



Llywodraeth Cymru  
Welsh Government

# **Visitor Accommodation (Register and Levy) Etc. (Wales) Act 2025**

**Explanatory Memorandum**  
incorporating the  
Regulatory Impact Assessment and  
Explanatory Notes

**September 2025**



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# **PART 1 – EXPLANATORY MEMORANDUM**

## **1. Description**

A visitor levy will be a new local tax designed in a way that works for local communities, businesses, and visitors to Wales. Local taxes are an investment into our future to fund local expenditure, our public assets today: the roads, visitor centres, clean beaches, parks, leisure centres and urban spaces would not exist without taxes. Local taxes are important revenue streams which ensure the continued sustainability of local services and infrastructure to our communities.

The term ‘levy’ is used as it relates to a direct payment to government non-related to the value of goods and services. The levy is a local tax which will fund local government expenditure.

The Visitor Accommodation (Register and Levy) Etc. (Wales) Act (“the Act”) will give local authorities in Wales a power to charge a levy on overnight visitors staying in visitor accommodation in their area. The levy will be discretionary in nature, as it will be for local authorities to decide whether to introduce it, following consultation with their communities and local businesses. It will be a per person per night charge, applying to all people who pay to stay in overnight accommodation. There is a cap on the number of chargeable nights (31 nights) and certain overnight stays will be excluded or subject to a refund. It will be collected and managed by the Welsh Revenue Authority (WRA).

The Act also establishes a register of visitor accommodation providers (“providers”) operating in Wales, which will also detail the type and location of the premises they operate across Wales. Providers are required to register, regardless of whether the local authority area they are operating in has implemented the levy.

The WRA will establish, maintain and publish the register of providers. This information may be of interest to local authorities, visitors, businesses and researchers.

## **2. Legislative Competence**

Senedd Cymru ("the Senedd") has the legislative competence to make the provisions in the Visitor Accommodation (Register and Levy) Etc. (Wales) Act 2025 ("the Act") pursuant to Part 4 of the Government of Wales Act 2006 ("GoWA 2006") as amended by the Wales Act 2017.

## 3. Purpose and intended effect of the legislation

### 3.1 Introduction

- 3.1.1 The [Programme for Government](#) commits the Welsh Government to 'introduce legislation permitting local authorities to raise a visitor levy'. It was taken forward as part of the Welsh Government's Co-operation Agreement with Plaid Cymru from November 2021 to May 2024. This included the policy formulation, consultation, and overall approach to the proposals.
- 3.1.2 The Act passed by the Senedd creates a local discretionary visitor levy. It will be for local authorities to determine whether to introduce a visitor levy.
- 3.1.3 The visitor economy is a major source of jobs and economic growth across Wales. Our ambition is to grow tourism for the benefit of Wales by supporting local communities in a way that is sustainable for the environment and people of Wales.
- 3.1.4 In a particularly challenging economic climate following a pandemic and cost-of-living crisis, local services in Wales continue to be stretched. The visitor levy will ensure a modest but proportionate contribution is paid by visitors, which can then be reinvested back into those local areas. The principle of fairness underpins visitor levies and ensures a more even share of the costs between residents and visitors. Public goods and services are integral to the overall visitor experience, and a visitor levy can help support their funding, encouraging a more sustainable approach to tourism. The levy could also provide new opportunities for investment from local authorities through providing additional revenue.
- 3.1.5 The visitor levy's policy aim is to ensure a more even share of costs to fund local services and infrastructure that benefit visitors between resident populations and visitors and provide local authorities with the ability to generate additional revenue that can be invested back into local services and infrastructure to support tourism and support our ambitions for sustainable tourism whilst in turn enhancing the Gross Value Added (GVA) from tourism in Wales.
- 3.1.6 The levy will apply to overnight stays within visitor accommodation and will be a self-assessed tax. Providers will be required to account for each visitor, with the levy applying per visitor, and file a return and payment to the WRA, or else incur penalties for failing to do so.
- 3.1.7 The Act also includes provision for the establishment and maintenance of register of visitor accommodation providers by the WRA. The register provides a starting point to identify visitor accommodation providers and visitor accommodation across Wales. The information is

intended to be used across several policy areas: taxation, tourism and statutory licencing.

3.1.8 In summary, the legislation provides local authorities with the power to adopt a new local discretionary visitor levy. It will be for local authorities to determine whether to introduce a visitor levy, following consultation with their local area. The register aims to support the collection and administration of the visitor levy by the WRA, aid local authority decision making and provide data and intelligence to the Welsh Government and local authorities to support future policy development.

3.1.9 The provisions of the Act are as follows:

- **A duty, on the part of the WRA, to establish and maintain a register** of visitor accommodation providers in Wales.
- **A duty of visitor accommodation providers to be registered:** a visitor accommodation provider must be registered in respect of the visitor accommodation provided or offered to provide.
- **A duty on visitor accommodation providers to keep their register entry up to date.**
- **A duty for persons to apply for removal from the register** when they are no longer a visitor accommodation provider.
- **A duty for the WRA to publish specific sections of the register of visitor accommodation providers.**
- **Power to impose a levy:** providing local authorities with a discretionary power to enable them to charge a visitor levy.
- **Liability to pay:** liability to submit returns and remit the levy will lie with the visitor accommodation provider. They may choose to pass those costs on to visitors.
- **Basis and calculation of levy:** a per person per night charge on overnight accommodation. The rates have been set nationally by Welsh Ministers which will ensure consistency across Wales. Those staying longer than 31 nights will not be subject to the levy.
- **Collection:** Liable persons must submit a return every quarter or may submit annually depending on the amount of levy estimated to be collected (those providers estimating a liability of less than £1,000 across the tax year can submit annually), to the WRA.
- **Use of net proceeds:** Local authorities must use the net proceeds of a visitor levy to facilitate achievement of objectives that relate to “destination management and improvement”.

- **Reporting and Review:** Local authorities must keep a separate account for the visitor levy. They must report annually on the amount of money collected and how the revenues have been used.
- **Introduction and Administration of Levy:** The Act ensures local authorities must consult before deciding to introduce a visitor levy.
- **Additional charge:** The Act provides for an ability for local authorities to charge an additional amount at a later point after the levy has been introduced.
- **Establishment of Visitor Levy Partnership Forums:** The Act requires that any principal council that introduces a levy must also establish a partnership forum to ensure advice and recommendations for the levy are heard from tourism organisations and businesses.
- **Exemptions:** Certain overnight stays will be excluded, for example, stays arranged by local authorities for those who are homeless, accommodation for asylum seekers, private hospitals, gypsy and traveller sites and overnight stays by those under 18 where a lower rate would apply.
- **Refunds:** Certain overnight stays will be subject to a refund. For example, when a person has provided care, support, or assistance to another person in receipt of qualifying disability benefits, amongst others.
- **Enforcement:** The WRA's existing powers in the Tax Collection and Management (Wales) Act have been extended so that they can be used in relation to the visitor levy and the register of visitor accommodation providers. For example, powers related to obtaining information, carrying out inspections, imposing penalties and ensuring the integrity of the tax system.
- **Appeals:** The Act provides for reviews and appeals in relation to WRA's decisions for registration and the levy. Regulation making powers are provided to amend or add to WRA decisions which are subject to appeal.
- **Power to extend Act to berths and moorings:** The Welsh Ministers may, following appropriate consultation, extend the Act to apply to berths and moorings.

## 3.2 Background & case for change

### *Positive Impacts of Tourism*

- 3.2.1 Tourism is a significant contributor to the economy in Wales. There were over 69 million visits to Wales in 2023 representing a combined



spend of over £4.95 billion. 8.65 million of these visits were overnight stays representing a spend of £2.02 billion<sup>1</sup>. There have been significant Welsh Government and UK Government interventions to support the sector during a difficult economic climate following the pandemic. However, the fragility of tourism demand in Wales is underscored by the fact that one in three businesses reported fewer visitors in 2024 compared to the previous year, highlighting the sector's vulnerability to shifting travel patterns and economic pressures<sup>2</sup>. We want to support the industry's recovery to ensure the visitor economy flourishes once more.

- 3.2.2 Tourism brings both positive and negative impacts. For example, tourism provides benefit through the provision of jobs, careers, economic growth, educational opportunities and preservation of historical sites and monuments. It represents a sizeable economic contribution to the Welsh economy with an estimated Gross Value Add of £3.8 billion (or 5.1% of total GVA across Wales) in 2022<sup>3</sup>.
- 3.2.3 Visitors to Wales can enjoy a range of activities, from hiking mountains, spending a day at the beach, or enjoying our vibrant cities and towns. We have a rich offering of beautiful unique landscapes and a range of visitor attractions that continue to draw millions of visitors to our home every year. These visits represent a significant contribution to local economies, with tourism employing 159,000 people in Wales in 2022, a total of 11.8% of the workforce<sup>4</sup>. The visitor economy is variable in size across Wales and therefore in some areas there is a much higher proportion of the workforce employed in the tourism industry. Therefore, these areas receive a much greater benefit from tourism in comparison to areas with smaller visitor economies (and lower numbers of visitors).
- 3.2.4 This Act seeks to provide new opportunities for investment by a local authority through providing additional revenue. It will empower local authorities to make decisions in line with the needs of their communities. This is in line with the wider policy approach which the Welsh Government takes on local taxes.

### *Negative Externalities of Tourism*

- 3.2.5 It is well recognised that tourism impacts tourist destinations in both positive and negative ways, encompassing economic, socio-cultural and environmental dimensions. Evidence indicates that negative impacts can extend to:

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<sup>1</sup> [Domestic GB tourism statistics \(overnight trips\): 2022 to 2023 \(revised\) | GOV.WALES](#); [International inbound visits and spend to Wales \[HTML\] | GOV.WALES](#);

<sup>2</sup> [Tourism Barometer: February wave 2025 \[HTML\] | GOV.WALES](#)

<sup>3</sup> [Wales Visitor Economy Profile: 2024 | GOV.WALES](#)

<sup>4</sup> [Wales Visitor Economy Profile: 2024 | GOV.WALES](#)

- Environmental costs with the natural environment being over-exploited:
  - Bio-diversity loss<sup>5,6</sup> as natural environments are eroded or spoiled by foot-traffic and the built environment.
  - Soil and footpath erosion, as large volumes of tourists visit popular tourist sites<sup>7</sup>.
  - Littering and waste management challenges, as visitor numbers increase as does the amount of litter and impact on waste management services.
  - Congestion, where transport infrastructure is unable to support visitor traffic in popular destinations<sup>8,9</sup>.
  - Carbon emissions, caused by tourism related travel, estimated to account for 5% of all carbon emissions globally in 2016<sup>10</sup>.
- Social costs caused by shortage of housing supply as homes are purchased as second homes by visitors<sup>11</sup>:
  - This may lead to a loss of community and heritage, as people become priced out of an area in which they can no longer afford to live.

3.2.6 There is currently a market failure in tourism globally in that increased demand increases production and competition without account for environmental or natural resource impact<sup>12</sup>. The phenomena of 'over-tourism' or unbalanced tourism is growing because as consumer demand increases so does the supply of services to meet that demand. Venice<sup>13</sup> and Iceland<sup>14</sup> provide examples of destinations that have experienced a range of impacts as tourism has grown. The negative impacts have also been recognised by some institutions such as the OECD, who note that lack of funding in Iceland presented an issue in ameliorating negative impacts on fragile ecosystems and infrastructure<sup>15</sup>.

<sup>5</sup> [CEP-SS Sustainable Tourism.IP .03.e.pdf \(unece.org\)](#)

<sup>6</sup> [The biodiversity implications of changes in coastal tourism due to climate change | Environmental Conservation | Cambridge Core](#)

<sup>7</sup> [Tourism Impacts employment gender income A Lemma.pdf \(publishing.service.gov.uk\)](#)

<sup>8</sup> [The economic contribution of the tourism economy in the UK.pdf \(visitbritain.org\)](#)

<sup>9</sup> [Cornwall hit by 'tourist overcrowding' amid UK heatwave - BBC News](#), 2018

<https://www.visitbritain.org/sites/default/files/vb-corporate/Documents-Library/documents/EconomicCaseforTourism.pdf>

<sup>10</sup> [Tourism's Carbon Emissions Measured in Landmark Report Launched At COP25 \(unwto.org\)](#)

<sup>11</sup> [Research on second homes: evidence review summary | GOV.WALES](#)

<sup>12</sup> [On the need for sustainable tourism consumption - Richard Sharpley, 2021 \(sagepub.com\)](#)

<sup>13</sup> [The end of tourism? | Travel | The Guardian](#)

<sup>14</sup> [\(PDF\) Social sustainability of tourism in Iceland: A qualitative inquiry \(researchgate.net\)](#)

<sup>15</sup> [Iceland must balance growth in power and tourism industries with nature conservation, OECD says - OECD](#)

- 3.2.7 Bio-diversity loss and heavy littering were witnessed as visitor numbers boomed in hotspots during the COVID-19 pandemic. Research was undertaken by Natural Resources Wales to explore these impacts and understand the way nature responds to increased visitor numbers. Reduction in biodiversity, erosion and littering were all highlighted in the research as impacts that increased as visitor numbers increased<sup>16</sup>.
- 3.2.8 Finally, it should be recognised that there are also costs associated with the provision of services and infrastructure that are used by visitors. For example, visitors will use road infrastructure, public transport, car parks, street lighting, waste management services, public toilets, tourist information centres, emergency and health services, footpaths, seating, and other built infrastructure. Taxes fund these critical elements, but currently there is nothing in the taxation system which directly accounts for visitor use of these services.
- 3.2.9 The provision of local infrastructure and services comes at a cost. In areas where there are large volumes of tourism, that cost is not fairly distributed between visitors and residents. Although tourism related businesses such as visitor accommodation providers may be paying Non-Domestic Rates, so do other businesses in the area which may be less aligned to the tourism offer. Therefore, the current local taxation system does not account for the unique negative externalities posed by tourism.
- 3.2.10 We can therefore see that there is a cost associated with tourism and we recognise the importance of protecting and sustaining both natural assets and local infrastructure. For areas that experience high volumes of visitors, the pressures on local authority services associated with tourism are increased and therefore costs are increased. These costs are currently met from existing local authority budgets (funded by a mixture of local taxes, borrowing and Welsh Government funding via the Budget process<sup>17</sup>).
- 3.2.11 We know that visitors to Wales enjoy our rich offering of nature and scenic landscapes. The most popular attractions in Wales in 2021 by share of visitors are “wildlife/nature reserves” which had a 28% share (4.8 million visits) and “country parks/gardens” which accounted for an 18% share (3.1 million visits). Free attractions, across all categories, also attract a larger share of visits (64%) than paid attractions (34%). As noted in the Visitor Attraction Survey (2021), the share of visits to the two above mentioned categories rose from a collective 26% in 2019 to a peak of 46% in 2021. Therefore, caution should be taken in interpreting this as a stable share of visitors and as we move further

<sup>16</sup> [Wildlife in Lockdown | Snowdonia National Park \(gov.wales\)](https://gov.wales/wildlife-in-lockdown-snowdonia-national-park)

<sup>17</sup> [Microsoft Word - QG08-0006.dochttps://senedd.wales/media/0xzblz3g/qg08-0006-english.pdf](https://senedd.wales/media/0xzblz3g/qg08-0006-english.pdf)

away from the COVID-19 period it is likely that share of visitors to these areas will drop down closer to the 2019 average.

**Table 1 - Overall visits by admission type (2021)<sup>18</sup>**

Admission type	Base	% of attractions	No. of visits	% of visits
Free	128	46%	11,177,283	64%
Paid	150	54%	6,251,012	36%
Total	278	100%	17,428,295	100%

Base: attractions that provided data (278)

3.2.12 Wales' natural environment and scenery was a key theme in previous research as to why people visited Wales. Our history, language, environment, and scenery were all key strengths, identified through qualitative research, that make Wales feel distinctive compared to other UK holiday destinations<sup>19</sup>. Of UK visitors staying overnight, the main reason for staying given was to enjoy the landscape/countryside/beach (42%)<sup>20</sup>. The second main reason was to take part in outdoor or sporting activities (18%)<sup>21</sup>.

3.2.13 More generally, there is a desire to grow tourism in Wales in a sustainable manner. We can therefore see that if the enabling conditions for tourism are not protected, then this could lead to a decline in visitor numbers. The landscape and natural beauty that attracts visitors to Wales can be negatively impacted by visitors. If funding is not available to ameliorate impacts, then there could be an impact on tourism attractors leading to a longer-term decline for tourism. Additionally, some areas may wish to enhance their local offering or services provided but lack the resources available to currently do this.

3.2.14 The tourism sector in Wales does not currently have a single source of data to provide an accurate assessment of the volume or types of visitor accommodation available across the country. This lack of information has hindered proper analysis of the impact (both positive and negative) that tourism has for local communities and makes it difficult for local authorities to properly assess and consider what interventions may be beneficial to their communities and visitors.

3.2.15 The wider economic context presents a challenging outlook for local authorities in Wales, with continued inflationary pressures, pay

<sup>18</sup> [Visits to tourist attractions: 2021 | GOV.WALES](#) pg.22, Fig 6.1

<sup>19</sup> [Wales Visitor Survey 2019: Qualitative Research Findings \(gov.wales\)](#) pg.9

<sup>20</sup> [Wales Visitor Survey 2019 UK Staying Visitors \(gov.wales\)](#) figure 3.6

<sup>21</sup> Ibid.

pressures, high energy costs as well as rising demand for services, leading to tough fiscal decisions at all levels of government. At a local authority level, without sufficient resource, the ability to fund activity linked to destination management plans may also be hampered. This could lead to underfunding or funding being cut at a local level in spending areas that are important to the vitality of the visitor economy. This is because this spending can be assessed as a lower priority compared to other local needs.

### *Funding and local authority expenditure on tourism and tourism related activities*

3.2.16 There is currently no 'direct' contribution via taxation from visitors towards associated public costs from their visit. Visitors provide benefit to an area through their spending activity which supports many local economies across Wales. However, the externalities (negative impacts) of tourism are not currently factored into the price of services provided by the market as there is no tax or levy that currently exists to help account for this.

3.2.17 Table 2 shows that net current expenditure on tourism by local authorities in Wales fell by 44 per cent in real terms between 2013 – 2014 and 2023-24 and has remained broadly flat since 2016-17<sup>22</sup>. This spend relates to expenditure applied to encourage people to visit the area as allowed by section 144 of the Development of Tourism Act 1969<sup>23</sup>.

**Table 2 - Net (current) expenditure by local authorities in Wales on tourism, £m (2024-25 prices)**

	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	Change from 13-14 to 23-24
Tourism	18.4	14.7	12.5	11.1	10.7	10.5	10.6	10.4	10.1	11.0	10.3	-44%

Source: Welsh Government, Revenue Outturn

3.2.18 Local authority expenditure on other areas, such as environmental initiatives (it is well documented, for example, that litter and pollution can have a negative impact on tourism and the visitor experience<sup>24, 25</sup>) as well as open spaces and cultural and heritage services<sup>26</sup>, can also help to improve the attractiveness of an area to visitors.

<sup>22</sup> [Revenue outturn expenditure summary, by service \(£ thousand\)](#)

<sup>23</sup> This will include the costs of: (1) developing policies to promote tourism in the area (2) promoting and advertising the area to potential visitors (3) contributions to the Welsh tourist board (4) grants and loans given to support organisations offering attractions or other tourist related facilities (5) Information offices (visitor centres) and bureaux for the provision of information to visitors, including the costs of providing any literature for visitors, for example maps, tourist guides and 'what's-on' leaflets, etc

<sup>24</sup> [The Effects of Marine Debris on Beach Recreation and Regional Economies in Four Coastal Communities: A Regional Pilot Study \(noaa.gov\)](#)

<sup>25</sup> [Marine Litter Issues, Impacts and Actions \(www.gov.scot\)](#)

<sup>26</sup> To note: Cultural and heritage services in Wales are also funded directly by Welsh Government namely, culture and the arts via the Arts Council of Wales, the National Museum of Wales, the National

3.2.19 However, whilst local authority expenditures on these areas will naturally vary from year to year, the combined net current expenditure by local authorities in Wales on these areas has declined in real terms over the past 10 years (see Table 3).

**Table 3 - Net (current) expenditure by local authorities in Wales on other tourism-related areas, £m (2024-25 prices)**

	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	Change from 13-14 to 23-24
Open spaces	82.9	78.0	75.8	75.4	75.4	68.7	66.1	67.1	72.4	75.7	73.5	-11%
Cultural and heritage services	56.8	53.3	45.8	43.6	45.0	42.8	39.8	43.6	43.6	38.8	38.2	-33%
Environmental initiatives	11.9	9.3	7.4	7.1	6.3	5.8	6.3	8.4	8.4	9.7	11.8	-1%

Source: Welsh Government, Revenue Outturn

### 3.3 Policy aims

3.3.1 The policy aims of the visitor levy are to:

- Ensure a more even share of costs to fund local services and infrastructure that benefit visitors between resident populations and visitors.
- Provide local authorities with the ability to generate additional revenue that can be invested back into local services and infrastructure that can support tourism.
- Support our ambitions for sustainable tourism<sup>27</sup>.

3.3.2 A national registration scheme also aims to:

- Support the collection and administration of the visitor levy by the WRA enabling more effective operational management for the visitor levy by knowing from whom to expect returns, the number of providers, and the premises from which they operate.
- Support local authority decision making, including enabling more effective impact assessments through better data.
- Provide data and intelligence to the Welsh Government and local authorities to support future tourism and development in other policy areas; and
- Provide a foundation for a future licencing scheme. Registration will be a starting point to identify visitor accommodation providers and visitor accommodation across Wales.

3.3.3 The visitor levy also links to the wider ambitions outlined within the [Programme for Government](#) to:

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Library of Wales; Creative Wales and other and support for the historic and natural environment via Cadw, the National Botanic Gardens and the Royal Commission for the Ancient and Historic Monuments of Wales ([Final budget 2023 to 2024: motion \(gov.wales\)](#))

<sup>27</sup> [Welcome to Wales: priorities for the visitor economy 2020 to 2025 | GOV.WALES](#)

- Push forward towards a million Welsh speakers, and enable our tourism, sports and arts industries to thrive<sup>28</sup>.
- Develop further effective tax, planning and housing measures to ensure the interests of local people are protected.
- Strengthen the autonomy and effectiveness of local government to make them more successful in delivering services.

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<sup>28</sup> Principal councils will decide exactly how revenues are used. Welsh language efforts are one area where revenues may be allocated.



### 3.4 Visitor levies in other countries

- 3.4.1 Visitor levies are used across the world to the benefit of local communities and visitors. They are applied at varying geographical levels, from large urban areas to much smaller rural regions. Visitor levies are used in hundreds of destinations across the world, including, Amsterdam, the Balearic Islands, France, Germany, Catalonia, California, Italy, Greece, parts of Canada, and New Zealand.
- 3.4.2 More destinations in the UK are seeking to introduce visitor levies. The Visitor Levy (Scotland) Act<sup>29</sup> was passed on 28 May 2024. The legislation gives local councils in Scotland the ability to levy overnight visitor accommodation if they wish to do so. It is expected that councils will be able to start charging the levy from April 2026.
- 3.4.3 Manchester introduced a City Visitor Charge<sup>30</sup> on 1 April 2023 for visitors staying overnight in certain accommodation. The city charge has raised £2.8m in its first year and revenue has been invested in street cleaning, marketing campaigns and major events. Many other English towns and cities are adopting a similar approach, with Chester, Bournemouth, Christchurch, and Poole exploring plans for a visitor charge.
- 3.4.4 A commonly implemented version of a visitor levy is on overnight stays in tourism accommodation. There is variation in the design, rates, and application of a tourism levy internationally and the rate of the levy ranges from £0.50 to £5.00 per night. It is often charged per person and tends to vary according to the accommodation type or cost.
- 3.4.5 There is little evidence to suggest visitor levies have a negative economic impact. There is also limited evidence around displacement effects. There is wider economic research related to the price elasticity of demand for tourism in certain destinations. However, a visitor levy is only one variable of the cost of tourism, and therefore there is no definitive research or evaluation which isolates a visitor levy as a variable which causes negative impacts.
- 3.4.6 There are numerous examples globally, that illustrate how a visitor levy is used to generate money that supports green areas, tidy streets, visitor services, local communities, conservation of landmarks, and public transport. For example, since 2016, the Balearic Islands have had a Sustainable Tax (ITS) to finance a 'fund to promote sustainable tourism'. ITS has financed 168 projects to completion, with a total value of €263 million and 27 new projects being approved in 2023 to a total value of €138 million<sup>31</sup>. Projects funded relate to a wide variety of

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<sup>29</sup> [Bill as passed \(parliament.scot\)](#)

<sup>30</sup> [Home - Manchester ABID](#)

<sup>31</sup> <https://www.gov.wales/review-impacts-visitor-levies-global-destinations>



issues, including the environment, sustainable tourism, cultural heritage, scientific research, training and employment, and social renting<sup>32</sup>.

- 3.4.7 In Iceland, between 2012 and 2021, an average of just under 80 projects per annum were funded, with an average grant of just over ISK 8 million (circa £47,000). Most of the projects funded by the Tourist Site Protection Fund involve access to and preservation of natural tourist attractions. Typical projects include the construction of footpaths and trails; access ramps, bridges, and handrails; viewing platforms and safety barriers; parking and toilet facilities; and signage and information boards<sup>33</sup>.

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<sup>32</sup> <http://www.illessostenibles.travel>.

<sup>33</sup> <https://www.gov.wales/review-impacts-visitor-levies-global-destinations>

## 4. Consultation

### 4.1 Consultation on a discretionary visitor levy for local authorities

- 4.1.1 A 12-week public [consultation](#) on our initial proposals for a discretionary visitor levy for local authorities was undertaken from 20 September 2022 to 13 December 2022. A bilingual consultation document was made available online, along with an “easy read” version and an illustrated and simplified youth friendly version, published alongside a [Partial Regulatory Impact Assessment](#) (PRIA).
- 4.1.2 Respondents were asked to answer questions on issues relating to the design and operation of a visitor levy including:
- The principle and purpose of a visitor levy
  - Who should pay a visitor levy?
  - Who should charge and collect a visitor levy?
  - How a visitor levy could be applied?
  - What discretionary powers a local authority could have for the operation of a visitor levy?
  - What information may be required to administer a visitor levy?
  - How a visitor levy may be enforced?
  - How revenues from a visitor levy could be used and people made aware of the use of revenues and the benefits?
- 4.1.3 Four in-person events were held during September 2022 – November 2022, across different regions in Wales and one virtual event. These were attended by over 300 stakeholders, with representatives from the tourism industry, businesses, local government, community groups, environmental groups and the third sector.
- 4.1.4 The consultation received over 1,200 responses from a range of stakeholders. The main respondents were from the visitor accommodation sector. We also received responses from most local authorities. The National Parks, third-sector organisations and other representative organisations also provided responses.
- 4.1.5 While a separate specific consultation has not taken place on a database or register, consultations have been conducted on a broader statutory scheme for visitor accommodation providers. In 2021, the Welsh Government commissioned Cardiff-based Strategic Research and Insights (SRI) to undertake a scoping exercise in respect of establishing a statutory registration or licensing scheme for all visitor accommodation. SRI conducted 37 in-depth interviews and nine focus

groups between September and November 2021 with relevant Welsh Government departments, local authorities, representative bodies and accommodation providers. One question raised related to the benefits and rationale of having such a scheme, with the report highlighting that a policy related to tourist accommodation would benefit from having a register of operators and suggested that in some cases, such as a tourism levy, some form of database would be seen as a necessity.

- 4.1.6 A question was also included in the visitor levy consultation asking whether there should be a comprehensive list of visitor accommodation providers available to the tax authority to support the administration of a levy. A small majority of respondents to this question disagreed with creating a comprehensive list of visitor accommodation providers (53% or 444 respondents), as opposed to those agreeing (47% or 401 respondents). The most common theme raised by respondents agreeing with the proposal in question was the view that a registration scheme would facilitate effective monitoring and enforcement of the levy. There was also agreement that a registration scheme would facilitate the effective administration of the levy and would ensure consistency of application across accommodation providers and areas.

## 4.2 Summary of Responses

- 4.2.1 The full summary of responses to the consultation was published in March 2023<sup>34</sup>. Most respondents to the consultation were against the proposals (78% of those responding to the question '*Do you agree or disagree that local authorities should have discretionary visitor levy powers to enable a more equitable basis for the funding of local services and infrastructure between residents and visitors?*')<sup>35</sup>.
- 4.2.2 Through engagement with tourism sector on the lead up to the consultation, we anticipated concerns and an overall negative response to the consultation was expected due to the large volume of responses from visitor accommodation providers (46% of all responses) and sectoral representative organisations such as the Wales Tourism Alliance, UK Hospitality and Professional Association of Self-Caterers.
- 4.2.3 There were three overarching themes reflected consistently in the consultation, the first was the importance of ensuring a levy is implemented in a fair way, to avoid designing a levy with potentially regressive effects (such as disproportionately falling on individuals on

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<sup>34</sup> [Proposals for a discretionary visitor levy for local authorities \(gov.wales\)](#)

<sup>35</sup> [Ibid.](#) pg.18

low incomes), and concerns around placing a significant cost and administrative burden on smaller accommodation providers.

- 4.2.4 Keeping the design and implementation of the levy simple and clear was the second overarching theme, to minimise the administrative burden placed on accommodation providers and local authorities, as well as increasing compliance.
- 4.2.5 A third theme was a preference for the levy to be administered at least partially on a centralised basis. It was acknowledged that there could be unintended consequences if there was a lack of centralisation, including added complexity for businesses. Other respondents acknowledged benefits of local administration, including better insight of the tax base locally which could support any enforcement.
- 4.2.6 More detail on the consultation responses and how this feedback has helped inform the design and scope of the levy in four key areas is provided in the next section.

#### Consistency

- 4.2.7 A point raised by many respondents to the consultation including many local authorities was for a levy to be consistent. Question 3 of the consultation explored what local autonomy should be provided for application of a levy. 66% of respondents disagreed with any aspect of local autonomy, believing that a more centrally aligned scheme would be of benefit.
- 4.2.8 Taking account of feedback on this point, the policy design is based on the application of a national framework for the operation of the visitor levy across those local authorities that choose to introduce it. The programme for government commitment is to 'permit' local authorities to raise a visitor levy. Discretion and local decision making are important parameters for the policy. Therefore, local authorities will decide whether to introduce a levy and how to use revenues. Should local authorities opt-in, they will be subject to the national framework established for the levy. The WRA will collect and manage the visitor levy on behalf of those local authorities who opt-in. This will reduce administration costs and enable economies of scale for any centralised mechanism for collection. Additionally, it will ensure the benefits of more effective and strategically developed communications to enhance those impacted on understanding the levy.

#### Rate type

- 4.2.9 The consultation explored the various options for the appropriate rate type for a visitor levy, including rate per room/accommodation per night, a rate per person, per night and a percentage of the accommodation charge. There was no consensus from consultation

respondents on what type of rate is preferable, although a per person per night charge was the overall most preferred option. Respondents advocated for different options. There was consensus that the same type of rate should be in operation across all local authority areas that implement a levy.

4.2.10 To keep the levy as simple and clear as possible, the policy design for the levy has been developed based on a flat rate charge per person, per night.

4.2.11 In recognition that higher taxes might deter budget travellers or individuals with lower incomes, the rate structure in the Act has been designed with two rates, a lower rate and a higher rate. The rates are applied per person per night, at £1.30 for most accommodation types, and a lower rate for hostels and camp sites at £0.75. The lower rate has been introduced to recognise that these accommodation types are, on average, provided at lower cost compared to others. Noting this reduces the regressive nature of the levy, the aim is to keep the tax as simple as possible to administer from a compliance perspective meaning it will be more cost effective over the longer term.

4.2.12 The Act was amended at Stage 2, to include a new regulation making power that enables Welsh Ministers to permit principal councils to add an additional amount to the levy. This regulation making power will ensure that we can provide greater visitor levy flexibilities to principal councils in the future. This will provide local authorities with the ability to charge an additional amount to the levy rates at a later point, after the levy has been introduced. We would continue to consult with stakeholders and consider feedback before making any decisions about enabling local rate changes and setting an additional amount allowed.

### Exemptions

4.2.13 A series of exemptions were proposed within the consultation, which were based on work undertaken to develop the Partial Regulatory Impact Assessment. We had identified scenarios for certain visitors where it would not be proportionate to charge a levy. Additionally, we recognised the need to ensure certain accommodation types were outside of the scope of the policy. These were set out within the consultation and have been taken forward as part of the legislative proposals.

4.2.14 The consultation set out a series of potential exemptions including for those who are homeless, Gypsy and Traveller sites and services provided on a charitable basis to shelter individuals. There was general

advocation for the legislation to establish clear exemptions on a national basis. This will mean that where an exemption is set out in the legislation, the exemption will apply to all areas that use a visitor levy. There was limited appetite or evidence submitted highlighting the need for discretionary exemption powers.

4.2.15 During the development of the legislation, it was recognised that the language used in the consultation around out of scope stays and exemptions needed to be better defined in order to stay consistent with terminology in other local and devolved tax legislation. We have therefore taken the approach to set out in the legislation two categories of stays in relation to the levy, that will be either exempt or refunded:

- **Exemptions** are where we do not intend for the levy to be charged. For example, this includes stays arranged by local authorities for those who are homeless, accommodation for asylum seekers, private hospitals, approved premises, care homes and gypsy and traveller sites. An exclusion was introduced at Stage 2, so that those under the age of 18 will not be included in the calculable charge for the visitor levy for lower rated stays. Data is limited on the ages of overnight visitors to Wales, however, the introduction of this exclusion could potentially reduce the number of nights stayed in Wales liable to the levy by around one million (see **Annex 4** for the assumptions and detail). As this exclusion could potentially reduce revenues anticipated from the levy by up to £1 million per year across Wales as a whole, then the higher levy rate has been increased by 5 pence to ensure that revenues in the region of £33 million a year could still be raised from the levy in Wales as a whole, whilst still accommodating an exclusion from the levy for those persons under 18 staying in lower rated accommodation.
- **Refunds** may be provided by the WRA where it is not possible to provide an exemption. This includes stays where there is a risk to the health, safety or welfare if an individual stayed at their sole or main residence (for example stays arranged by charities for vulnerable persons or where fire, flood or other disaster has rendered a property uninhabitable or where emergency services have advised not to stay at the property for such reasons), where an individual was homeless (and the stay was not exempt), and stays by those in receipt of a disability benefit where the person was accompanied by a person providing care, support or assistance. An application for a refund must be made within 90 days from the last day a person was entitled to reside in the accommodation.

4.2.16 Provisions have been set out in the Act for further exemptions or refunds to be created in the future, should additional evidence emerge

regarding the need to do so. This will ensure that we can adapt and future proof the legislation.

- 4.2.17 For registration purposes, a provider will have to register if they are providing or offering to provide accommodation that is defined in the legislation as being visitor accommodation, irrespective of the leviable status of the overnight stay. Additional powers have been set out to allow for providers to be exempted from the need to be registered.

### Hypothecation

- 4.2.18 In relation to the question on whether revenues should be hypothecated, 481 respondents (74%) agreed with ring-fencing any revenues raised by the visitor levy. The concept of 'additionality' was also consistently raised, whereby any levy should not displace existing funding and should provide additional benefit beyond what is already provided.
- 4.2.19 Hypothecation can provide greater awareness as to the purposes of the levy (where revenues are hypothecated for the purposes of tourism) and create a clearer link between the levy and the service provided. It can also support the messaging to visitors and residents as there is a stronger link between the levy and services received.
- 4.2.20 The approach for the visitor levy is that it will be broadly hypothecated for the purposes of 'destination management and improvement'. Destination management and improvement means any of the following:
- mitigating the impact of visitors;
  - maintaining and promoting use of the Welsh language;
  - promoting or supporting the sustainable economic growth of tourism and other kinds of travel;
  - providing, maintaining and improving infrastructure, facilities and services for use by visitors (whether or not they are also for use by local people).
- 4.2.21 The legislation sets out that local authorities must give details at the end of the financial year in a publication, how revenues from the visitor levy have been allocated towards destination management and improvement purposes.
- 4.2.22 Following a Stage 2 amendment, the Act requires any principal council that introduces a levy to establish a partnership forum to ensure advice and recommendations for the levy are heard from tourism organisations and businesses. This will help ensure that views from the tourism industry are considered when deciding how revenues generated from a visitor levy should be allocated.

## **4.3 Independent consumer research**

- 4.3.1 In addition to the consultation and to further capture the sentiment of the public towards the policy proposals, we commissioned research focussed on consumers<sup>36</sup>, from November 2022 – January 2023.
- 4.3.2 The research was designed to obtain the views of Welsh residents and UK domestic holiday consumers on the potential discretionary visitor levy. It explored opinions on whether visitors should contribute via a levy, whether they are willing to pay a levy and if they would change their behaviour if a levy was introduced.
- 4.3.3 More than 2,500 respondents completed the survey including 1,005 from Wales, alongside in-depth interviews with 16 individuals. The results reflected broad support for the principle of a visitor levy. Respondents were more positive than negative when introduced to the concept of a visitor levy in a place where they go on holiday or in their area. 45% were positive, 25% were negative, and positivity increased amongst people with lots of tourism in their area.
- 4.3.4 Those surveyed broadly supported the principle of a visitor levy. A majority (58%) of respondents agreed that tourists should contribute towards the costs of maintaining and investing in the destinations they stay in, rising amongst people with lots of tourism in their area – in Wales (66%) and the UK (72%). Very few (13%) of those surveyed disagreed with the concept of contributing towards cost.
- 4.3.5 Although reactions were more positive than negative, when the visitor levy was turned from an abstract concept (i.e., for tourists to contribute to tourism areas) to a tangible concept (an actual visitor levy in areas they visit or live in), negativity did increase, and for some respondents, negativity was visceral. Furthermore, for those with lower household incomes, positivity dropped significantly, suggesting financial means are a driver of a positive response.
- 4.3.6 Almost all audiences felt it was important to be told where the funds would be spent, particularly Welsh residents who lived in areas where tourism was a significant economic activity. ‘Protecting the local environment’ and ‘maintaining local services and infrastructure’ were the main ways in which both holidaymakers and locals felt funds should be spent, although the order of priority changed between the two.

## 4.4 Stakeholder engagement

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<sup>36</sup> [PowerPoint Presentation \(gov.wales\)](#)



- 4.4.1 We have continued to engage with stakeholders throughout the Act's development. Subsequent engagement took place post-consultation through regular regional tourism fora arranged by Visit Wales.
- 4.4.2 Specific engagement with local authorities has also taken place throughout the Act's development with workshops held in July 2023 to discuss governance, audit and reporting considerations and local processes and impacts from the proposed operational model for the levy. These discussions helped further refine the design of the levy.
- 4.4.3 A visitor levy working group was set up to ensure that we were fully cognisant of potential challenges from operationalising a levy and to understand impacts in detail and how they can be mitigated. The group was established in December 2023 and comprised of a mix of representatives from local authorities, visitor accommodation providers, independent tax experts and tourism representative bodies. The working group focused discussions on guidance topics and identifying impacts which helped feed into information and guidance prepared by officials for implementation of the levy.
- 4.4.4 Welsh Government officials have continued to engage with the National Registration and Visitor Levy working group in 2025, alongside continued engagement with local authorities on potential costs (more detail is provided in Chapter 6).
- 4.4.5 We also engaged widely both internally and externally with stakeholders specifically in areas to inform our understanding of the potential impact on vulnerable groups, as part of the development of our Equality Impact Assessment, Children's Rights Impact Assessment, Socio-economic impact assessment and Welsh Language Impact Assessment<sup>37</sup>.
- 4.4.6 Additionally, as part of their discovery work for the visitor levy, the WRA have undertaken user research and direct engagement with visitor accommodation suppliers, online travel agents and others involved in the visitor accommodation sector.

## **4.5 Reasons for not consulting on a draft of the Act**

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<sup>37</sup> <https://www.gov.wales/visitor-accommodation-register-and-levy-wales-bill-integrated-impact-assessment>

- 4.5.1 The Welsh Government engaged extensively with stakeholders throughout the development of visitor levy policy before the launch of the consultation, during the consultation, and through to the introduction of the Act into the Senedd.
- 4.5.2 The Welsh Government has tested the practical implications of the proposed levy, the collection and management arrangements, through detailed discussions with stakeholders, including representatives from local authorities, visitor accommodation providers, the WRA, independent tax experts and tourism representative bodies.
- 4.5.3 The consultation was extensive in nature, exploring each aspect of the visitor levy design. We received detailed responses to the consultation which has helped to inform the design of the levy. Therefore, given the detail of that consultation, a further consultation on a draft Act was not necessary. The provisions included in the Act align to the principles set out in the consultation published in September 2022. The specific proposals have subsequently been further refined with expertise and input sought from stakeholders.

## **5. Power to make subordinate legislation**

The Act contains provisions to make subordinate legislation and issue determinations. Table 5.1 (subordinate legislation) and Table 5.2 (directions, codes and guidance) set out in relation to these:

- i. the person upon whom, or the body upon which, the power is conferred;
- ii. the form in which the power is to be exercised;
- iii. the appropriateness of the delegated power;
- iv. the applied procedure; that is, whether it is “affirmative”, “negative”, or “no procedure”, together with reasons why it is considered appropriate.

The Welsh Government will consult on the content of the subordinate legislation where it is considered appropriate to do so. The precise nature of consultation will be decided when the proposals have been formalised.

**Table 5.1: Summary of powers to make subordinate legislation in the provisions of the Visitor Accommodation (Register and Levy) Etc. (Wales) Act**

<b>Section</b>	<b>Power conferred on</b>	<b>Form</b>	<b>Appropriateness of delegated power</b>	<b>Procedure</b>	<b>Reason for procedure</b>
Part 1, section 2(5)	Welsh Ministers	Regulations	It provides a power to amend section 2 to: (a) provide that a type of accommodation, or accommodation of a particular description, is or is not visitor accommodation; (b) vary the description of a type of accommodation. This power is necessary to ensure that the legislation is able to reflect sectoral changes and any future changes in policy.	Draft Affirmative	The Senedd should be provided with the opportunity to scrutinise and vote on any proposed changes given that they will affect the duties placed on persons and their exposure to any associated penalties for registration and for the visitor levy.
Part 2, Section 5(2)	Welsh Ministers	Regulations	It provides a power to exempt a person of a description specified in the Regulations from the requirement to register as a visitor accommodation provider.	Draft Affirmative	The Senedd should be provided with the opportunity to vote on the exemption of persons from the requirement to register.

			The power is necessary to ensure the legislation continues to have the intended policy effect by ensuring the ability of the Welsh Ministers to exempt from the requirement to register any persons of a description that are not intended to be captured by the requirement to register.		
Part 2, section 26(1)	Welsh Ministers	Regulations	<p>It provides a power to make provision about the register and registration requirements including:</p> <p>(a) information that must or must not be included on the register;</p> <p>(b) requiring or prohibiting the publication of information contained in the register and of a kind specified in the regulations;</p>	Draft Affirmative	The Senedd should be provided with the opportunity to scrutinise and debate the detail of any proposed regulations to ensure proportionality and accountability of the government and suitability of Welsh laws.

			<p>(c) exempting a person from the requirement to give notice of changes and inaccuracies of a kind specified in the regulations;</p> <p>(d) the penalties in Part 2 including provision for—  (i) changing the amount of a penalty, (ii) changing how a penalty is calculated or (iii) procedures about assessing penalties;</p> <p>(e) which decisions of WRA are, or are not subject to review or appeal.</p> <p>The Act places duties on visitor accommodation providers to register and provide information through that registration process. We are aware of the constantly evolving</p>		
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			<p>nature of the sector and the need for the legislation to keep pace with sectoral changes so that it accurately reflects and depicts the visitor accommodation sector.</p> <p>These regulation powers are needed to ensure the effective operation of a national registration scheme.</p>		
Part 3, Section 29(5)	Welsh Ministers	Regulations	It provides a power to add, remove or change the descriptions of the circumstances in which an overnight stay in visitor accommodation does or does not take place. This power is necessary to ensure that the legislation is able to reflect sectoral changes and any future changes in policy.	Draft Affirmative	The Senedd should be provided with the opportunity to scrutinise and vote on regulations which will impact on liability for the levy.
Part 3, Section 29(6)	Welsh Ministers	Regulations	It provides a power to make provision about the ways in which it can be proved that an overnight	Draft Affirmative	The Senedd should be provided with the opportunity to scrutinise and vote

			stay did not take place under 29(2)(b) (including the documentation or other information that might be relied on and the issuing of vouchers).		on regulations which will impact on liability for the levy.
Part 3, section 31(6)	Welsh Ministers	Regulations	It provides a power to make additional or different provision about people who are not to be included in the calculation of the amount of levy payable. These amendments may relate to overnight stays subject to the higher or lower rate, or both. This power is required to ensure that the persons being charged the lower and higher rate of the visitor levy remains aligned to policy intent and provides flexibility and to promote fairness of application and remove any potential unintended barriers for specified groups.	Draft Affirmative	The Senedd should be provided with the opportunity to scrutinise and vote on regulations which will impact on liability for the levy.



Part 3, section 32(2)	Welsh Ministers	Regulations	It provides a power to revise the visitor levy rates that are set in legislation. It is important that the Welsh Ministers have the power to vary visitor levy rates to ensure they reflect the wider macro-economic context, continue to deliver policy aims and ensure sufficient revenues are generated.	Draft Affirmative	The Senedd should be provided with the opportunity to scrutinise and vote on regulations which will impact on liability for the levy.
Part 3, Section 33(3)	Welsh Ministers	Regulations	It provides a power to add, remove or vary a type of visitor accommodation or accommodation of a particular description to which each rate applies. It is required to ensure the leviable rates for accommodation types remain aligned to policy intent and provides flexibility and to promote fairness of application and remove any potential unintended barriers for specified groups.	Draft Affirmative	The Senedd should be provided with the opportunity to scrutinise and vote on regulations which will impact on liability for the levy.

Part 3, section 34(1)	Welsh Ministers	Regulations	<p>It provides a power to allow principal councils to add an additional levy amount to either the higher or lower rates in its area. Regulations under section 34(1) may also allow a principal council to add an amount of levy less than the amount specified in the regulations, and/or allow a principal council to add an additional amount to only certain parts of its area or different amounts to different areas. Regulations may also specify a time period when the additional amount does not apply. Section 34(4) contains a consultation requirement. It is recognised that local areas in Wales will have varying needs in relation to revenue generation to account for the costs and</p>	Draft Affirmative	The Senedd should be provided with the opportunity to scrutinise and vote on regulations which will impact on liability for the levy.
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			investment into the local tourism product. Therefore, it is appropriate to enable principal councils to apply an additional levy amount on top of the rates set in legislation.		
Part 3, section 35(8)	Welsh Ministers	Regulations	It provides a power to add, remove or change the descriptions of when the WRA may or must make a levy repayment and to amend the definition of disability benefit. This power is necessary to ensure that the legislation is able to reflect sectoral changes and any future changes in policy and that the refund process operates within the most up to date legislative framework.	Draft Affirmative	The Senedd should be provided with the opportunity to scrutinise and vote on regulations which will impact (indirectly) on liability for the levy. Additionally, changes to repayments may reduce or increase administrative costs for businesses and the WRA.
Part 3, Section 37(3)	Welsh Ministers	Regulations	It provides a power to amend the threshold amount of levy at which a visitor accommodation	Draft Affirmative	The Senedd should be provided with the opportunity to scrutinise and vote

			<p>provider may submit an annual return and to make provision about the information that may or must be provided to the WRA if a VAP wishes to make an annual return. This power is necessary because levy rates will likely be revised in the future as the amounts set in legislation relate to a moment in time and therefore flexibility is needed to adjust this figure to account for any future changes in the economic context. The provision of information element of the power is proportionate to enable WRA to effectively collect and manage the visitor levy and balance the level of tax risk.</p>		on regulations which will impact VAPs and the WRA.
Part 3, Section 45(5)	Welsh Ministers	Regulations	It provides a power to amend section 45 in respect of the content, number, frequency and	Draft Affirmative	The Senedd should be provided with the opportunity to scrutinise and vote

			deadline for the publication of the report principal councils must publish on the proceeds of the levy and how they have been used for the purposes of destination management and improvement.		on these regulations as they will impact the operation of the levy for principal councils in Wales.
Part 3, Section 53(1)	Welsh Ministers	Regulations	It provides a power to make provision about advertising and billing requirements for the visitor levy. This power is necessary as while there is an expectation that VAPs will bring the existence of the levy to the attention of visitors, if evidence emerges that this is not occurring this power will allow the Welsh Ministers to address the issue. The power also provides for the imposition of civil sanctions, and to provide for an appeals process, on a person who has not complied with a	Draft Affirmative	The Senedd should be provided with the opportunity to scrutinise and vote on regulations which will impose new requirements on VAPs including civil sanctions.

			requirements created under this section.		
Part 3, Section 54(2)	Welsh Ministers	Regulation	<p>It provides a power to amend section 54 for the purpose of disapplying (or reapplying) subsection (1) in relation to a function of a principal council under Part 3 (and section 61(2)).</p> <p>This provision is necessary to give the Welsh Ministers powers to amend this section in order to provide that certain functions of principal councils under the Act can be delegated to committees, council officers and other councils under section 101 of the Local Government Act 1972.</p>	Draft Affirmative	The Senedd should be provided with the opportunity to scrutinise and vote on regulations which will impact the functions of principal councils under the Act.
Part 4, Section 57	Welsh Ministers	Regulation	It provides a power to make provision about partnerships and unincorporated bodies.	Draft Affirmative	The Senedd should be provided with the opportunity to scrutinise and vote on regulations

			This provision is necessary to ensure appropriate registration requirements and tax liabilities are assigned for differing company and corporate structures. This is a routine power in tax legislation.		which will impact registration requirements and tax liabilities for specific persons.
Part 4, Section 59(1)	Welsh Ministers	Regulations	<p>It provides a power to make further provision about death, incapacity and insolvency.</p> <p>This is a routine power to ensure effective operation of the register and assignment of tax liabilities and operations of the tax system for special cases.</p>	Draft Affirmative	The Senedd should be provided with the opportunity to scrutinise and vote on regulations which will impact the operation of the register and tax liabilities for specific persons.
Part 4, Section 60(1)	Welsh Ministers	Regulations	<p>It provides a power to make provision about transfers of business as going concerns.</p> <p>This is a routine power to ensure effective operation of the register,</p>	Draft Affirmative	The Senedd should be provided with the opportunity to scrutinise and vote on regulations which will impact the operation of the register and tax

			assignment of tax liabilities and operations of the tax system for special cases.		liabilities for specific persons.
Part 4, Section 62	Welsh Ministers	Regulations	It provides a power to extend Part 2 (registration) and Part 3 of the Act (levy provisions) to berths and moorings by amending the Tax Collection and Management (Wales) Act 2016.	Draft Affirmative	The Senedd should be provided with the opportunity to scrutinise and vote on regulations which will extend the scope of the registration and levy provisions.
Part 4, Section 64(1)	Welsh Ministers	Regulations	It provides a power to make provision that is incidental or supplementary to, or consequential on and provision of the Act , and to make transitional or saving provision in connection with any provision of the Act.	Draft affirmative if amending, modifying or repealing any enactment contained in primary legislation, and negative procedure for all other regulations	The Senedd should be provided with the opportunity to scrutinise and vote on any amendments impacting primary legislation.
Schedule 2 Part 2, paragraph 25 inserts new section 24A into Tax Collection and Management (Wales) Act	Welsh Ministers	Regulations	It provides a power to determine how and what operating costs and disbursements will be deducted from any levy	Draft Affirmative	The Senedd should be provided with the opportunity to vote on the formula used to calculate



2016 (regulation making power in subsection (5))			receipts collected before their remittance to principal councils.		costs and disbursements to be deducted from levy receipts before sending these on to principal councils as it would represent a substantive change to the operation of the levy and deliver on the policy intention for the levy to be self-funding.
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**Table 5.2: Summary of powers to issue codes and guidance in the provisions of the Visitor Accommodation (Register and Levy) Etc. (Wales) Act**

<b>Section</b>	<b>Power conferred on</b>	<b>Form</b>	<b>Appropriateness of delegated power</b>	<b>Procedure</b>	<b>Reason for procedure</b>
Part 4, 61(1)	Welsh Ministers	Guidance	Welsh Ministers may issue guidance on this Act and any regulations made under this Act , but before issuing any such guidance the Welsh Ministers must consult such persons as they consider appropriate.	No procedure	There is no procedure. The power to issue guidance is intended to facilitate the application of the primary and any subordinate legislation.

## PART 2 – REGULATORY IMPACT ASSESSMENT

### 6. Regulatory Impact Assessment (RIA) summary

A Regulatory Impact Assessment has been completed for the Act and it follows below.

There are no specific provisions in the Act which charge expenditure on the Welsh Consolidated Fund.

#### Table A

The following table presents a summary of the costs and benefits for the Act as a whole. The table has been designed to present the information required under Standing Order 26.6 (viii) and (ix).

Due to the uncertainty around which local authorities will implement the levy (and when) and in order to present an estimate of aggregate costs, we have had to make a simplifying assumption that all 22 local authorities implement at the earliest opportunity. The WRA, local authority and visitor accommodation provider costs and the levy revenues are estimated on this basis.

The data that we have on the number of visitors to Wales is reasonably robust and so we have more confidence in presenting a single point estimate for the levy revenue. In contrast, the data we have on the number of visitor accommodation providers and the costs they will incur is significantly less certain. The WRA and visitor accommodation provider costs are presented in broad ranges to reflect this uncertainty.

<b>Visitor Accommodation (Register and Levy) Etc. (Wales) Act</b>		
<b>Preferred option:</b> Option 2 - Introduce legislation to grant local authorities a discretionary power to implement a visitor levy on overnight stays in visitor accommodation and establish a register of visitor accommodation providers.		
<b>Stage: Post Stage 4</b>	<b>Appraisal period:</b> 2025-26 – 2034-35	<b>Price base year:</b> 2023 – 2024
<b>Total Cost</b> Total: £322.0m to £582.9m Present value: £260.3m to £474.3m	<b>Total Benefits</b> Total: £264.0m Present value: £211.8m	<b>Net Present Value (NPV):</b> £-48.5m to £-262.5m

## Administrative cost

### Costs:

Total costs for the WRA to develop, collect and manage the levy over a 10 year period range from £17.123m - £22.670m. Total costs to develop and operate the register over a 10 year period range from £12.997m - £17.575m. Therefore, the combined cost range for the collection and management of the visitor levy and operation and maintenance of the register is: £30.121m - £40.244m over a 10 year period from 2025 – 2035.

Transitional costs for Welsh Government to develop guidance, communications and marketing and post implementation evaluation are approximately £44,000-£54,000 in 2025-2026, £20,000 per annum from 2027-2028 onwards and between £50,000 - £100,000 in 2031-2032. The combined cost for this element is: £0.2045m - £0.215m over a 10 year period from 2025-2035.

For the purpose of presenting a total cost estimate, if all 22 local authorities were to consult on and implement the levy, upfront costs would be approximately £831,300 with annual ongoing costs of approximately £937,600. It is recognised this is likely to over-estimate the actual total cost as it is not expected that all local authorities will choose to implement the levy. The combined cost for this element is: £8.33m over a 10 year period from 2025-2035, with one off costs assumed to be incurred in 2025-26 and 2026-27 and the annual ongoing costs incurred from 2027-28 (i.e. 8 years of the appraisal period).

<b>Transitional:</b> £8.5m to £10.7m	<b>Recurrent:</b> £30.2m to £38.2m	<b>Total: £38.7m to £48.9m</b>	<b>PV: £32.4m to 40.9m</b>
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### Cost-savings:

No administrative cost-savings have been identified.

<b>Transitional: £0</b>	<b>Recurrent: £0</b>	<b>Total: £0</b>	<b>PV: £0</b>
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**Net administrative cost: £38.7m to £48.9m**

## Compliance costs

One off aggregate costs for existing Visitor Accommodation Providers to register range between £40,000 - £815,000. Ongoing costs are estimated to be between £3,000 and £163,000 per annum. The combined cost for this element is: £0.06m - £1.955m over the 10 year appraisal period. The one off costs are assumed to be spread between 2026-27 and 2028-29, with ongoing costs incurred from 2028-29 onwards.

For the visitor levy, the cost estimates are again based on the assumption that all 22 local authorities opt to implement the levy at the earliest opportunity. One off aggregate costs to providers are estimated to be between £5.1m and £37.9m and incurred in 2026-27. Aggregate annual ongoing costs for providers will vary between £1.76m and £28.8m and will be incurred from 2027-28 onwards. The precise costs are highly uncertain given the lack of any direct comparator and the uncertainty regarding the exact number of establishments operating in Wales and which local authorities will opt to use the levy. The combined total for this element is: £19.2m - £268.0m over a 10 year period from 2025-2035.

Based on the estimated revenue amounts, the cost to visitors would be around £33 million per year if all local authorities chose to introduce a levy incurred from 2027-28 onwards totalling up to £264m over the 8 year period to 2034-35. The levy itself represents a transfer from visitors/ accommodation providers to local authorities. Table 21 provides some examples of the range of possible visitor levy amounts payable by different groups of visitors based on the higher or lower rate.

<b>Transitional:</b> £5.2m to £38.7m	<b>Recurrent:</b> £278.1m to £495.3m	<b>Total: £283.3m to £534.0m</b>	<b>PV: £227.9m to £433.4m</b>
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## Other costs

N/A

<b>Transitional: £ -</b>	<b>Recurrent: £ -</b>	<b>Total: £ -</b>	<b>PV: £ -</b>
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## Unquantified costs and disbenefits

There could be a possible reduction in visitors to Wales or to a certain local authority that adopts a levy (impact on demand). It is not possible to quantify this accurately. It is assumed that it will be offset by the additional revenue raised by the levy (impact on supply) see section 8.6. The societal impact of the levy is estimated to be neutral, and exact impacts would be dependent on spend of consequential revenue by local authorities. Environmental unquantified benefits could be seen should the levy result in changes in Wales-tourism related greenhouse gas emissions.

## Benefits

Based on the proposed rates set out in the Act, estimated revenues are anticipated to total up to around £33 million per year if all local authorities chose to introduce a levy. The earliest a visitor levy will become payable is 2027-28 (year 3 of the appraisal), therefore the levy could **generate up to £264m in revenue over the ten-year appraisal period (i.e. 8 years from 2027-28 up to 2034-35)**. The use of public spaces and services are integral to the overall visitor experience and investing and maintaining these can improve the reputation of the destination benefiting visitors, residents, and businesses. The levy in Wales would raise new money for local communities and ensure a more even share of costs to fund local services and infrastructure. Additional revenue could be invested back into local services and infrastructure to support sustainable tourism and in turn boost the Gross Value Added (GVA) from tourism in Wales.

The register will help determine who should pay the levy within a local authority area and meet registration needs for the scheme, whilst aiding local authorities and Welsh Government in making decisions related to the visitor levy. Additionally, it will offer a comprehensive, accurate, and current dataset of all visitor accommodations in Wales.

**Total: £264.0m**

**PV: £211.8m**

## Key evidence, assumptions and uncertainties

Cost estimates have been received from the WRA and two local authorities regarding administrative costs for the visitor levy. Additionally, the WRA undertook an exercise with visitor accommodation providers to identify transitional costs related to updates to processes and systems, and to identify ongoing compliance costs.

The Welsh Government commissioned several independent research pieces to better understand the economic and non-economic impact of introducing a levy in Wales which include:

- [The Potential Economic & Greenhouse Gas Impacts of a Visitor Levy in Wales, Professor Calvin Jones, Cardiff University](#)
- [Revised analysis of the potential economic and greenhouse gas impacts of a visitor levy, Professor Calvin Jones](#)
- [Review of Impacts of Visitor Levies in Global Destinations, Bangor University](#)
- [Evidence review of elasticities relevant to a visitor levy in Wales, Alma Economics](#)
- [Comparative Analysis of the Tax Systems Faced by the Visitor Economies in Selected Countries, Bangor University](#)

## 7. Options

### 7.1 Development & options

- 7.1.1 A number of options have been considered for the delivery of the policy intention through the public consultation in 2022 and extensive stakeholder engagement. A [Partial Regulatory Impact Assessment](#) was published alongside the consultation which set out 3 options and sub-options and assessed their potential costs, benefits and disbenefits.
- 7.1.2 The programme for government commitment is to ‘permit’ local authorities to raise a visitor levy as it is recognised that not every area may wish to use a visitor levy. The principle of local decision making is important for the context of the levy. The size and nature of visitor accommodation is highly variable across principal council areas, therefore we recognise some local authorities may not wish to use a levy.

### 7.2 Alternative options to a visitor levy

#### Accommodation Business Improvement District (ABID)

- 7.2.1 Consideration was given to whether an Accommodation Business Improvement District (ABID) would be an appropriate option and comparator with a visitor levy. It is important to establish that an ABID is separate and distinct from a visitor levy for the following reasons:
- An ABID is not applied to all overnight visitors in visitor accommodation but only those within the defined ABID area or within the scope of the ABID, for example only accommodation over a certain rateable value is included within Manchester’s ABID<sup>38</sup>.
  - An ABID is governed, controlled, led and proposed by businesses. Public sector bodies may be involved such as local authorities, but they cannot compel the introduction of an ABID. Businesses that would be subject to the ABID vote on whether to introduce the proposed ABID or not. A levy would be a compulsory requirement set in legislation and introduced by local authorities rather than a measure which businesses would vote on.
  - To introduce and set new taxes or levies, legislation is required.
- 7.2.2 Given the fundamental differences between an ABID and a tax, it is not appropriate to use an ABID as a comparator option. Voluntary arrangements are also not suitable comparators given that it is not

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<sup>38</sup> <https://manchesterabid.com/manchester-abid-zone/>

possible to establish the size or scope of such arrangements, and therefore it is uncertain what we would be comparing against. In any event, we cannot estimate the costs or benefits of a voluntary arrangement, given that it is voluntary in nature and it is unknown who may contribute and who would not.

### Day Visitors

- 7.2.3 Some of the other options considered, but ultimately not pursued, included the application of a levy to 'day visitors'. Through our research and engagement with other countries, we identified that levies on 'day visitors' were applied in areas with hard geographical borders and monitored points of entry. For example, Venice introduced a day visitor tax in 2024 which requires day visitors to book online and pay a fee during peak tourism periods<sup>39</sup>. Enforcement is facilitated through a digital platform where visitors register and receive a QR code as proof of payment, which must be shown at the city's main access points. This type of system requires a robust infrastructure and personnel to monitor compliance at the city's access points. Therefore, such an approach in Wales was felt to be disproportionate.
- 7.2.4 Cruise ship or ferry passengers are also generally the target of a 'day visitor' levy, due to the ability to effectively link cruise ship or ferry passengers to a 'day visit'. Areas such as Amsterdam, Rotterdam and Catalonia apply a 'day visitor' levy to cruise ship and ferry passengers given the sizeable volumes of visitors undertaking a visit through these modes of transport. Across the UK, we have freedom of movement and Wales has a porous border with England, and therefore, without defined and monitored point of entry a visitor levy is significantly challenging to apply to 'day visitors'.
- 7.2.5 Other forms of taxation in this space include 'entertainment taxes'. An 'entertainment tax' is targeted towards visitor attractions and events within a local area. There were limited examples identified internationally of this type of tax however Amsterdam is a prominent example. The 'entertainment tax' applies in Amsterdam to; operators of boat tours, renters of canoes and pedal boats, tour operators and city tours<sup>40</sup>. It also applies an 'entertainment tax' to events and festivals in public spaces with more than 500 visitors<sup>41</sup>, alongside their existing 'tourism tax' on overnight stays.

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<sup>39</sup> [Venice Access Fee | VeneziaUnica City Pass](#)

<sup>40</sup> [Entertainment tax - City of Amsterdam](#)

<sup>41</sup> [Entertainment tax for events - City of Amsterdam](#)



7.2.6 This type of tax is generally considered a separate tax from a visitor levy applied to overnight stays. Where used, entertainment taxes are generally applied to everyone. This is because without a method of verification of an individual's primary residence, it is not possible to selectively tax visitors. Such a system would likely be unfeasible as it would require individuals to carry relevant identification with them and businesses or authorities to then check this information. In the absence of effective verification methods, entertainment taxes can consequently impact residents, running counter to our policy aims for a visitor levy. This is because there is a weaker link to the proposed tax base. In 2021 just over half of visitors to attractions in Wales were local visitors<sup>42</sup>. The scale of visitor attractions in Wales is vast and can range from paid to free activities and events. Impact on residents is less of an issue with a levy on visitor accommodation. Although residents will also access visitor accommodation locally, this would represent a small proportion of the total of overnight stays.

7.2.7 Therefore, following the consultation and stakeholder engagement, we are now proposing two options for consideration in this Regulatory Impact Assessment:

- **Option 1:** Business as usual – primary legislation to introduce a discretionary power for local authorities to implement a visitor levy is not introduced, and therefore, no local authority has the power to introduce a visitor levy.
- **Option 2:** Introduce legislation to grant local authorities a discretionary power to implement a visitor levy on overnight stays in visitor accommodation and establish a register of visitor accommodation providers. **(Preferred option)**.

7.2.8 The full options appraisal has been set out in Chapter 8. The costs and benefits associated with each option are presented, using the best available information. This information has been prepared through discussion with key stakeholders and evidence-based research.

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<sup>42</sup> [Visits to Tourist Attractions in Wales 2021 \(gov.wales\)](https://gov.wales/visits-to-tourist-attractions-in-wales-2021)

## **8. Costs and benefits**

- 8.1.1 Costs and benefits have been assessed over a 10-year appraisal period, running from 2025-2026 to 2034-2035. This time period is considered to be sufficient for local authorities to consider whether to introduce a visitor levy and to capture any subsequent operating costs.
- 8.1.2 Unless otherwise stated, all costs and benefits have been rounded to the nearest thousand pounds. Some of the totals in tables may not sum due to this rounding. Costs and benefits have been discounted using HM Treasury's central discount rate of 3.5%.

### **Option 1: Business as usual**

#### **8.2 Description**

- 8.2.1 In Option 1, there is no change from the current situation and legislation to establish a register of visitor accommodation providers and give local authorities an optional power to implement a visitor levy is not introduced, therefore, no local authority can implement a visitor levy and there is no register of visitor accommodation in Wales.
- 8.2.2 This section presents the Welsh Government's initial evaluation of the costs and benefits for different groups and sectors if a locally determined levy is not an option, with no local authority able to generate revenue through taxing overnight visitors to their area.

#### **8.3 Costs & Benefits**

- 8.3.1 This is the baseline option and as such there are no additional costs associated with this option. There would be no additional costs for the Welsh Government, local authorities, the WRA or visitor accommodation providers for registering, collecting and administering the levy. There would be no additional funding generated from the levy for spending in local authority areas.

##### Visitor accommodation providers

- 8.3.2 Under this option, visitor accommodation providers would not have to register or be liable to a visitor levy therefore avoiding any associated costs in the administration of a levy. Revenues would not be negatively affected if there was an impact on demand from introduction of a levy. However, visitor accommodation providers would not see the benefits of the money raised and spent in the local area to improve the services

offered to visitors. Should these improvements help to maintain or draw in more visitors, visitor accommodation providers would not see the benefits.

### Visitors

8.3.3 Visitors would not have to pay an additional levy to stay overnight in visitor accommodation, therefore, there would be no potential negative impact on visitor spending or behaviour. There would also be no confusion to visitors who may face a visitor levy in one local authority area and not in another.

8.3.4 Visitors would not however, see the benefits of the money raised and spent to improve the services offered to visitors and residents.

### Local Authorities

8.3.5 Local authorities would not incur additional costs arising from consultation and engagement on a visitor levy. However, some local authorities may continue to face challenges to maintain funding to respond to pressures arising from visitors and would not receive any additional revenue stream to re-invest locally to support communities and the visitor economy.

### Welsh Government/ The Welsh Revenue Authority

8.3.6 The Welsh Government would not be required to provide funding to the WRA. There would be no requirements for set up/ implementation costs from the development and building of any digital services, the resourcing of new teams, and the processes involved to create a system for the collection and management of a new tax. The WRA would also not incur ongoing costs for the 'administration' i.e. collection and management costs, which refers to ongoing activity required to deliver the visitor levy once implementation had taken place.

### Business community (excluding visitor accommodation providers)

8.3.7 Businesses would not incur any potential knock-on impacts on trade from the introduction of a levy. For example, if there was a reduction in demand due to use of a levy with fewer visitors coming to Wales or a specific local authority in Wales. However, businesses would not see the benefits of how the revenues from the levy are spent, for example if a local authority chose to use the money to improve the local

amenities where this might attract more visitors and improve business conditions.

### Residents

8.3.8 If no levy was introduced, the pressure on the provision of funding in some local authorities could lead to challenges in maintaining the quality and provision of public amenities. It would also not help ease any tensions between resident communities and visitors. Residents would not see the benefit from additional revenue to their local areas.

## **Option 2: Introduce legislation to grant local authorities a discretionary power to implement a visitor levy on overnight stays in visitor accommodation and establish a register of visitor accommodation providers.**

### **8.4 Description**

8.4.1 Option 2 involves implementing the Visitor Accommodation (Register and Levy) Etc. (Wales) Act . This establishes a register of visitor accommodation providers and gives local authorities in Wales the ability to charge a visitor levy on overnight stays in visitor accommodation. Under this option, the costs and benefit analysis are associated with the measures introduced by the Act.

### **8.5 Costs & Benefits**

#### Data Sources and the approach taken to estimate costs

8.5.1 The visitor economy in Wales is characterised by many small and micro-sized businesses given its smaller economy compared to global counterparts<sup>43</sup>. It is difficult to quantify the tax base for the visitor levy as the proposals will apply to businesses that both meet and do not meet the VAT threshold. The Inter-Departmental Business Register (IDBR) indicates there are around 1,810 visitor accommodation providers in Wales who are registered for VAT<sup>44</sup>.

8.5.2 Non-VAT registered accommodation providers, such as a person who lets one room or one property via an online facilitator such as Airbnb, are much harder to estimate. Welsh Government published a Bedstock data report in August 2022 which gives the maximum bedspace capacity for all accommodation providers in Wales. The report identified there are 16,600 accommodation establishments in Wales,

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<sup>43</sup> [Tourism \(Senedd Wales\)](#)

<sup>44</sup> <https://www.gov.wales/wales-visitor-economy-profile-2024>

12,145 of which were self-catering accommodation establishments.<sup>45</sup> These figures, however, do not directly equate to the number of anticipated levypayers as, for example, multiple establishments could be owned and managed by one business but are counted individually as accommodation establishments within the Bedstock data.

- 8.5.3 Lighthouse is a 3rd party data supplier that provides data on short term lets 'scraped' from four booking channels Airbnb, Vrbo, Tripadvisor, Booking.com. While this data is quality checked and processed by Lighthouse and by Visit Britain it should not be used as an official count of properties. The Lighthouse data scraping exercise undertaken in 2022, suggests there could be up to 55,000 visitor accommodation premises in Wales.
- 8.5.4 Further analysis of a snapshot of the data taken from Lighthouse over a representative 12-month period shows that approximately 20% of the properties listed in that time had zero nights booked. It's important to note that this number is highly contextual, and is likely to fluctuate year on year, but is indicative of the level of uncertainty involved in using this data to ascertain the composition of the sector and the likely revenue available.
- 8.5.5 The highly variable nature of the Short Term Let market, with properties coming on to market and then dropping off frequently throughout the year, make it difficult to accurately predict future market behaviour based on historical trend data. As noted, the data mentioned here from Lighthouse is not currently used as an official statistic and is not necessarily definitive of the number of short-term lets available in Wales. The most up to date data from Lighthouse for the UK, including a Wales level breakdown, can be found at Visit Britain's website<sup>46</sup>.
- 8.5.6 ONS analysis of short-term lets through online collaborative economy platforms suggests there were between 22,040 – 26,990 hosts providing short term lets in 2023 in Wales, with the trend showing a gradual increase through the year. However, it is recognised that there is likely duplication in these figures from hosts advertising on multiple channels.<sup>47</sup>
- 8.5.7 The lack of accurate sectoral data as to the number of visitor accommodation providers in Wales is one of the reasons a register of visitor accommodation is included within the legislation.

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<sup>45</sup> [Summary of Wales bedstock data: situation as at June 2022 | GOV.WALES](#)

<sup>46</sup> [UK short-term rentals | VisitBritain.org](#)

<sup>47</sup> [Short-term lets through online collaborative economy platforms, UK - Office for National Statistics \(ons.gov.uk\)](#)

- 8.5.8 Given the discrepancies and uncertainties with the data available on the sector an approach has been taken within the Regulatory Impact Assessment to estimate the costs based on between 16,000 and 55,000 accommodation providers, meaning that estimated costs are provided as a range throughout the RIA, with the mid-point providing a likely estimate.
- 8.5.9 Additionally, as the Act introduces a discretionary power to implement a visitor levy on overnight stays, it is likely that only some of Wales' local authorities will introduce a visitor levy. This is partly because the tax base (visitor spending on commercial accommodation) in a number of local authorities is relatively small, meaning any revenues generated could be low in some areas relative to costs involved for introducing and administering a visitor levy.
- 8.5.10 It follows that any additional administrative and compliance costs arising from the Act in relation to the levy will not be incurred by every local authority in Wales or by all accommodation providers in Wales. The decision will be for individual local authorities to make based on their local circumstances, therefore it would be inappropriate for the Regulatory Impact Assessment to assume particular decisions by local authorities, on whether or not to introduce a visitor levy in their area.
- 8.5.11 Therefore, to present an aggregate cost, we have presented estimates based on all 22 local authorities consulting and implementing the levy, when in reality, this outcome is unlikely. It is recognised that the costs presented are therefore likely to **over-estimate the actual cost**. The figures presented should be interpreted with caution throughout the document given the uncertainty surrounding the exact figures and influencing variables.

### **Welsh Revenue Authority**

- 8.5.12 The WRA (a non-ministerial department of the Welsh Government) is the intended body for the collection and management of a visitor levy and for economies of scale, will establish, maintain and publish the register of visitor accommodation in Wales. There will be costs associated for development, implementation, and administration of both the registration and the visitor levy. The cost estimates for the registration service and the visitor levy have been presented separately. A summary of the costs for the registration service is provided at table 7. A summary of the costs for the visitor levy is provided at table 13.
- 8.5.13 The estimates are based on teams required to implement and operate a registration service and build and operate the visitor levy and is

based primarily on detailed policy discussion with Welsh Treasury and Visit Wales officials and the discovery work undertaken by the WRA.

### Registration of visitor accommodation providers

#### *Assumptions and variability of cost forecasts*

8.5.14 Several assumptions have been made to estimate these costs, which include:

- That the WRA will establish, maintain and publish the register.
- There will be no charge for registration.
- Registration would commence in Autumn 2026. It is intended that all visitor accommodation providers in Wales will be registered by the end of 2028.
- Costs for a communications campaign are included.
- Some digital staff and operational staff could be shared with the visitor levy (only part of their cost is recharged), otherwise the full cost could be charged.

8.5.15 There are several factors that could increase the cost of implementing a registration service, the major variables are:

- Whilst the legislation provides details on the requirements there are some unknown operational requirements, which will only become identifiable during implementation.
- It is assumed that people will generally comply with registration, however, if there are differing behaviours then compliance costs will likely increase.
- There is no robust source of data to identify the number and type of accommodation in local authorities. This will only be clarified as the service is rolled out.
- Recruitment of internal digital and data staff can be problematic, due to pay constraints, therefore contractors may be required to plug the skills gap, which is modelled through the high-cost scenario.
- This forecast is for national registration, and it assumes some resources are shared with the visitor levy. This may be an opportunity to significantly reduce the operational costs of registration if most local authorities opt into the visitor levy.

#### *Estimation methodology*

8.5.16 The WRA cost estimation has been built based on teams needed to build and operate the registration service. A distinction has been made between development costs and operational costs. Costs have been considered under the following assumptions, which are based on the Wales Bedstock data<sup>48</sup> for the lower estimate and short-term lets through online collaborative economy platforms data for the high estimate.<sup>49</sup>

	Low Estimate	High Estimate
<b>Registrations</b>	16,000	55,000

8.5.17 The low estimate assumes that all internal resources are recruited to time, the high value assumes only 50% resources recruited and substituted by contractors, based on historic implementation. No distinction has been made between capital and revenue costs. However, it is anticipated that development costs will largely require capital whilst the on-going operational costs will come from revenue costs. It is estimated that there will be around 5-15% new accommodation businesses each year, and between 5-10% of accommodation closures based on past trends from UK business demography data<sup>50</sup>.

### *Development Costs*

8.5.18 The development of the digital systems will have 3 main cost areas:

- **Staff Costs:** This will be WRA staff who are involved in the development and implementation of the digital service. Some of these staff will be employed specifically for registration service and some will be existing WRA staff. It is likely that some of these staff will work across registration and the visitor levy service in their operational phase. Therefore, we have apportioned the costs in these scenarios. Only the registration portion is presented here, and if this is not the case then these costs will be higher.
- **Contractor Costs:** There will be a need to employ contractors to assist in building the digital system, primarily to substitute for staff that cannot be recruited or specific skills that are needed for short periods of time.
- **Infrastructure Costs:** Within the development phase there will be a need to create infrastructure to support the development environment, performance and security testing. This cost would include the digital licensing requirements needed to support the

<sup>48</sup> [Summary of Wales bedstock data: situation as at June 2022 \[HTML\] | GOV.WALES](#)

<sup>49</sup> [Short-term lets through online collaborative economy platforms, UK - Office for National Statistics](#)

<sup>50</sup> Office for National Statistics (ONS), published 22 November 2023, ONS website, statistical bulletin, [Business demography, UK: 2022](#)



infrastructure of the service. The infrastructure cost includes licensing and equipment for registration but not the licensing of equipment as a WRA employee.

### **Communication Costs**

8.5.19 There is a necessity for every visitor accommodation provider to be made aware of the policy, timescales involved and what action is required of them. There will be a need for sustained communications during the critical implementation period.

8.5.20 While it is possible to reach some accommodation providers through existing communication channels such as public relations activities, newsletters, social media, and direct engagement with the tourism industry, to ensure comprehensive dissemination of information regarding the register, costs for using paid communication channels will also be incurred.

8.5.21 The estimated expenditure for a public awareness campaign, commissioned by the WRA, is projected to be £175,000 in 2025/26. These costs will encompass comprehensive audience research, strategic channel selection, and evaluation.

8.5.22 Expenditure on effective communications will ensure high levels of voluntary compliance, reduce enforcement costs, maintain positive industry relations, and establish the solid data foundation required for the visitor levy implementation in 2027.

8.5.23 Tables 4 and 5 breakdown the development costs into low and high estimates, alongside the operational staff that will operate alongside them.

**Table 4: Registration development costs (Low Estimate)**

FTEs	Cost (£)	2025-26		2026-27	
		FTE	Total (£)	FTE	Total (£)
TS	£39,463	2.00	£78,926	5.00	£197,315
EO	£50,334	0.50	£25,167	1.50	£75,501
HEO	£61,848	4.25	£262,854	5.00	£309,240
SEO	£77,694	7.50	£582,707	7.50	£582,707
G7	£100,941	3.50	£353,292	3.50	£353,292
G6	£123,966	0.50	£61,983	0.50	£61,983
Development Staff		14.50	£1,100,445	14.50	£1,100,445
Operational Staff		3.75	£264,484	8.50	£479,593
<b>Total Staff Costs</b>		<b>18.25</b>	<b>£1,364,929</b>	<b>23.00</b>	<b>£1,580,038</b>
Infrastructure			£25,000		£60,000
Consultants			£200,000		£300,000

Communication	£175,000	-
<b>Totals</b>	<b>£1,764,929</b>	<b>£1,940,038</b>

**Table 5: Registration development costs (High Estimate)**

FTEs	Cost (£)	2025-26		2026-27	
		FTE	Total (£)	FTE	Total (£)
TS	£39,463	2.00	£78,926	8.00	£315,704
EO	£50,334	0.50	£25,167	1.50	£75,501
HEO	£61,848	4.25	£262,854	7.00	£432,935
SEO	£77,694	7.50	£582,707	7.50	£582,707
G7	£100,941	3.50	£353,292	3.50	£353,292
G6	£123,966	0.50	£61,983	0.50	£61,983
Development Staff		14.50	£1,100,445	14.50	£1,100,445
Operational Staff		3.75	£264,484	13.50	£721,678
<b>Total Staff Costs</b>		<b>18.25</b>	<b>£1,364,929</b>	<b>28.00</b>	<b>£1,822,123</b>
Infrastructure			£25,000		£60,000
Consultants			£700,000		£800,000
Communication			£175,000		-
<b>Totals</b>			<b>£2,264,929</b>		<b>£2,682,123</b>

### *Operational Costs*

8.5.24 The resources (FTE roles) described in this section are using estimates for 2027-28 to illustrate activities and resources as this will be the first full year of operational activity (no major service development).

8.5.25 Industry research indicates a demand for a straightforward, intuitive service that allows for fast and efficient property registration. Timely funding is necessary to invest in the design process. Without an effective digital service, an increase in personnel will be necessary, including customer support staff to assist users and additional resources to manage manual and inefficient operational procedures. The digital service will need to:

- allow people to create a user account
- enter information about both the visitor accommodation and the ownership dynamic
- be the entry point for other future services (e.g., visitor levy)
- have services running off the registration process e.g., a public register

8.5.26 It is essential that live systems receive proper maintenance. A variety of tasks must be performed to manage digital services, including:

- Patching, updates, cyber security
- Maintain accessibility standards

- Changes needed in line with changes to policy design / rates etc.
- Testing and Support in case the systems stop working
- Responding to feedback from users, and making iterative improvements (rather than big, wholesale changes every couple of years).
- Increasing automation in response to volume increases in semi-automated tasks.

8.5.27 This will require a small team of people for every element of the service registration and liability. However, the WRA's structuring allows the services to cover multiple areas. As such, the registration will benefit from several people who can work across all the areas, but only pay for a proportion of them (as opposed to having dedicated staff for each area).

8.5.28 The types of roles that are in here include business analyst, service owner, service designer, tester, developers, user researcher, user experience (UX) and delivery manager, information and cyber security, data architecture, data manager and integrations. This does not include some line management costs where staff are matrix managed, if the line managers do not actively contribute to the implementation of the levy.

#### *Supporting visitor accommodation providers / working with agents*

8.5.29 Providers are expected to need assistance during the registration process despite the quality of guidance and systems available. The WRA is committed to helping individuals correctly complete their registration from the beginning, offering proactive support, especially in the initial stages of implementation. Guidance through the registration process is poised to have beneficial effects on subsequent services, such as the visitor levy.

8.5.30 It is anticipated that the WRA's current operating hours (business hours Monday to Friday) may need to be extended to cover evenings and weekends, but this is subject to whether prescriptive deadlines are placed on when providers must register by. Some resources will need to increase or decrease as we learn more on the volumes of the number accommodation providers and the volume of de-registrations and new registrations, to support queries and to consider non-compliance.

8.5.31 The WRA's existing helpdesk can help plan to manage peaks and troughs throughout the year by having staff work across registration, visitor levy, and the other devolved taxes which will benefit registrations efficiency.

#### *WRA Staff*

- 8.5.32 As a minimum 4 helpdesk full time equivalents (FTE) at team support (TS) (at least 2 of which to be Welsh speaking), who will answer calls and respond to e-mails / contact us queries from visitor accommodation providers and agents, dealing with as much as they can / escalating as needed, and undertake administrative duties. They will also be responsible for issuing late registration letters, amendments and generally corresponding and prompting customers. This could increase to 7 in the high scenario to deal with the potential additional volume (3 additional FTEs).
- 8.5.33 A junior developer (0.5 FTE at TS) would support the on-going needs of the digital service particularly around the digital products that might be required in association with registration e.g. for developments of a public register.
- 8.5.34 At Executive Officer (EO) grade this could include an information officer (0.5 FTE) which would oversee the information governance aspects associated with the registration such as data protection and record management activities. This is expanded to include 2 FTE compliance officers to support the day to day running of the registration scheme these would support identifying compliance risks and opportunities and investigate intelligence relating to non-compliance.
- 8.5.35 At the Higher Executive Office (HEO) grade there are a variety of different roles including DDAT roles such as data manager (0.5 FTE), developer (0.5 FTE), a test engineer (0.5 FTE), a PMO (0.5 FTE) and designer (0.5 FTE) this staff would work on maintain the digital service offering subject to user and organisational needs. The remaining posts would cover operational roles operations supervisor (1 FTE), and HR resource (0.5 FTE). These posts would work to support the collection, compliance, remittance and enforcement of the levy. The current assumption within the high-cost scenario includes an additional 2 FTEs to support compliance activity once there is a better understanding of the level of compliance.
- 8.5.36 The senior executive officer (SEO) roles include posts such as a policy lead (0.5 FTE), a service designer (0.5 FTE), senior software developer (0.5 FTE), a test engineer (0.5 FTE), a communication lead (0.5 FTE), a user researcher (0.5 FTE), a business analyst (0.5 FTE), an user experience designer (0.5 FTE), a delivery manager (0.5 FTE), customer relationship manager (0.5 FTE) and a cyber security lead (0.5 FTE).
- 8.5.37 The Grade 7 and 6 posts would cover 3.5 FTEs in 2027-28, covering posts such as chief digital officer (0.5 FTE), senior delivery manager (0.5 FTE), data lead (0.5 FTE), lead software architect (0.5 FTE), stakeholder lead (0.5 FTE), a lawyer (0.5 FTE) and a product manager (0.5 FTE). As the intention is to implement the registration in stages, certain positions will be necessary in the initial year to recognise user needs and work with industry partners to address any problems. In the

second year, some of these roles will transition to other areas of the business.

8.5.38 Some line management costs are not included where staff are matrix managed, if the line managers do not actively contribute to the implementation of the levy. Time spent by the WRA board/senior leadership time is also omitted as the funding for the WRA board and senior leadership time is already baselined with the WRA core costs and it is not envisaged that this will increase significantly. Similarly, IT overheads such as the costs of supplying staff with equipment and licences have not been considered as these are currently unclear e.g. subject to specific experience, skills and the requirements of the staff.

8.5.39 In addition to staff costs, the 10-year forecasts include the on-going spending to cover infrastructure and consultants cost, similar to what is described in the development section.

**Table 6: Estimated FTE Staff Numbers (2027-2028)**

<b>Grade</b>	<b>Annual Gross salary (£)</b>	<b>Low</b>		<b>High</b>	
		<b>FTE</b>	<b>Total</b>	<b>FTE</b>	<b>Total</b>
TS	£39,463	4.50	£177,584	7.50	£295,973
EO	£50,334	2.50	£125,835	2.50	£125,835
HEO	£61,848	4.00	£247,392	6.00	£371,087
SEO	£77,694	5.50	£427,318	5.50	£427,318
G7	£100,941	3.00	£302,822	3.00	£302,822
G6	£123,966	0.50	£61,983	0.50	£61,983
<b>Total</b>		<b>20.00</b>	<b>£1,342,934</b>	<b>25.00</b>	<b>£1,585,019</b>

**Table 7: Total estimate costs for the development and operation of a registration service for visitor accommodation providers**

<i>£000s</i>										
	<b>2025-26</b>		<b>2026-27</b>		<b>2027-28</b>		<b>2028-29</b>		<b>2029-30</b>	
	<i>Low</i>	<i>High</i>	<i>Low</i>	<i>High</i>	<i>Low</i>	<i>High</i>	<i>Low</i>	<i>High</i>	<i>Low</i>	<i>High</i>
Development Costs	1,500	2,000	1,460	1,960	-	-	-	-	-	-
Operational Costs	264	264	480	722	1,508	1,925	1,112	1,529	1,112	1,529
<b>Total</b>	<b>1,765</b>	<b>2,265</b>	<b>1,940</b>	<b>2,682</b>	<b>1,508</b>	<b>1,925</b>	<b>1,112</b>	<b>1,529</b>	<b>1,112</b>	<b>1,529</b>
	<b>2030-31</b>		<b>2031-32</b>		<b>2032-33</b>		<b>2033-34</b>		<b>2034-35</b>	
	<i>Low</i>	<i>High</i>	<i>Low</i>	<i>High</i>	<i>Low</i>	<i>High</i>	<i>Low</i>	<i>High</i>	<i>Low</i>	<i>High</i>
Development Costs	-	-	-	-	-	-	-	-	-	-
Operational Costs	1,112	1,529	1,112	1,529	1,112	1,529	1,112	1,529	1,112	1,529
<b>Total</b>	<b>1,112</b>	<b>1,529</b>	<b>1,112</b>	<b>1,529</b>	<b>1,112</b>	<b>1,529</b>	<b>1,112</b>	<b>1,529</b>	<b>1,112</b>	<b>1,529</b>

**Table 8: 10 Year Forecast Summary**

**10 Year Cost Forecast**

<i>£000s</i>		
	<i>Low</i>	<i>High</i>
<b>Total</b>	12,997	17,575

Visitor levy

*Estimations and assumptions*

8.5.40 Several assumptions have been made to estimate these costs, which include:

- Local Authorities will be able to opt into visitor levy from March 2026.
- The earliest that the visitor levy can be collected would be April 2027.

8.5.41 There are also several factors that could alter the cost of implementing the visitor levy, the major variables are:

- Whilst the legislation provides detail about how the visitor levy will operate there are still many operational requirements that are not known but will become clearer during the implementation stage.

- The data on the number and type of visitor accommodation in local authorities is not accurate, this will only be clarified as the service is rolled out.
- When and which local authorities will opt into the visitor levy.
- Recruitment of internal digital and data staff - additional allowances to retain staff and/or use of contracting staff to plug the skills gap may be needed. This is reflected in the range of costs and such issues may push the costs towards the higher end of the forecast.

8.5.42 The estimation has been built based on teams needed to build and operate the visitor levy. A distinction has been made between development costs and operational costs however it should be noted that during early operational activity (2026-27 to 2027-28) of visitor levy there will be a significant overlap between development and operational costs.

8.5.43 Costs will also depend on the number of local authorities that opt to use a levy and the number of visitor accommodation providers in a local authority area. Costs will also depend on the number of levy returns submitted by businesses. Given the high degree of uncertainty around how many local authorities will implement the levy and the number of visitor accommodation providers in each local authority area, a low and high estimate has been used.

8.5.44 In addition, the low estimate assumes that all internal resources are recruited to time, the high value assumes only 50% resources recruited and substituted by contractors. No distinction has been made between capital and revenue costs.

#### *Fixed costs*

8.5.45 As the visitor levy will be developed as a national system, the development costs will be substantially the same regardless of the number of local authorities that adopt the visitor levy. The same is also true for the operational running costs, there are significant fixed costs that will not be covered to support the running of the system.

8.5.46 The costs have been split into the initial development costs and subsequently the operational costs.

#### *Development Costs*

8.5.47 The development of the digital systems will have 3 main cost areas:

- **Staff Costs:** This will be WRA staff who are involved in the development and implementation of the digital service. Some of these staff will be employed specifically for visitor levy and some will be existing WRA staff. It is likely that some of these staff will continue to work on the visitor levy service in its operational phase. An assumption has been made that some of this resource will also be

working on registration service and will therefore be a shared resource where the costs are shared. Only the visitor levy portion is presented here to ensure there is no duplication of cost with costs presented for registration.

- **Contractor Costs:** There will be a need to employ contractors to assist in building the digital system, primarily to substitute for staff that we are not able to recruit or specific skills that are needed for short periods of time.
- **Infrastructure Costs:** Within the development phase there will be a need to create infrastructure to support the development environment, performance and security testing. This cost would include the licensing requirements needed to support the infrastructure of the service. The infrastructure cost includes licensing and equipment for visitor levy but not the licensing of equipment as a WRA employee.

8.5.48 Table 9 and 10 breakdown the development costs into low and high estimates, alongside the operational staff that will operate alongside them.

**Table 9: Development costs (Low estimate)**

FTEs	Cost (£)	2025-26		2026-27		2027-28	
		FTE	Total (£)	FTE	Total (£)	FTE	Total (£)
TS	£39,463	1.00	£39,463	2.00	£78,926	5.00	£197,315
EO	£50,334	0.50	£25,167	0.50	£25,167	0.50	£25,167
HEO	£61,848	4.50	£278,316	6.50	£402,011	8.00	£494,783
SEO	£77,694	7.00	£543,860	9.75	£757,519	10.50	£815,790
G7	£100,941	4.50	£454,233	6.00	£605,644	6.50	£656,114
G6	£123,966	0.50	£61,983	0.50	£61,983	0.50	£61,983
Development Staff		15.50	£1,173,916	18.50	£1,402,776	18.50	£1,402,776
Operational Staff		2.50	£229,105	6.75	£528,475	12.50	£848,376
<b>Total Staff Costs</b>		<b>18.00</b>	<b>£1,403,021</b>	<b>25.25</b>	<b>£1,931,250</b>	<b>31.00</b>	<b>£2,251,152</b>
Infrastructure			£0		£40,000		£60,000
Consultants			£200,000		£300,000		£75,000
<b>Totals</b>			<b>£1,603,021</b>		<b>£2,271,250</b>		<b>£2,386,152</b>



**Table 10: Development costs (High estimate)**

FTEs	Cost (£)	2025-26		2026-27		2027-28	
		FTE	Total (£)	FTE	Total (£)	FTE	Total (£)
TS	£39,463	1.00	£39,463	2.00	£78,926	8.00	£315,704
EO	£50,334	0.50	£25,167	0.50	£25,167	1.50	£75,501
HEO	£61,848	4.50	£278,316	6.50	£402,011	10.00	£618,479
SEO	£77,694	7.00	£543,860	9.75	£757,519	10.50	£815,790
G7	£100,941	4.50	£454,233	6.00	£605,644	7.50	£757,055
G6	£123,966	0.50	£61,983	0.50	£61,983	0.50	£61,983
Development Staff		15.50	£1,173,916	18.50	£1,402,776	18.50	£1,402,776
Operational Staff		2.50	£229,105	6.75	£528,475	19.50	£1,241,736
<b>Total Staff Costs</b>		<b>18.00</b>	<b>£1,403,021</b>	<b>25.25</b>	<b>£1,931,250</b>	<b>38.00</b>	<b>£2,644,512</b>
Infrastructure			£0	£40,000		£60,000	
Consultants			£700,000	£800,000		£250,000	
<b>Totals</b>			<b>£2,103,021</b>	<b>£2,771,250</b>		<b>£2,954,512</b>	

*Operational costs*

8.5.49 The resources described in this section are using 2028-29 estimates to illustrate activities and resources. 2028-29 would be the first full year of operational activity (no major service development).

8.5.50 The digital services:

- allow visitor accommodation providers to do a light touch registration (perhaps something more akin to sign on), and provide information to allow them to know when to make a return
- allow visitor accommodation providers to self-assess and submit their visitor levy return
- allow visitor accommodation providers to pay the visitor levy
- allow visitor accommodation providers to make amendments to their visitor levy returns
- allow visitors to deal directly with the WRA and claim a refund as necessary

8.5.51 Digital service maintenance includes:

- Patching, updates, cyber security
- Maintain accessibility standards
- Changes needed in line with changes to policy design / rates etc.
- Testing
- Support in case the systems stop working

- Responding to feedback from users, and making iterative improvements
- Increasing automation in response to volume increases in semi-automated tasks.

8.5.52 This requires a small team of people for every service – payment, registration and liability. However, the WRA is structured to allow the services to cover multiple taxes, and potentially registration. As such, the levy will benefit from several people who can work across all the services but pay for a proportion of them only. These costs remain fairly static regardless of the number of transactions that are going through.

8.5.53 The types of roles include business analyst (BA), service designer, tester, developers, user researcher, user experience (UX) and delivery manager, information and cyber security, data architecture, data analyst and integrations.

#### *Supporting taxpayers / working with agents*

8.5.54 Considerations for supporting visitor accommodation providers and working with agents to ensure that the requirements for the visitor levy are met will largely involve:

- Upfront support to help people adjust to the new levy. Support and grow knowledge and capability thus reducing the compliance effort needed after returns have been filed.
- It is expected activity will come in peaks and troughs – there is an annual filing date for most visitor accommodation providers, although some higher ones will be quarterly, meaning there will be one large filing peak and three smaller ones throughout the year.
- It is anticipated that current operating hours (business hours Monday to Friday) may need to be extended to cover evenings and weekends, due to filing deadlines and the working patterns of taxpayers. This may increase some of the operational costs.
- The number of resources required will depend on how many local authorities choose to participate in the levy. It is reasonable to expect that with more transactions, there could be an increase in activity such as supporting a larger number of visitor accommodation providers, processing more returns, managing riskier cases, expanding outreach and educational efforts across more local authority areas, and processing additional data from Online Travel Agents (OTAs).

- Opportunity costs will potentially be realised given that the WRA has an existing helpdesk which will be used to manage peaks and troughs throughout the year by having staff who are able to work across the various taxes that the WRA collect and manage, which will benefit the visitor levy efficiency.

#### *WRA Staff*

- 8.5.55 As a minimum four helpdesk full time equivalents (FTE) at team support Team Support (TS) level (at least two of which to be Welsh speaking), will be responsible for answering calls and responding to e-mails from taxpayers and agents / OTA's. They will also be responsible for issuing late filing letters, repayments, amendments and generally corresponding and prompting customers. This could increase to 7 in the high scenario to deal with the potential additional volume (3 additional FTEs). A Junior developer (0.5 FTE at TS) would support the on-going needs of the digital service particularly around the digital services associated with payments.
- 8.5.56 At Executive Officer (EO) grade an information officer (0.5 FTE) would oversee the information governance aspects associated with the visitor levy such as data protection and record management activities. This is expanded to include a compliance officer.
- 8.5.57 At Higher Executive Office (HEO) there are a variety of different roles including DDAT roles such as data (0.25 FTE), Developer (1 FTE), a test engineer (1 FTE) and Designer (0.5 FTE) working on maintaining the digital service offering subject to user and organisational needs. The remaining posts would cover operational roles such as a finance officer (1 FTE), operations supervisor (1 FTE) and a HR resource (0.5 FTE). These posts would work to support the collection, compliance, remittance and enforcement of the levy. This could increase by adding 2 FTE to support compliance activity (or more) once there is a better of understanding of the levels non-compliance and compliance techniques and tools for VL have been developed, and likewise could reduce if levels of compliance are high.
- 8.5.58 The Senior Executive Officer (SEO) roles include posts such as Comms (0.5 FTE), Senior software developer (0.25 FTE), delivery manager (1 FTE), User researcher (1 FTE), senior finance officer (1 FTE), a designer (0.5 FTE). Customer relationship management developer (0.5 FTE), Cyber security (0.5 FTE) and local authority relationship manger (1 FTE).
- 8.5.59 A Grade 7 tax lead will be responsible for the administration and collection of visitor levy tax. They will lead all levy work and provide leadership to the team, including:

- lead and land the roll out of VL across the customer base and sector, support education efforts, write, own, update the VL guidance and lead the digital teams work on developing a tax system that is fit for purpose, and then maintain / continuously improve the system to meet customers' needs and/or changes to policy.
- train their team on the VL tax technical rules to ensure they can support customers and work enforcement and compliance cases accurately
- deal with complex cases and support in contentious cases, which may include Tribunal cases
- Maximise the operational efficiency by targeting tax risks to improve tax collection.
- Work closely with policy to ensure the legislation is working as intended and to support the operationalisation of any policy / rate changes.

8.5.60 A Grade 7 lawyer will provide support if needed for cases which go to appeal / Tribunal and to support the development of the tax, guidance, and practical issues around non-compliance and escalation. This may need to increase to two over time.

8.5.61 A Grade 7 finance lead will support the collection and payment of the visitor levy. These activities would include monitoring the visitor levy revenues, reconciling the levy amounts to each local authorities and identifying the level of debt and refund support required to be captured in the WRA's accounting. A Grade 7 product/service owner (0.5 FTE) will be responsible for the maintenance and the continuous improvement of the visitor levy service. They will work with partners across the sector and government to develop the vision of the service over time. A Grade 7 business analyst (0.5 FTE) will facilitate the sprints alongside supporting the team to manage the processes and work across the organisation to identify business needs. A stakeholder lead (0.5 FTE) will support the communication and engagement with accommodation providers, online booking agents, and tourism bodies.

8.5.62 There will be some overhead costs – such as, but not limited to, Board /Senior leadership time, HR, IT overheads, the costs of supplying staff with IT equipment and licences, communications campaigns, T&S etc. These costs are not included in the estimates as it is not envisaged that there will be an increase in these costs, although this is currently unclear e.g. subject to the specific experience, skills and requirements of staff.

**Table 11: Estimated FTE Staff Numbers in 2028-2029.**

Grade	Annual Gross salary (£)	Low		High	
		FTE	Total	FTE	Total
TS	£39,463	4.50	£177,584	7.50	£295,973
EO	£50,334	0.50	£25,167	1.50	£75,501
HEO	£61,848	5.25	£324,702	7.25	£448,397
SEO	£77,694	6.25	£485,589	6.25	£485,589
G7	£100,941	4.00	£403,762	5.00	£504,703
<b>Total</b>		<b>20.50</b>	<b>£1,416,804</b>	<b>27.50</b>	<b>£1,810,163</b>

**Table 12: Total Development and Operational Estimates for the Visitor Levy**

	£000s									
	2025-26		2026-27		2027-28		2028-29		2029-30	
	Low	High	Low	High	Low	High	Low	High	Low	High
Development Costs	1,374	1,874	1,743	2,243	1,538	1,713	-	-	-	-
Operational Costs	229	229	528	528	848	1,242	1,552	2,120	1,552	2,120
<b>Total</b>	<b>1,603</b>	<b>2,103</b>	<b>2,271</b>	<b>2,771</b>	<b>2,386</b>	<b>2,955</b>	<b>1,552</b>	<b>2,120</b>	<b>1,552</b>	<b>2,120</b>
	2030-31		2031-32		2032-33		2033-34		2034-35	
	Low	High	Low	High	Low	High	Low	High	Low	High
	Low	High	Low	High	Low	High	Low	High	Low	High
Development Costs	-	-	-	-	-	-	-	-	-	-
Operational Costs	1,552	2,120	1,552	2,120	1,552	2,120	1,552	2,120	1,552	2,120
<b>Total</b>	<b>1,552</b>	<b>2,120</b>	<b>1,552</b>	<b>2,120</b>	<b>1,552</b>	<b>2,120</b>	<b>1,552</b>	<b>2,120</b>	<b>1,552</b>	<b>2,120</b>

**Table 13: 10 Year Forecast Summary**

10 Year Cost Forecast Summary			£000s
	Low	High	
Welsh Government Cost	6,260	7,829	
Local Authorities Cost	10,863	14,841	
<b>Total</b>	<b>17,123</b>	<b>22,670</b>	

8.5.63 The intention of the Act is that the visitor levy will raise additional revenue for those local authorities who chose to implement it. We anticipate the earliest point a visitor levy can be in place in any part of Wales is 2027, therefore, it is intended that from 1 April 2028 any on-going administration costs will be recovered from levy receipts

collected by the WRA before remittance to local authorities. As a result, there will be no ongoing net cost to Welsh Government budgets.

8.5.64 However, to mitigate the risk of high operating costs exceeding levy receipts, the Act includes a regulation-making power for Welsh Ministers to ‘cap’ the WRA’s deductions of revenues to account for their operating costs. Additionally, Welsh Government is funding the setup costs and ongoing administrative costs. This means that WRA costs will only ever be deducted from revenues so there are negligible up-front costs for a principal council seeking to introduce a levy.

8.5.65 There is a risk that it may not be possible to recover sufficient levy receipts to cover the costs of administration if not enough local authorities opt to use a levy, or if revenues are lower than the WRA’s operating costs. If this scenario did arise, Welsh Government would need to cover the remaining administration costs as holding responsibility under TCMA for the funding of the WRA’s functions.

#### **Welsh Government – other costs**

8.5.66 It is intended that Welsh Government will also incur some transitional costs, including:

- Producing guidance for local authorities on operationalisation of the visitor levy
- Marketing activity for registration and the visitor levy
- Post implementation monitoring and evaluation

#### ***Guidance for local authorities***

8.5.67 It is anticipated that the Welsh Government will incur costs preparing guidance for local authorities on operationalisation of the visitor levy. This opportunity cost is set out in table 14 below and it is anticipated that costs will be incurred in 2025– 2026.

8.5.68 Welsh Government staff costs have been based on the average pay band costs for 2023-2024.

**Table 14: Producing guidance for local authorities on operationalisation of the visitor levy**

<b>Staff cost</b>	<b>Annual Salary Gross cost (£)</b>	<b>Monthly Gross Cost (£)</b>	<b>Time Required</b>	<b>Total (£)</b>
G7	£92,844	£7,737	1 month	£7,737
SEO	£71,380	£5,948	1 month	£5,948
HEO	£57,059	£4,755	1 month	£4,755
Translator (SEO)	£71,380	£5,948	1 month	£5,948
<b>Total</b>				<b>£24,000</b>

#### *Communication and marketing activity*

8.5.69 WRA will oversee communications for the national register of visitor accommodation providers, using existing budgets to meet their policy delivery obligations.

8.5.70 It is expected that there will also be some costs associated with developing marketing materials for the visitor levy, using the Welsh Government in-house design team to develop the visitor levy branding. This will ensure that expenditure can be kept to a minimum whilst producing a corporate look and feel for the visitor levy that can be used consistently where implemented.

8.5.71 Marketing materials will be ‘road-tested’ to ensure they are fit for purpose when communicating to both visitors and businesses. This commissioned research would incur a one-off spend of around £20,000 - £30,000. This cost is expected to be incurred in 2025-26.

8.5.72 We do not envisage costs associated with sharing guidance to LAs and accommodation providers. We would use existing communications channels, such as our WG website and newsletters to publicise guidance and will work with Visit Wales and the WRA to target businesses directly. Visit Wales would raise awareness to international visitors about the levy via their established channels.

#### *Monitoring & Evaluation*

8.5.73 The legislation provides for a review after 5 years of the coming into force of Part 2 of the Act. Further reports would then be required at five yearly intervals following the first review. The cost of the review exercise is likely to vary depending on whether the work is undertaken in-house or is contracted out to a third party. Therefore, there is some

degree of uncertainty over the cost, however, using other Welsh Government evaluations of legislation as a baseline comparator, it is expected to cost between £50,000 - £100,000. Given that this review would take place 5 years after Part 2 of the Act comes into force, it is assumed that these costs would be incurred in 2031-2032.

8.5.74 The outcome of the legislation will also be monitored on an ongoing basis, with a combination of methods, including monitoring the Welsh economy and supply/ demand indicators. There will be use of existing data gathered from the relevant Visit Wales surveys, Tourism Barometer and additional engagement with local authorities and the tourism sector to understand the effectiveness of the legislation.

8.5.75 It is expected that there will be some bespoke data collection with industry once the levy is operational in one or more areas, with an approximate cost of a telephone survey to accommodation providers of around £20,000 per annum.

8.5.76 Given that the bespoke data collection would only be required once one or more local authority has implemented the levy, it is therefore assumed that the earliest that these costs will be incurred from is 2027-28. These costs are set out in table 15 below.

**Table 15: Summary of expected transitional costs to the Welsh Government**

	2025-2026 (£)	2026-2027 (£)	2027-2028 (£)	2028-2029 (£)	2029-2030 (£)	2030-2031 (£)	2031-2032 (£)	2032-2033 (£)	2033-2034 (£)	2034-2035 (£)
<b>Preparation of guidance</b>	24,000	-	-	-	-	-	-	-	-	-
<b>Marketing</b>	20,000 – 30,000	-	-	-	-	-	-	-	-	-
<b>Monitoring &amp; Evaluation</b>	-	-	20,000	20,000	20,000	20,000	70,000 – 120,000	20,000	20,000	20,000
<b>Total</b>	<b>44,000 – 54,000</b>	<b>0</b>	<b>20,000</b>	<b>20,000</b>	<b>20,000</b>	<b>20,000</b>	<b>70,000 – 120,000</b>	<b>20,000</b>	<b>20,000</b>	<b>20,000</b>

### **Local authorities**

8.5.77 Given that the Act sets a requirement for local authorities to conduct a consultation and assess impacts before a decision to implement a visitor levy is made, and there is a requirement for a 12-month



notification period for accommodation providers and visitors, it is assumed that the earliest a visitor levy could be applied in Wales would be 2027.

8.5.78 It is assumed therefore that in financial years 2025-26 and 2026-27, local authorities will incur some one-off costs for consultation and engagement and to develop required processes and systems to collect and remit a visitor levy. These assumptions are reflected in the presentation of costs throughout the Regulatory Impact Assessment, however, it should be noted that local authorities may choose to introduce a visitor levy at a later point in time.

8.5.79 As a discretionary power, only local authorities who choose to consider introducing a visitor levy within their area will incur any costs associated with the Act. The intention of the Act is that a visitor levy will raise additional revenues for these local authorities. Whilst the up-front decision-making costs will need to be financed within existing local authority budgets, the on-going running costs of collecting the levy will be undertaken centrally via the WRA with the cost for this offset against visitor levy revenues. Net proceeds from a visitor levy will then be invested by the local authority in areas supporting destination management and improvement.

8.5.80 In response to recommendation 15 from the Finance Committee during Stage 1 of the Act, the Welsh Government engaged with the WLGA to discuss the costs related to the levy for local authorities. Estimated costs for local authorities in this Regulatory Impact Assessment reflect the outcome of a revised collaborative exercise between the Welsh Government and individual local authorities, aimed at identifying and establishing a range of initial estimates for the likely administrative and compliance costs associated with implementing a visitor levy. 14 local authorities provided initial estimates for the consultation and on-going costs associated with administering a future visitor levy. These estimates were based on local authority responsibilities regarding the proposed levy and focused on areas including reporting, consultation, changes to systems and ongoing engagement via a visitor levy partnership forum.

8.5.81 The Act sets out various requirements local authorities must meet before introducing a visitor levy. This includes the requirement to consult with communities, businesses and other relevant local stakeholders. Local authorities may also be required to publish any impact assessments required under existing statutory duties to consult and have regard for groups and communities. The Act also requires any principal council that introduces a levy to establish a partnership

forum to ensure advice and recommendations for the levy are heard from tourism organisations and businesses.

- 8.5.82 The cost of any consultation exercise is likely to vary depending on the format of the consultation, the number of questions asked, the number of responses received, the number of face-to-face engagements undertaken and whether the consultation is undertaken in-house or is contracted out to a third party. Therefore, there is some degree of uncertainty over the costs that might arise for a given local authority. The requirement to conduct impact assessments will also add to the decision-making costs for local authorities.
- 8.5.83 We received a range of costs from local authorities on the estimated cost for conducting consultations and the additional requirement to also conduct and publish an impact assessment. Based on the responses from local authorities, a one-off cost for undertaking a consultation and reporting on the decision is expected to range between £5,000 - £30,000+. The variation in estimated costs is reflective of the size of the tourism sector across Wales. Some local authorities may want or need to undertake greater engagement and consultation before introducing a visitor levy. These costs reflect a proportionate approach based on the size and scale of the local tourism economy.
- 8.5.84 The majority of local authorities reported that they did not foresee the need to make any significant changes to the council's core systems as a result of the levy and indicated that any changes would be minor reflecting an annual cost of up to £5,000. However, some local authorities indicated the cost would exceed this amount, with two stating the expected cost would exceed £30,000.
- 8.5.85 Local authorities that choose to implement a visitor levy are also likely to incur minimal ongoing recurring costs each year associated with the operation of a visitor levy. The Act includes a requirement for local authorities to report annually on the amount of revenue generated by the levy and what it has been spent on. Again, there is uncertainty around the cost estimates for this activity which will vary depending on the size and scale of the local tourism sector. It is expected that costs would be higher for local authorities where more staff are needed, or a more detailed report is required. Therefore, the broad estimates from local authorities on the cost for compiling and publishing this annual report range from £0 - £30,000+.
- 8.5.86 Estimated costs for the establishment and running of a visitor levy partnership forum varied from £5,000 - £30,000 per annum, which again, reflects the varied approach each local authority may take. Some local authorities noted that they could use existing resources and staff to keep the costs to a minimum, where other local authorities felt

that it could cost up to £30,000 per annum to facilitate and secretariat the forum meetings.

8.5.87 In order to present a best estimate of the cost in this RIA, a weighted average of the cost across the four categories have been calculated. The mid-point of each of the cost bands presented to local authorities has been used in this calculation. For the open-ended upper cost band (£30,000+), a figure of £50,000 has been assumed. The weighted averages across the four cost categories are shown in Table 16.

**Table 16: Summary table of expected costs to an individual local authority associated with a visitor levy (£)\***

	2025-2026	2026 – 2027	2027 - 2028	2028 - 2029	2029-2030	2030 – 2031	2031-2032	2032-2033	2033 – 2034	2034-2035
<b>Consultation and decision-making</b>	25,000	0	0	0	0	0	0	0	0	0
<b>Changes to systems</b>	0	12,800								
<b>Partnership forum costs</b>	0	0	11,700	11,700	11,700	11,700	11,700	11,700	11,700	11,700
<b>Annual reporting</b>	0	0	30,900	30,900	30,900	30,900	30,900	30,900	30,900	30,900
<b>Total</b>	<b>25,000</b>	<b>12,800</b>	<b>42,600</b>	<b>42,600</b>	<b>42,600</b>	<b>42,600</b>	<b>42,600</b>	<b>42,600</b>	<b>42,600</b>	<b>42,600</b>

\*Note: This illustrates the years that costs would fall to a local authority if they chose to consult on the levy in 2025 - 2026. If a local authority chooses to introduce a visitor levy at a later point in time, then costs will fall in later dates.

8.5.88 At this stage, it is unclear how many, and which local authorities will consult on and implement the levy. We received positive responses from some local authorities as part of the consultation activity, but local authorities will ultimately need to consult and consider locally before deciding on whether to use a levy. For the purpose of presenting a total cost estimate, if all 22 local authorities were to consult on and implement the levy, upfront costs would be approximately £831,300 and with annual ongoing costs of approximately £937,600. These figures are based on the weighted average cost figures presented above. It is recognised this is likely to over-estimate the actual total cost.

**Table 17: Cost if all 22 local authorities consult on and implement the visitor levy**

	Estimated LA cost
Upfront cost (£)	831,300

Annual ongoing cost (£)	937,600
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### ***Revenue generated from the visitor levy***

8.5.89 The levy has been designed in a way to empower local authorities to make decisions based on their own needs. The levy is discretionary, meaning that it will be for local authorities to decide, following consultation in their local areas, whether to implement a levy. For those local authorities who choose to, the revenue raised through the levy can be used to sustain and re-invest into public services and infrastructure or support sensitive and ecologically valuable landscapes.

8.5.90 The Act legislates for a fixed rate based on a per person per night basis of £0.75 per person for tents on campsites and hostel accommodation and £1.30 per person for all other accommodation types. The Act also provides for a regulation making power for Welsh ministers to make regulations to revise the visitor levy rates that are set in legislation. Revenues raised from the levy depend on the number of local authorities which adopt a levy in their area.

8.5.91 Under simplifying assumptions, and if it were implemented by all local authorities in Wales, it is estimated that a visitor levy could **raise around £33 million per year in revenue**. This figure is based on data regarding the number of nights spent by both international and domestic visitors in Wales as reported in the Welsh Government's regional and local tourism profiles<sup>51</sup>. It also includes assumptions (informed by the data) regarding the proportion of nights spent in commercial accommodation, and how these are disaggregated between the two types of accommodation covered by the separate levy rates, as well as an assumption regarding how many nights are not charged the levy as they involve persons under 18 staying in lower rated visitor accommodation. Detailed estimate workings are shown at Annex 4. This revenue estimate should be viewed as a maximum, as it does not include:

- (i) an allowance for behavioural responses by visitors to the levy,
- (ii) deductions for the cost of collection nor exemptions to the levy, and
- (iii) assumes full compliance with the levy and all its requirements.

8.5.92 In order to provide a range however, should only one local authority decide to introduce a levy, and that local authority was located in a lesser well visited part of Wales in terms of the nights spent there by visitors in commercial accommodation, then estimated revenues from

<sup>51</sup> [Regional and local tourism profiles: 2017 to 2019 | GOV.WALES](#)

the levy could be less than £1 million per year. Alternatively, if no local authorities used the levy, then there would be £0 benefit. Assuming a well-visited local authority is one that is in the top quarter of local authorities in Wales in terms of overnight stays, then such a local authority might be expected to raise over £2 million in revenues per year from the levy. This estimate is however subject to the same caveats as those outlined for the headline revenue estimate for Wales presented at Annex 4. Estimated revenues are therefore anticipated to fall within a range of around £33 million per year. If half the nights spent in commercial accommodation in Wales each year fell within areas where the levy were in use, then estimated revenues from the levy could be up to £17 million per year as a central estimate. However, at this stage, it is not known how many, or which local authorities will make use of the new visitor levy power.

8.5.93 As the visitor levy will be introduced at a local authority level as noted above, it is important to recognise the size of the visitor economy varies in significance across different areas of Wales. Revenues would be variable across local authority areas therefore reflecting this variation, and it will be for local authorities to determine their own assessment of the potential impacts of a visitor levy locally in their areas. Seeking to forecast revenues from a visitor levy in their area prior to implementation by those local authorities wishing to use the new power would be encouraged. The Compendium of visitor and visitor accommodation provider data sources<sup>52</sup>, provides further context related to the tourism industry in Wales, providing data on visitor numbers, nights stayed, visitor spend, and accommodation supply figures for types of establishments (Serviced, Self Catering, Camping/Caravan, Hostels, and Alternative), number of establishments, and total bedspaces.

8.5.94 The levy presents an opportunity for local authorities to raise additional income, which, given the particularly challenging economic climate could help to support already stretched local services in areas relating to destination management spending.

### **Visitor accommodation providers (VAPs)**

8.5.95 This section provides detail on the assumptions used to calculate indicative average registration, set-up and on-going compliance costs that are likely to be faced by accommodation providers. Cost

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<sup>52</sup> [Compendium of visitor and visitor accommodation provider data sources \(gov.wales\)](#)

associated with the levy will only be incurred by providers in local authority areas that chose to implement a visitor levy.

### Registration

8.5.96 All visitor accommodation providers operating in Wales will be required to register. This will involve providing personal details such as their name, the trading or business name and the address of the visitor accommodation.

8.5.97 Registration will be free but as this will be a new requirement there is an expected opportunity cost. This reflects the value of the time spent completing the registration process and the value of the providers' time required to read guidance and understand what action they need to take. Estimated costs to providers for registration have been established via the WRA. To be able to estimate these costs there are some underpinning assumptions, which include:

- A digital only registration.
- Existing platforms are used for account creation
- Only basic information will be required in the first iteration of registration
- Providers won't have to re-register, but mechanisms will be in place to confirm whether their details are still correct.

8.5.98 As a comparator, other government services such as creating a government gateway account, which is a pre-cursor before registering to other services, takes 5 minutes<sup>53</sup>. Other government service such as registering to vote usually takes 5 minutes<sup>54</sup> or registering with a GP is estimated to take 15 minutes<sup>55</sup>. However, these represent single registration processes. Rent Smart Wales registers landlords with individual and multiple properties. Their analysis estimates that for their service, landlords take around 30 minutes when registering one property up to around an hour for landlords with 10+ properties.

8.5.99 Therefore, it is estimated that on average, accommodation providers will take from 10 minutes to 1 hour to familiarise themselves with the requirements and to complete their registration. This may be in one go or over several days. Using the average hourly earnings of £14.81 per

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<sup>53</sup> [Childcare service | Government Gateway: sign in or set up \(tax.service.gov.uk\)](https://www.tax.service.gov.uk/sign-in-or-set-up)

<sup>54</sup> [Register to vote - GOV.UK \(www.gov.uk\)](https://www.gov.uk/register-to-vote)

<sup>55</sup> [Find a GP - NHS \(www.nhs.uk\)](https://www.nhs.uk/find-a-gp)

hour<sup>56</sup>, this would therefore range between £2.47 and £14.81 per business.

8.5.100 Using the low and high estimates for registration numbers contained in the WRA cost section at 8.5.16, it is estimated that the total compliance cost for the existing stock of visitor accommodation providers to register will range from £40,000 - £237,000 for the low estimate and between £136,000 - £815,000 for the high estimate. These broad ranges reflect the uncertainty around the number of visitor accommodation providers that will need to register and the amount of time it will take them.

8.5.101 The first phase of registration is expected to commence in 2026, with the registration of all existing providers assumed to be spread evenly over a two-year period. The WRA will monitor the time taken to complete the registration details as they develop the service, through working alongside the industry.

8.5.102 Due to the complexities around modelling the ongoing requirements to keep the register up-to date, the assumption is that most providers will make no changes year-on-year, however when they do, it will only be minimal information that will change such as contact details and/or correspondence address. It is anticipated that this would take providers 50% less time than the original registration process (up to 30 minutes). Therefore, it is estimated that this could range from £0 to £7.41 per business, per annum. However, the WRA have currently been unable to find evidence to support these assumptions. The WRA will continue to design and collaborate with businesses to minimise the administrative burden on its users.

8.5.103 In addition to the existing stock of visitor accommodation providers, there is also expected to be a degree of churn with some new providers opening and some choosing to exit the sector during the appraisal period. As noted in paragraph 8.5.6, recent trends suggest the number of new accommodation providers opening each year will be between 5% and 15% of the current stock. Similarly, the number of closures each year is estimated to be between 5% and 15% of the current stock. The time required for new providers to register is assumed to be the same as existing providers. The time required for those providers who are exiting the sector to de-register is assumed to be half that of the initial registration process. On this basis, the ongoing cost to new providers

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<sup>56</sup> Gross median hourly earnings for accommodation and food service activities, managers, directors, and senior officials, Office for National Statistics (ONS), released 1 November 2023, [Employee earnings in the UK: 2023](#)

and exiting providers is estimated to be between £3,000 and £163,000 per annum. For the purposes of the RIA, these costs are assumed to be incurred from 2028-29.



**Table 18: Estimated total registration opportunity costs for Visitor Accommodation Providers**

	£000s									
	2025-26		2026-27		2027-28		2028-29		2029-30	
	Low	High	Low	High	Low	High	Low	High	Low	High
Existing business registrations	-	-	10	204	20	407	10	204	-	-
New business registrations	-	-	-	-	-	-	2	122	2	122
De-registrations	-	-	-	-	-	-	1	41	1	41
<b>Total</b>	-	-	10	204	20	407	13	367	3	163

  

	2030-31		2031-32		2032-33		2033-34		2034-35	
	Low	High	Low	High	Low	High	Low	High	Low	High
Existing business registrations	-	-	-	-	-	-	-	-	-	-
New business registrations	2	122	2	122	2	122	2	122	2	122
De-registrations	1	41	1	41	1	41	1	41	1	41
<b>Total</b>	3	163	3	163	3	163	3	163	3	163

### Visitor Levy

8.5.104 The visitor levy will also result in additional requirements to Welsh accommodation providers that operate in any local authorities that introduce the levy. Accommodation providers could potentially incur costs for initial up-front setup costs and ongoing administration costs.

8.5.105 The experience of each business implementing a levy will be different which makes it challenging to calculate exact administrative costs. However, the estimates below try to give an indication of both the up-front and on-going costs businesses may face. The actual compliance costs that could arise for a particular business will depend on a combination of factors that will be potentially unique to each business. For example, costs will likely be lower for providers where:

- the levy is calculated based off information the provider already collects (i.e. no significant changes required)
- Economies of scale engaged via online travel agents/third parties are used by providers – e.g. Airbnb, Booking.com have existing functionality which can be switched on resulting in lower

one-off provider costs to update their software (we would assume most providers are using intermediaries to take bookings)

- Providers use similar software providers and therefore economies of scale are engaged should software providers have to update their systems to account for a levy (resulting in lower overall costs for each provider compared to use of unique booking/accounts software)

8.5.106 However, it is also recognised that costs may be higher in certain circumstances, for example on those businesses using unique software or taking the majority of their bookings directly.

8.5.107 Accommodation providers will need to update their systems and processes to ensure there is provision to inform visitors about the levy and be able to collect it. From an accommodation provider perspective these up-front costs may include tasks such as:

- Familiarisation with what is required to comply with guidance on the visitor levy
- Undertaking or commissioning necessary updating or changing to existing property management systems used for managing bookings or generating invoicing
- Training existing staff on new systems or changes that have been made to an existing system
- Testing or piloting any new systems before a visitor levy is required to be collected
- Renegotiating existing contracts with third parties (such as third-party booking platforms or online travel agents) where a commission is based on the price of accommodation sales
- Altering pricing schedules or models to account for the visitor levy.

8.5.108 Once a visitor levy is introduced in a local authority, accommodation providers will be required to carry out on-going tasks, such as:

- Prepare a levy return to the WRA (for example, quarterly or annually)
- Reconciliation and due diligence checks, for example, that the correct visitor levy rate is applied to invoices
- Additional record keeping activities, for example, if any exemptions or potentially refunds exist and need to be evidenced to the WRA if questioned

- Explain to customers why a visitor levy has been added to their accommodation bill.

8.5.109 In order to establish an indicative average set-up and on-going compliance cost, the figures published by the Scottish Government in its Financial Memorandum<sup>57</sup> for the Visitor Levy (Scotland) Bill and figures published by HMRC for their Making Tax Digital Programme (MTD) have been used to provide an estimate of potential costs. The MTD programme involved transitional costs for businesses and self-employed traders to keep digital records, submit quarterly updates and provide returns through compatible software. Although not directly comparable to the visitor levy, it provides a useful comparative benchmark for likely indicative costs.

8.5.110 The Financial Memorandum for the Visitor Levy (Scotland) Act estimated upfront costs for introduction of a levy at between £150 and £1,100 for a microbusiness and between £3,000 and £10,000 for a small-medium sized business. Ongoing costs were estimated to be between £200 and £850 for a microbusiness and between £300 and £400 for a small-medium sized business.

8.5.111 Several reports and research papers have been published by HMRC on the costs to businesses from MTD. The customer costs and benefits for the next phases of Making Tax Digital report highlights that the average transitional cost for businesses as a result of the extension to MTD for VAT was around £330 and an annual cost of £35 per business within scope. More recent figures for MTD for Income Tax Self-Assessment for sole traders and landlords estimated a transitional cost of £320 and an annual average ongoing cost of £110<sup>58</sup>. While these figures aren't directly comparable, they offer an indication of the potential range of cost estimates. Costs will be highly variable per provider according to their circumstances. Costs will be higher for those that:

- Engage the services of a third-party such as an accountant or tax agent
- Operate bespoke accounting software
- Have a larger business (as this will increase the size and complexity of the return).

8.5.112 It should be noted however that estimated costs for providers in Scotland may be higher as levy rates will be administered on a percentage basis

<sup>57</sup> [Visitor Levy Scotland Bill Financial Memorandum | Scottish Parliament Website](#)

<sup>58</sup> [Making Tax Digital for Income Tax Self Assessment for sole traders and landlords - GOV.UK \(www.gov.uk\)](#)

(the level of which will be decided by individual local authorities). Exemptions will also be decided on a local authority basis meaning that there could be additional complexities for businesses in Scotland compared to Wales where the provisions in the Act set out a fixed levy rate and exemptions on a national basis.

8.5.113 A central estimate of the Scottish ranges has been used in the calculations below alongside the average costs publicised by HMRC (up-front costs of £320- £625 for micro businesses and £320- £6,500 for small-medium businesses and ongoing costs of £110- £525 for micro businesses and £110- £350 for small-medium businesses).

8.5.114 Given the uncertainty about the number and size of visitor accommodation providers in Wales, the estimates for the potential upfront and ongoing costs incurred by the sector are necessarily presented in broad ranges.

8.5.115 The WRA's costings for a National Register are based on an estimate of there being between 16,000 and 55,000 visitor accommodation providers in Wales. Those same numbers are used here as the basis for estimating the compliance costs incurred by providers. A central or midpoint figure of 35,500 providers is also presented. The Interdepartmental Business Register on 'local units' suggests there are 595 small-large businesses in the sector (with the remainder all microbusinesses)<sup>59</sup>. The estimates below have therefore been calculated on this basis.

**Table 19: Estimated total costs for Visitor Accommodation Providers**

<b>Number of Providers</b>	<b>16,000</b>	<b>35,500</b>	<b>55,000</b>
<b>Upfront cost (£)</b>			
Min	5,120,000	11,360,000	17,600,000
Max	13,496,000	25,683,000	37,871,000
<b>Ongoing cost (£)</b>			
Min	1,760,000	3,905,000	6,050,000
Max	8,296,000	18,533,000	28,771,000

<sup>59</sup> [UK business: activity, size and location - Office for National Statistics \(ons.gov.uk\)](https://ons.gov.uk/businessandindustry/sectors/visitingandtourism)

8.5.116 As can be seen from the table, the calculations suggest a maximum upfront cost of between £5.1m and £37.9m and annual ongoing costs of between £1.7m and £28.8m. The precise costs are highly uncertain given the lack of any direct comparator.

8.5.117 The mid-point estimate serves as our best approximation. Considering the uncertainty regarding the exact number of establishments operating in Wales and their alignment at a business/enterprise level, we believe this assumption is reasonable. Consequently, the provided estimates likely result in a significant overestimation of costs. This figure also presumes that all local authorities in Wales will implement a visitor levy, although it remains uncertain how many will actually choose to do so.

8.5.118 Following the introduction of the visitor levy, it is likely a full implementation review is required to further understand these figures and to evaluate the total costs to providers.

### **Visitors**

8.5.119 Should accommodation providers pass on the cost of a visitor levy to visitors, then those using overnight accommodation in those parts of Wales where a visitor levy has been introduced will have to pay a higher price for accommodation than previously. This will raise the cost of visiting these areas, and therefore may lead to some changes in visitor behaviour as discussed above.

8.5.120 The Act legislates for a fixed rate based on a per person per night of £0.75 per person for tents on campsites and hostel accommodation and £1.30 per person for all other accommodation types. As outlined at section 8.5.91 under simplifying assumptions, and if it were implemented by all local authorities in Wales, it is estimated that a visitor levy could raise around £33 million per year in revenue. The revenue raised will be via a cost to visitors, therefore it corresponds that the cost to visitors as a whole could be around £33 million per year.

8.5.121 Table 20 below provides some examples of the range of possible visitor levy amounts payable by different groups of visitors dependant on the type of accommodation and if this falls into the higher or lower rate categories.

**Table 20 - Examples of visitor levy payable by visitors in different scenarios based on the higher and lower rate**

Category 1 – Lower rate

<b>Scenario</b>	<b>Hostels, Campsites (tent pitches)/ Lower Rate: £0.75 (£0.90)</b>
Solo traveller staying 3 nights	£2.25 (£2.70)
Solo traveller staying 7 nights	£5.25 (£6.30)
Couple staying 3 nights	£4.50 (£5.40)
Couple staying 7 nights	£10.50 (£12.60)
Family of 4 staying 3 nights	£4.50 (£5.40)
Family of 4 staying 7 nights	£10.50 (£12.60)

Note – brackets indicate VAT inclusive cost (at 20%)

Note – Under 18s are exempt from the levy for stays in the lower rate.

Category 2 – Higher rate

<b>Scenario</b>	<b>All other accommodation/ Higher rate: £1.30 (£1.56)</b>
Solo traveller staying 3 nights	£3.90 (£4.68)
Solo traveller staying 7 nights	£9.10 (£10.92)
Couple staying 3 nights	£7.80 (£9.36)
Couple staying 7 nights	£18.20 (£21.84)
Family of 4 staying 3 nights	£15.60 (£18.72)
Family of 4 staying 7 nights	£36.40 (£43.68)

Note – brackets indicate VAT inclusive cost (at 20%)

8.5.122 Whilst the costs to overnight visitors are likely to increase marginally in those areas that choose to implement a levy, there will be potential wider benefits to visitors depending on how local authorities will use the additional revenue raised to sustain and support the visitor economy locally. Investments of this nature could be used to improve Wales' tourism offer, helping to better manage and serve visitors and enhance the uniqueness of Wales as a destination, which might mitigate fully or in part the impact of any small price increases and bring longer term benefits.

8.5.123 There is evidence that visitors are increasingly placing value on paying additional taxes if it is demonstrated that funds are used to enhance local communities. In the recent consumer survey<sup>60</sup>, commissioned by Welsh Government, a majority (58%) of respondents agreed that tourists should contribute towards the costs of maintaining and investing in the destinations they stay in. Very few (13%) of those surveyed disagreed

<sup>60</sup> [PowerPoint Presentation \(gov.wales\)](#)

with the concept of contributing towards costs. Use of public spaces and services are integral to the overall visitor experience. Investing and maintaining these can improve the reputation of a destination benefiting visitors, residents, and businesses.

### **Summary of costs in Option 2**

8.5.124 Table 21 provides a summary of the cost associated with option 2. As previously noted, given the uncertainty about the number and size of visitor accommodation providers in Wales, estimates for the potential costs are necessarily presented in broad ranges. Aggregate costs are also based on all 22 local authorities consulting and implementing the levy, when in reality, this outcome is unlikely. It is recognised that the costs presented are therefore likely to over-estimate the actual cost. The figures presented should be interpreted with caution given the uncertainty surrounding the exact figures and influencing variables.

**Table 21: Summary of costs in Option 2**

	£000s									
	2025 – 2026	2026 – 2027	2027 – 2028	2028 – 2029	2029 – 2030	2030 – 2031	2031 – 2032	2032 – 2033	2033 – 2034	2034 – 2035
<b>WRA (Registration)</b>	1,76 5 2,26 5	1,940 – 2,682	1,508 – 1,925	1,112 – 1,529	1,112 – 1,529	1,112 – 1,529	1,112 – 1,529	1,112 – 1,529	1,112 – 1,529	1,112 – 1,529
<b>WRA (Visitor levy)</b>	1,60 3 – 2,10 3	2,271 – 2,771	2,386 – 2,955	1,552 – 2,120	1,552 – 2,120	1,552 – 2,120	1,552 – 2,120	1,552 – 2,120	1,552 – 2,120	1,552 – 2,120
<b>Welsh Government</b>	44- 54	-	20	20	20	20	70 - 120	20	20	20
<b>Local Authorities</b>	550	281	938	938	938	938	938	938	938	938
<b>Visitor Accommodati on Providers (Registration)</b>	-	10 - 204	20 - 407	13 - 367	3 - 163	3 - 163	3 - 163	3 - 163	3 - 163	3 - 163
<b>Visitor Accommodati on Providers (Visitor levy)</b>	-	5,120 – 37,87 1	1,760 – 28,77 1	1,760 – 28,77 1	1,760 – 28,77 1	1,760 – 28,77 1	1,760 – 28,77 1	1,760 – 28,77 1	1,760 – 28,77 1	1,760 – 28,77 1
<b>Visitors</b>	0	0	33,00 0	33,00 0	33,00 0	33,00 0	33,00 0	33,00 0	33,00 0	33,00 0
<b>Total cost</b>	3,96 2 – 4,97 2	9,622 – 43,80 9	39,63 2 – 68,01 5	38,39 4 – 66,74 4	38,38 5 – 66,54 1	38,38 5 – 66,54 1	38,43 5 – 66,64 1	38,38 5 – 66,54 1	38,38 5 – 66,54 1	38,38 5 – 66,54 1

## 8.6 Economic Impact

- 8.6.1 A further potential cost of the levy relates to the economic impact. The impact of a visitor levy on accommodation providers depends on a number of factors such as whether accommodation providers pass on the cost to visitors by increasing the price of accommodation and on the behavioural response of visitors to a change in accommodation prices.
- 8.6.2 The interactions between tax, spend, investment and growth are complex and a source of much research and debate. Through our engagement with stakeholders, a key concern highlighted was about the potential economic impact that a visitor levy could have in Wales. In response to this, we commissioned research<sup>61</sup> to explore the potential positive and negative economic impact should there be a rise or fall in tourism demand for areas that introduce a levy.
- 8.6.3 Generally, there is limited evidence to suggest that visitor levies lead to a fall in demand in and of themselves, although this depends on the absolute rate at which they are set. For example, most levies (elsewhere / in other countries) are small charges designed to increase the tax take whilst reducing any negative impacts on demand. These areas continue to experience high demand for tourism. However, it could be argued that tourism may have grown more if those levies had not been in place. The Balearic Islands is often cited as an example of a tourism tax which, when announced in 2001, had a negative impact on tourism demand<sup>62</sup>. Yet, the evidence supporting that claim is inconclusive, as there was a wider global slowdown of tourism between 2001- 2004<sup>63</sup>, indeed 2001 was the first year since 1982 where there was negative growth in demand, with Europe seeing a fall in demand of 0.7%.<sup>64</sup>
- 8.6.4 Bangor University's *Review of Impacts of Visitor Levies in Global Destinations*<sup>65</sup>, examines seven case studies of destinations around the world in which visitor levies are operated. In each of the destinations studied, tourism remained relatively stable, with moderate growth in these areas that use visitor levies.
- 8.6.5 In another recent article, academics from Bangor University observed that the link between visitor levies and visitor numbers is complex and often inconclusive. Several studies have reached different

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<sup>61</sup> <https://www.gov.wales/the-potential-economic-and-greenhouse-gas-impacts-of-a-visitor-levy-in-wales>

<sup>62</sup> [Elasticities relevant to tourism in Scotland: evidence review - gov.scot \(www.gov.scot\)](https://www.gov.scot/publications/evidence-review-elasticities-relevant-to-tourism-in-scotland/pages/10.aspx)

<sup>63</sup> [UNWTO Tourism Highlights, 2002 Edition \(e-unwto.org\)](https://www.e-unwto.org/zh/press/2002-01-01/unwto-tourism-highlights-2002-edition)

<sup>64</sup> *Ibid.*

<sup>65</sup> <https://www.gov.wales/review-impacts-visitor-levies-global-destinations>



conclusions, with some suggesting that tourism levies have hindered international tourism while others have shown that visitor numbers have consistently risen in popular tourism spots with a levy. However, the article notes that in the destinations studied, tourism taxes have been implemented successfully and there is little evidence of tourists being put off from visiting these areas<sup>66</sup>.

8.6.6 To further understand the potential economic impact of a visitor levy in Wales, Professor Calvin Jones of Cardiff Business School was commissioned to set out estimates of the economic and greenhouse gas emissions (GHG) impact of the proposed visitor levy in Wales<sup>67</sup>. The analysis was updated in June 2025 to incorporate the revised levy rates and exclusions following amendments to the Act at Stage 2<sup>68</sup>.

8.6.7 The estimates in the report have been derived by applying official data and results from an evidence review by Alma Economics to a long-established, extensively peer reviewed and updated Input-Output Model for Wales (IOMW).

8.6.8 To make the modelling workable, a number of key assumptions were made:

- the levy is implemented by all local authorities and thus there is no within-Wales visitor destination switching. (Whilst both are very unlikely in practice, this assumption means the estimates are cautious.)
- Levy rates are set at £1.30 and £0.75 for the higher and lower rate, respectively. VAT is then added.
- Businesses pass on 100% of levy costs to visitors.
- Other factors determining tourism demand are unchanged.
- Frictional or administrative costs that any new levy might engender. These costs are currently unknown, in terms of both their scale and nature.
- Revenue from the levy is spent by local authorities in Wales, net of VAT, such that half of the revenue is spent on maintaining or expanding current services, and half on infrastructure or capital developments.

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<sup>66</sup> [Why you should expect to pay more tourist taxes – even though the evidence for them is unclear \(theconversation.com\)](https://theconversation.com/why-you-should-expect-to-pay-more-tourist-taxes-even-though-the-evidence-for-them-is-unclear)

<sup>67</sup> <https://www.gov.wales/the-potential-economic-and-greenhouse-gas-impacts-of-a-visitor-levy-in-wales>

<sup>68</sup> <https://www.gov.wales/the-potential-economic-and-greenhouse-gas-impacts-of-a-visitor-levy-in-wales-revised-analysis>

8.6.9 One of the key assumptions was also on the response of visitors to the levy – the price elasticity of demand (PED). Given that there remains a high degree of uncertainty as to the PED for tourism in Wales, as we have no specific Welsh studies to draw on and there is very little research and estimates for PED at a UK wide level, the report presents three scenarios based on the results from the Alma Economics review of elasticities relevant to a visitor levy in Wales<sup>69</sup>, an optimistic, neutral and pessimistic scenario.

**Table 23: The Estimated Whole Economy Net Annual Impact of Levy-Consequent Public Sector Expenditure (£1.30 / £0.75)**

<i>All Direct + Indirect, £2023m</i>	<i>Optimistic</i>	<i>Neutral</i>	<i>Pessimistic</i>
Output	£19.7	£3.6	-£13.3
Disposable Income	£5.3	£1.1	-£3.5
Gross Operating Surplus	£3.0	-£0.1	-£3.3
Income & Self Employment Tax, Pensions	£3.0	£1.6	£0.1
Taxes Less Subsidies on Production	-£0.2	-£0.5	-£0.9
Gross Value Added	£11.1	£2.1	-£7.5
<i>Approximate percent of Welsh Economy GVA</i>	<i>0.013%</i>	<i>0.002%</i>	<i>-0.009%</i>
Full-Time Equivalent Employment	100	-140	-400
<i>Approximate percent of Welsh Workforce</i>	<i>0.007%</i>	<i>-0.010%</i>	<i>-0.028%</i>

Source: Jones, C, *The Potential Economic & Greenhouse Gas Impacts of a Visitor Levy in Wales: Revised Analysis* (June 2025), Table 7

8.6.10 As shown in Table 23, estimates for economic activity, measured by Gross Value Added (GVA) are minimal across all scenarios, ranging from +£11.1m to -£7.5m of GVA per annum (in 2023 prices).

8.6.11 Estimates for the changes in employment range from a net gain of 100 FTE jobs in the optimistic scenario, to around 400 net FTE job losses in the pessimistic scenario.

8.6.12 These results are inevitably uncertain and are based on an overall net impact as there is a resultant increase in FTE's due to expenditure of visitor levy revenues that offsets losses. To model the impact on economic output and employment several assumptions (noted at 8.6.8) had to be made that may not be valid in reality. Factors such as the weather, what other destinations are doing, and the state of the economy

<sup>69</sup> [Evidence review of elasticities relevant to a visitor levy in Wales \(gov.wales\)](https://gov.wales/evidence-review-of-elasticities-relevant-to-a-visitor-levy-in-wales)

will all impact on visitor behaviour. By example, in the Summer 2023 Tourism Barometer, the two main reasons cited by tourism businesses for bookings being down were due to the weather and people having less disposable income<sup>70</sup>. Individual behavioural responses are by their nature inherently unpredictable, and we can therefore only consider likely responses amongst the majority.

8.6.13 The key conclusions therefore that can be taken from this research is that based on evidence from other countries, a reasonable set of assumptions and what we know about the economy in Wales, the economic impact of the levy (the changes in output and employment) is likely to be small relative to the size of the economy in Wales and small relative to the size of the tourism sector in Wales.

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<sup>70</sup> [Wales Tourism Business Barometer 2023: Summer Wave Report \(gov.wales\)](https://gov.wales/tourism-business-barometer-2023-summer-wave-report)

## 9. Impact Assessments

- 9.1 Specific impact assessments have been undertaken, which cover the whole of the Act. The full Integrated Impact Assessment (IIA) along with specific impact assessments will be published separately<sup>71</sup>. A summary of the impacts is included below.

### 9.2 Children's Rights

- 9.2.1 The Rights of Children and Young Persons (Wales) Measure 2011 places a duty on the Welsh Ministers to pay due regard to the [United Nations Convention on the Rights of the Child \(UNCRC\) and its Optional Protocols](#) when exercising any of their functions.
- 9.2.2 The consultation document was available in a young person/ community version and an easy read version. In May 2022, policy officials held an event with Children in Wales, engaging with children and young people (CYP) between 12 and 17 years old, seeking their opinions on the visitor levy through discussions and a role-play exercise. Officials also engaged with 28 children and young people (CYP) at an in-person Children in Wales event in Llanwrtyd Wells. This provided a guided and interactive means for young people to find out more about the levy and express views on how they thought the levy might impact on them.
- 9.2.3 The outcome of our assessment on children's rights<sup>72</sup> demonstrates that there are no direct negative impacts arising from the levy. We anticipate a positive impact on children and young people from the generation of additional revenues, which local authorities can use to improve the local services and infrastructure in their area. Revenues could be used to improve a range of amenities that will be beneficial to both residents and visitors.
- 9.2.4 There could be potential for negative impacts on children and young people from lower socio-economic backgrounds due to the potential increase in costs for overnight stays. To mitigate these effects, the Act proposes two rates: a lower rate for hostels and campsites and a higher rate for other accommodations. Additionally, as a result of a Stage 2 amendment, under 18s are excluded from the calculable charge for lower-rated stays. We did not identify any evidence that suggest a visitor levy would result in that negative impact materialising. The overall cost

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<sup>71</sup> <https://www.gov.wales/visitor-accommodation-register-and-levy-wales-bill-integrated-impact-assessment>

<sup>72</sup> <https://www.gov.wales/visitor-accommodation-register-and-levy-wales-bill-childrens-rights-impact-assessment>

of the trip would determine the level of affordability and thus should a levy increase the overall cost then it may impact those from a lower socio-economic background more who choose to visit the destination which uses a levy. We recognise that visitors will factor in budget and affordability when deciding where to go on holiday and may choose to stay in other locations where the levy is not imposed or reduce the length of their stay to minimize the additional cost.

### 9.3 Equality

- 9.3.1 The Equalities Act 2010 places a General Equality Duty on Welsh Ministers to have 'due regard' to a range of requirements which relate to removing or minimising disadvantages for people with or who share protected characteristics and to remove barriers to participation.
- 9.3.2 The Equality Impact Assessment<sup>73</sup> was conducted to consider the potential impacts of the legislation on people with protected characteristics as described in the Equality Act 2010.
- 9.3.3 Our consideration of the potential impacts of the Act on people with protected characteristics identified that the provisions are unlikely to impact people with protected characteristics.
- 9.3.4 Our consideration of the impact on disabled people is one area where costs may be higher, as evidence suggests in some scenarios that disabled people may face higher costs for staying in visitor accommodation<sup>74</sup>. For disabled people, booking a holiday may lead to extra costs due to a lack of availability of accessible rooms, finding accessible and affordable accommodation and transport options, especially in rural and remote areas, and during peak seasons<sup>75, 76</sup>. However, all visitor accommodation providers are subject to the Equality Duty and must ensure their accommodation is accessible (unless there are reasons why this is not possible - i.e. listed building status).
- 9.3.5 We considered whether disabled persons requiring a carer for care and support to facilitate a visit, should be subject to the levy. Consequently, the Act will provide for the WRA to issue refunds for a disabled person in receipt of a qualifying disability benefit who has paid a visitor levy whilst staying in visitor accommodation and when accompanied by a carer. The Act was amended at Stage 2 to extend the period for

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<sup>73</sup> <https://www.gov.wales/visitor-accommodation-register-and-levy-wales-bill-equality-impact-assessment>

<sup>74</sup> Cost of living for people with disabilities - House of Commons Library (parliament.uk)

<sup>75</sup> Locked out: liberating disabled people's lives and rights in Wales beyond COVID-19 [HTML] | GOV.WALES

<sup>76</sup> Disability Price Tag 2023: the extra cost of disability | Disability charity Scope UK

claiming a refund to 90 days from the last day a person was entitled to reside in the accommodation.

- 9.3.6 The compatibility of the Act with the European Convention on Human Rights (ECHR) has been considered prior to the introduction of the legislation. That analysis has found that the Act is unlikely to contain provisions that are incompatible with the ECHR.

## **9.4 Rural Proofing**

- 9.4.1 Tourism can provide an important means of renewing traditional industries and can stimulate local economic development through creating services and job opportunities. For example, rural tourism benefits local communities by providing the farming and service sectors with a supplementary source of income.

- 9.4.2 A Rural Proofing Impact assessment<sup>77</sup> highlighted issues related to digital connectivity and the potential for the levy to impact greater on micro to small sized businesses. However, the levy is simple in design and the burden will likely be minimal as most small businesses will be filing and remitting the levy less frequently. Additionally, the revenue raised from the levy may off-set or positively impact rural communities.

## **9.5 Data**

- 9.5.1 A Data Protection Impact Assessment<sup>78</sup> has been carried out as the Act introduces new data collection and processing of personal and special category data. The Act introduces a discretionary visitor levy that local authorities can choose whether to implement. The Act also requires all visitor accommodation providers to be registered.

- 9.5.2 The registration powers will be a function of the WRA. The register will include personal details about the provider and the type of visitor accommodation, to support the WRA to collect and administer the visitor levy. Information derived from the register may be available to the public, for transparency of information for visitors. Operational delivery of the register will be subject to further screening of the impacts on data protection.

- 9.5.3 The visitor levy will be collected and managed centrally as a function of the WRA on behalf of local authorities. This will require aggregated

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<sup>77</sup> <https://www.gov.wales/visitor-accommodation-register-and-levy-wales-bill-rural-proofing-impact-assessment>

<sup>78</sup> <https://www.gov.wales/visitor-accommodation-register-and-levy-wales-bill-data-protection-impact-assessment>

data from levy payers on the number of visitors staying, to support compliance activities. Alongside this the WRA will have investigative powers into levy payers. Where necessary, for example, to prevent fraud, the WRA may need to process some special category data. The WRA will manage the visitor levy data securely to safeguard levy payers' information as it does for its existing taxes. To ensure this, the WRA will complete its own Data Protection Impact Assessment.

## **9.6 Welsh Language**

- 9.6.1 The Welsh Language Impact Assessment<sup>79</sup> concluded that there are no direct impacts of the legislation on the use of Welsh Language or on Welsh Language communities.
- 9.6.2 Current research relating to the impact of tourism on the Welsh language is sparse and empirical evidence is limited, with respondents to the consultation providing little or no factual evidence on this topic.
- 9.6.3 A visitor levy could have both positive and negative impacts on the Welsh language, depending on how it is designed, implemented, and applied. The revenue could be used to support Welsh language initiatives and enhancing cultural and heritage activities which can create favourable conditions for the Welsh language to thrive. The levy revenue will be broadly hypothecated for the purposes of 'Destination Management and improvement'.
- 9.6.4 A negative impact on the Welsh language could occur if the levy or tax discourages visitors from coming to Wales, especially those who are interested in the Welsh language and culture, or if it reduces the competitiveness and profitability of the tourism sector, which employs Welsh-speakers in a particular area. This could reduce the demand and supply of Welsh language services and products, as well as the income and economic opportunities for Welsh-speakers. However, as the visitor levy would be a discretionary tax, exact impacts would depend on which areas use a levy and what, if any behavioural changes occur from the use of a levy.

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<sup>79</sup> <https://www.gov.wales/visitor-accommodation-register-and-levy-wales-bill-welsh-language-impact-assessment>

## **9.7 Biodiversity**

- 9.7.1 Consideration of the impact of the duty on biodiversity, climate change and natural resources considered that while the introduction of a visitor levy itself is not intended to directly impact the environment, there may be secondary impacts from its introduction, should there be a rise or fall in tourism demand for areas that introduce a levy.

## **9.8 The Socio-economic Duty**

- 9.8.1 A Socio-Economic Impact Assessment<sup>80</sup> was developed to identify the estimated impact on the needs of the people who live, work, socialise and do business in Wales. There is evidence to suggest that a person's willingness to pay a visitor levy in other countries is positively correlated to their socio-economic status, inferring disadvantaged persons are more likely to be deterred from visiting Wales or a local authority that adopts a levy in their area. It may be that those at ages typically associated with lower incomes (for instance, younger people), are less able to afford the extra cost of accommodation associated with the levy.
- 9.8.2 To reduce this identified risk of the levy being a barrier to socio-economically disadvantaged persons not being able to go on holiday in Wales, the Act was amended at Stage 2 to exclude under 18s from the calculable charge for lower-rated stays. In addition, Welsh Ministers may review the policy and rates to consider it is meeting objectives and remains fair.

## **9.9 Justice Impact Assessment**

- 9.9.1 The Justice Impact Assessment summarises the outcome of engagement with the Ministry of Justice. The register of visitor accommodation will be a function of the WRA to be administered centrally. We have also opted for a centrally administered model of delivery for the visitor levy and intend for the WRA to deliver the levy as they collect and manage the devolved taxes in Wales. The assessment concluded that the proposals are likely to have nil to minimal impact on the justice system.

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<sup>80</sup> <https://www.gov.wales/visitor-accommodation-register-and-levy-wales-bill-socio-economic-duty-assessment>



## 9.10 Competition Assessment

9.10.1 As the proposed legislation provides permissive powers for local authorities, it is not possible to undertake a comprehensive competition assessment. This is because it is not known which local authorities may use a visitor levy. We will be advising local authorities to consider whether a competition assessment needs to be undertaken as part of their decision-making process for using a visitor levy.

9.10.2 A competition filter test has been completed for the legislation, this is presented below:

The competition filter test	
Question	Answer yes or no
<b>Q1:</b> In the market(s) affected by the new regulation, does any firm have more than 10% market share?	No
<b>Q2:</b> In the market(s) affected by the new regulation, does any firm have more than 20% market share?	No
<b>Q3:</b> In the market(s) affected by the new regulation, do the largest three firms together have at least 50% market share?	No
<b>Q4:</b> Would the costs of the regulation affect some firms substantially more than others?	No
<b>Q5:</b> Is the regulation likely to affect the market structure, changing the number or size of firms?	No
<b>Q6:</b> Would the regulation lead to higher set-up costs for new or potential suppliers that existing suppliers do not have to meet?	No
<b>Q7:</b> Would the regulation lead to higher ongoing costs for new or potential suppliers that existing suppliers do not have to meet?	No
<b>Q8:</b> Is the sector characterised by rapid technological change?	No
<b>Q9:</b> Would the regulation restrict the ability of suppliers to choose the price, quality, range or location of their products?	No

## 10. Post implementation review

- 10.1 The Act provides for the Welsh Ministers to undertake a review of the operation and effect of the Act and to publish a report of the review. The first review must be completed before the end of 5 years beginning with the day that Part 2 comes fully into force, with subsequent reviews on a 5-year cycle. Welsh Ministers may direct the WRA to assist with reviews.
- 10.2. Should a local authority decide to adopt a levy, they will be required to notify their businesses and communities of the decision and give the due notice period (i.e. 12 months). Therefore, the schemes effectiveness shall be monitored and assessed over time and how this will be done will likely evolve as the scheme progresses and evidence emerges.
- 10.3 Information about the performance of the levy and use of revenues will be available from local authorities on an annual basis. The Act sets out a requirement for local authorities to prepare and publish annually, a report on the amount of revenue generated from the levy and information on how the levy has been used towards sustainable destination management purposes. Officials will develop guidance for local authorities setting out advice and best practice for monitoring and evaluating the impact of the levy.
- 10.4 The outcome of the legislation will also be monitored on an ongoing basis, with a combination of methods, including monitoring the Welsh economy and supply/demand indicators. Use of existing data gathered from the relevant Visit Wales surveys, Tourism Barometer and additional engagement with local authorities and the tourism sector to understand the effectiveness of the legislation.
- 10.5 It is anticipated that the WRA will continually monitor and review the effectiveness of the register and levy administration through regular engagement with local authorities and tourism businesses. Alongside this, they will consider what data to report on, such as the amount of revenues collected.
- 10.6 The Act contains powers (amongst others – see pages 26 - 40 for the full list of regulation making powers) to enable Welsh Ministers to make regulations to:
- to revise the visitor levy rates that are set in legislation.
  - Add, remove or change descriptions of circumstances in which an overnight stay in visitor accommodation does or does not take place.
  - Amend which stays are subject to which rate i.e. lower or higher.

- to add to the list of scenarios in which a refund to visitors for the visitor levy may apply should any negative impacts or issues that have not previously been identified arise.

10.7 It is intended that this approach will provide flexibility to adapt the legislation in the future following continued engagement and evidence gathering.

## **11.Affordability Assessment**

- 11.1 While the regulatory impact assessment assesses social value and includes cultural, social and environmental impacts alongside economic costs and benefits, this affordability assessment is a purely financial assessment. As such, only cash costs and cash-releasing benefits are included. Any environmental, social, cultural and wider economic costs and benefits identified in the Act regulatory impact assessment have been removed from this affordability assessment. Opportunity costs have also been removed.
- 11.2 The affordability assessment considers the same time period as the regulatory impact assessment, 2025-26 to 2034-35 and has been conducted by Welsh Government to determine whether the Act is affordable for the organisation.
- 11.3 The cash costs and cash-releasing benefits in this assessment have been adjusted to reflect anticipated inflation during the appraisal period. This adjustment has been made on the basis of the GDP deflator projections included in the Office for Budget Responsibility (OBR) Economic and Fiscal Outlook which was published in March 2025<sup>81</sup>. The OBR's projections extended only to 2029-30. Since the forecasts flatten out at around 1.9% towards the end of the OBR's forecast period, this rate has been assumed to hold for the remainder of our appraisal period. Although inflation is now relatively stable, there remains a degree of uncertainty as to its future path. The Welsh Government will continue to monitor the impact of inflation on the financial costs of the Act.
- 11.4 It should be noted that while costs have been allocated to individual organisations and delivery partners, the Welsh Government will be responsible for funding any additional budget requirements, especially in regard to the WRA's role in collecting and managing the visitor levy on behalf of those local authorities who opt-in.

### **Welsh Revenue Authority**

- 11.5 There will be costs associated for both development and administration of the registration service and the visitor levy. Development or 'set-up' costs will be financed through the normal annual budget processes within Welsh Government. This includes the development and building

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<sup>81</sup> [CP 1289 – Office for Budget Responsibility – Economic and fiscal outlook – March 2025](#)

of any digital services, the resourcing of new teams, and the processes involved to create a system for registration of visitor accommodation providers and the collection and management of a new tax.

- 11.6 The intention of the Act is that a visitor levy will raise additional revenue for those local authorities who chose to implement it. Therefore, it is intended that any ongoing operational costs will be recovered from levy receipts collected by the WRA before remittance to local authorities. As a result, there will be no ongoing net cost to Welsh Government budgets.
- 11.7 There is a risk that it may not be possible to recover sufficient levy receipts to cover the costs of administration if not enough local authorities opt to use a levy, or if revenues are lower than the WRA's operating costs. If this scenario did arise, Welsh Government would need to cover the remaining administration costs as set out in our responsibility under TCMA for the funding of the WRA's functions.

**Table 24: Estimated WRA costs**

£000s										
	2025 – 2026	2026 – 2027	2027 – 2028	2028 – 2029	2029 – 2030	2030 – 2031	2031 – 2032	2032 – 2033	2033 – 2034	2034 – 2035
Total cost	3,368 – 4,368	4,211 – 5,453	3,894 – 4,880	2,664 – 3,649	2,664 – 3,649	2,664 – 3,649	2,664 – 3,649	2,664 – 3,649	2,664 – 3,649	2,664 – 3,649
Total adjusted for inflation	3,588 – 4,654	4,561 – 5,907	4,304 – 5,393	3,002 – 4,111	3,058 – 4,189	3,116 – 4,268	3,175 – 4,349	3,236 – 4,432	3,297 – 4,516	3,360 – 4,602

## Welsh Government

- 11.8 The transitional costs for Welsh Government to undertake communications and marketing and a post implementation evaluation will be met from existing budget allocations.

**Table 25: Estimated Welsh Government costs**

£000s										
	2025 – 2026	2026 – 2027	2027 – 2028	2028 – 2029	2029 – 2030	2030 – 2031	2031 – 2032	2032 – 2033	2033 – 2034	2034 – 2035
<b>Total cost</b>	44- 54	-	20	20	20	20	70 – 120	20	20	20
<b>Total adjusted for inflation</b>	47 - 58	-	22	23	23	23	83- 143	24	25	25

## Local Authorities

11.9 Based on a range of estimated costs provided by local authorities, the cost per local authority of a one-off cost for undertaking a consultation and reporting on the decision is expected to range between £5,000 - £30,000+. The broad estimates from local authorities on the cost for compiling and publishing this annual report range from £0 - £30,000+. Estimated costs for the establishment and running of a visitor levy partnership forum varied from £5,000 - £30,000 per annum.

11.10 At this stage, it is unclear how many, and which local authorities will consult on and implement the levy. For the purpose of presenting a total cost estimate, if all 22 local authorities were to consult on and implement the levy, upfront costs would be approximately £831,300 and annual ongoing costs of approximately £937,600. It is recognised this is likely to over-estimate the actual total cost.

**Table 26: Estimated Local Authority costs**

£000s										
	2025 – 2026	2026 – 2027	2027 – 2028	2028 – 2029	2029 – 2030	2030 – 2031	2031 – 2032	2032 – 2033	2033 – 2034	2034 – 2035
<b>Total cost</b>	550	281	938	938	938	938	938	938	938	938
<b>Total adjusted for inflation</b>	586	304	1,037	1,057	1,077	1,097	1,118	1,139	1,161	1,183

11.11 The financial benefits of the Act have also been assessed and the net cost, after benefits have been taken into account, is included to provide a full picture of the final budget requirements.

## ANNEX 1

### EXPLANATORY NOTES

The explanatory notes to the Visitor Accommodation (Register and Levy) Etc. (Wales) Act 2025 can be found here: [\[insert link to legislation.gov.uk when published\]](#)

## ANNEX 2

### INDEX OF STANDING ORDER REQUIREMENTS

The following table is required when the Explanatory Memorandum is published alongside the Bill on introduction to show how the Standing Order requirements on the Bill have been fulfilled. Whilst these Standing Orders no longer apply to this final version that accompanies the Act, this section has been included for reference and to show the rationale for the main sections of the Explanatory Memorandum.

Standing order		Section	pages
26.6(ii)	Set out the policy objectives of the Act	Chapter 3 - Purpose and intended effect of the legislation	p5-7 and p13-14
26.6(iii)	Set out whether alternative ways of achieving the policy objectives were considered and, if so, why the approach taken in the Act was adopted	Part 2 – Regulatory Impact Assessment	p44 - 49



Standing order		Section	pages
26.6(iv)	Set out the consultation, if any, which was undertaken on: (a) the policy objectives of the Act and the ways of meeting them;  (b) the detail of the Act, and  (c) a draft Act, either in full or in part (and if in part, which parts)	Chapter 4 – Consultation	p17-18
26.6(v)	Set out a summary of the outcome of that consultation, including how and why any draft Act has been amended	Chapter 4 – Consultation	p18-24
26.6(vi)	If the Act, or part of the Act, was not previously published as a draft, state the reasons for that decision	Chapter 4 – Consultation	p24
26.6(vii)	Summarise objectively what each of the provisions of the Act is intended to do (to the extent that it requires explanation or comment) and give other information necessary to explain the effect of the Act	Annex 1 – Explanatory Notes	P100 - 131
26.6(viii)	Set out the best estimates of:  (a) the gross administrative, compliance and other costs to which the provisions of the Act would give rise;	Part 2 – Regulatory Impact Assessment	p40 - 43

Standing order		Section	pages
	<p>(b) the administrative savings arising from the Act;</p> <p>(c) net administrative costs of the Act's provisions;</p> <p>(d) the timescales over which such costs and savings would be expected to arise; and</p> <p>(e) on whom the costs would fall</p>		
26.6(ix)	Any environmental and social benefits and dis-benefits arising from the Act that cannot be quantified financially	Part 2 – Regulatory Impact Assessment	p42-43
26.6(x)	<p>Where the Act contains any provision conferring power to make subordinate legislation, set out, in relation to each such provision:</p> <p>(a) the person upon whom, or the body upon which, the power is conferred and the form in which the power is to be exercised;</p> <p>(b) why it is considered appropriate to delegate the power; and</p> <p>(c) the Senedd procedure (if any) to which the subordinate legislation made or to be made in the exercise of the power is to be subject, and why it was considered appropriate to make it subject to</p>	Chapter 5 - Power to make subordinate legislation	p27-39

Standing order		Section	pages
	that procedure (and not to make it subject to any other procedure);		
26.6(xi)	Where the Act contains any provision charging expenditure on the Welsh Consolidated Fund, incorporate a report of the Auditor General setting out his or her views on whether the charge is appropriate	The requirement of Standing Order 26.6(xi) does not apply to this Act	n/a
26.6(xii)	Set out the potential impact (if any) on the justice system in England and Wales of the provisions of the Act (a “justice impact assessment”), in accordance with section 110A of the Act.	Part 2 – Regulatory Impact Assessment	p92
26.6B	Where provisions of the Act are derived from existing primary legislation, whether for the purposes of amendment or consolidation, the Explanatory Memorandum must be accompanied by a table of derivations that explain clearly how the Act relates to the existing legal framework.	The requirement in Standing Order 26.6B for a Table of Derivations is not applicable to this Act as the Act is a standalone piece of legislation and does not derive from existing primary legislation for the purposes of amendment or consolidation.	n/a
26.6C	Where the Act proposes to significantly amend existing primary legislation, the Explanatory Memorandum must be accompanied by a schedule setting out the wording of existing legislation amended by the Act, and setting out clearly how that wording is amended by the Act.	Annex 3 – Schedule of Amendments	p136 - 183

Please note: this document has been prepared solely to assist people in understanding the Visitor Accommodation (Register and Levy) Etc. (Wales) Act 2025 . It should not be relied on for any other purpose.

## **ANNEX 3**

### **Schedule of amendments**

#### **AMENDMENTS TO BE MADE BY THE VISITOR ACCOMMODATION (REGISTER AND LEVY) ETC. (WALES) ACT 2025**

This document is intended to show how the provisions of the Tax Collection and Management (Wales) Act 2016, the Public Audit (Wales) Act 2013 and Public Services Ombudsman (Wales) Act 2019 as they applied in relation to Wales on 24 June 2025 would look as amended by the Visitor Accommodation (Register and Levy) Etc.(Wales) Act 2025.

Material to be deleted by the Visitor Accommodation (Register and Levy) Etc. (Wales) Act 2025 is in strikethrough, e.g. ~~omitted material looks like this~~.

Material to be added by the Visitor Accommodation (Register and Levy) Etc. (Wales) Act 2025 is underlined, e.g. added material looks like this.

References to the relevant amending provisions of the Act are provided in the right hand column on each page.

A number of related provisions from the Act, although not being amended, are included to aid understanding of the proposed amendments.

#### **Warning**

This text has been prepared by officials of the Welsh Treasury of the Welsh Government. Although efforts have been taken to ensure that it is accurate, it should not be relied on as a definitive text of the Act..

It has been produced solely to help people understand the effect of the Visitor Accommodation (Register and Levy) Etc. (Wales) Act . It is not intended for use in any other context.

## Tax administration and management provisions impacting the Tax Collection and Management (Wales) Act 2016

Tax Collection and Management (Wales) Act 2016	Amended by
<p>A global amendment is made in the Tax Collection and Management (Wales) Act 2016. In all places in the Act where “devolved” is mentioned <b>except from the list below will be replaced to read “WRA-collected”</b>. This is to enable the WRA to collect and manage the visitor levy, a local tax.</p> <p>The section states:</p> <p>for “devolved”, in each place it occurs in the Tax Collection and Management (Wales) Act 2016 (and subject to the other amendments provided for in this Schedule), substitute “<u>WRA-collected</u>”; but not in the following provisions—</p> <ul style="list-style-type: none"> <li>(a) section 1(ba) (overview of Act);</li> <li>(b) section 12(2)(b) (which is amended by paragraph 3) (WRA’s main functions);</li> <li>(c) section 18(1)(j) (permitted disclosures relating to Scottish devolved taxes);</li> <li>(d) section 25 (which is amended by paragraph 7) (payments into Welsh Consolidated fund);</li> <li>(e) section 26(2) (which is amended by paragraph 8) (Charter of standards and values);</li> <li>(f) Part 3A (general anti-avoidance rule);</li> <li>(g) section 117A (which is inserted by paragraph 18) (interpretation and application of Part 5 of the 2016 Act in relation to the visitor levy);</li> <li>(h) sections 118 to 120, and the italic heading that precedes them (those provisions are amended by paragraphs 19 to 22) (penalty for failure to make tax return);</li> <li>(i) in section 122(3), in Table A1, item 7 (penalty dates relating to general anti-avoidance rule);</li> <li>(j) section 122A (further penalties for continuing failure to pay devolved tax);</li> <li>(k) section 136(5) (potential lost revenue: balancing between devolved taxes);</li> <li>(l) in section 192(2) (interpretation), in the definitions of— <ul style="list-style-type: none"> <li>(i) “devolved tax”;</li> <li>(ii) “devolved taxpayer” (which is omitted by paragraph x);</li> </ul> </li> </ul>	<p><b>Paragraph 19 of Schedule 2</b></p>

<p>(iii)“LTТА”;</p> <p>(iv)“WRA-collected tax” (which is inserted by paragraph 35(a)(ii));</p> <p>(m) ksection 193 (index of defined expressions).</p>	
<p style="text-align: center;"><b>Part 2</b></p> <p style="text-align: center;"><b>THE WELSH REVENUE AUTHORITY</b></p> <p style="text-align: center;"><i>Establishment and status of the Welsh Revenue Authority</i></p> <p><i>Functions</i></p> <p><b>12 Main functions</b></p> <p>(1) WRA’s general function is the collection and management of devolved taxes.</p> <p>(2) WRA has the following particular functions—</p> <ul style="list-style-type: none"> <li>(a) providing to the Welsh Ministers information, advice and assistance relating to devolved taxes;</li> <li>(b) providing information and assistance relating to <del>devolved taxes to devolved taxpayers</del> <u>WRA-collected taxes to taxpayers</u>, their agents and other persons;</li> <li>(c) resolving complaints and disputes relating to devolved taxes;</li> <li>(d) promoting compliance with the law relating to devolved taxes and protecting against tax evasion and tax avoidance in relation to devolved taxes.</li> <li><u>(e) providing information, advice and assistance relating to the visitor levy to principal councils.</u></li> </ul> <p>(2A) WRA also has functions under Part 2 of the Visitor Accommodation (Register and Levy) Etc. (Wales) Act 2025 (register of visitor accommodation).</p> <p>(3) WRA must provide the Welsh Ministers with such information, advice or assistance relating to its functions as the Welsh Ministers may from time to time require in such form as the Welsh Ministers determine.</p> <p>(4) In addition to any other powers it has, WRA may do anything which it considers—</p> <ul style="list-style-type: none"> <li>(a) necessary or expedient in connection with the exercise of its functions, or</li> <li>(b) incidental or conducive to the exercise of those functions.</li> </ul>	<p style="text-align: center;"><b>Paragraph 2 and 20 of Schedule 2</b></p>

<p><b>15 General directions</b></p> <p>(1) The Welsh Ministers may give to WRA directions of a general nature.</p> <p><u>(1A) Before giving a direction under subsection (1) that relates only to WRA's functions relating to the visitor levy, the Welsh Ministers must consult each principal council that has introduced, or decided to introduce, the visitor levy in its area.</u></p> <p>(2) WRA must, in the exercise of its functions, comply with directions given under subsection (1).</p> <p>(3) Directions given under subsection (1) may not relate to the exercise of the functions in sections 29 or 30.</p> <p>(4) Directions under this section may be varied or revoked at any time.</p> <p>(5) The Welsh Ministers must publish any directions given under subsection (1).</p>	<p><b>Paragraph 21 of Schedule 2</b></p>
<p><b>17 Confidentiality of protected taxpayer information</b></p> <p>(1) An individual who is or has been a relevant official must not disclose protected <del>taxpayer</del> information unless the disclosure is permitted by section 18.</p> <p>(2) In this section and section 19, “relevant official” means an individual who is—</p> <ul style="list-style-type: none"> <li>(a) a member of WRA, of a committee of WRA or of a sub-committee of such a committee,</li> <li>(b) a person to whom WRA has delegated any of its functions, a member of a body to whom WRA has delegated any of its functions, of a committee of such a body or of a sub-committee of such a committee, or an office-holder of such a body,</li> <li>(c) a member of staff of WRA,</li> <li>(d) a member of staff of a person to whom WRA has delegated any of its functions employed in connection with any of those functions,</li> <li>(e) a person providing services to WRA, or</li> </ul>	<p><b>Paragraph 3 of Schedule 2</b></p>

<p>(f)a person providing services to a person to whom WRA has delegated any of its functions in connection with any of those functions.</p> <p>(3) In subsection (1) and section 18, “protected <del>taxpayer</del> information” means information relating to a person (the “affected person”)—</p> <p>(a)which was acquired by WRA or which was acquired by a person to whom any of the functions of WRA have been delegated in connection with those functions, and</p> <p>(b)by which the affected person may be identified (whether by reason of the affected person's identity being specified in the information or being capable of being deduced from it).</p> <p>(4) But information is not “protected <del>taxpayer</del> information” if it is information about internal administrative arrangements of WRA or of a person to whom WRA has delegated any of its functions (whether the information relates to members of staff of WRA or of such a person or to other persons).</p>	
<p><i>Information</i></p> <p><b>18 Permitted disclosures</b></p> <p>(1) A disclosure of protected <del>taxpayer</del> information is permitted by this section if—</p> <p><u>(za) it is made for the purposes of WRA's functions, other than the functions mentioned in section 12(2)(a) and (e), and (3).</u></p> <p>(a) it is made with the consent of each person to whom the information relates,</p> <p>(b) it is made for the purpose of obtaining services in connection with a function of WRA,</p> <p>(c) it is made for the purposes of a criminal investigation or criminal proceedings or for the purposes of the prevention or detection of crime,</p> <p>(d) it is made to a body with responsibility for the regulation of a profession in connection with misconduct on the part of a member of the profession which relates to a function of WRA,</p> <p>(e) it is made for the purposes of civil proceedings,</p> <p>(f) it is made in pursuance of an order of a court or tribunal,</p>	<p><b>Paragraph 4 and 19 of Schedule 2</b></p>



<p>(g) it is made in accordance with an enactment requiring or permitting the disclosure, or</p> <p>(h) it is made to WRA or to a person to whom WRA has delegated any of its functions for use in accordance with section 16.</p> <p>(i) [it is made to Her Majesty’s Revenue and Customs in connection with a function of WRA or in connection with a function of Her Majesty’s Revenue and Customs, or</p> <p>(j) it is made to Revenue Scotland in connection with a function of WRA or in connection with the collection and management of a devolved tax within the meaning of the Scotland Act <a href="#">1998 (c. 46)</a>.</p> <p>(k) <u>the disclosure is of information acquired in connection with the functions of WRA under Part 2 of the Visitor Accommodation (Register and Levy) Etc. (Wales) Act 2025 (asc 00), and it is made—</u></p> <p style="padding-left: 40px;">(i) <u>to a principal council in connection with a function of the principal council, or</u></p> <p style="padding-left: 40px;">(ii) <u>to the Welsh Ministers in connection with their functions under section 2 of the Development of Tourism Act 1969 (c. 51)."</u></p> <p>(2) The Welsh Ministers may by regulations amend subsection (1).</p>	
<p><b>20 Offence of wrongful disclosure of protected <u>taxpayer</u> information</b></p> <p>(1)An individual who discloses information in contravention of section 17(1) commits an offence.</p> <p>(2)It is a defence for an individual charged with an offence under subsection (1) to prove that the individual reasonably believed—</p> <p style="padding-left: 40px;">(a)that the disclosure of the information was permitted by section 18, or</p> <p style="padding-left: 40px;">(b)that the information had already lawfully been made available to the public.</p> <p>(3)An individual who commits an offence under subsection (1) is liable—</p> <p style="padding-left: 40px;">(a)on summary conviction, to imprisonment for a term not exceeding [the general limit in a magistrates’ court] or a fine (or both);</p>	<p><b>Paragraph 5 of Schedule 2</b></p>

<p>(b) on conviction on indictment, to imprisonment for a term not exceeding 2 years or a fine (or both).</p> <p>(4) This section does not affect the pursuit of any remedy or the taking of any action in relation to a contravention of section 17(1).</p>	
<p><i>Money</i></p> <p><b>24 Rewards</b></p> <p>WRA may pay a reward to a person in return for a service which relates to any of its functions.</p> <p><b><u>24A Payments of net proceeds of visitor levy to principal councils</u></b></p> <p>(1) <u>WRA must, in relation to each county or county borough in which the visitor levy has been introduced, keep a separate account for the proceeds of the visitor levy collected in respect of that county or county borough.</u></p> <p>(2) <u>WRA must pay the proceeds of the visitor levy collected each financial year in respect of a principal council's area (including any interest on the proceeds) to that principal council, no later than—</u>              (a) <u>30 June in the following financial year, or</u>              (b) <u>such other date as may be agreed between WRA and the principal council.</u></p> <p>(3) <u>But, subject to regulations under subsection (5), WRA must do so after deducting from the proceeds received for the financial year such amounts as WRA considers appropriate in respect of the costs it has incurred in connection with the exercise of its functions during that financial year in relation to the visitor levy for that area.</u></p> <p>(4) <u>WRA may also, subject to regulations under subsection (5), deduct from the proceeds received for the financial year such amounts as WRA considers appropriate in respect of costs WRA considers it may incur and disbursements WRA considers may become payable—</u>              (a) <u>in connection with the exercise of its functions during the financial year in relation to the visitor levy for that area, but</u>              (b) <u>after it has paid the proceeds for that year to the principal council.</u></p> <p>(5) <u>The Welsh Ministers may by regulations make further provision about the deduction of amounts in respect of</u></p>	<p><b>Paragraph 23 of Schedule 2</b></p>

<p><u>costs, or the deduction of disbursements, including provision—</u></p> <p>(a) <u>limiting the amount of costs or disbursements WRA may deduct (including by reference to a percentage of the disbursements or the costs incurred or to a maximum amount that may be deducted, or by other means);</u></p> <p>(b) <u>about how costs and disbursements are to be apportioned between principal councils that have introduced the visitor levy in their areas;</u></p> <p>(c) <u>specifying types of cost or disbursement that may, must or must not be deducted.</u></p> <p>(6) <u>For the purposes of this section—</u></p> <p>(a) <u>references to proceeds of the visitor levy include any financial penalties collected in relation to the levy;</u></p> <p>(b) <u>payments to principal councils under subsection (2) are not disbursements.”</u></p>	
<p><b>25 Payments of receipts into Welsh Consolidated Fund</b></p> <p>(1) WRA must pay amounts collected in the exercise of its functions <u>relating to devolved taxes</u> into the Welsh Consolidated Fund.</p> <p>(2) But WRA may do so after deduction of disbursements by way of repayments of devolved taxes (including interest on such repayments) and credits in respect of devolved taxes.</p> <p>(3) <u>WRA must pay into the Welsh Consolidated Fund amounts deducted under section 24A(3) or (4), in respect of costs, from proceeds of the visitor levy).</u></p>	<p><b>Paragraph 24 of Schedule 2</b></p>
<p><i>Charter of standards and values</i></p> <p><b>26 Charter of standards and values</b></p> <p>(1) WRA must prepare a Charter.</p> <p>(2) (The Charter must include—</p> <p>(a) standards of service, standards of behaviour and values which WRA is expected to adhere to when dealing with <del>devolved</del> taxpayers, their agents, <u>principal councils</u> and other persons in the exercise of its functions, and</p> <p>(b) standards of behaviour and values which WRA expects <del>devolved</del> taxpayers, their agents, <u>principal</u></p>	

<p><u>councils</u> and other persons to adhere to when dealing with it.</p> <p>(3) WRA must—</p> <ol style="list-style-type: none"> <li>(a) publish the Charter,</li> <li>(b) review the Charter— <ol style="list-style-type: none"> <li>i. at least once in the period of 5 years beginning with the day on which the Charter is published, and</li> <li>ii. subsequently, at least once in the period of 5 years following a review, and</li> </ol> </li> <li>(c) revise the Charter when it considers it appropriate to do so and publish the revised Charter.</li> </ol> <p>(4) Before publishing the Charter or a revised Charter WRA must consult such persons as it considers appropriate.</p> <p>(5) WRA must lay the Charter and any revised Charter before the National Assembly for Wales.</p> <p>(6) The first Charter must be published within 3 months of the coming into force of this section.</p>	<p><b>Paragraph 25 of Schedule 2</b></p>
<p><i>Corporate plans, annual reports, accounts etc.</i></p> <p><b>27 Corporate plan</b></p> <p>(1) WRA must, for each planning period, prepare a corporate plan and submit it for approval by the Welsh Ministers.</p> <p>(2) The corporate plan must set out—</p> <ol style="list-style-type: none"> <li>(a) WRA's main objectives for the planning period,</li> <li>(b) the outcomes by reference to which the achievement of the main objectives may be measured, and</li> <li>(c) the activities which WRA expects to undertake during the planning period.</li> </ol> <p><u>(2A) Before submitting the plan for approval by the Welsh Ministers, WRA must consult each principal council that has introduced, or decided to introduce, the visitor levy in its area on any objectives, outcomes or activities that relate to the visitor levy.</u></p> <p>(3) The Welsh Ministers may approve the corporate plan subject to such modifications as may be agreed between them and WRA.</p> <p>(4) When the Welsh Ministers approve the corporate plan, WRA must—</p>	<p><b>Paragraph 26 of Schedule 2</b></p>

<p>(a) publish the plan, and (b) lay a copy of the plan before the National Assembly for Wales.</p> <p>(5) During the planning period to which a corporate plan relates, WRA may review the plan and submit a revised corporate plan to the Welsh Ministers for approval.</p> <p>(6) Subsections (2) to (4) apply to a revised corporate plan as they apply to a corporate plan.</p> <p>(7) “Planning period” means— (a) a first period prescribed by the Welsh Ministers by regulations, and (b) each subsequent period of 3 years.</p> <p>(8) The Welsh Ministers may by regulations substitute for the period for the time being specified in subsection (7)(b) such other period as they consider appropriate.</p> <p>(9) The corporate plan for the first planning period must be submitted for approval by the Welsh Ministers not later than 6 months after WRA is established; and the corporate plan for each subsequent planning period must be submitted before the beginning of the planning period.</p>	
<p><b>29 Accounts</b></p> <p>(1) WRA must— (a) keep proper accounting records, and (b) prepare accounts in respect of each financial year in accordance with directions given by the Welsh Ministers.</p> <p>(2) The directions which the Welsh Ministers may give include (among other things) directions as to— (a) the information to be contained in the accounts and the manner in which the accounts are to be presented; (b) the methods and principles in accordance with which the accounts are to be prepared; (c) additional information that is to accompany the accounts.</p> <p><u>(2A) Before giving a direction under subsection (2)(b) that relates only to the visitor levy, the Welsh Ministers must</u></p>	<p><b>Paragraph 27 of Schedule 2</b></p>

<p><u>consult each principal council that has introduced, or decided to introduce, the visitor levy in its area.</u></p> <p>(3) Directions under this section may be varied or revoked at any time.</p>	
<p><b>30 Tax Statement</b></p> <p>(1) WRA must prepare in respect of each financial year, in accordance with directions given by the Welsh Ministers, a statement of the amount of money collected by it during the financial year in the exercise of its functions (a "<del>Tax Statement</del> <u>Statement of amount of money collected by WRA</u>").</p> <p><u>(1A) Before giving a direction under subsection (1) that relates only to the visitor levy, the Welsh Ministers must consult each principal council that has introduced, or decided to introduce, the levy in its area.</u></p> <p>(2) Directions under this section may be varied or revoked at any time.</p>	<p><b>Paragraph 6 and 28 of Schedule 2</b></p>
<p><b>31 Audit</b></p> <p>(1) WRA must submit—</p> <p style="padding-left: 40px;">(a) the accounts prepared for a financial year, and</p> <p style="padding-left: 40px;">(b) the Tax Statement for a financial year,</p> <p>to the Auditor General for Wales not later than 31 August in the following financial year.</p> <p>(2) The Auditor General for Wales must—</p> <p style="padding-left: 40px;">(a) examine, certify and report on the accounts and Tax Statement, and</p> <p style="padding-left: 40px;">(b) not later than the end of the period of 4 months beginning with the day on which they are submitted, lay a copy of the certified accounts and Tax Statement, and the reports on them, before the National Assembly for Wales.</p> <p>(3) In examining the accounts submitted under this section, the Auditor General for Wales must, in particular, be satisfied—</p>	<p><b>Paragraph 29 of Schedule 2</b></p>

<p>(a) that the expenditure to which the accounts relate has been incurred lawfully and in accordance with the authority which governs it, and</p> <p>(b) that money received for a particular purpose or particular purposes has not been expended otherwise than for that purpose or those purposes.</p> <p>(4) In examining the Tax Statement submitted under this section, the Auditor General for Wales must, in particular, be satisfied—</p> <p>(a) that the money collected by WRA, to which the Tax Statement relates, has been collected lawfully, and</p> <p>(b) that any deduction of disbursements has been made in accordance with section <u>24A</u> or <u>25(2)</u>.</p>	
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<p><b>33 Accounting officer</b></p> <p>(1) The chief executive of WRA is the accounting officer of WRA.</p> <p>(2) The accounting officer has, in relation to the accounts and finances of WRA, the responsibilities which are for the time being specified by the Welsh Ministers.</p> <p>(3) The responsibilities which may be specified under this section include (among other things)—</p> <ul style="list-style-type: none"> <li>(a) responsibilities in relation to the signing of WRA's accounts and the <del>Tax Statement</del> <u>statement prepared under section 30</u>;</li> <li>(b) responsibilities for the propriety and regularity of the finances of WRA;</li> <li>(c) responsibilities for the economy, efficiency and effectiveness with which the resources of WRA are used;</li> <li>(d) responsibilities owed to the National Assembly for Wales, the Welsh Ministers or a committee of the National Assembly for Wales.</li> </ul>	<p><b>Paragraph 8 of Schedule 2</b></p>
<p><del><b>35 Public Services Ombudsman</b></del></p> <p><del>In Schedule 3 to the Public Services Ombudsman (Wales) Act 2005 (c. 10) (listed authorities), after the entry relating to the National Assembly for Wales Commission insert—</del></p> <p><del>“<i>Taxation</i></del></p> <p><del>Welsh Revenue Authority”</del></p>	<p><b>Paragraph 9 of Schedule 2</b></p>



<p style="text-align: center;"><b><u>CHAPTER 3 TAX RETURNS</u></b></p> <p><i><u>Filing date</u></i></p> <p><b>40 Meaning of “filing date”</b></p> <p>In the Welsh Tax Acts, the “filing date”—</p> <p>(1)</p> <p style="padding-left: 40px;">(a) in relation to a tax return for land transaction tax, is the day by which the return is required to be made under LTTA;</p> <p style="padding-left: 40px;">(b) in relation to a tax return for landfill disposals tax, has the meaning given by section 39(4) of LDTA.</p> <p><u>(2) In this Act the “filing date”, in relation to a visitor levy return, has the meaning given by section 35 of the Visitor Accommodation (Register and Levy) Etc. (Wales) Act 2025 (asc 00).</u></p>	<p><b>Paragraph 30 of Schedule 2</b></p>
<p style="text-align: center;"><b>CHAPTER 6</b></p> <p style="text-align: center;"><b>WRA ASSESSMENTS</b></p> <p><i>Making WRA assessments</i></p> <p><b>58 Conditions for making WRA assessments</b></p> <p>(1) A WRA assessment—</p> <p style="padding-left: 40px;">(a) may be made only in the four cases specified in subsections 2), (3), (3A) and (3B), and</p> <p style="padding-left: 40px;">(b) may not be made in the circumstances specified in subsection (4).</p> <p>(2) The first case is where the situation mentioned in section 54 or 55 was brought about carelessly or deliberately by—</p> <p style="padding-left: 40px;">(a) the taxpayer,</p> <p style="padding-left: 40px;">(b) a person acting on the taxpayer's behalf, or</p> <p style="padding-left: 40px;">(c) a person who was a partner in the same partnership as the taxpayer.</p> <p>(3) The second case is where—</p> <p style="padding-left: 40px;">(a) a tax return has been made,</p> <p style="padding-left: 40px;">(b) WRA has ceased to be entitled to issue a notice of enquiry into the return, or has completed its enquiries into it, and</p> <p style="padding-left: 40px;">(c) at the time when WRA ceased to be so entitled or completed those enquiries, it could not reasonably have been expected to be aware of the situation</p>	<p><b>Paragraph 31 of Schedule 2</b></p>

<p>mentioned in section 54 or 55 on the basis of information made available to WRA before that time.</p> <p>(3A) The third case is where WRA makes an adjustment under the general anti-avoidance rule (see Part 3A, in particular section 81E).</p> <p>(3B) The fourth case is where WRA has come to the view that a situation described in section 55A has arisen.</p> <p>(4) No WRA assessment may be made [in the first or second case if—</p> <p>(a) the situation mentioned in section 54 or 55 is attributable to a mistake in [a tax return] as to the basis on which the devolved tax liability ought to have been calculated, and</p> <p>(b) the mistake occurred because the tax return was made on the basis prevailing, or in accordance with the practice generally prevailing, at the time it was made.</p> <p>(5) <u>For the purpose of subsection (3)(c), information is regarded as made available to WRA if—</u></p> <p><u>(a) it is contained in a tax return,</u></p> <p><u>(b) it is contained in any documents produced or information provided to WRA for the purposes of an enquiry into any such return, or</u></p> <p><u>(c) it is information the existence of which—</u></p> <p><u>(i) could reasonably be expected to be inferred by WRA from information falling within paragraph (a) or (b), or</u></p> <p><u>(ii) is notified in writing to WRA by the taxpayer or a person acting on the taxpayer's behalf.”</u></p>	
<p style="text-align: center;"><b>Part 3A</b></p> <p style="text-align: center;"><b>GENERAL ANTI-AVOIDANCE RULE: <u>DEVOLVED TAXES</u></b></p>	<p style="text-align: center;"><b>Paragraph 32 of Schedule 2</b></p>
<p style="text-align: center;"><i>Overview</i></p> <p><b>81A Meaning of ““general anti-avoidance rule”” and overview</b></p> <p>(1) This Part makes provision, <u>relating to devolved taxes</u>, for counteracting tax advantages arising from artificial tax avoidance arrangements, including provision—</p>	

<p>(a) about the meaning of “tax avoidance arrangement”, “artificial” and “tax advantage” (sections 81B to 81D);</p> <p>(b) about WRA's power to make adjustments to counteract tax advantages and the steps to be taken by WRA in connection with such adjustments (sections 81E to 81G).</p> <p>(2) The rules in this Part are collectively to be known as “the general anti-avoidance rule”.</p> <p><i>Artificial tax avoidance arrangements</i></p> <p><b>81B Tax avoidance arrangements</b></p> <p>(1) For the purposes of this Part, an arrangement is a “tax avoidance arrangement” if the obtaining of a tax advantage for any person is the main purpose, or one of the main purposes, of a <u>devolved</u> taxpayer entering into the arrangement.</p> <p>(2) In determining whether the main purpose, or one of the main purposes, of an arrangement is the obtaining of a tax advantage regard may in particular be had to the amount of devolved tax that would have been chargeable in the absence of the arrangement.</p> <p>(3) In this Part—</p> <p>(a) an “arrangement” includes any transaction, scheme, action, operation, agreement, grant, understanding, promise, undertaking, event or any series of any of those things (whether legally enforceable or not);</p> <p>(b) references to an arrangement are to be read as including—</p> <p>(i) a series of arrangements, and</p> <p>(ii) any part or stage of an arrangement comprised of more than one part or stage;</p> <p>(c) “<u>devolved</u> taxpayer” means a person liable to devolved tax or who would be liable but for the tax avoidance arrangement in question.</p> <p><b>81C Artificial tax avoidance arrangements</b></p> <p>(1) For the purposes of this Part, a tax avoidance arrangement is “artificial” if the entering into or carrying out of it is not a reasonable course of action in relation to the provisions of Welsh tax legislation applying to the arrangements.</p>	<p><b>Paragraph 33 of Schedule 2</b></p>
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- (2) In determining whether the tax avoidance arrangement is artificial, regard may in particular be had—
  - (a) to any genuine economic or commercial substance to the arrangement (other than the obtaining of a tax advantage);
  - (b) as to whether the arrangement results in an amount of tax chargeable that it is reasonable to assume was not the anticipated result when the relevant provision of Welsh tax legislation was enacted.
- (3) But an arrangement is not artificial if, at the time it was entered into or carried out—
  - (a) the arrangement was consistent with generally prevailing practice, and
  - (b) WRA had indicated its acceptance of that practice.
- (4) Where a tax avoidance arrangement forms part of any other arrangements, regard must also be had to those other arrangements in determining whether the tax avoidance arrangement is artificial.
- (5) In this section, ““Welsh tax legislation”” means—
  - (a) the Welsh Tax Acts, and
  - (b) any subordinate legislation (within the meaning of section 21 of the Interpretation Act 1978 (c. 30)) made under those Acts.

#### **81D Meaning of ““tax”” and “tax advantage**

For the purposes of this Part—

- ““tax”” (“*treth*”) means any devolved tax;
- ““tax advantage”” (“*mantais drethiannol*”) means—
  - (a) relief or increased relief from tax,
  - (b) repayment or increased repayment of tax,
  - (c) avoidance or reduction of a charge to tax,
  - (d) deferral of a payment of tax or advancement of a repayment of tax, ...
  - (e) avoidance of an obligation to deduct or account for tax [, and
  - (f) tax credit or increased tax credit.]

#### ***Counteracting tax advantages***

#### **81E Adjustments to counteract tax advantages**

- (1) WRA may make such adjustments as it considers just and reasonable to counteract a tax advantage that would (ignoring this Part) arise from an artificial tax avoidance arrangement.

- (2) An adjustment may be made in respect of the devolved tax in question or any other devolved tax.
- (3) An adjustment must be made—
  - (a) where the adjustment relates to a tax return in respect of which an enquiry is in progress, by amending the return in a closure notice issued under section 50;
  - (b) otherwise by means of a WRA assessment.
- (4) WRA may not make an adjustment unless it has complied with the requirements of sections 81F and 81G.

#### **81F Notice of proposed counteraction**

- (1) WRA may issue a notice (a “proposed counteraction notice”) to a devolved taxpayer if WRA considers—
  - (a) that a tax advantage has arisen to a person from an artificial tax avoidance arrangement, and
  - (b) that the tax advantage should be counteracted by means of an adjustment under section 81E.
- (2) A proposed counteraction notice must—
  - (a) specify the tax avoidance arrangement and the tax advantage,
  - (b) explain why WRA considers that a tax advantage has arisen from an artificial tax avoidance arrangement,
  - (c) set out the adjustment that WRA proposes to make in order to counteract the tax advantage,
  - (d) specify any amount that the devolved taxpayer will be required to pay in accordance with the proposed WRA assessment, and
  - (e) inform the devolved taxpayer—
    - (i) that a final counteraction notice is to be issued after the expiry of the period of 45 days beginning with the day on which the proposed counteraction notice is issued,
    - (ii) that the devolved taxpayer may request that WRA extend that 45 day period, and
    - (iii) that the devolved taxpayer may make written representations to WRA at any time before the final counteraction notice is issued.

#### **81G Final counteraction notice**

- (1) WRA must, after the expiry of the 45 day period mentioned in section 81F(2)(e)(i) or such longer period as WRA has agreed to, issue a notice (a “final counteraction notice”) to the devolved taxpayer.
- (2) A final counteraction notice must state whether the tax advantage arising from the tax avoidance arrangement is to be counteracted by means of an adjustment under section 81E.
- (3) In determining whether the tax advantage is to be counteracted WRA must have regard to any written representations made by the devolved taxpayer.
- (4) If a final counteraction notice states that a tax advantage is to be counteracted by means of an adjustment the notice must also—
  - (a) specify the adjustment required to give effect to the counteraction,
  - (b) where the adjustment relates to a tax return in respect of which an enquiry is in progress, specify the amendment of the return which is to be included in the closure notice issued under section 50 when WRA reaches its conclusions in the enquiry,
  - (c) where paragraph (b) does not apply—
    - (i) be accompanied by the WRA assessment which gives effect to the adjustment, or
    - (ii) where a WRA assessment giving effect to the adjustment has been made, specify that assessment, and
  - (d) specify any amount that the devolved taxpayer—
    - (i) will be required to pay as a result of the amendment specified under paragraph (b), or
    - (ii) is required to pay in accordance with the WRA assessment mentioned in paragraph (c).
- (5) If a final counteraction notice states that a tax advantage is not to be counteracted it must state the reasons for WRA's decision.

*Proceedings before a court or tribunal*

**81H Proceedings in connection with the general anti-avoidance rule**

In proceedings before a court or the tribunal in connection with the general anti-avoidance rule, it is for WRA to show—

- (a) that there is an artificial tax avoidance arrangement, and

<p>(b) that the adjustments made (or to be made) to counteract the tax advantage arising from the arrangement are just and reasonable.</p> <p><i>Commencement and transitional provision</i></p> <p><b>81I General anti-avoidance rule: commencement and transitional provision</b></p> <p>(1) The general anti-avoidance rule has effect in relation to any tax avoidance arrangement entered into on or after the date on which this Part comes into force.</p> <p>(2) Where a tax avoidance arrangement forms part of any other arrangements entered into before that day, those other arrangements are to be ignored for the purposes of section 81C(4) unless the result of having regard to those other arrangements would be to determine that the tax avoidance arrangement was not artificial.</p>	
<p style="text-align: center;"><b>PART 4</b></p> <p style="text-align: center;"><b>INVESTIGATORY POWERS OF WRA</b></p> <p style="text-align: center;"><b>CHAPTER 2</b></p> <p style="text-align: center;"><b>POWERS TO REQUIRE INFORMATION AND DOCUMENTS</b></p> <p><b>86 Taxpayer notices</b></p> <p>(1) WRA may issue a notice (a “taxpayer notice”) requiring a person (“the taxpayer”) to provide information or produce a document if—</p> <ul style="list-style-type: none"> <li>(a) WRA requires the information or document for the purpose of checking the taxpayer's tax position,</li> <li>(b) it is reasonable to require the taxpayer to provide the information or produce the document, and</li> <li>(c) nothing in sections 97 to 102 prevents WRA from requiring the taxpayer to provide the information or produce the document.</li> </ul> <p><del>(2) But WRA may not issue a taxpayer notice without the approval of the tribunal.</del></p> <p>(2) Before issuing a taxpayer notice WRA may (but need not, subject to section 97(2)) apply to the tribunal for approval to issue the notice.</p>	<p style="text-align: center;"><b>Paragraph 34 of Schedule 2</b></p>
<p style="text-align: center;"><b>PART 5</b></p>	

<p style="text-align: center;"><b>PENALTIES</b></p> <p style="text-align: center;"><b>CHAPTER 1</b></p> <p style="text-align: center;"><b>OVERVIEW</b></p> <p><b>117 Overview of Part</b></p> <p>(1) This Part makes provision about penalties relating to devolved taxes, including—</p> <ul style="list-style-type: none"> <li>(a) penalties relating to failures to make tax returns or to pay devolved tax [or amounts payable in respect of tax credits],</li> <li>(b) penalties relating to inaccuracies,</li> <li>(c) penalties relating to record-keeping and reimbursement arrangements, and</li> <li>(d) penalties relating to investigations.</li> </ul> <p>(2) It includes provision about—</p> <ul style="list-style-type: none"> <li>(a) the circumstances which liability to those penalties arises,</li> <li>(b) the amounts of those penalties,</li> <li>(c) the circumstances in which liability to those penalties may be suspended or the amounts of those penalties may be reduced,</li> <li>(d) the assessment of those penalties, and</li> <li>(e) the payment of those penalties.</li> </ul> <p><b><u>117A Interpretation and application of this Part in relation to the visitor levy</u></b></p> <p><u>(1) In this Part—</u></p> <p><u>“devolved tax return” (“ffurflen treth ddatganoledig”) means a tax return relating to a devolved tax;</u></p> <p><u>“visitor accommodation provider” (“darparwr llety ymwelwyr”) has the same meaning as in Chapter X of the Visitor Accommodation (Register and Levy) Etc. (Wales) Act 2025 (asc 00);</u></p> <p><u>“visitor levy return” (“ffurflen ardoll ymwelwyr”) means a return relating to the visitor levy (see section 16 of the Visitor Accommodation (Register and Levy) Etc. (Wales) Act 2025).”</u></p> <p><u>(2) Where a visitor accommodation provider has never made a visitor levy return nor indicated to WRA whether the provider will make annual or quarterly returns, the provider</u></p>	<p><b>Paragraph 35 of Schedule 2</b></p>
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<p><u>is to be treated for the purposes of this Part as making annual returns.</u></p>	
<p style="text-align: center;"><b>CHAPTER 2</b></p> <p style="text-align: center;"><b>PENALTIES FOR FAILURE TO MAKE RETURNS OR PAY TAX [OR AMOUNTS PAYABLE IN RESPECT OF TAX CREDITS]</b></p> <p><i>Penalty for failure to make <u>devolved</u> tax return</i></p>	<p><b>Paragraph 36 of Schedule 2</b></p>
<p><b>118 Penalty for failure to make tax <u>devolved</u> return on or before filing date</b></p> <p>(1) A person who is required to make a <u>devolved</u> tax return is liable to a penalty of £100 if the person fails to make a <u>devolved</u> tax return on or before the filing date.</p> <p>(2) But see section 118A for an exception to the rule above.</p>	<p><b>Paragraph 37 of Schedule 2</b></p>
<p><b>119 Penalty for failure to make tax <u>devolved</u> return within 6 months from filing date</b></p> <p>(1) A person [who is required to make a <u>devolved</u> tax return] is liable to a penalty if the person's failure to make a <u>devolved</u> tax return continues after the end of the period of 6 months beginning with the day after the filing date.</p> <p>(2) The penalty is the greater of—</p> <p style="padding-left: 40px;">(a) 5% of the amount of the devolved tax to which the person would have been liable if the tax return had been made, and</p> <p style="padding-left: 40px;">(b) £300.</p>	<p><b>Paragraph 38 of Schedule 2</b></p>
<p><b>120 Penalty for failure to make <u>devolved</u> tax return within 12 months from filing date</b></p> <p>(1) A person [who is required to make a <u>devolved</u> tax return] is liable to a penalty if the person's failure to</p>	

<p>make a <u>devolved</u> tax return continues after the end of the period of 12 months beginning with the day after the filing date.</p> <p>(2) Where, by failing to make the <u>devolved</u> tax return, the person deliberately withholds information which would enable or assist WRA to assess the person's liability to a devolved tax, the penalty is—</p> <p>(a) £300, or</p> <p>(b) a greater amount, not exceeding 95% of the amount of devolved tax to which the person would have been liable if the tax return had been made.</p> <p>(3) In any case not falling within subsection (2), the penalty is the greater of—</p> <p>(a) 5% of the amount of the devolved tax to which the person would have been liable if the tax return had been made, and</p> <p>(b) £300.</p> <p><u><i>Penalty points and penalties for failures to make visitor levy returns</i></u></p> <p><b><u>120A Penalty point for failure to make visitor levy return on or before filing date</u></b></p> <p>(1) <u>A visitor accommodation provider (VAP) is liable to a penalty point if the provider fails to make a visitor levy return on or before the filing date for the return.</u></p> <p>(2) <u>Where a VAP is liable to a penalty point, WRA may award the penalty point by giving notice to the VAP.</u></p> <p>(3) <u>Notice under subsection (2) must be given—</u></p> <p>_____ (a) <u>if the VAP makes annual visitor levy returns, before the end of the period of 48 weeks beginning with the day after the filing date for the return;</u></p> <p>_____ (b) <u>if the VAP makes quarterly visitor levy returns, before the end of the period of 11 weeks beginning with the day after the filing date for the return.</u></p> <p>(4) <u>WRA may withdraw a penalty point awarded under this section by giving notice to the VAP; and where a penalty point is withdrawn, the VAP is to be treated as never having received the penalty point.</u></p> <p><b><u>120B Financial penalty where penalty points have been awarded</u></b></p>	
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<p><u>(1) If, having been awarded a penalty point, a VAP reaches the penalty threshold, the VAP is liable to a penalty of £100.</u></p> <p><u>(2) The penalty threshold is—</u>  <u>(a) if the VAP makes annual returns, two penalty points, and</u>  <u>(b) if the VAP makes quarterly returns, four penalty points.</u></p> <p><u>(3) A VAP that becomes liable to a penalty under subsection (1) remains liable to that penalty regardless of the subsequent expiry of any of the penalty points awarded to the VAP.</u></p> <p><b><u>120C Expiry of penalty points</u></b></p> <p><u>(1) A penalty point awarded to a VAP in relation to a failure to make an annual visitor levy return expires at the end of the period of 24 months beginning with the filing date of the return to which the penalty point relates.</u></p> <p><u>(2) A penalty point awarded to a VAP in relation to a failure to make a quarterly visitor levy return expires at the end of the period of 12 months beginning with the filing date of the return to which the penalty point relates.</u></p> <p><b><u>120D Changing frequency of filing of returns when provider has penalty point</u></b></p> <p><u>A VAP that has one or more unexpired penalty points may not change the frequency with which they make visitor levy returns (as to which, see section 17 of the Visitor Accommodation (Register and Levy) Etc. (Wales) Act 2025 (asc 00)).</u></p> <p><b><u>120E Financial penalty for failure to make visitor levy return within 6 months from filing date</u></b></p> <p><u>(1) This section applies where a VAP's failure to make a visitor levy return continues after the end of the period of 6 months beginning with the day after the filing date.</u></p> <p><u>(2) The VAP is liable to a penalty of £100 (regardless of whether the VAP has been awarded any unexpired penalty points, or is liable to any penalty points, in relation to the return in question or any other visitor levy return).</u></p>	<p><b>Paragraph 39 &amp; 40 of Schedule 2</b></p>
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<p><b><u>120F Financial penalty for failure to make visitor levy return within 12 months from filing date</u></b></p> <p><u>(1) This section applies where a VAP’s failure to make a visitor levy return continues after the end of the period of 12 months beginning with the day after the filing date.</u></p> <p><u>(2) The VAP is liable to a penalty (regardless of whether the VAP has been awarded any unexpired penalty points, or is liable to any penalty points, in relation to any visitor levy return).</u></p> <p><u>(3) Where, by failing to make the visitor levy return, the VAP deliberately withholds information that would enable or assist WRA to assess the VAP’s liability to the visitor levy, the penalty is—</u>  <u>(a) £300, or</u>  <u>(b) a greater amount, not exceeding 95% of the amount of visitor levy to which the person would have been liable if the visitor levy return had been made.</u></p> <p><u>(4) In any case not falling within subsection (3), the penalty is the greater of—</u>  <u>(a) 5% of the amount of visitor levy to which the VAP would have been liable if the visitor levy return had been made, and</u>  <u>(b) £300.</u></p>	
<p><b><u>121 Reduction in penalty for failure to make tax return: disclosure</u></b></p> <p>(1) WRA may reduce a penalty under section 118, 118A, <del>119 or 120</del>, <u>120, 120B, 120E or 120F</u> if the person discloses information which has been withheld as a result of a failure to make a tax return (“relevant information”).</p> <p>(2) A person discloses relevant information by—  (a) telling WRA about it,  (b) giving WRA reasonable help in quantifying any devolved tax unpaid by reason of the information having been withheld, and  (c) allowing WRA access to records for the purpose of checking how much devolved tax is so unpaid.</p>	

<p>(3) In reducing a penalty under this section, WRA may take account of—</p> <ul style="list-style-type: none"> <li>(a) whether the disclosure was prompted or unprompted, and</li> <li>(b) the quality of the disclosure.</li> </ul> <p>(4) Disclosure of relevant information—</p> <ul style="list-style-type: none"> <li>(a) is “unprompted” if made at a time when the person making the disclosure has no reason to believe that WRA has discovered or is about to discover the relevant information, and</li> <li>(b) otherwise, is “prompted”.</li> </ul> <p>(5) “Quality”, in relation to disclosure, includes timing, nature and extent.</p>	<p><b>Paragraph 41 of Schedule 2</b></p>
<p><i>Penalty for failure to pay tax</i></p> <p><b>122 Penalty for failure to pay tax on time</b></p> <p>(1) A person is liable to a penalty if the person has failed to pay an amount of devolved tax on or before the penalty date in respect of that amount.</p> <p>(2) The penalty—</p> <ul style="list-style-type: none"> <li>a) in respect of an amount of land transaction tax, is 5% of the amount of unpaid tax;</li> <li>b) in respect of an amount of landfill disposals tax, is 1% of the amount of unpaid tax.]</li> <li>c) <u>in respect of an amount of visitor levy, is 5% of the amount of unpaid levy, but—</u> <ul style="list-style-type: none"> <li>(i) <u>if 5% of the amount of unpaid levy is lower than £100, the penalty is £100;</u></li> <li>(ii) <u>if 5% of the amount of unpaid levy is greater than £5000, the penalty is £5000</u></li> </ul> </li> </ul> <p>(2A) But see section 122ZA for an exception to the rule in subsection (1).</p> <p>(3) In this section and in [<del>sections 122ZA and 122A</del><u>122ZA, 122A and 122B</u>], the penalty date in respect of an amount of devolved tax specified in column 3 of Table A1 is the date specified in column 4.</p> <p><b>N.B. AMENDED TABLE A1 AT THE END OF THE SCHEDULE OF AMENDMENTS</b></p> <p>(4) In this section, ““deferred amount”” has the same meaning as in section 58(6)(a) of LTTA.</p>	<p><b>Paragraph 42 of Schedule 2</b></p>

<p>(5) The Welsh Ministers may by regulations modify Table A1.</p>	
<p><b>122A Further penalties for continuing failure to pay devolved tax</b></p> <p>(1) This section applies where a person is liable to a penalty under section 122 [or 122ZA] in respect of a failure to pay an amount of devolved tax on or before the penalty date for that amount.</p> <p>(2) If any of the amount remains unpaid after the end of the period of 6 months beginning with the day falling 30 days before the penalty date, the person is liable to a further penalty.</p> <p>(3) The further penalty is 5% of the amount that remains unpaid.</p> <p>(4) If any of the amount remains unpaid after the end of the period of 12 months beginning with the day falling 30 days before the penalty date, the person is liable to a second further penalty.</p> <p>(5) The second further penalty is 5% of the amount that remains unpaid.</p> <p><b><u>122B Further penalties for continuing failure to pay visitor levy</u></b></p> <p>(1) <u>This section applies where a VAP is liable to a penalty under section 122 in respect of a failure to pay an amount of visitor levy on or before the penalty date for that amount.</u></p> <p>(2) <u>If any of the amount remains unpaid after the end of the period of 6 months beginning with the day falling 30 days before the penalty date, the VAP is liable to a further penalty.</u></p> <p>(3) <u>The further penalty is 5% of the amount that remains unpaid, but—</u>              (a) <u>if 5% of the unpaid amount is lower than £100, the penalty is £100;</u>              (b) <u>if 5% of the unpaid amount is greater than £5000, the penalty is £5000.</u></p> <p>(4) <u>If any of the amount remains unpaid after the end of the period of 12 months beginning with the day falling 30</u></p>	<p><b>Paragraph 43 of Schedule 2</b></p>

<p><u>days before the penalty date, the VAP is liable to a second further penalty.</u></p> <p>(5) <u>The second further penalty is 5% of the amount that remains unpaid, but—</u></p> <p>(a) <u>if 5% of the unpaid amount is lower than £100, the penalty is £100;</u></p> <p>(b) <u>if 5% of the unpaid amount is greater than £5000, the penalty is £5000.”</u></p>	
<p><b>126 Reasonable excuse for failure to make tax return or pay tax [or amount payable in respect of tax credit]</b></p> <p>(1) If a person satisfies WRA or (on appeal) the tribunal that there is a reasonable excuse for a failure to make a tax return, the person is not liable to a penalty under sections 118 to 120, <u>120B, 120E or 120F, or (as the case may be) to a penalty point under section 120A,</u> in relation to the failure.</p> <p>(2) If a person satisfies WRA or (on appeal) the tribunal that there is a reasonable excuse for a failure to pay a devolved tax, the person is not liable to a penalty under [sections 122 to <del>122A</del><u>122B</u>] in relation to the failure.</p> <p>(2A) If a person satisfies WRA or (on appeal) the tribunal that there is a reasonable excuse for a failure to pay an amount payable in respect of a tax credit, the person is not liable to a penalty under section 123A in relation to the failure.</p> <p>(3) For the purposes of subsections (1) [, (2) and (2A)]—</p> <p>(a) an insufficiency of funds is not a reasonable excuse unless attributable to events outside the person's control;</p> <p>(b) where a person relies on another person to do anything, that is not a reasonable excuse unless the first person took reasonable care to avoid the failure;</p> <p>(c) where a person had a reasonable excuse for the failure but the excuse has ceased, the person is to be treated as having continued to have the excuse if the failure is remedied without unreasonable delay after the excuse ceased.</p>	<p><b>Paragraph 44 of Schedule 2</b></p>
<p><b>127 Assessment of penalties under Chapter 2</b></p>	

<p>(1) Where a person becomes liable to a penalty under this Chapter, WRA must—</p> <ul style="list-style-type: none"> <li>(a) assess the penalty,</li> <li>(b) issue notice to the person of the penalty assessed, and</li> <li>(c) state in the notice the period [, transaction or amount] in respect of which the penalty has been assessed.</li> </ul> <p>(2) An assessment of a penalty under this Chapter may be combined with an assessment to a devolved tax.</p> <p>(3) A supplementary assessment may be made in respect of a penalty under section 119 <del>or 120</del>, <u>120 or 120F</u> if an earlier assessment operated by reference to an underestimate of the amount of devolved tax to which a person would have been liable if a tax return had been made.</p> <p>(4) If—</p> <ul style="list-style-type: none"> <li>(a) an assessment in respect of a penalty under section 119 <del>or 120</del>, <u>120 or 120F</u> is based on the amount of devolved tax to which a person would have been liable if a tax return had been made, and</li> <li>(b) that liability is found by WRA to be excessive,</li> <li>(c) WRA may issue a notice to the person liable to the penalty amending the assessment so that it is based on the correct amount.</li> </ul> <p>(5) A supplementary assessment may be made in respect of a penalty under section <del>122 [, 122ZA] [or 122A]</del> <u>122ZA, 122A or 122B</u> if an earlier assessment operated by reference to an underestimate of the amount of devolved tax which was payable.</p> <p>(6) If an assessment in respect of a penalty under section <del>122 [, 122ZA] [or 122A]</del> <u>122ZA, 122A or 122B</u> is based on an amount of tax payable that is found by WRA to be excessive, WRA may issue a notice to the person liable to the penalty amending the assessment so that it is based on the correct amount.</p> <p>(6A) A supplementary assessment may be made in respect of a penalty under section 123A if an earlier assessment operated by reference to an underestimate of the amount payable in respect of the tax credit in question.</p>	<p><b>Paragraph 45 of Schedule 2</b></p>
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<p>(6B) If an assessment in respect of a penalty under section 123A is based on an amount that is found by WRA to be excessive, WRA may issue a notice to the person liable to the penalty amending the assessment so that it is based on the correct amount.</p> <p>(7) An amendment made under subsection (4), (6) or (6B)—</p> <ul style="list-style-type: none"> <li>(a) does not affect when the penalty must be paid, and</li> <li>(b) may be made after the last day on which the assessment in question could have been made under section 128.</li> </ul>	
<p><b>128 Time limit for assessment of penalties under Chapter 2</b></p> <p>(1) An assessment of a penalty under this Chapter ... must be made on or before the later of date A and (where it applies) date B.</p> <p>(2) Date A is the last day of the period of 2 years beginning with—</p> <ul style="list-style-type: none"> <li>(a) in the case of failure to make a tax return, the filing date <u>other than where liability to the penalty arises under section 120B, ...</u></li> <li>(aa) <u>in the case of liability to a penalty under section 120B (financial penalty where penalty points have been awarded), the filing date of the return in relation to which the penalty point that caused the visitor accommodation provider to reach the penalty threshold was awarded,</u></li> <li>(b) in the case of failure to pay a devolved tax, the penalty date, or</li> <li>(c) in the case of a failure to pay an amount payable in respect of a tax credit, the penalty date.</li> </ul> <p>(3) Date B is the last day of the period of 12 months beginning with—</p> <ul style="list-style-type: none"> <li>(a) in the case of a failure to make a tax return— <ul style="list-style-type: none"> <li>(i) the end of the appeal period for the assessment of the amount of devolved tax to which a person would have been liable if the tax return had been made, or</li> <li>(ii) if there is no such assessment, the date on which that liability is ascertained or it is ascertained that the liability is nil;</li> </ul> </li> </ul>	<p><b>Paragraph 46 of Schedule 2</b></p>

<p>(b) in the case of a failure to pay a devolved tax—  (i)the end of the appeal period for the assessment of the amount of devolved tax in respect of which the penalty is assessed, or  (ii)if there is no such assessment, the date on which that amount of devolved tax is ascertained.</p> <p>(4) in the case of a failure to pay an amount payable in respect of a tax credit, the end of the appeal period for the assessment of the amount in respect of which the penalty is assessed.</p> <p>(5) In subsection (2)(b), “penalty date” has the meaning given by section 122(3), (4A)In subsection (2)(c), “penalty date” has the meaning given by section 123A(3).]</p> <p>(6) In subsection (3) ..., “appeal period” means ...—  (a) if no appeal is made, the period during which an appeal could be made, and  (b) if an appeal is made, the period ending with its final determination or withdrawal.</p>	
<p style="text-align: center;"><b>PART 8</b></p> <p style="text-align: center;"><b>REVIEWS AND APPEALS</b></p> <p style="text-align: center;"><b>CHAPTER 1</b></p> <p style="text-align: center;">INTRODUCTORY</p> <p><i>Appealable decisions</i></p> <p><b>172 Appealable decisions</b></p> <p>(1) A person to whom an appealable decision applies—  (a) may request a review of the decision (subject to subsection (4)), and  (b) may appeal against the decision, in accordance with the following provisions of this Part.</p> <p>(2) The following decisions by WRA are appealable decisions—  (a) a decision which affects whether a person is chargeable to a devolved tax;  (b) a decision which affects the amount of a devolved tax to which a person is chargeable;</p>	

<p>(c) a decision which affects the day by which an amount of a devolved tax must be paid;</p> <p>(d) a decision about a penalty relating to a devolved tax;</p> <p><u>(da) a decision relating to a penalty point for failure to make a visitor levy return (within the meaning of Part 5);</u></p> <p><u>(db) a decision to issue a taxpayer notice, or to include a particular requirement in such a notice, where the tribunal did not approve the issuing of the notice</u></p> <p>(e) a decision to issue an information notice or to include a particular requirement in such a notice.</p> <p>(f) a decision to issue a notice under paragraph 14 of Schedule 16 to LTTA (recovery of group relief: notice requiring payment by another group company or controlling director);</p> <p>(g) (g)a decision to issue a notice under paragraph 9 of Schedule 17 to that Act (recovery of reconstruction or acquisition relief: notice requiring payment by another group company or controlling director);]</p> <p>(h) a decision relating to the method to be used by the operator of an authorised landfill site to determine the weight of material for the purposes of landfill disposals tax;</p> <p>(i) a decision relating to the registration of a person for the purposes of landfill disposals tax;</p> <p>(j) a decision relating to the designation of a non-disposal area for the purposes of landfill disposals tax;</p> <p>(k) a decision relating to the designation of a group of bodies corporate for the purposes of landfill disposals tax;</p> <p>(l) a decision relating to a tax credit in respect of landfill disposals tax.</p> <p>(2A) In subsection (2), “operator”, “authorised landfill site”, “registration” and “non-disposal area” have the same meanings as in LDTA.</p> <p>(3) But the following decisions are not appealable decisions—</p> <p>(a) a decision to issue a notice of enquiry under section 43 or 74;</p> <p>(b) a decision to issue—</p> <p>(i) <u>a taxpayer notice where the tribunal approved the issuing of the notice, or</u></p>	<p><b>Paragraph 10 and 47 of Schedule 2</b></p>
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<p>(ii) a third party notice to which section 90(3) applies;</p> <p>(c) a decision to include a particular requirement in—</p> <p>(i) a taxpayer notice <u>where the tribunal approved the issuing of the notice</u>, or</p> <p>(ii) a third party notice to which section 90(3) applies.</p> <p>(4) Where the tribunal has approved the issuing of an information notice, a person may not request a review of WRA's decision to issue the notice.</p> <p>(5) Where a review may be requested, or an appeal made, in respect of a decision to issue an information notice or include a requirement in such a notice, it may be requested or made only on the following grounds—</p> <p>(a) that it is unreasonable to require the person to whom the notice was issued to comply with the notice or requirement;</p> <p>(b) that a provision of sections 97 to 102 prevents the notice from requiring the person to provide the information or produce the document;</p> <p>(c) in the case of an identification notice issued under section 92 or a debtor contact notice issued under section 93, that condition 4 of that section has not been met.</p> <p>(6) In the case of a decision to issue an <del>information notice</del> <u>or a notice under section 12A of the Visitor Accommodation (Register and Levy) Etc. (Wales) Act 2025</u> or to include a particular requirement in such a notice, the person to whom the decision applies for the purposes of subsection (1) is the person to whom the notice was issued.</p> <p>(7) The Welsh Ministers may by regulations—</p> <p>(a) modify this section to—</p> <p>(i) add a decision to subsection (2) or (3);</p> <p>(ii) vary the description of a decision in either of those subsections;</p> <p>(iii) remove a decision from either of those subsections;</p> <p>(b) amend this Part in order to make provision about the grounds on which a review may be requested, or an appeal made, in respect of an appealable decision.</p>	
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<p><b>179 Time limit for making an appeal</b></p> <p>(1) An appeal must be made to the tribunal before the end of the relevant period.</p> <p>(2) Subject to subsections (3) and (4), the relevant period is—</p> <p style="padding-left: 40px;">(a) where the appeal relates to a decision to amend the appellant's tax return under section 45 while an enquiry is in progress, the period of 30 days beginning with the day on which WRA issues a closure notice informing the appellant that the enquiry is completed;</p> <p style="padding-left: 40px;">(b) where the appeal relates to a decision of any other kind <u>(other than a decision of a kind mentioned in section 172(2)(m), (n) or (o) (decisions relating to the register of visitor accommodation providers))</u>, the period of 30 days beginning with the day on which WRA issues the notice informing the appellant of the decision.</p> <p>(3) Subject to subsection (4), where WRA has reviewed the decision to which the appeal relates, the relevant period is the period of 30 days beginning with the day on which notice is issued to the appellant under section 176(5), (6) or (7) in relation to the review.</p> <p>(4) Where the appellant has entered into a settlement agreement in relation to the decision to which the appeal relates but has subsequently given notice of withdrawal from the agreement under section 184(4), the relevant period is—</p> <p style="padding-left: 40px;">(a) the period of 30 days beginning with the day on which the notice of withdrawal is given, or</p> <p style="padding-left: 40px;">(b) if later, the relevant period applicable under subsection (3)</p>	<p><b>Paragraph 11 of Schedule 2</b></p>
<p><b>182 Payment of penalties in the event of a review or appeal</b></p> <p>(1) This section applies to a decision relating to a penalty to which a person may be liable.</p> <p>(2) Where WRA carries out a review in respect of the decision, [the normal penalty payment date] does not apply to any amount of penalty that is disputed (a “disputed amount”).</p> <p>(3) Where the review concludes that a disputed amount is payable, the person must pay that amount before the end of</p>	

<p>the period of 30 days beginning with the day on which notice is issued to the person under section 176(5) [(6)] or (7) in relation to the review; but this is subject to subsection (4).</p> <p>(4) Where the person makes an appeal in respect of the decision—</p> <p style="padding-left: 40px;">(a)the normal penalty payment date] does not apply to any disputed amount, and</p> <p style="padding-left: 40px;">(b)subsection (3) does not apply.</p> <p>(5) Where the appeal is withdrawn, the person must pay—</p> <p style="padding-left: 40px;">(a)any disputed amount, if the decision has not been reviewed, or</p> <p style="padding-left: 40px;">(b)if the decision has been reviewed, any disputed amount that the review has concluded to be payable, before the end of the period of 30 days beginning with the day of withdrawal.</p> <p>(6) Where it is finally determined, as a result of the appeal, that a disputed amount is payable, the person must pay that amount before the end of the period of 30 days beginning with the day on which the appeal is finally determined.</p> <p>(7) In this section, the “normal penalty payment date” means the date by which a penalty must be paid under—</p> <p style="padding-left: 40px;">(a)section 154; <del>or</del></p> <p style="padding-left: 40px;">(b)section 70 of LDTA; <u>or</u></p> <p style="padding-left: 40px;"><u>(c) section [21A] of the Visitor Accommodation (Register and Levy) Etc. (Wales) Act 2025 (asc 00).</u></p>	<p><b>Paragraph 12 of Schedule 2</b></p>
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<p><b><u>183 Disposal of reviews and appeals in respect of information notices and notices under section 12A of the Visitor Accommodation (Register and Levy) Etc. (Wales) Act 2025</u></b></p> <p>(1) Where the conclusions of a review under section 176 affirm or vary a decision to issue an information notice or a requirement in such a notice, the person to whom the notice was issued must comply with the notice or requirement (as affirmed or varied) within such period as WRA may specify.</p> <p>(2) Where the tribunal affirms or varies a decision to issue an information notice or include a requirement in such a notice, the person to whom the notice was issued must comply with the notice or requirement (as affirmed or varied)—</p> <p style="padding-left: 40px;">(a) within the period specified by the tribunal, or</p> <p style="padding-left: 40px;">(b) if the tribunal does not specify a period, within such period as WRA may specify.</p> <p><u>(3) In this section, a reference to an information notice includes a reference to a notice under section 12A of the Visitor Accommodation (Register and Levy) Etc. (Wales) Act 2025 (asc 00).</u></p>	<p><b>Paragraph 13 of Schedule 1</b></p>
<p style="text-align: center;"><b>PART 10</b></p> <p style="text-align: center;"><b>FINAL PROVISIONS</b></p> <p><b>187A Crown application for the purposes of Land Transaction Tax</b></p> <p>(1) In so far as the following provisions of this Act apply to land transaction tax, they bind the Crown—</p> <p style="padding-left: 40px;">(a) Part 3;</p> <p style="padding-left: 40px;">(b) Part 4 (other than Chapter 6);</p> <p style="padding-left: 40px;">(c) Part 6 (other than sections 157A, 160 and 161(2)(b));</p> <p style="padding-left: 40px;">(d) Part 7 (other than sections 168, 169 and 170);</p> <p style="padding-left: 40px;">(e) Part 8 (other than sections 172(1)(d) and (e), (3)(b) and (c), (4), (5) and (6), 182 and 183);</p> <p style="padding-left: 40px;">(f) sections 190 and 191.</p> <p>(2) But Part 4 does not apply to Her Majesty in Her private capacity (within the meaning of section 38(3) of the Crown Proceedings Act 1947 (c. 44)).</p>	<p><b>Paragraph 14 and 48 of Schedule 2</b></p>

<p><b><u>187B Crown application for the purposes of the visitor levy</u></b></p> <p>(1) <u>This Act, in so far as it applies in relation to the visitor levy, binds the Crown.</u></p> <p>(2) <u>This Act, in so far as it applies in relation to the visitor levy, does not make the Crown criminally liable, but it applies to persons in the service of the Crown as it applies to other persons.</u></p> <p>(3) <u>In subsections (1) and (2), references to “this Act” include a reference to an enactment made under this Act.</u></p>	
<p><b>189 Regulations</b></p> <p>(1) Any power to make regulations under this Act—</p> <ol style="list-style-type: none"> <li>is exercisable by statutory instrument, and</li> <li>includes power to make different provision for different purposes.</li> </ol> <p>(2) A statutory instrument containing regulations under section 18(2), <u>24A(5)</u> [122(5),] 156 or 172(7) (whether alone or with any other provision) may not be made unless a draft of the instrument has been laid before, and approved by a resolution of, the National Assembly for Wales.</p> <p>(3) Any other statutory instrument containing regulations under this Act is subject to annulment in pursuance of a resolution of the National Assembly for Wales.</p>	<p><b>Paragraph 49 of Schedule 2</b></p>
<p><b>190 Issue of notices by WRA</b></p> <p>(1) This section applies where a provision of <u>the Visitor Accommodation (Register and Levy) Etc. (Wales) Act 2025 (asc 00)</u>, the Welsh Tax Acts, or of regulations made under them,] authorises or requires WRA to issue a notice to a person (whether the expression “issue” or any other expression is used) (but see subsection (9)).</p> <p>(1A) A notice must specify the day on which it is issued.</p> <p>(1B) If the person to whom the notice is issued cannot reasonably ascertain the effect of the notice because of a mistake in it or omission from it (including a mistake or omission relating to the person's name), the notice is to be treated as not having been issued.</p>	



<p>(2) The notice may be issued to the person—</p> <ul style="list-style-type: none"> <li>(a) by being delivered personally to the person,</li> <li>(b) by leaving it at the person's proper address,</li> <li>(c) by being sent by post to the person's proper address, or</li> <li>(d) where subsection (3) applies, by sending it electronically to an address provided for that purpose.</li> </ul> <p>(3) This subsection applies where the person to whom the notice is to be issued has agreed in writing that it may be sent electronically.</p> <p>(4) For the purposes of subsection (2)(a), a notice may be delivered personally to a body corporate by giving it to the secretary or clerk of that body.</p> <p>(5) Where WRA issues a notice in the manner mentioned in subsection (2)(b), the notice is to be treated as having been received at the time it was left at the person's proper address unless the contrary is shown.</p> <p>(6) For the purposes of subsection (2)(b) and (c), the proper address of a person is—</p> <ul style="list-style-type: none"> <li>(a) in the case of a body corporate <u>either -</u> <ul style="list-style-type: none"> <li>(i) <u>the address of the registered or principal office of the body, or</u></li> <li>(ii) <u>where the most recent tax return made by the body to WRA contains an address purporting to be the body's address, that address;</u></li> </ul> </li> <li>(b) in the case of a person acting in his or her capacity as a partner in a partnership <u>either-</u> <ul style="list-style-type: none"> <li>(i) <u>the address of the principal office of the partnership, or</u></li> <li>(ii) <u>where the most recent tax return made by the partnership to WRA contains an address purporting to be the partnership's address, that address;</u></li> </ul> </li> <li>(c) in any other case, the last known address of the person.</li> </ul> <p>(7) Where WRA issues a notice in the manner mentioned in subsection (2)(c) by sending it to an address in the United Kingdom, the notice is to be treated as having been received 48 hours after it is sent unless the contrary is shown.</p> <p>(8) Where WRA issues a notice in the manner mentioned in subsection (2)(d), the notice is to be treated as</p>	<p><b>Paragraph 50 of Schedule 2</b></p>
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<p>having been received 48 hours after it is sent unless the contrary is shown.</p> <p>(9) This section does not apply to any notice that WRA may—</p> <ol style="list-style-type: none"> <li>(a) provide to a person under section 103(4) or 105(3) [(including any notice provided under section 103(4) as applied by sections 103A(4) and 103B(5))], or</li> <li>(b) give to the tribunal.</li> </ol> <p>(10) In this section “notice” includes a copy of a notice.</p>	
<p><b>191 Giving notices and other documents to WRA</b></p> <p>(1) This section applies where a provision of <u>the Visitor Accommodation (Register and Levy) Etc. (Wales) Act 2025 (asc 00)</u>, [the Welsh Tax Acts, or of regulations made under them,] requires or permits a person [to make a tax return or] to give a notice or other document to WRA (whether the expression “give” or any other expression is used) (but see subsection (4)).</p> <p>(2) The tax return, notice or other document must—</p> <ol style="list-style-type: none"> <li>(a) be in such form,</li> <li>(b) contain such information,</li> <li>(c) be accompanied by such other documents, and</li> <li>(d) be given in such manner, as may be specified by WRA.</li> </ol> <p>(3) But subsection (2) is subject to any different provision made in or under the <u>Welsh Tax Acts or the Visitor Accommodation (Register and Levy) Etc. (Wales) Act 2025</u>.</p> <p>(4) This section does not apply to any document given to WRA by the Welsh Ministers or the tribunal.</p>	<p><b>Paragraph 51 of Schedule 2</b></p>
<p><b>192 Interpretation</b></p> <p>(1) For the purposes of this Act, an appeal or referral is finally determined when—</p> <ol style="list-style-type: none"> <li>(a) it has been determined, and</li> <li>(b) there is no further possibility of the determination being varied or set aside (disregarding any power to grant permission to appeal out of time).</li> </ol> <p>(2) In this Act—</p>	

<p>“buyer” (“<i>prynwr</i>”) has the same meaning as in LTТА;</p> <p>“contract settlement” (“<i>setliad contract</i>”) means an agreement made in connection with any person's liability to make a payment to WRA under any enactment;</p> <p><del>“devolved tax” (“<i>treth ddatganoledig</i>”) has the meaning given by section 116A(4) of the Government of Wales Act 2006 (c. 32);</del></p> <p><del>“devolved taxpayer” (“<i>trethdalwr datganoledig</i>”) means a person liable to pay a devolved tax;</del></p> <p>“enactment” (“<i>deddfiad</i>”) means an enactment (whenever enacted or made) which is, or is contained in—</p> <ul style="list-style-type: none"> <li>(a) an Act of Parliament,</li> <li>(b) an Act or a Measure of the National Assembly for Wales, or</li> <li>(c) subordinate legislation (within the meaning of the Interpretation Act 1978 (c. 30)) made under— <ul style="list-style-type: none"> <li>(i) an Act of Parliament, or</li> <li>(ii) an Act or a Measure of the National Assembly for Wales;</li> </ul> </li> </ul> <p>“financial year” (“<i>blwyddyn ariannol</i>”) means—</p> <ul style="list-style-type: none"> <li>(a) the period beginning with the establishment of WRA and ending with 31 March in the following year, and</li> <li>(b) each subsequent period of a year ending with 31 March;</li> </ul> <p>[ “landfill disposals tax” (“<i>treth gwarediadau tirlenwi</i>”) has the same meaning as in LDТА;]</p> <p>[ “land transaction” (“<i>trafodiad tir</i>”) has the same meaning as in LTТА;]</p> <p>[ “LDТА” (“<i>DTGT</i>”) means the Landfill Disposals Tax (Wales) Act 2017 (anaw 3);]</p> <p>“local authority” (“<i>awdurdod lleol</i>”) means—</p> <ul style="list-style-type: none"> <li>(a) a county council or county borough council in Wales,</li> <li>(b) a district council or county council in England, a London borough council, the Common Council of the City of London or the Council of the Isles of Scilly,</li> </ul>	
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<p>(c) a council constituted under section 2 of the Local Government etc. (Scotland) Act 1994 (c. 39), or</p> <p>(d) a district council in Northern Ireland;</p> <p>[ “LTТА” (“<i>DTTT</i>”) means the Land Transaction Tax and Anti-avoidance of Devolved Taxes (Wales) Act 2017 (anaw 0);]</p> <p>“notice” (“<i>hysbysiad</i>”) means notice in writing;</p> <p>“partnership” (“<i>partneriaeth</i>”) means—</p> <p>(a) a partnership within the Partnership Act 1890 (c. 39),</p> <p>(b) a limited partnership registered under the Limited Partnerships Act 1907 (c. 24), or</p> <p>(c) a firm or entity of a similar character formed under the law of a country or territory outside the United Kingdom;</p> <p><u>“principal council” (“<i>prif gyngor</i>”) means a council for a county or a borough council in Wales;</u></p> <p>[ “tax credit” (“<i>credyd treth</i>”) means a tax credit under regulations made under section 54 of LDТА;]</p> <p>“tax period” (“<i>cyfnod treth</i>”) means a period in respect of which a devolved tax is charged;</p> <p>“tax return” (“<i>ffurflen dreth</i>”) means a return relating to a devolved tax;</p> <p><u>“taxpayer” (“<i>trethdalwr</i>”) means a person liable to pay a WRA-collected tax;</u></p> <p>[ “TCEA” (“<i>DTLIG</i>”) means the Tribunals, Courts and Enforcement Act 2007 (c. 15);]</p> <p>“the tribunal” (“<i>y tribiwnlys</i>”) means—</p> <p>(a) the First-tier Tribunal, or</p> <p>(b) where determined by or under Tribunal Procedure Rules, the Upper Tribunal.</p> <p>[ “the Welsh Tax Act” (“<i>Deddfau Trethi Cymru</i>”) means—</p> <p>(a) this Act, ...</p> <p>(b) LTТА][ , and</p> <p>(c) LDТА.]</p>	<p><b>Paragraph 52 of Schedule 2</b></p>
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<p><u>“visitor levy” (“ardoll ymwelwyr”) has the same meaning as in the Visitor Accommodation (Register and Levy) Etc. (Wales) Act 2025 (asc 00);</u></p> <p><u>“WRA-collected tax” (“treth a gesglir gan ACC”) means—</u></p> <p style="padding-left: 40px;">(a) <u>a devolved tax, or</u></p> <p style="padding-left: 40px;">(b) <u>the visitor levy.”;</u></p> <p>(3) <u>For the purposes of this Act, a principal council has decided to introduce the visitor levy if it has published a notice under section 27 of the Visitor Accommodation (Register and Levy) Etc. (Wales) Act 2025 (asc 00) stating that it is going to introduce the visitor levy.</u></p>	
<p><b>193 Index of defined expressions</b></p> <p>The following Table lists expressions defined or otherwise explained in this Act.</p> <p><b>N.B. AMENDED TABLE 1 IS AT THE END OF THE SCHEDULE OF AMENDMENTS</b></p>	<p><b>Paragraph 15 and 53 of Schedule 2</b></p>

## 122 Penalty for failure to pay tax on time Table A1

**TABLE A1**

Item	Devolved Tax	Amount of Tax	Penalty date
1	Land transaction tax	Amount (or additional amount) payable as a result of a tax return made by the buyer in a land transaction (unless the amount falls within item 8 or 9).	The date falling 30 days after the filing date for the return.
2	Landfill disposals tax	Amount [payable as a result of] a tax return.	The date falling 30 days after the filing date for the return.
<u>2A</u>	<u>Visitor Levy</u>	<u>Amount payable as a result of a visitor levy return.</u>	<u>The date falling 30 days after the filing date for the visitor levy return.</u>

Please note: this document has been prepared solely to assist people in understanding the Visitor Accommodation (Register and Levy) Etc. (Wales) Act 2025 . It should not be relied on for any other purpose.

3	Any devolved tax	Amount payable as a result of a WRA determination made in place of a tax return.	The date falling 30 days after the date by which WRA believes the tax return was required to be made.
4	Any devolved tax	Amount payable as a result of a WRA assessment made in place of a tax return (unless the amount falls within item 7).	The date falling 30 days after the date by which WRA believes the tax return was required to be made.
5	Any devolved tax	Amount (or additional amount) payable as a result of a WRA assessment made where a tax return has been made.	The date falling 30 days after the date by which the amount (or additional amount) is required to be paid.
6	Any devolved tax	Amount (or additional amount) payable as a result of an amendment or a correction to a tax return.	The date falling 30 days after the date by which the amount (or additional amount) is required to be paid.
7	Any devolved tax	Amount (or additional amount) payable as a result of a WRA assessment made for the purposes of making an adjustment to counteract a tax advantage (see Part 3A) in a case where a tax return which WRA has reason to believe was required to be made has not in fact been made.	The date falling 30 days after the date by which the amount (or additional amount) is required to be paid.
8	Land transaction tax	Where a deferral request is made under section 58 of LTТА, a deferred amount required to be paid by virtue of section 61(1) of that Act.	The date falling 30 days after the date by which the deferred amount is required to be paid.
9	Land transaction tax	Where a deferral request is made under section 58 of LTТА, a refused amount within the meaning of section 61(2)(a) of that Act.	The date falling 30 days after the date by which the refused amount is required to be paid.
10	Landfill disposals tax	Amount charged by a charging notice issued under section [49 or 50] of LDТА.	The date falling 30 days after the date by which the amount is required to be paid.
11	Any devolved tax	A postponed amount within the meaning of section 181G(2).	The date falling 30 days after the date on which the postponement period ends

Please note: this document has been prepared solely to assist people in understanding the Visitor Accommodation (Register and Levy) Etc. (Wales) Act 2025 . It should not be relied on for any other purpose.

			(see section 181G as to the calculation of postponement periods).
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## 193 Index of defined expressions

The following Table lists expressions defined or otherwise explained in this Act.

**TABLE 1**

Expression	Section
Appealable decision (“ <i>penderfyniad apeladwy</i> ”)	section 172(2) and (3)
[Arrangement (in relation to the general anti-avoidance rule) (“ <i>trefniant</i> ”)]	[section 81B(3)A]
[Artificial (in relation to the general anti-avoidance rule) (“ <i>artiffisial</i> ”)]	[section 81C]
Business assets (“ <i>asedau busnes</i> ”)	section 111
Business documents (“ <i>dogfennau busnes</i> ”)	section 111
Business premises (“ <i>mangre busnes</i> ”)	section 111
[Buyer (“ <i>prynwr</i> ”)]	[section 192(2)]
Carrying on a business (“ <i>rhedeg busnes</i> ”)	section 85
Charity (“ <i>elusen</i> ”)	section 85(3)
Closure notice (“ <i>hysbysiad cau</i> ”)	section 50(1) (in relation to an enquiry into a tax return) and section 75(1) (in relation to an enquiry into a claim)
Contract settlement (“ <i>setliad contract</i> ”)	section 192(2)
Debtor contact notice (“ <i>hysbysiad cyswllt dyledwr</i> ”)	section 93(1)
Devolved tax (“ <i>treth ddatganoledig</i> ”)	<del>section 192(2)</del> <u>section 81B(3)(c)</u>
<u>Devolved tax return (“<i>ffurflen treth ddatganoledig</i>”)</u>	<u>section 117A(1)</u>
Devolved taxpayer (“ <i>trethdalwr datganoledig</i> ”)	<del>section 192(2)</del> <u>section 81B(3)(c)</u>

Elected executive member (“ <i>aelod gweithredol etholedig</i> ”)	section 3(4)(c)
Enactment (“ <i>deddfiad</i> ”)	section 192(2)
Executive member (“ <i>aelod gweithredol</i> ”)	section 3(4)(b)
Filing date (“ <i>dyddiad ffeilio</i> ”)	section 40
[Final counteraction notice (“ <i>hysbysiad gwrthweithio terfynol</i> ”)]	[section 81G]
Financial year (“ <i>blwyddyn ariannol</i> ”)	section 192(2)
[General anti-avoidance rule (“ <i>rheol gwrthweithio osgoi trethi cyffredinol</i> ”)]	[section 81A(2)]
Identification notice (“ <i>hysbysiad adnabod</i> ”)	section 92(1)
Information notice (“ <i>hysbysiad gwybodaeth</i> ”)	section 83
[Landfill disposals tax (“ <i>treth gwarediadau tirlenwi</i> ”)]	[section 192(2)]
[Land transaction (“ <i>trafodiad tir</i> ”)]	[section 192(2)]
Late payment interest (“ <i>llog taliadau hwyr</i> ”)	section 157(2)
Late payment interest rate (“ <i>cyfradd llog taliadau hwyr</i> ”)	section 163(1)
Late payment interest start date (“ <i>dyddiad dechrau llog taliadau hwyr</i> ”)	sections 157(3), 159(2) and 160(2)
[LDTA (“ <i>DTGT</i> ”)]	[section 192(2)]
Local authority (“ <i>awdurdod lleol</i> ”)	section 192(2)
[LTTA (“ <i>DTTT</i> ”)]	[section 192(2)]
Non-executive member (“ <i>aelod anweithredol</i> ”)	section 3(4)(a)
Notice (“ <i>hysbysiad</i> ”)	section 192(2)
Notice of enquiry (“ <i>hysbysiad ymholiad</i> ”)	section 43(1) (in relation to a tax return) and section 74(1) (in relation to a claim)
Notice of request (“ <i>hysbysiad am gais</i> ”)	section 173(1)
Partnership (“ <i>partneriaeth</i> ”)	section 192(2)
Penalty date (“ <i>dyddiad cosbi</i> ”)	section 122(2)



Potential lost revenue (“ <i>refeniw posibl a gollir</i> ”)	section 134
Premises (“ <i>mangre</i> ”)	section 111
<u>Principal council (“<i>prif gyngor</i>”)</u>	<u>section 192(2)</u>
<u>Principal council that has decided to introduce the visitor levy (“<i>prif gyngor sydd wedi penderfynu cyflwyno’r ardoll ymwelwyr</i>”)</u>	<u>section 192(3)]</u>
Proposed counteraction notice (“ <i>hysbysiad gwrthweithio arfaethedig</i> ”)	section 81F
Protected taxpayer information (“ <i>gwybodaeth warchodedig am drethdalwr</i> ”)	section 17(3) and (4)
Relevant official (“ <i>swyddog perthnasol</i> ”)	section 17(2)
Repayment interest (“ <i>llog ad-daliadau</i> ”)	section 161(3)
Repayment interest rate (“ <i>cyfradd llog ad-daliadau</i> ”)	section 163(2)
Repayment interest start date (“ <i>dyddiad dechrau llog ad-daliadau</i> ”)	section 161(4)
Settlement agreement (“ <i>cytundeb setlo</i> ”)	section 184(1)
[Tax advantage (“ <i>mantais drethiannol</i> ”)]	[section 81D]
[Tax avoidance arrangement (“ <i>trefniant osgoi trethi</i> ”)]	[section 81B]
[Tax credit (“ <i>credyd treth</i> ”)]	[section 192(2)]
Tax period (“ <i>cyfnod treth</i> ”)	section 192(2)
Tax position (“ <i>sefyllfa dreth</i> ”)	section 84
Tax return (“ <i>ffurflen dreth</i> ”)	section 192(2)
<u>Taxpayer (“<i>trethdalwr</i>”)</u>	<u>section 192(2)</u>
Taxpayer notice (“ <i>hysbysiad trethdalwr</i> ”)	section 86(1)
[TCEA (“ <i>DTLIG</i> ”)]	[section 192(2)]
Third party notice (“ <i>hysbysiad trydydd parti</i> ”)	section 87(1)
The tribunal (“ <i>y tribiwnlys</i> ”)	section 192(2)
Unidentified third party notice (“ <i>hysbysiad trydydd parti anhysbys</i> ”)	section 89(1)

Please note: this document has been prepared solely to assist people in understanding the Visitor Accommodation (Register and Levy) Etc. (Wales) Act 2025 . It should not be relied on for any other purpose.

<u>Visitor accommodation provider (“<i>darparwr llety ymwelwyr</i>”) and “VAP” (“<i>DLIY</i>”)</u>	<u>section 117A(1)</u>
<u>Visitor levy (“<i>ardoll ymwelwyr</i>”)</u>	<u>section 192(2)</u>
<u>Visitor levy return (“<i>ffurflen ardoll ymwelwyr</i>”)</u>	<u>section 117A(1)</u>
<b>[Welsh Tax Acts (“<i>Deddfau Trethi Cymru</i>”)]</b>	<b>[section 192(2)]</b>
WRA (“ACC”)	section 2(2)
WRA assessment (“ <i>asesiad ACC</i> ”)	section 56
<u>WRA-collected tax (“<i>treth a gesglir gan ACC</i>”)</u>	<u>section 192(2)</u>
WRA determination (“ <i>dyfarniad ACC</i> ”)	section 52(3)

Please note: this document has been prepared solely to assist people in understanding the Visitor Accommodation (Register and Levy) Etc. (Wales) Act 2025 . It should not be relied on for any other purpose.

## **Tax administration and management provisions impacting Public Audit (Wales) Act 2013**

Public Audit (Wales) Act 2013	Amended by
<p><b>23 General provision relating to fees</b></p> <p>(1) Fees and other sums received by the Auditor General must be paid to the WAO.</p> <p>(2) The WAO may charge a fee in relation to the audit of a person's accounts or statement of accounts by the Auditor General.</p> <p>(3) The WAO may charge a fee in relation to—</p> <ul style="list-style-type: none"> <li>(a) an examination, certification or report under paragraph 18(3) of Schedule 8 to the Government of Wales Act 2006 (certain examinations into the economy etc with which a person has used resources);</li> <li>(b) an examination under section 145 of the Government of Wales Act 1998 (examinations into the use of resources) or a study under section 145A of that Act (studies for improving economy etc in services), where undertaken at a person's request;</li> <li>(ba)an examination, certification or report under section 31 of the Tax Collection and Management (Wales) Act 2016 in respect of the <u>Welsh Revenue Authority's Tax Statement statement prepared by the Welsh Revenue Authority under section 30 of that Act</u>;</li> <li>(c)an examination or study undertaken by the Auditor General at a person's request under section 46(4) of the Environment Act 1995;</li> <li>(ca)an examination under section 15 of the Well-being of Future Generations (Wales) Act 2015 (anaw 2) (examinations of public bodies for the purposes of assessing the extent to which a body has acted in accordance with the sustainable development principle);</li> <li>(d)any services provided or functions exercised under section 19.</li> </ul> <p>(4)The WAO must charge a fee in relation to—</p> <ul style="list-style-type: none"> <li>(a)the provision of services to a body under paragraph 20 of Schedule 8 to the Government</li> </ul>	<p><b>Paragraph 16 of Schedule 2</b></p>

<p>of Wales Act 2006 (certification of claims, returns etc at the request of a body);</p> <p>(b)a study at the request of an educational body under section 145B of the Government of Wales Act 1998.</p> <p>(5)Fees under this section—</p> <p>(a)may only be charged in accordance with a scheme prepared by the WAO under section 24;</p> <p>(b)may not exceed the full cost of exercising the function to which the fee relates;</p> <p>(c)are payable to the WAO by the person to whom the function being exercised relates.</p>	
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**Tax administration and management provisions impacting Public Services Ombudsman (Wales) Act 2019**

<b>Public Services Ombudsman (Wales) Act 2019</b>	<b>Amended by</b>
<p>SCHEDULE 3 LISTED AUTHORITIES</p> <p><i>Tax and registration</i></p> <p>The Welsh Revenue Authority</p>	<p><b>Paragraph 17 of Schedule 2</b></p>

## ANNEX 4 - VISITOR LEVY REVENUE ESTIMATE WORKINGS

### Workings

Please note that some of the calculations presented below may not sum precisely, as for accuracy, the totals presented have been based on the use of unrounded values.

### Levy rates assumed in calculations

**Lower rate:** £0.75 per person per night for tents on campsites / hostel accommodation

**Higher rate:** £1.30 per person per night for all other accommodation types

### Wales - Total Nights<sup>82</sup>

*From the Great Britain Tourism Survey (GBTS) (2017 – 2019, 3-year rolling average):*

**(A) Domestic overnight stays in Wales** = 33.898 million nights

*From the International Passenger Survey (IPS) (2017 – 2019, 3-year rolling average):*

**(B) International overnight stays in Wales** = 7.198 million nights

**(C) Total nights spent in Wales** therefore = (A) + (B)  
= 33.898 + 7.198  
**= 41.096 million**

### Wales – Estimated total nights in commercial accommodation

*From the GBTS:*

Domestic overnight stays in Wales labelled as occurring within 'Own home / friend's home / relative's home / static caravan owned' have been ignored, as assumed to be outside the scope of the visitor levy. These nights account for around 30% of domestic overnight stays in Wales (this proportion is based on a 3-year average for the period 2017-2019).

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<sup>82</sup> [Regional and local tourism profiles: 2017 to 2019 | GOV.WALES](#). Whilst an update would be feasible for the period covering 2022 to 2024 for domestic tourism, equivalent figures for international tourism are not yet available for this period. The data used for the revenue estimate outlined in this Annex therefore focuses on the latest 3-year period over which a consistent set of data are available for both domestic and international tourism in Wales.

**(D) Estimated domestic overnight stays in commercial accommodation in Wales**

$$= (A) \times (1 - 30\%)$$

$$= 33.898 \times 70\%$$

$$= 23.729 \text{ million}$$

*From the IPS:*

There are no breakdowns of international overnight stays in Wales by type of visitor accommodation. UK level data have therefore been used, which show that around 44% of international overnight stays in the UK occur as nights spent as a '*free guest with relatives or friends*' or as nights spent in a person's '*own home*'. (As before, this proportion is based on a 3-year average for the period 2017-2019, and in the absence of Wales-specific data, is assumed to hold true for Wales).

**(E) Estimated international overnight stays in commercial accommodation in Wales**

$$= (B) \times (1 - 44\%)$$

$$= 7.198 \times 56\%$$

$$= \sim 4.059 \text{ million}$$

**(F) Estimated total nights in commercial accommodation in Wales therefore**

$$= (D) + (E)$$

$$= 23.729 + 4.059$$

$$= \sim \mathbf{27.787 \text{ million}}$$

## **Wales - Estimated commercial nights spent in tents on campsites and in hostels**

*From the GBTS:*

Of estimated domestic overnight stays in commercial accommodation in Wales (see (D) above), GBTS data for 2017-2019 suggest that around 9% of these nights occur in tents and 1% occur in hostels. (These proportions are based on 3-year averages for the period 2017 - 2019).

**(G) Estimated domestic commercial nights in tents and hostels in Wales**

$$= (D) \times 10\%$$

$$= 23.729 \times 10\%$$

$$= \sim 2.245 \text{ million}$$

*From the IPS:*

Of estimated international overnight stays in commercial accommodation in Wales (see (E) above), IPS data at the UK level have been used to estimate the number of nights that occur in tents and in hostels (as there are no equivalent breakdowns available for Wales). The UK data show that around 12% of international nights in commercial accommodation occur in '*hostel / university / school*' accommodation and 2% of international nights occur in '*camping / caravan*' accommodation in the UK. (These proportions are based on 3-year averages for the period 2017 – 2019, and are assumed to hold true for Wales in the absence of Wales-specific data). It has been assumed that international nights in '*hostel / university / school*' accommodation would be charged at the lower levy rate, and that only half (i.e. 50%) of the international nights occurring in '*camping / caravan*' accommodation would be charged the lower rate<sup>83</sup>.

**(H) Estimated international commercial nights in tents/hostels in Wales**

$$= (E) \times (12\% + (0.5 \times 2\%))$$

$$= 4.059 \times 13\%$$

$$= \sim 0.542 \text{ million}$$

**(I) Estimated total commercial nights spent in tents on campsites and in hostels in Wales**

$$= (G) + (H)$$

$$= 2.245 + 0.542$$

$$= 2.787 \text{ million}$$

*From the GBTS:*

There is a lack of data available on nights spent in Wales according to a visitor's age when looking at the 2017 – 2019 data used to inform the revenue estimates outlined in this Annex. In the absence of such information, more recent data from the GBTS have been used as a proxy, which estimated that 36% of trips to Wales included a child in the visitor party in 2022 (compared to 32% in Great Britain as a whole)<sup>84</sup>. It has therefore been assumed that up to 36% of commercial nights spent in tents and hostels could have been accounted for by under 16s in the 2017 to 2019 data<sup>85</sup>. In the GBTS, a child is defined as a person under 16 rather than under 18, therefore the number of

<sup>83</sup> Other assumptions could have been explored here, but given the low number of nights involved, the impacts on total revenues would be minor.

<sup>84</sup> [Domestic GB tourism statistics \(overnight trips in Wales\): 2022 | GOV.WALES](#)

<sup>85</sup> More recent data for 2023 reported that 28% of trips to Wales included a child in the visitor party [[Domestic GB tourism statistics: annual report 2023 | GOV.WALES](#)]. Given that this figure will likely vary from year to year, the largest of the two recent figures has been used to inform assumptions here. Taking an average (i.e. 32%) of the two reported figures for both 2022 and 2023 in the calculations would increase total estimated revenues from the levy reported at (M) by around £0.1 million a year.

nights that could be exempt from the levy due to the lower levy rate not being chargeable to under 18s may be slightly higher than has been assumed here. Given the lack of data available on international overnight stays in Wales according to a visitor's age, the same share has been assumed for international visitors staying in commercially offered campsites and hostels too.

**(J) Estimated total commercial nights spent in tents on campsites and hostels in Wales after allowing for an exemption for under 18s**

$$\begin{aligned}
 &= (I) \times (1-36\%) \\
 &= 2.787 \times 64\% \\
 &= \sim 1.783
 \end{aligned}$$

## Revenue Estimate

**(K) Estimated revenues from the lower rate in Wales**

$$\begin{aligned}
 &= (J) \times £0.75 \\
 &= 1.783 \times £0.75 \\
 &= £1.3 \text{ million}
 \end{aligned}$$

**(L) Estimated revenues from the higher rate in Wales**

$$\begin{aligned}
 &= ((F) - (I)) \times £1.30 \\
 &= (27.787 - 2.787) \times £1.30 \\
 &= 25.001 \times £1.30 \\
 &= £32.5 \text{ million}
 \end{aligned}$$

**(M) Total Estimated Levy Revenues in Wales**

$$\begin{aligned}
 &= (K) + (L) \\
 &= £1.3 + £32.5 \\
 &= \mathbf{£33.8 \text{ million}}
 \end{aligned}$$

As noted in the EMRIA, the above revenue estimate should be viewed as a maximum, as it does not include an allowance for:

- (i) a behavioural response by visitors towards the levy,
- (ii) the impact of any exemptions that may be included,
- (iii) the cost of collecting the levy, and further
- (iv) it also assumes full compliance with the levy by accommodation providers.