

Rt. Hon. John Healey MP Chancellor of the Exchequer HM Treasury 1 Horse Guards Road London SW1A 2HQ	Rt. Hon. Angela Rayner MP Secretary of State MHCLG 2 Marsham Street London SW1P 4DF
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23rd July 2026

Proposals for an Overnight Visitor Levy

Dear Chancellor, Communities Secretary,

Cc Secretary of State at DCMS

We write to you as organisations and businesses representing vast swathes of the British economy with one, united message: stop the holiday tax.

As a coalition, our customers and our businesses will all be directly or indirectly affected by this tax.

It's going to hit the great British holiday hard, with holidaymakers suddenly facing an extra £100 on their two-week family holiday. This is money that will be taken out of the wider economy – a foregone meal at the pub, a visit to a local attraction or fares with the local taxi company.

What applies to a two-week holiday also applies to a night away for a concert or sporting event, a few days by the coast or repeat business travel.

Analysis from Oxford Economics estimates that there will be a clear negative impact on businesses and employment across the whole economy – with 33,000 fewer jobs, a hit of £2.2 billion to GDP and a £1.6 billion tax hike in a cost-of-living crisis.

There are no winners from a holiday tax.

Holidaymakers, hotels, B&Bs, guesthouses, holiday parks, pubs, restaurants, shops, tourism, visitor attractions, farm shops, events, music, sports and business travel will all be hit.

It further erodes our competitiveness on the international stage. The UK, with its 20% rate of VAT, already has amongst the very highest tax rates on holidays across Europe, far beyond our nearest competitors. We will see more Brits holidaying abroad, and fewer international visitors.

The public want their holidays kept relaxing, not taxing. It's why a holiday tax is so unpopular, with twice as many people opposed (56%), as those who support it (24%).

We urge you to drop this economically and socially damaging policy that targets the highest taxed sector in the economy and instead focus on measures to grow our hospitality and visitor economy sectors.

Yours, the undersigned

Name	Organisation
Luke Petherbridge	ABTA - The Travel Association
Tim Alderslade	Airlines UK
Paul Kelly	BALPPA
Emma McClarkin	British Beer and Pub Association
Andrew Goodacre	British Independent Retailers Association
Steven Alton	British Institute of Innkeeping (BII)
David Tremmil	Business Events Accommodation and Meetings Association
Kevin Robinson, Managing Director	Clarity Housekeeping Limited
Karen Sharp, Head of Commercial Management	Clean Linen Services Limited
Gavin Lane	Country Land and Business Association (CLA)
Shane Downey	Global Business Travel Association
Ros Morgan	Heart of London Business Alliance
Debbie Walker	Holiday & Residential Parks Association (HARPA)
Richard Bailey	Independent Family Brewers of Britain
Scott Davies	ITM (Institute of Travel Management)
Clive Gates, Director	KMS (UK) Ltd
Henry Poultney	Nationwide Caterers Association (NCASS)
Tom Bradshaw	NFU
Alistair Handyside	Professional Association of Self-Caterers UK
Joy Raymond	South West Tourism Alliance
Gustaf Lantz	Sysco Guest Supply, Europe Ltd
David Weston	The Bed & Breakfast Association
Andrew Clarke	The Business Travel Association
Alicia Dunne	The NCC (National Caravan Council)
Eddy Leviten, Executive Director	Tourism Alliance
Glenn Bowdin	UKEVENTS
Allen Simpson	UKHospitality
Joss Croft	UKInbound