Visitor Levy for WDC.

The levy came into force on the 1st October for stays from 1st July 2027 onwards and the levy amount is 5%. It affects anyone staying in paid accommodation in WD, not just tourists.

It is important to understand what part of the rental income is subject to the levy. The levy is on the total rental income less vat.

For a vat registered business, the entire rental income is subject to vat (including OTA commission +vat) This vat element should be removed before calculating the levy at 5%. Having calculated the levy, vat must be added to the levy.

For a business that is not vat registered, the levy is charged on the entire rental income (including OTA commission +vat). As there is no allowable vat deduction, the 5% levy is charged on the total rental income. However, vat is not added to the levy.

Other points to note are

- The levy will be the same for 1 person staying in a property or 10 people.
- customers on disability allowance must pay the levy but can claim it back from WDC. Make sure the booking is always in the name of someone on disability allowance!
- WDC can cap the levy – we should ask if they intend to do this.
- The rent should not be increased to cover the levy otherwise the increased rental will be subject to the levy. The levy should be shown separately to avoid this happening.