

## Individuals

### b. Unnamed

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<p>Some thoughts on proposed Transient Visitor Tax:</p> <ol style="list-style-type: none"> <li>1. If annual visitor spend amounts to £5.3 billion, then VAT receipts from that will be £1.06 billion. So if tourism keeps rising, that tax revenue will also keep increasing. Might a better plan not be to lobby harder for a better share of that revenue to assist with the cost of making good the impacts of tourism – call it ring-fencing if you like.</li> <li>2. Some other countries and locations, after a while of implementing a TVT, have pulled out of doing so, on the grounds that the cost of implementation is greater than the benefits arising.</li> <li>3. Who would administer and redistribute a TVT? A £1 per person per night would hardly cover the cost of administration. Once it becomes much more than that, it could have a negative effect. Scotland is already an expensive location even when the £ is relatively low in value.</li> <li>4. If more tax is raised by a TVT, might this not lead to less financial input from central government?</li> <li>5. How can we be sure that TVT would be re-invested in tourism related projects? If the tax is being gathered via accommodation providers, might they not think that they should be the prime beneficiaries?</li> <li>6. If being gathered via fixed accommodations only, where does this leave roadside camping and camper vaning? This is already a considerable issue in Scotland and a TVT will only lead to an increase in that.</li> </ol> <p>So, if a TVT is shot down in flames what are some alternatives?</p> <ol style="list-style-type: none"> <li>A. Increase VAT across the board by 1% and ensure that the additional receipts go to tourism. The administration infrastructure exists already so there wouldn't be a loss of revenue through having to develop an admin system. Downside – it would not go down well and it's harder to calculate by mental arithmetic!</li> <li>B. Decrease VAT but also decrease the VAT threshold! Even consider making the VAT threshold (for tourism businesses?) zero! This would bring every tourism business into scope and most likely increase receipts. In addition it would also have the effect of equalising the tax burden throughout all tourism businesses large and small. [Currently those businesses who are forced above the threshold by virtue of having large external inputs in packages, like accommodation, are placed at a pricing disadvantage compared to those who do not have that].</li> <li>C. Regarding camper vaning – an island camper vaning levy could easily be collected by the ferry companies for redistribution to island local authorities. However, there isn't quite such an easy collection opportunity for those who don't go to islands or for campers – unless it was via equipment retailers and hire companies - then you come back almost to changing VAT across the</li> </ol>	

board.

One might wonder is it all worth the upheaval and resentment?

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Let us be careful for what we wish for.

If we recognise that the Tax system is broken and if you were starting afresh the current system is not the one you would design, it is complicated appears easy to avoid if you are big Business with the resources to navigate your way around badly constructed law.

The Danger of allowing Local Government to raise discretionary tax is the unintended consequences. Where will it stop? The possibility that one council starts with Tourism tax could lead to Garden Tax or even Window Tax there will be no limits set on the desperation of some?

We have spent years trying to get Edinburgh and Glasgow to work with each and in the stroke of a pen we are at the risk of destroying this. Because if I was the competing city I would ensure I was in a competitive situation to win every conference sporting event over every competitor.

Let's consider the Complete tax take from the Hospitality Sector.

Other destinations do indeed have Tourism Tax, but if we analyse this, we will normally discover that the VAT take can be as low as 3% in Switzerland, but generally 7 to 10 %. Leaving at least a 10% gap.

Back in Scotland, Hotels pay higher % of rates than other industries and professions - it is 6 to 8% of turnover where as others are more like 1 to 2% turnover and often produce higher profits.

There are many other problems where by business are created to avoid paying business Tax or operate below the radar.

If a tax is to be considered - how would it be collected and how would it be ring fenced to ensure it was spent on Tourism not a pet political project.

The Tourism Sector should not be isolated, as this would pitch the profession against others who do not contribute as much to an industry that is already contributing so much to our social fabric.

While we think the tax system needs change, we would not support isolating any industry that already contributes so much.

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<p>Business is hard enough without pushing prices up for no good reason.</p> <p>This tax will only drive customers away and discourage hotels in investing in their properties.</p> <p>The monies raised will not benefit the business sector in any way, nor the visitors and if the government actually care about helping the tourism sector then the simple answer is to reduce vat for them to 5%.</p>	

Evidence Number	0.26
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<p>May I put in my tuppence worth against such a proposal. I have read the 32 page document, yet another instance of governments' interfering, meddling, desperate to get another tax on board. We already have full VAT applied on accommodation, other than Slovakia the only country in Europe to do so (most apply a much reduced rate) so please, please, no more taxes especially when the proceeds will go that bottomless pit called government slush fund.</p>	

Evidence Number	0.29
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<p>We have a small hotel in the North East of Scotland and finding it hard to make ends meet. What with keeping up with all the regulations, form filling, extortionate Rates, licensing to be paid, PPL, PRS, Personal Licence, heating and lighting bills and many more. I could go on and on. It feels like the Governing bodies no longer want small businesses to succeed. How can yet another tax be justified ?</p> <p>Can you not see the damage being done to the small business owner. Please no more. We need help to keep afloat not more bills.</p>	

Evidence Number	0.35
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<p>Just some input into the discussion regarding Transient Visitor Tax.</p> <p>Tourism income is vital for the prosperity of Scotland, particularly here in the Highlands where our economy can be frail. Many businesses here rely on the tourist pound to pay our rates, taxes and wages but it is sometimes easy to see the negative impact of tourism rather than see the benefits it brings. For some, the glass is half empty rather than half full but I'm sure, as a community, we would be the poorer and more insular without the throng of visitors particularly during the summer months.</p> <p>The question is – would a tourism tax kill the golden goose or is our industry robust enough to cope with an additional burden such as this?</p>	

Or could a Tourist Tax make things even better?

From a personal point of view I think such a tax could be beneficial for everyone and here are my reasons:-

I enjoy going skiing in the winter and always expect to pay a tourist tax when in the Alps. I don't mind paying this tax because it's always a small part of the cost of the holiday and more importantly I can see the benefits of paying it because a reasonable proportion of it is used direct for the benefit of the visitor – but affords locals the same access. For example free ski buses round the resort, concerts in the villages, good visitor centres, fireworks and free wine on special occasions etc. The other fact is that where ever I choose to go in the Alps I know I have to pay this tax, so it doesn't influence my decision on which resort I visit. What does influence my decision is sometimes the quality of the marketing of an area and this marketing is, I think, paid for in part by the Tourist Tax.

So if we feel that the industry is robust enough to introduce a Tourist Tax I feel there are a few lessons we can learn from the Alps –

Keep the Tourist Tax low in comparison to the cost of the holiday – Say £1 per night per person.

Use the Tourist Tax to enhance the Visitor Experience – and include local people.

Use the Tourist Tax to market the area.

Keep it simple to administer.

Make the Tourist Tax universal over the whole of Scotland so as not to favour one area over another.

I would also suggest that, if a Tourism Tax were introduced, it would be vital to ring fence the money rather than pouring it into the coffers of the cash strapped local authorities – in other words additional funding rather than substitute funding. I also feel it would be important that applications to the Tourist Tax fund should be assessed by an independent panel and not controlled by local or central government. Perhaps a guideline for use of the fund should be set - say 1/3<sup>rd</sup> for direct visitor enjoyment of the area, 1/3<sup>rd</sup> for improved infrastructure projects (not just to open a toilet that the Local Authority has closed, or to fill a pot hole) and 1/3<sup>rd</sup> for additional marketing of the area.

The other point to consider is that a Tourist Tax will add yet another administrative burden on the business that collect this new tax, presumably accommodation providers. This is in addition to the burdens of RTI, Workplace Pensions, MTD, GDPR etc. all recently introduced. Accordingly simplicity of collection would be vital.

Evidence Number	0.50
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<ul style="list-style-type: none"><li>• What would be the reasons for introducing a transient visitor tax?</li><li>• What would a well-designed and operated transient visitor tax look like?</li><li>• What positive and negative impacts could a transient visitor tax have?</li><li>• How could a transient visitor tax be used, and how can revenue be distributed</li></ul>	

fairly?

As a respondent from Orkney, involved in the tourism industry, I feel strongly that introducing a transient tourism tax is not desirable. Orkney is an expensive place to visit and tourists should not be penalised further by adding on additional taxes.

Tourism must become a local and national priority both in terms of recognition of its importance and the benefits it brings, as well as the huge amount of income it generates.

Though there is a pressing need to protect the local environment and communities, to manage volume tourism, and to support local infrastructure to accommodate the ever-increasing number of visitors, there are other means to generate income. e.g. reduce VAT for tourism operators in line with other EU countries; allow local authority to charge for the current free-to-access archaeological sites, museums and historic buildings; charge non-local transport providers (coaches); charge for services such as adequate toilet facilities, litter collection etc. The vast majority of local accommodation providers are small time operators and should not be required to collect bedroom taxes. This has the potential to destroy local small businesses. What suits 'central belt' areas does not apply here in Orkney. One size does not fit all.

Evidence Number	0.76
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<p>We wish to share our concern of introducing tourism tax to the UK.</p> <p>We are a small business who are already at breaking point due to becoming VAT registered. We are simply not big enough to pay 20% vat and tax and card charges and commission to booking.com, Expedia etc. We do this and strive to grow but we will be forced to shut down with the introduction of tourism tax. This is not an idle threat but quite simply we physically cannot pay more than we currently do.</p> <p>We are already ranked as one of lowest in the world for price competitiveness which is embarrassing, we have noticed the spend becoming less with the guests however this would push us to the laughing stock with greed.</p> <p>Key considerations are that we currently have a very high VAT rate compared to our competitors and also airport tax – should these not be reviewed first and even a % of the vat raised from tourism businesses at present be reinvested in some of the suggestions for a tourism tax?</p> <p>What businesses would be affected – just hotels and B&amp;Bs, all accommodation or wider?</p> <p>Raising any tax is likely to be done by local authorities on an area by area basis and the mechanics could be cumbersome and costly in their own right – who covers this cost?</p> <p>If it goes ahead, what reassurances can be given that the spend from any such tax/levy will be committed to agreed local tourism priorities and not end up being</p>	

used for core council services?

Also how will local priorities be defined – we have already had suggestion it could be spent on traditional music in Argyll as well as LDR maintenance – what else will be suggested and who prioritises?

Would visitors pay?

There are numerous examples of us all paying overseas – is this different?

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I am writing to endorse the response of UKHospitality to the discussion on the imposition of a tourist tax in Scotland. I support the arguments in the response document and reiterate our opposition to the implementation of an additional tax on Scottish accommodation providers.	

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