

2006 Pre-Budget Report



HM Revenue
& Customs

PBRN 23

6 December 2006

AIR PASSENGER DUTY RATES

Who is likely to be affected?

1. Airlines, travel agents and air passengers.

General description of the measure

2. Air passenger duty (APD) rates will be increased from 1 February 2007, and the scope of the lower rates will be widened.
3. The new rates of duty will be:

| | In the lowest class of travel | In other than the lowest class of travel |
|--|-------------------------------|--|
| Passengers flying to destinations in the European Economic Area (EEA), the European Common Aviation Area, countries applying to join the European Union (EU), and Switzerland. | £10 | £20 |
| Passengers flying to other destinations. | £40 | £80 |

4. EEA destinations comprise all EU member states, Norway and Iceland. Countries applying to join the EU are Bulgaria, Croatia, Romania and Turkey.
5. With effect from 1 February 2007, following an EU agreement with a number of countries to create an extended European Common Aviation Area, the lower rates of APD will be extended to apply to Albania, Bosnia and Herzegovina, the Former Yugoslav Republic of Macedonia, Kosovo under the Interim Administration of the United Nations, Montenegro and Serbia.

Operative date

6. The new rates will come into effect on 1 February 2007 and apply to the carriage of a passenger on an aircraft which begins on or after that date.

Current law and proposed revisions

7. Section 30 of the Finance Act 1994 will be amended to reflect the changes.

Further advice

8. If you have any questions about these changes, please contact the National Advice Service on 0845 010 9000. Information about Pre-Budget Report measures is available on the HM Revenue & Customs website at www.hmrc.gov.uk