

FOI – 202500498797 – Documents in scope – Redacted

Document 1 – Expedia Group Letter

Ivan McKee MSP,
Minister for Public Finance,
Scottish Government,
St Andrew's House,
Regent Road,
Edinburgh, EH1 3DG

26th November 2025

Dear Minister,

Re: Support for the Expedited Visitor Levy (Scotland) Reform Bill 2025

I write on behalf of Expedia Group to add our voice to the growing industry support for the Expedited Visitor Levy (Scotland) Reform Bill, as proposed by the Scottish Tourism Alliance and other groups. Expedia Group is one of the world's largest Online Travel Agents and through our brands, travellers make many hundreds of millions of pounds worth of bookings in Scotland each year.

Along with other proponents of the Expediated Bill, we believe that changing the Visitor Levy framework to a flat fee would significantly improve clarity, fairness, and operational practicality for travellers, accommodation partners, and online platforms. Indeed, it aligns with our original submissions to the Scottish Government and Parliament, advocating for a flat fee model.

As has become clear from the experience in Edinburgh, the present percentage-based levy creates a number of challenges. Separating out the accommodation portion of a booking (excluding VAT, meals, cleaning, and other extras) for the purpose of calculating the levy is complex for operators. This complexity also undermines transparency for customers and does not sit well with the technical limitations of many operators' pricing and booking systems. Rather than enabling local businesses to benefit from tourism-driven investment as intended, the levy therefore has the opposite effect, placing an undue burden upon them as has been made evident in recent months.

We are also concerned that the percentage-based approach disproportionately affects lower-cost or budget stays. For instance, when room rates go up (for example during the Edinburgh Festival), the levy increases too, which can disadvantage price-sensitive travellers and performers. We have also now seen different local authorities across Scotland propose different percentage rates which will lead to fragmentation in a system that is already causing difficulty for the industry to manage consistently.

We have always believed that a flat fee is a more practical solution. It offers simplicity in calculation, and it can be more clearly displayed to travellers. This benefits all parties. Guests understand exactly what they're paying, operators don't need to invest in complicated billing changes, and platforms can integrate the levy more seamlessly.

In our view, the most workable form of a flat fee model is when it is charged on a per booking or per night basis. Per person charges often cause problems as the number of guests staying regularly changes between the point of booking (where payment is commonly taken) and the moment the levy is technically chargeable during the stay itself. We would urge the Bill to therefore limit the flat fee model to a per night charge to prevent these issues from arising. Otherwise, Scotland risks swapping one system that causes difficulty for the sector for another.

By supporting the Expedited Bill and bringing it forward before Christmas, the Government has an opportunity to act swiftly to learn from some of the issues that have accompanied the roll out of the first levy in Edinburgh. A flat-fee system could deliver a stable, predictable contribution from visitors, without placing unnecessary burden on accommodation providers or confusing travellers. It would also mean that the option for a flat fee levy would be open to local authorities before the next percentage-based model, in Glasgow, is expected to be activated in January. We are confident that, given the choice, local authorities will amend their proposals to turn away from a percentage-based levy.

In terms of how this interacts with the existing Edinburgh levy, which is already being advertised, the City Council has worked hard to create a system under the existing legal framework. Despite obvious issues, operators have also invested in systems to accommodate the percentage rate and travellers have already made bookings incorporating the levy. Taking all that into account, we would understand if Edinburgh may wish to keep its existing model for the time being and explore making a change to a flat fee at an appropriate point in future and with having consulted thoroughly with the sector. We stand ready to help and give our view if that would be useful.

We would welcome an opportunity to support implementation discussions for the Expedited Bill, whether through technical working groups, by sharing our expertise in booking-platform mechanics, or helping with communications to partners. Expedia Group remains committed to seeing Scotland's visitor economy grow in a sustainable

way, and we believe this Expedited Bill will help strike the right balance for all stakeholders.

Thank you for considering our views. We hope the Scottish Government will move swiftly to introduce this Expedited Bill and set a practical, fair course for the future of the Visitor Levy. We would be delighted to discuss our views further if that would be of interest.

Yours sincerely,

Charles Reith

Director for Government Affairs, Northern Europe, Expedia Group

Email: [REDACTED – S.38(1)(b) (personal information)]

CC

Shona Robison MSP, Cabinet Secretary for Finance and Local Government,
CabSecFLG@gov.scot

Richard Lochhead MSP, Minister for Business and Employment, MinisterforBE@gov.scot

[REDACTED – S.38(1)(b) (personal information)]

Document 2 – Letter on behalf of Constituent

From: [REDACTED – S.38(1)(b) (personal information)]

Sent: 07 November 2025 13:30

To: Central Correspondence Unit <scottish.ministers@gov.scot>

Subject: (Case Ref: AD13622)

[REDACTED – S.38(1)(b) (personal information)]

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Good Afternoon,

I am a caseworker to Ash Regan MSP and contact you on behalf of a constituent with the following and in relation to

“The legislation is:

UK Price Transparency Legislation (Digital Markets, Competition and Consumers Act 2024 and Price Marking Order 2024) is, as the title announces, about transparency.

It states:

“Scottish Ministers have the power to set out in regulations requirements for the billing of the overnight accommodation, the levy percentage and the actual amount of the levy charged”

Any information you are able to provide the constituent would be gratefully appreciated as is your time and consideration o this matter.

Kind regards,

“To the attention of Ms. Ash Regan,

The method that Edinburgh City Council (CEC) has chosen to collect Edinburgh’s Visitor Levy: 5% per person for the first five nights, is unworkable.

This system is impossible to implement, as “The Herald” has stated, because:

The Visitor Levy rules seem to contradict transparency requirements of existing legislation which state that the whole cost including all taxes be displayed at point of purchase.

However, accommodation providers (APs) do not have the level of access to on-line travel agencies (OTAs) websites to state the levy at point of purchase; therefore, it is impossible for them to do so. Only OTAs themselves can do that.

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OTAs themselves cannot calculate nor display 5% for five days.

They can display and charge a flat rate (including a graded scale of charges) then remit it directly to local municipalities, as they do in other countries.

The new Visitor Levy legislation requires APs to apply the 5% for the first five nights on the accommodation element only, therefore APs will have to strip out non-accommodation elements such as meals, parking or cleaning fees before applying the levy, which is administratively unmanageable, technically inconsistent and open to misinterpretation.

Mixed packages and bundled deals that some hotels use, make accurate levy calculation impossible.

CEC cannot accurately monitor the administration of the levy, via APs. It is so convoluted, complex and impractical that it is unworkable, and, it could be open to mischief.

APs, particularly B&B hosts, reason that it is an unnecessary complication to foist it onto them at all.

They do want to be legally responsible for collecting, then remitting other people's tax, and submission of accurate information seems impossible.

HMRC has said it is "odd" and need more information.

APs have different skills, and are fully occupied administering, managing and maintaining standards of accommodation and welcoming visitors daily.

A flat rate visitor levy can easily be collected, effectively, and precisely monitored, with the click of a button by OTAs, which can then remit money directly to CEC.

Since most OTAs calculate their service charges on the whole cost, all APs (hotels, B&Bs, hostels) will have to raise their costs by more than 5% so as to maintain the same level of income.

APs will have to raise their price for all nights, not just for five, by over 5% because nobody knows for how long guests might choose to book, and each time guests move accommodation, the five day 5% levy starts again.

Many visitors spend a week in Edinburgh, split into two nights in one place, two in another, and three in yet another.

APs will be subjected to double taxation. As the Visitor Levy is to be 5% it seems that it'll be counted as taxable income on APs, yet that same income is already taxed.

Yet, the visitor levy as the name indicates, is intended to be a tax on visitors not on APs.

Some small B&B operators may have to close for part of the year otherwise they may be pushed over the VAT threshold.

The Scottish Tourism Alliance states that “..the depth of technical, legal and administrative complexity has become increasingly apparent... it is now clear that the current percentage model cannot be implemented”

"...it is now deemed operationally impossible.."

Visit Scotland is drafting fresh advice to CEC recommending that the levy is changed to a flat rate per person per night charged at point of purchase, which means that OTAs can collect it, then pay it to CEC, as functions successfully elsewhere.

Visit Scotland's Guidance 2024, states at Chapter 15 (“Billing of Overnight Accommodation”):

"Billing The visitor levy should be included in the total, final advertised price..."

APs want a flat rate per night per person, on a sliding scale, charged to the visitor at point of purchase by the OTAs then remitted by them directly to CEC.

It is a straightforward system that has been proven to work successfully elsewhere.

CEC seem likely to be able to raise more money, consistently, this way because it is automatic, and cannot be misinterpreted by OTAs, APs or CEC.

For example, Rome's 2025 tourist tax rates, per person per night, range from €10 at 5-star hotels to €3.50 at hostels. Elsewhere rates vary from €15.60 to €0.65 for one star camp sites.

CEC can set flat rates at whatever level they think expedient, while still being hospitable.

The 5% for five days method is unworkable.

It is also unwelcoming and bad for the reputation of Edinburgh, thus Scotland.

CEC ought to acknowledge that due to the new information about the daily detail of the practical impossibility of their 5% for five days system, they ought to be flexible.

There seems no reason not to adopt the already proven, simple, effective system of collecting and remitting the visitor levy (see points 5 & 11 above).

If this also has to involve Ministers in Holyrood, it seems that they too ought to address this, quickly."

[REDACTED – S.38(1)(b) (personal information)]

Office of Ash Regan MSP

Constituency MSP for Edinburgh Eastern

Constituency Office: Tron Kirk | 6 Craigour Gardens | Edinburgh | EH17 7NX

Email: [REDACTED – S.38(1)(b) (personal information)]

I am required to bring your attention to my updated Privacy Statement which explains how your information will be used and stored by our office. You can read the full Privacy Statement here:

<https://voteashregan.com/data-privacy/>