

EXPLANATORY NOTE

CLAUSE 189 SCHEDULE 23: AIR PASSENGER DUTY

AMENDMENT 4

SUMMARY

1. The amendment to Schedule 23 allows the Northern Ireland Assembly (NIA) the flexibility to set the new higher rate of APD – applying to certain aircrafts with an authorised weight of more than 20 tonnes seating fewer than 19 passengers - on direct long-haul flights from Northern Ireland (NI) independently from the standard rate.

DETAILS OF THE CLAUSE

2. The amendment replaces new subsection 7A with a new section 5A in Part 4 of Schedule 23. New section 5A allows the NIA to vary the new higher rate of APD on direct long-haul flights from NI independently from the standard rate. If no higher rate is set by the NIA, then the new higher rate will be twice the standard rate.

BACKGROUND NOTE

3. Following the Government's announcement that it would devolve aspects of APD to the NIA, Part 3 of Schedule 23 includes provisions giving the NIA the power to set rates for direct long-haul flights from NI.
4. Schedule 23 also includes provisions extending APD to smaller aircraft including business jets from 1 April 2013. The legislation sets the new higher rate automatically at twice the standard rate. The amendment means the NIA can set the new higher rate of APD on direct long-haul flights from NI independently from the standard rate.
5. This is a technical amendment that is fully consistent with the Government policy of devolving direct long-haul rates of APD to NI.