

Consultation Response

Potential local authority cruise ship levy in Scotland

May 2025

Introduction

The Law Society of Scotland is the professional body for over 13,000 Scottish solicitors.

We are a regulator that sets and enforces standards for the solicitor profession which helps people in need and supports business in Scotland, the UK and overseas. We support solicitors and drive change to ensure Scotland has a strong, successful and diverse legal profession. We represent our members and wider society when speaking out on human rights and the rule of law. We also seek to influence changes to legislation and the operation of our justice system as part of our work towards a fairer and more just society.

Our Tax law sub-committee welcomes the opportunity to consider and respond to the Scottish Government's consultation on '*A potential local authority cruise ship levy in Scotland*'.¹ The sub-committee has the following comments to put forward for consideration.

Questions

1. Do you support giving local authorities the power to create a cruise ship levy in their area, if they wish to do so?

- Yes
- No
- Don't know

Please provide the reasons for your answer.

In principle, we are supportive of giving local authorities the power to create a cruise ship levy in their council area. We note that the Scottish Government's overall approach to taxation is embedded in Adam's Smith's four principles: certainty, convenience, efficiency and proportionality to the ability to pay; and based on a firm approach to tax avoidance and a commitment to stakeholder engagement. It is important therefore that any levy introduced respects these principles.

2. What alternatives (if any) do you think would achieve the same goals as a cruise ship levy?

We have no comments.

¹ [Scottish Government consultation on a potential cruise ship levy in Scotland](#)

3. What should the primary basis of a cruise ship levy charge be, if introduced in Scotland?

Select one

- Tonnage of a ship
- Passenger capacity of a ship
- Number of passengers on board a ship
- Number of passengers to disembark from a ship
- Other (please specify)
- Don't know

Please provide the reasons for your answer.

We have no comments regarding the specific basis for a cruise ship levy. For all options, we would highlight that the definition of a cruise ship needs to be clearly set out so as to be clear and unambiguous in its application. This should clarify whether the levy applies to smaller vessels, such as clipper cruises and mid-sized cruise vessels.

4. In addition to the main basis of the charge, should any cruise ship levy also take into account the environmental impact of a cruise ship?

- Yes
- No
- Don't Know

We have no comments.

5. Who should collect any cruise ship levy?

- Cruise ship operator
- Port operator
- Local authority
- Other (please specify)
- Don't know

Please provide the reasons for your answer.

We highlight our previous response to the Scottish Government's 2019 consultation '*Principles of a Local Discretionary Transient Visitor Levy or Tourist Tax*' and consider that it is most appropriate in terms of the overall operation of

the scheme that cruise ship operators should generally be responsible for the collection and remittance of the tax to the appropriate local authority.²

6. What enforcement powers should a local authority, or other relevant body, have to ensure compliance (and prevent avoidance and evasion) by those required to pay a cruise ship levy?

Please select all of the powers you think the body should have.

- Power to request, and obtain or inspect, the information necessary to assess the cruise ship levy liability of a body
- Power to apply a penalty (e.g. a fine) if a cruise ship levy is not paid when it is required to be
- Power to apply a penalty (e.g. a fine) if a body provides inaccurate information in relation to a cruise ship levy, or destroys requested information

In principle, we are supportive of all three of these being introduced, so as to aid in the ability of local authorities to effectively administer and enforce the levy.

As we have previously said, the imposition of a levy and any change of rate should be widely publicised in advance (both nationally and within the local authority area) to ensure operators are aware of their obligations under the law and passengers are aware of the charge.³ It is particularly important that the requirements are well publicised to operators if they are to bear the burden of compliance, especially if penalties are to be imposed on operators for failure to comply. The possible penalties themselves should be well publicised and should be proportionate to the amount involved.

As we have said in previous responses, a light-touch approach should perhaps be taken initially following introduction of the levy.⁴ In the interests of fairness, it will be important for local authorities who introduce a levy to be able to detect non-compliance and enforce penalties consistently.

² Law Society of Scotland response: Local Discretionary Transient visitor levy or Tourist Tax, see- [Law Society of Scotland response: December 2019](#)

³ Law Society of Scotland response: Local Discretionary Transient visitor levy or Tourist Tax, see- [Law Society of Scotland response: December 2019](#)

⁴ Law Society of Scotland response: Local Discretionary Transient visitor levy or Tourist Tax, see- [Law Society of Scotland response: December 2019](#)

7. Do you think the rate of any cruise ship levy should be set at a national level or should it be for a local authority to decide?

- Set at the national level
- Decided by local authorities
- Don't know

Please provide the reasons for your answer.

We note the consultation's statement that the proposed levy should be consistent with the Scottish Government's overall approach to taxation.⁵ As we highlighted in a previous response, it may be challenging to achieve this consistency if much of the detail of the levy is set locally.⁶

Given this challenge, consideration should be given for the design of a levy to be mostly at a national level with some local discretion. We further suggest that careful consideration is required as to the aspects of the levy where there would be flexibility for local authorities and how this would work in practice.

8. If the rate of any cruise ship levy were to be set by individual local authorities, should an upper limit be set at a national level?

- Yes
- No
- Don't know

Please see our answer to Q.7.

9. Which (if any) of the following proposed actions do you believe local authorities should be required to undertake before being able to introduce a cruise ship levy?

Have held a consultation to gather views from all those who will be affected by a cruise ship levy?

Yes

Have conducted relevant impact assessments, e.g. impact on business, equality impacts, etc?

Yes

⁵ [Scottish Government consultation on a potential cruise ship levy in Scotland](#)

⁶ Law Society of Scotland response: Local Discretionary Transient visitor levy or Tourist Tax, see- [Law Society of Scotland response: December 2019](#)

Have set and published objectives for any cruise ship levy and what it was seeking to achieve (either directly and/or through the use of revenue raised).

Yes.

Have assessed and documented the administrative burden from a proposed cruise ship levy and any steps taken to minimise this.

Yes.

If a cruise ship levy rate is set locally, demonstrated why the chosen rate is suitable for that area.

Yes.

Have appropriate mechanisms in place to allow for collection (and if necessary remittance) of a cruise ship levy.

Yes.

Have made information about the cruise ship levy and how to pay it available in the public domain, for businesses and others.

Yes.

Established an approach to monitoring and publicly reporting on revenues raised and their use on an annual basis.

Yes.

Established an approach to monitoring and publicly reporting on the impact of a cruise ship levy on an annual basis.

Yes.

We consider all these requirements to be appropriate and it is likely to be in the interests of the local authority to carry out these tasks prior to introducing a levy.

10. How should revenue raised by a cruise ship levy be used?

- Revenue raised by a cruise ship levy should be required to be spent on facilities and services used by cruise ship passengers and/or the cruise ship industry
- A local authority should be able to use revenue raised by a cruise ship levy in any way it wishes
- Don't know

We have no comments.

11. Should any of the following groups be granted exemptions from payment of a cruise ship levy?

We have no comments.

12. If national exemptions are introduced, do you think local authorities should be able to create additional exemptions at a local level?

- Yes
- No
- Don't Know

We refer to our comments in Q.7. In order to maintain consistency with the Scottish Government's overall approach to taxation, it may be challenging to achieve this consistency if there is too great a variance in exemptions locally. Additional exemptions at a local level should be carefully considered and could present a challenge in maintaining consistency with the Scottish Government's overall approach to taxation.

13. Should there be an implementation period for any cruise ship levy?

This would be a required period to run from the time a local authority formally decides to introduce a cruise ship levy to when it came into force.

- Yes
- No
- Don't Know

As with our responses to previous consultations,⁷ we consider it appropriate if the imposition of a levy or change of rate is made known in advance so that operators can apply the levy to bookings for dates after the levy is imposed. This could perhaps be informed by trends on how far in advance most bookings are made. A date could be set from which the levy is to be imposed on future bookings that fall after the date when the levy comes into force. However, this could be impractical as some visitors will have booked far in advance of their stay.

It may therefore be appropriate to have a two-part test –

- (i) for the levy to apply to a date of voyage on or after the date of introduction of the levy, and

⁷ Law Society of Scotland response: Local Discretionary Transient visitor levy or Tourist Tax, see- [Law Society of Scotland response: December 2019](#)

- (ii) for the voyage to have been booked and paid for on or after a transitional date.

The appropriate time period for these arrangements should be carefully considered. Visitors may have made decisions about their voyages based on the total cost quoted at the time of booking. If payments have been made (full payment or deposit) before the levy is in force, VAT will have been calculated and paid based on the cost at the time of payment.

This two-stage approach is a similar model to the way in which Land and Buildings Transaction Tax (LBTT) was introduced and changes to the rates made. As bookings may have been fully paid in advance, a deposit may have been paid or a reservation with no deposit may have been made, consideration will be required as to the approach to be taken in each case. We also note that tour operators or event organisers may block-book passage some time in advance without providing details of the individual visitor until nearer the time of the stay.

14. If there should be an implementation period how long should it be?

- Less than 6 months
- 6 months
- 12 months
- One complete financial year
- 18 months
- More than 18 months

We note that in regard to the visitor levy that there is a minimum 18-month implementation period between a local authority making the decision, after consultation, to introduce a visitor levy and the levy coming into force.

We have previously stated that a period of one-year between the transitional date and the date of introduction of the levy may be an appropriate minimum implementation period.⁸ Given the implementation period for the visitor levy, we would suggest that consideration should be given towards alignment between any potential implementation period for the cruise ship levy and the existing implementation provisions for the visitor levy.

⁸ Law Society of Scotland response: Local Discretionary Transient visitor levy or Tourist Tax, see- [Law Society of Scotland response: December 2019](#)

15. What, if any, transition arrangements should apply when a cruise ship port call is arranged before a local authority chooses to impose a cruise ship levy, but the port call takes place after the levy has been put in place?

- a cruise ship levy should be paid in this situation
- a cruise ship levy should not be paid in this situation

We have no comments. Please see our comments for Q.14 regarding transitional arrangements.

16. What impact do you think a cruise ship levy would have on the following?

Please select very positive impact, somewhat positive impact, neither positive nor negative impact, somewhat negative impact, very negative impact, or don't know.

- Cruise ship operators
- Ports
- Businesses linked to cruise ship industry
- Local Communities
- Local authorities
- Scotland as a whole

Please provide the reasons for your answer(s).

We have no comments.

17. Would the name 'cruise ship levy' be appropriate for a potential levy as explored in this consultation paper?

We have no comments.

18 . Do you believe local authorities with islands should be given the power to create a broader 'point of entry' levy for one or more islands in their area, if they wish to do so?

We have no comments.

19. If there any other points you would like to make in relation to a potential cruise ship levy that you have not been able to make elsewhere in this consultation, please add them below.

We have no comments



For further information, please contact:

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