



Llywodraeth Cymru
Welsh Government

The Visitor Accommodation (Register and Levy) Etc. (Wales) Bill



A contribution for a sustainable future



The Visitor Accommodation (Register and Levy) Bill Etc. (Wales) was introduced to the Senedd on 25 November 2024

The Bill will give local authorities the choice to introduce a levy on overnight stays in visitor accommodation.

Introducing this Bill is a Programme for Government commitment and is rooted in the principle of fairness. We believe it is fair and reasonable to ask visitors to make a small payment towards the costs of tourism.

Tourism plays a vital role in supporting local economies, but unbalanced, poorly supported tourism can put pressure on local communities and undermine the high-quality services and experiences we want to offer visitors.



Levy rates and how it is paid

Where a visitor levy is in place, the rate will be set at:

- £0.75 per person per night for people staying at campsites (pitches) and hostels.
- £1.25 per person per night for people staying in all other accommodation types.

We have kept the rate low compared to many other visitor levies around the world and we have kept the design simple to make it easier for businesses and visitors to understand.





Providers will be responsible for paying the levy. It is likely they will pass this charge on to visitors as an 'indirect tax'. It will be collected and managed by the Welsh Revenue Authority.

The levy would apply to all visitors staying overnight regardless of where they have travelled from – whether they have come from Wales, elsewhere in the UK or from overseas.

The levy will not be payable for stays in visitor accommodation where the:

- Stay is longer than 31 days
- Stay is at an individual's sole or main residence
- The stay is for emergency or temporary housing arranged by the local authority

If a levy was incurred for overnight stays in visitor accommodation due to emergency situations, for example, if a person's main residence is uninhabitable due to a fire or flood, visitors can seek a refund from the Welsh Revenue Authority.

Disabled people who paid additional levy costs when accompanied by a carer will also be able to claim a refund.



Use of money raised

Local authorities will decide what is best for their communities, consulting residents and businesses before introducing a levy. An annual report will show how revenue raised benefits their area.

If all local authorities were to introduce a visitor levy, it could potentially raise up to £33m across Wales. Funds will be invested by local authorities in tourism, helping to grow our economy sustainably and supporting our communities.

This new money will help local areas cover the costs associated with hosting visitors, such as street cleaning, waste collection, maintaining toilets, and preserving natural and cultural attractions for everyone to enjoy. This will promote the reputation of destinations and enhance the quality of life for residents. It has the potential to make a significant and visible difference.





National Register

Anyone providing visitor accommodation will need to sign up to a register. It will provide valuable data to inform future tourism development and help in the efficient collection of the levy, in those areas where it is introduced. We are developing plans for a licensing scheme, which will build on the national register in the future.



Fines and penalties for not being part of the register or paying for the levy

There will be financial penalties for not complying with registration requirements. It is intended that breaches will incur a financial penalty. These will be proportionate to the loss they cause to the Welsh public purse.

Visitor levy penalties have been modelled on the penalties for the devolved taxes in the Tax Collection and Management (Wales) Act 2016 as a Welsh model that works, with the addition of a points system for late filing of returns, so accommodation providers will not be financially penalised the first time they file a late return.



Timescales

Nothing is happening overnight. The Bill has been introduced to the Senedd and will now be thoroughly scrutinised by the Senedd; a decision about whether it will become law is expected in 2025.

If the Bill does become law, local authorities will then be able to decide whether they want to introduce a levy in their local areas, after first consulting their local population and businesses. The earliest possible introduction for a visitor levy by a local authority in their area would be 2027.

Each authority will determine how to use the revenues raised to support local tourism and will provide annual reports about how this money is spent.

We will work with local authorities, businesses and the Welsh Revenue Authority to create clear and simple guidelines for implementing the levy.

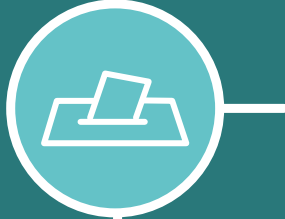
The process of registration for all accommodation providers will start in 2026.





2024 Introduction

Bill is introduced to the Senedd for scrutiny. Impact Assessments published



2025 Senedd Vote

If the Bill passes, it receives Royal Assent



2025 Local Discretion

A local authority can commence local consultation and assess the impact of a visitor levy



2026 Notice Period

Likely a 12 month notice period if a local authority decides to introduce a levy



2026 Registration

Registration will commence



2027 Implementation

Indicative date for visitor levy to be introduced by a local authority



Visitor levies elsewhere

Visitor levies are common around the world, such as in Greece, Germany, Netherlands, Spain, Portugal and France. The idea is gaining momentum worldwide, with destinations increasingly using taxation to support tourism, including funding cultural heritage restoration and nature preservation. Where levies are used, visitor economies continue to thrive.

If you have booked a holiday to one of these destinations, you will have contributed to the local tourism industry in the form of a levy:



Balearic Islands

The Balearic Islands introduced a sustainable tax in 2016 to support tourism projects. In 2023, more than 17.8m tourists visited, an 8% increase over two decades. The tax has funded 168 projects worth €263m, with 27 new projects approved in 2023 totalling €138m. These projects focus on the environment, tourism, cultural heritage, research, training, and social renting.

The tax applies to holiday accommodation: €4 per person per day for luxury hotels, €3 for mid-range hotels, and €2 for apartments, cruise ships, campers, and hostels. Revenue supports resource protection on the islands.



Catalonia and Barcelona

In Catalonia, money raised from its levy has been used to fund infrastructure development, environmental conservation, and cultural heritage preservation. The visitor levy has played a crucial role in promoting sustainable tourism in Catalonia.

Barcelona also has a tourism tax. Since 2012, the city has received €72.7m in revenue from the tax, which has been used towards destination management, promotion and development. Funds generated from tourism taxes are designated to support initiatives focused on environmental conservation, promoting sustainable tourism, preserving historical heritage, supporting scientific research, fostering community development, bolstering cultural and creative activities, and encouraging tourism innovation.



Iceland

Iceland has used its levy to fund infrastructure development, environmental conservation, and cultural heritage preservation. Improved infrastructure boosts tourism in less-visited areas, while conservation projects maintain Iceland's natural beauty. Additionally, funds support restoring historical sites and cultural centres, enhancing the visitor experience and preserving Iceland's heritage. The visitor levy has positively impacted sustainable tourism, infrastructure, and cultural preservation in Iceland.



South Tyrol, Italy

Visitor levies are common across Italy, including in Rome and Venice. In South Tyrol, funds from the visitor levy have been used to enhance the visitor experience and promote sustainability. Various projects have benefited, including those supporting local tourism associations and preserving the region's rich cultural heritage. These efforts have not only increased tourism revenue but also significantly improved visitor satisfaction.



UK

Many places closer to home are seeing the potential benefits a visitor levy can bring to an area.

Manchester introduced a City Visitor Charge of £1 per person per night in April 2023. It is charged by 73 hotels in the city centre and raised £2.8m in its first year to support new events.

The Scottish Parliament passed legislation this year – the Visitor Levy (Scotland) Act 2024 – which allows local authorities to introduce a levy based on a percentage of the accommodation cost, with each rate left to individual councils. Edinburgh is set to introduce a 5% levy on rooms in 2026.

Bath, Liverpool, Birmingham and London are considering the idea of introducing a similar charge.

Introducing a visitor levy would be a step closer towards a fairer, more sustainable Wales, where the benefits and responsibilities of tourism are shared by all.



This information explains the main elements of the Bill.
For more detailed information and to follow progress of
the Bill, please visit: www.wales.gov/visitorlevy

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