy from the start date. The Scheme will apply indefinitely, or until the Council decides to amend, or end it.

IMPLEMENTATION PERIOD

In line with the Visitor Levy Guidance, Local Authorities must allow an 18-month implementation period before the levy comes into effect. The 18-month implementation period starts after a Local Authority announces its decision on the visitor levy. The decision to announce must be on the same day, or after the public consultation results are considered.

This period will enable the Council and accommodation providers to prepare fully for implementation, including the development and testing of levy collection and reporting processes such as the - integration of the national visitor levy portal; preparation of statutory enforcement guidance; and delivery of training and support for accommodation providers. This phased approach is intended to ensure the levy is introduced in a consistent, transparent, and proportionate manner from the outset.

Note: "visitorlevy.scot" is the national digital service being developed in partnership between the Improvement Service and Local Authorities to help accommodation providers meet their responsibilities where a local visitor levy (sometimes called a "tourist tax") has been introduced. It provides a consistent, secure way to register, submit returns and make payments in areas where a council has approved a scheme. (https://www.improvementservice.org.uk/products-and-services/digital-public-services/visitor-levy)

5. FIXED RATE LEVY SCHEME

PROPOSED APPROACH

A Fixed Rate Levy, of an amount to be agreed will apply for the full length of stay at the same level across the entire Perth and Kinross Council boundary area. There will be no cap on the number of nights the levy will be applied by accommodation providers.

The Visitor Levy (Scotland) Amendment Bill was introduced following the Perth and Kinross Visitor Levy early-stage consultation in June to September 2025. The Visitor Levy (Amendment) bill currently gives local authorities full discretion on the value of the fixed amount levy. The Perth and Kinross Council early-stage engagement did not capture the advantages/ or disadvantages as the engagement was based on the existing legislation at that time in the Visitor Levy (Scotland) Bill. There is no guidance on appropriate fixed rates provided in the amended Visitor Levy Guidance.

LEVELS OF INCOME

The table below provides potential fixed rate levy revenue based on three values chargeables for eligible properties, based on the fixed amount per unit, or area per night.

Based on available published data on visitation to the Perth and Kinross area published on VisitScotland's corporate, figures for 2024 show there were 2.01 million nights spent by visitors in Perth and Kinross. (https://www.visitscotland.org/research-insights/regions/perthshire

Of those, 80% were in Serviced Accommodation, Self Catering or other properties which would incur a levy other than camping/hostels.; 16% were campsites; 4% were staying in a friend or family's home.

Suggested Fixed Levy Rate	No. of nights	Estimated Total Levy Generated (2024)
£3.00	2.01 million	£6,030,000 (£6.03 million)
£4.00	2.01 million	£8,040,000 (£8.04 million)
£5.00	2.01 million	£10,050,000 (£10.05 million)
Caveats apply to these figures in that this may be an estimated value based on all visitors. Deductions of exclusions by protected groups, varying party sizes, and the application of caps for duration of stay (note: most overnight stays are less than three nights) have not been applied.		

Source. International visitors: International Passenger Survey, GB residents: Great Britain Tourism Survey, 2024

For comparability, based on a Percentage Scheme, it is estimated that: -

- A 1% Visitor Levy in Perth and Kinross could generate around £1.6m - 1.8m per year.
- A 3% love could generate between £4.9m and £5.6m per year.
- A 5% levy could generate between £8.2 - £9.3m per year.
- A 7% levy could generate between £11.5 - £13m per year.

Source. The Moffat Centre for Travel and Tourism Accommodation Appraisal

On the basis of modelling, and, as highlighted by stakeholders during the early engagement, the level of investment needed such as in tourism marketing, infrastructure and visitor management, a fixed-rate levy of £4 per night is identified as the Council's initial reference point for consultation. Alternative rates of £3 and £5 per night are also presented to test stakeholder views and to understand the sensitivity of income generation and potential impacts across the visitor economy.

6. Accommodation Liable for the Levy

The levy will apply to all eligible chargeable overnight accommodation, based within the Perth and Kinross Council boundary.

This includes: -

- hotels.
- hostels.
- guest houses.
- bed and breakfast accommodation.
- self-catering accommodation, including short-term lets.
- all paid accommodation on caravan sites and camping sites, including temporary tent and campervan pitches.
- accommodation in a vehicle, or on board a vessel, which is permanently or predominantly situated in one place; and
- any other place at which a room or area is offered by the occupier for residential purposes otherwise than as a visitor's only or usual place of residence.

ACCOMMODATION BASE NOT SUBJECT TO THE LEVY

The levy does not apply to: -

- local authority gypsy and traveller sites, and registered social landlord gypsy and traveller sites.
- accommodation in a vehicle or vessel undertaking a journey involving one or more overnight stops. This includes motorhomes and campervans.
- accommodation provided at no charge.
- seasonal pitches on caravan sites, unless sub-let to another visitor for an overnight stay.

7. Exemptions and Reimbursement

The Visitor Levy is payable by anyone staying in accommodation which is not their only or usual place of residence (temporary or otherwise). Individuals who do not have an only or usual place of residence are therefore not required to pay the levy.

This includes people who are; -

- homeless or at risk of homelessness
- refugees and asylum seekers
- people whose homes are unfit or unsafe for habitation, including those experiencing domestic abuse or other forms of violence
- members of gypsy/traveller communities staying on dedicated sites are also excluded

In addition, individuals defined in s. 14 (1) of the Act are exempt from paying the levy. As at the time of agreeing the Scheme, those exempt under s. 14(1) are individuals in receipt of the following benefit payments: -

- Disability Living Allowance
- Disability Assistance
- Attendance Allowance
- Pension Age Disability Benefit
- Personal Independence Payment

Exemptions will be in place for those in receipt of Adult Disability Payment (ADP), Pension Age Disability Payment (PADP), and Scottish Adult Disability Living Allowance (SADLA), as these benefits replace existing disability benefits in Scotland from 2025. The list of exemptions was extended to include a wider eligibility of those receiving disability exemption as proposed in updated regulations that came into force on 1 April 2026.

Source. The Visitor Levy (Scotland) Act 2024 Amendment Regulations 2026

Certain groups of carers are also exempt from the visitor levy, specifically individuals in receipt of

- Carer’s Allowance or
- The Carer’s Element on Universal Credit.

DISCRETIONARY EXEMPTIONS

There are types of accommodation that may apply to the Council for a discretionary site exemption if they meet both of the following criteria: -

- The property is occupied by a charity or trustee of a charity; and
- Overnight stays must be wholly or mainly for charitable or educational purposes.

This discretionary exemption is aligned with the cases where charities may receive mandatory relief from paying Non-Domestic Rates and may be cross-checked with that register.

There will be an exemption in place for residents of Perth and Kinross Council boundary area who are registered for council tax (or within a council-tax registered property) in the Perth and Kinross Council area.

REIMBURSEMENT

Individuals who are exempt or excluded will need to pay the levy to the accommodation provider and request reimbursement from the Council unless their accommodation has been arranged and paid for directly via the Council.

Individuals who are exempt or excluded will need to pay the levy to the accommodation provider.

visitorlevy.scot does not facilitate a reimbursement process enabling individuals to request levy payment refunds. As such local authorities are required to set up their own process to enable individuals to apply for reimbursement, which will sit outside the visitor levy platform.

Alternative provision will be made for those who do not have internet access.

Evidence required to be submitted includes: -

- The name of the person exempted or excluded
- If exclusion applies, verification of such status from the relevant official body (this can include the Council's Homelessness service, social services, a relevant third sector provider or Police Scotland)
- If exemption applies, a copy (scan or photograph) of the relevant benefit award letter or similar document
- Booking confirmation or accommodation invoice - the name of the person exempted or excluded should be included on this document
- Proof of payment for the overnight accommodation

The Council will assess the evidence received and, if eligible, will reimburse the amount.

In line with current HMRC interpretation, the Visitor Levy is expected to form part of the VATable value of accommodation where the accommodation provider is VAT-registered. As a result, visitors may pay the Visitor Levy inclusive of VAT. The Council will reimburse the Visitor Levy amount only. The VAT element is not recoverable and may result in a small residual cost to the visitor. Where the accommodation provider is not VAT-registered, no residual cost will arise.

8. Collection and Enforcement

Accommodation providers within the Perth and Kinross Council area will be responsible for the collection of the visitor levy on behalf of the Council.

Accommodation providers will be required to submit quarterly reports to the proposed national online visitor levy portal (visitorlevy. scot).

These returns must detail: -

- the total accommodation charges liable for the levy
- the total levy collected during the reporting period

Payment of the levy will be made at the same time as the submission of the quarterly return.

The application of a fixed rate may make the delivery of the scheme easier for Local Authorities and accommodation providers, compared to a percentage-based scheme. This would make local authority management of the scheme and accommodation provider processing costs lower, reducing the budget to administer.

Accommodation providers will be required to maintain accurate and complete records of all transactions that are subject to the levy.

To support accommodation providers in meeting the costs associated with administering the Visitor Levy, accommodation providers will be entitled to retain a proportion of the levy collected at their establishment, before remitting the remaining balance to the council.

The proposed retention rates are.

- 2.5% of levy for all businesses with no cap

Perth and Kinross Council will undertake monitoring and conduct inspections, as required, to ensure compliance with the Scheme and requirements of the scheme.

Accommodation providers who fail to comply with the scheme may be subject to penalties and enforcement action, in accordance with the powers set out in the Visitor Levy (Scotland) Act.

The size of these penalties is to be set by the local authority.

Appeals relating to decisions made by the Council on the operation and/or enforcement of the Scheme can be registered via the Council's online complaints portal or by email to the contact address published on the Council's website, following the Council's formal complaint procedure.

9. Reviewing and Changing the Scheme

The Council will review the Scheme every three years to assess whether it is successfully achieving its objectives and to measure the impact of the Scheme on businesses, visitors, and communities. The review will be published along with a report detailing how the income has been spent and the benefits which the levy-funded projects have brought.

Within the first 18 months of the Scheme's launch, and for each 12-month period thereafter, the Council will prepare an annual report detailing the levy value collected, how net proceeds were used, and the performance of the Scheme against its objectives. Performance may be measured through existing reporting methods, including resident and visitor satisfaction surveys, occupancy rate monitoring, committee and Visitor Levy Forum reporting, and tracking of allocated spend on services, infrastructure, culture, heritage, and events.

If the Council wishes to amend the Scheme following the review, it will publicly consult on the proposed change and publish a report detailing the decision and its justification. The three-year review would also be the opportunity to consider inflation impacts on the fixed amount.

Significant changes to the Scheme will require either a 6-month or 18-month implementation period depending on the change. Significant changes to the Scheme include: -

- Increasing the Scheme area – 18 months.
- Increasing the fixed amount levy - 6 months
- Moving to a percentage rate from a fixed amount or from a fixed amount to a percentage – 6 months; and/or
- Removing any exemptions – 18 months.

10. Governance, Visitor Levy Forum and Administration

GOVERNANCE

Decisions on the allocation of Visitor Levy funds will be taken by the appropriate Council or Committee in accordance with established governance arrangements, informed by the advice of the Visitor Levy Forum.

To ensure transparency and accountability, the Council will publish an annual "Levy In, Levy Out" report, setting out:

- total Visitor Levy income collected.
- administration costs.
- how net proceeds have been allocated; and
- total Visitor Levy income collected
- administration costs
- how net proceeds have been allocated

VISITOR LEVY FORUM

Local Authorities must set up a Visitor Levy Forum within 6 months of a decision being made to introduce a levy scheme.

A Visitor Levy Forum will be established to discuss and advise on the Visitor Levy Scheme, including any review of the Scheme and any proposed amendments to the scheme. The forum will be consulted on how the Visitor Levy funds will be spent.

The visitor forum will be made up of representatives from

- accommodation sector, including operators of different accommodation types from across the region.
- wider tourism businesses with an interest in the visitor economy
- local tourism organisations and destination management bodies
- local communities and residents, with a particular emphasis on ensuring representation from rural areas and communities in visitor hotspot areas
- cultural organisations
- national tourism bodies, including VisitScotland.

The forum will seek to include visitor representation, for example through visitor insight data and research, to ensure that the experience and priorities of actual visitors are reflected in forum discussions.

Forum membership may also include elected members; however elected members must not make up a majority of the forum.

The Forum is an advisory body with no capacity to make decisions; decisions on the Scheme may only be made by Council Elected Members.

The Forum's remit will include recommending annual priority projects within the statutory use-of-funds scope; scrutinising performance and delivery against the Scheme's objectives; and commenting formally on any proposed rate, cap, or geographic changes prior to public consultation.

ADMINISTRATION

The administration of the Visitor Levy scheme will require a combination of staffing, systems and governance arrangements. This includes the operation of registration and returns processes for accommodation providers, reconciliation of levy income, compliance, audit and enforcement activity, and the administration of exemptions and reimbursements.

The Council will ensure that sufficient capacity and expertise are in place from the outset to support implementation and maintain an efficient, compliant and customer-focused service.

Detailed administrative costs will be developed and presented as part of the final scheme following statutory public consultation and will be refined during the implementation period as operational arrangements are confirmed.

Sources. Guidance on the Visitor Levy for Local Authorities guidance-on-the-visitor-levy-for-local-authorities.pdf. The Guidance is currently being updated to take into account new legislation.