Edinburgh Visitor Levy Scheme: Information for accommodation providers

Disclaimer

This document has been produced solely for information purposes and is intended to aid businesses in understanding their responsibilities under the Scheme for the Edinburgh Visitor Levy. It should be read in conjunction with the following:

- The Visitor Levy (Scotland) Act 2024 ("the 2024 Act")
- Visitor Levy (Amendment) (Scotland) Act 2026 ("the 2026 Amendment Act")
- VisitScotland Visitor Levy Guidance for Local Authorities ("the 2026 VisitScotland Guidance")
- The Scheme for the Edinburgh Visitor Levy (January 2025)

It does not substitute the Visitor Levy (Scotland) Act 2024, any related legislation, or any national guidance and does not constitute legal advice. Therefore, when in doubt, please seek independent legal advice.

Contents

Additional information

The Council webpages on the Edinburgh Visitor Levy are regularly updated. This includes information on:

- How the Edinburgh Visitor Levy proceeds will be invested.
- Penalties that can be charged in relation to the levy.
- How appeals can be made in relation to the levy.

The Edinburgh Visitor Levy team can also be contacted at visitorlevy@edinburgh.gov.uk. As noted above, if you are in doubt, you should seek independent legal advice.

Accommodation liable for the levy

The levy will apply to all overnight accommodation based within the City of Edinburgh Council boundary, including those with an annual turnover below the applicable VAT threshold.

The types of accommodation subject to the levy are set out in section 4 of the 2024 Act and include:

1. Hotels
2. Hostels
3. Guest houses
4. Bed and breakfast accommodation
5. Self-catering accommodation, including short-term lets
6. All paid accommodation on caravan sites and campsites, including tent and campervan pitches, and temporary campsites
7. Accommodation in a vehicle, or on board a vessel, which is permanently or predominantly situated in one place
8. 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.

Certain accommodation providers in Edinburgh may apply to the Council for a discretionary site exemption. Application details can be found later in this document. Certain accommodation is exempt from the levy by virtue of section 4(3) of the 2024 Act, please refer to that section for further details.

Calculating the levy

For the purposes of calculating the levy, the levy is 5% of the **accommodation only** portion of the transaction, net of VAT.

The Council is aware that there are a number of calculators available online which offer to calculate the levy. None of these calculators are endorsed by the Council and are used at the users own risk. It is the responsibility of each liable person to ensure that their levy return is correct.

Paragraphs 6-9 of Chapter 10 (*Calculation of a Levy*) of the 2026 VisitScotland Guidance provide further detail and are copied below:

“6. A percentage rate visitor levy only applies to the accommodation portion of the charge. Under the Act, the accommodation portion refers only to the amount of the chargeable transaction that is attributable to the provision of the overnight accommodation. It sets out the following that should **not** be included:

a. meals or drinks
b. parking for a vehicle (other than a parking area provided as overnight accommodation in respect of the transaction)
c. laundry facilities or services
d. entertainment
e. transportation to and from the accommodation

7. Where a percentage rate is applied, accommodation providers should deduct the amount that they deem to be reasonably attributable to non-accommodation costs and calculate the visitor levy on the remaining amount. Anything that they would charge separately (e.g. paid-for parking, paid-for transportation) should not be included in the calculation.

8. Although not set out in the Act, is expected that in most cases other services that are routinely included in the room/property price - and visitors are therefore not given the option to opt out of for a reduced rate - should be included as part of the accommodation cost.

9. For example, the Act states that ‘laundry facilities or services’ are excluded from the calculation. This is where optional extra services are offered, which visitors can choose to opt in or out of – such as paid-for laundry services, or where additional charges are offered for bed linen, towels, etc. These additional costs would be removed before the visitor levy is calculated. Conversely, this would not include the standard cleaning of a room or property, as there is unlikely to be an option to book accommodation that has not been cleaned for a reduced amount, irrespective of whether the accommodation provider itemises cleaning separately in invoices.”

Further details on calculating the levy can also be found in:

- Section 5 of the 2024 Act
- Chapter 10 (*Calculation of a Levy*) of the 2026 VisitScotland Guidance, including worked examples.

VAT

The levy applies to all overnight accommodation based within the City of Edinburgh Council boundary, including those with an annual turnover below the applicable VAT threshold.

The 2026 VisitScotland Guidance states that the levy should be included as turnover and (if the accommodation provider is operating above the VAT threshold and thus VAT-registered) is liable for VAT. Matters relating to VAT are handled by HM Treasury and the HMRC. If businesses or individuals are in doubt, they may wish to seek their own tax advice on this matter.

Further information on the VAT interaction with the levy can be found in the 2026 VisitScotland Guidance Chapter 10 (*Calculation of a Levy*).

Third-party bookings and reselling

In July 2026, new legislation (the 2026 Amendment Act) came into effect which clarifies that the chargeable transaction, upon which the levy is charged “is the initial transaction (and not any subsequent transaction)”.

The VisitScotland Guidance expands on this, stating that: “In a percentage based VL scheme, when a third party purchases accommodation from an accommodation provider[…], the visitor levy should be calculated based on the initial transaction price (or contract price) agreed between the accommodation provider and the third party at the point of contracting.”

Further information on this can be found in the 2026 VisitScotland Guidance in Chapter 10.

Commission

As above, the levy applies to the “initial transaction”. If an accommodation provider is selling via an online travel agent (OTA) or another agency, commission or service charges often apply. If this commission (or service charge) is part of the ‘initial transaction’, it **should be included** as part of the levy calculation if it applies to the accommodation portion of the sale.

5-night cap

In Edinburgh, the levy is payable for a maximum of 5 consecutive nights in respect of each chargeable transaction (as defined in s.3(2) of the 2024 Act). Please see below for some example scenarios which can be adapted for individual business practises.

	Scenario	**When is the levy liable?**
1	Visitor books a stay for 7 nights in a hostel.	The levy is liable on the first 5 nights, but **not** on the last 2 nights.
2	Visitor books a stay for 4 nights in a hotel, then checks out to stay in another location (which may also be in Edinburgh). They later return to the same hotel room and stay for a further 2 nights.	The levy is liable on every night, as they do not stay for more than 5 nights consecutively in the same accommodation.

3	A company makes a booking of one room at a B&B for 14 nights. Employee 1 stays in the room for 4 nights, then checks out and the room is changed over. Employee 2 checks into the room and stays for the remainder of the booking. Neither employee is charged for their stay.	As there has been no purchase of the accommodation by either employee, the only chargeable transaction is that entered into by the Company. Therefore, only the first 5 nights of the 14 night booking are liable for the levy.
4	An individual travels to Edinburgh for work multiple times per year. For each visit, they stay for 5 nights.	The levy is liable on every night, as each booking represents a separate chargeable transaction.

When to charge the levy

When to charge the levy is a matter for accommodation providers to decide. Some may wish to:

- Charge the visitor in full when they make their reservation
- Charge the visitor when they check in
- Charge the visitor when they check out
- Not charge the visitor and pay on their behalf

This is not a list of recommendations, nor is it an exhaustive list of possible options.

Businesses may wish to consider the section below on Cancellations when deciding when/how to charge the levy.

The Council considers that the levy should only be charged to stays which **commence** on or after 24 July 2026. Stays which commenced before 24 July 2026 are not liable for the levy, even if they finish after the levy comes into effect on 24 July 2026.

Billing

Extract from the 2026 VisitScotland Guidance, Chapter 10 (*Calculation of a Levy*):

“The final total price inclusive of the visitor levy must be clearly communicated to the visitor at the point of booking, adhering with existing UK pricing regulations.”

Extract from the 2026 VisitScotland Guidance, Chapter 15 (*Billing of Overnight Accommodation*):

“Scottish Ministers have the power to set out in regulations requirements for the billing of overnight accommodation with respect to the chargeable transaction. At the time of publication no regulations on billing have been made.”

Cancellations

Extract from the 2026 VisitScotland Guidance, Chapter 13 (*Liable Persons*):

"Accommodation providers often experience cancellation or no-shows. Where a cancellation happens on a booking that is pre-paid (including an amount equivalent to the visitor levy), the business should refund the visitor levy to the visitor and not remit it to the local authority. For a visitor levy to be remitted to a local authority, a visitor is required to have entered the overnight accommodation having purchased that right to reside in that overnight accommodation for a stay when the VL scheme is in operation. If no payment of a visitor levy has taken place before the cancellation, no refund is required."

Please note this also applies where visitors do not arrive for their booking.

Bookings made on/after 1 October 2025 for stays on/after 24 July 2026

The Edinburgh Visitor Levy applies to overnight stays on/after 24 July 2026, booked on/after 1 October 2025.

A booking which has been paid for in part or in full before 1 October 2025 is exempt from the levy. Such bookings (or contracts) must specify:

- Specific dates (e.g. not a month, week or season)
- A precise number of rooms
- A stated room price per night (not, for example, "1 January 2024 prices + 10%")

The payments (full or part) must also be:

- A tangible amount
- Directly attributable to a room/rooms
- Non-refundable (i.e. not refundable deposits)

Exemptions

Individuals who are exempt from the levy are detailed in the legislation (sections 4 and 14) and on the Council's website. As per the Scheme for the Edinburgh Visitor Levy, these individuals must still pay the levy upfront and reclaim the levy from the Council.

Information for exempt individuals who are eligible for reimbursement is available on the Council website. It should be noted that reimbursements can only take place after the visitor has taken entry to their accommodation, and the end date of their stay has passed.

The Council has committed to issuing the reimbursement within 5 working days of receipt of the relevant documents, if the applicant is found to be eligible.

Discretionary exemption for charitable accommodation providers

Certain accommodation providers 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 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.

Accommodation providers who do not charge for overnight accommodation, or who cater fully for individuals who are exempted from paying the levy are not liable for the levy.

Application process:

If you believe your sites may be eligible for an exemption, please email visitorlevy@edinburgh.gov.uk and include the name of the liable person at the property. It should also include the name, address and Non-Domestic Rate reference number for the property. If you do not pay Non-Domestic Rates, please include your Council Tax and/or Short Term Let registration number.

Council officers may be in touch to seek further detail on the nature of overnight stays at the property in order to verify that they are exempt.

Throughout this process, a "reasonable onlooker" approach will be taken – i.e. would a reasonable onlooker in possession of the facts deem the criteria to be fulfilled?

Appeals process:

See section on Enforcement, penalties and appeals later in this document.

Properties found to be eligible for an exemption:

If your property is found to be eligible for this site-specific exemption, you will be informed in writing or via email.

The Council may periodically review exemptions to check whether properties remain eligible. The Council will communicate to you if your property is no longer eligible for an exemption and inform you of the date from which that exemption will cease to have effect.

Support for accommodation providers

Administration support for accommodation providers: 2% of the total levy due to the Council

To recognise and mitigate costs incurred as a direct result of introducing a visitor levy, accommodation providers can retain 2% **of the total levy funds they are due to remit** to the Council.

This will be calculated on visitorlevy.scot when accommodation providers submit their returns and will be administered on a 'retention' basis. For example, if an accommodation provider owes the Council £100 of visitor levy, they will retain £2 and pay the Council £98 (£100 – £2) via the platform.

Promotional materials

The Council has prepared materials to communicate the introduction of the Edinburgh Visitor Levy to guests. This includes:

- **Check in desk 'VL at-a-glance' info display**
  - Physical countertop sign (A5) and associated digital graphic for screens, to display at check-in points to give guests quick access to key Visitor Levy information on the Council's website.
- **Front-of-house staff briefing pack**
  - Briefing pack for front-of-house staff, summarising key information on the Visitor Levy scheme, including a Q&A covering the most commonly asked questions by visitors.
- **Window sticker**
  - Displays for accommodation providers to promote the Visitor Levy scheme to guests, directing them to key Visitor Levy information on the Council's website.
- **Exemptions refund information sheet**
  - Information sheets for accommodation providers to hand out to those visitors who may be exempt from paying a Visitor Levy, explaining how to apply for a refund of the levy and what information they need to supply when applying.

These materials are available to download from the Council's website, and are available for collection by request at Waverley Court, 4 E Market St, Edinburgh EH8 8BG by emailing visitorlevy@edinburgh.gov.uk .

Paying the levy to the Council

Levy submissions will need to be made quarterly in arrears to the Council. The first levy reports and payments are due in **October 2026**, for the period 24 July - 30 September 2026.

The levy will be reported and remitted via visitorlevy.scot, which accommodation providers can sign up to now. A Visitor Levy Calculator is also available.

Submission period and payment timetable

For stays occurring between:	Submission period (30 days after end of period)	Payment due
24 July – 30 Sept 2026	1 Oct – 31 Oct 2026	1 Oct – 13 Nov 2026
1 Oct – 31 Dec 2026	1 Jan – 31 Jan 2027	1 Jan – 13 Feb 2027
1 Jan – 31 March 2027	1 Apr – 30 Apr 2027	1 Apr – 14 May 2027
1 Apr – 30 June 2027	1 July – 31 July 2027	1 July – 13 Aug 2027
1 July – 30 Sept 2027	1 Oct – 31 Oct 2027	1 Oct – 13 Nov 2027

Information required when submitting levy returns

How often will this be asked?	Information required	Input format	Information format and explanatory notes
Quarterly	Availability of the accommodation over this period	Tick box	Choose whether the property has Full, Part or No availability for the quarter
	Reason for reduced availability (if applicable)	Text	Text explaining reason for partial availability (if applicable)
Quarterly, but figures must be provided for each month	Total paid by customers for accommodation only	Monthly figure in £	The total taken for the **accommodation-only** cost for the month (see above, Calculation of the Levy). This should not include any levy amount.
	Revenue from overnight stays booked before 1 Oct 2025	Monthly figure in £	The total taken for the **accommodation-only** cost, if booked (and paid for in part/full) before 1 October 2025 (see above, Bookings made on/after 1 October 2025)
	Revenue from overnight stays beyond 5 nights	Monthly figure in £	The total taken for the **accommodation-only** cost, from the 6th night onwards for stays of 6 consecutive nights or more. (see above, 5 night cap) **Do not** include revenue for stays booked (and paid for in part/full) before 1 October 2025.
By request, if the Council's Enforcement team require additional information	Total availability	Monthly figure	Total availability of this accommodation for each month. For this figure, include all available rooms, whether they are occupied or not.
	Total occupied nights	Monthly figure	Total number of occupied nights (e.g. 5 units occupied for 5 nights would be 5 x 5 = 25 occupied nights)
	Total nights booked before 1 October 2025	Monthly figure	The number of nights booked (and paid for in part or in full) before 1 October 2025 (see above, Bookings made on/after 1 October 2025 for stays on/after 24 July 2026)
	Number of bookings longer than 5 nights	Monthly figure	The number of bookings made for longer than 5 consecutive nights (see above, 5 night cap). E.g. a visitor staying for 10 consecutive nights would count as 1 booking for this field.
	Number of stays longer than 5 nights	Monthly figure	The total number of consecutive nights visitors stayed beyond 5 nights (e.g. 6th night onwards)
	Supporting evidence (documents)	File/attachment upload	Optional opportunity to upload documents to support submitted information
	Additional information	Text	Optional opportunity to include text to support submitted information

Record retention

As per section 28 of the Act, accommodation providers should retain records for 5 years from the date on which a submission is made.

For bookings made before 1 October 2025, for stays on/after 24 July 2026, records should be retained for 5 years after the stay has taken place.

Enforcement, penalties and appeals

As per Part 5 of the Visitor Levy (Scotland) Act 2024, the City of Edinburgh Council can implement penalties for non-compliance or late payment of the levy.

The Policy and Sustainability Committee approved the Edinburgh Visitor Levy Penalty Framework on in the meeting on 26 May 2026, and the agreed penalties are available on the Council's website.

Where accommodation providers have taken all reasonable steps and exercised due diligence to comply, this will be taken into account. Enforcement action by the Council will be reasonable and proportionate taking account the facts and circumstances of each case.

As per Part 5 of the 2024 Act, and the Visitor Levy (Reviews and Appeals) (Scotland) Regulations 2026, affected parties can request reviews of relevant decisions taken by the Council in relation to certain aspects of the visitor levy scheme. The Council has prepared a further document outlining the appeals process which is available on the Council's website.