

NOTICES OF AMENDMENTS

Monday 23 June 2014

CONSIDERATION OF BILL

Mr Chancellor of the Exchequer

5

- * Clause 73, page 61, line 18, leave out “as follows” and insert “in accordance with subsections (2) to (10)”

Mr Chancellor of the Exchequer

6

- * Clause 73, page 62, line 9, at end insert—
- “() Accordingly, in section 1 of the Air Passenger Duty (Setting of Rate) Act (Northern Ireland) 2012 (setting of rate of air passenger duty)—
- (a) in subsection (1)—
- (i) omit “(3)(a) and (b), (4)(a) and (b),” and
- (ii) for “(5A)(a), (b) and (c)” substitute “(5A)(c)”, and
- (b) omit subsections (2) to (5), (8) and (9).”
-

EXPLANATORY NOTE

AMENDMENT 5 AND 6 TO CLAUSE 73 AIR PASSENGER DUTY: RATES OF DUTY FROM 1 APRIL 2015

SUMMARY

1. This amendment makes consequential changes to the Air Passenger Duty (Setting of Rate) Act (Northern Ireland) 2012 by removing the sections that refer to Bands C and D from 1 April 2015.

DETAILS OF THE AMENDMENT

2. Clause 73 provides for the removal of Parts 2 and 3 of Schedule 5A to Finance Act 1994 to reduce the number of destination bands from four to two and sets the rates of duty for 2015-16. The changes come into effect in relation to the carriage of passengers beginning on or after 1 April 2015.

3. The rates on direct long haul flights from Northern Ireland are devolved to the Northern Ireland Assembly (NIA). The NIA set those rates to £0 in the Air Passenger Duty (Setting of Rate) Act (Northern Ireland) 2012 (the “NIA Act”). As the structure of the tax, including the number and composition of the destination bands, is a reserved matter, the NI Act refers to the UK legislation.

4. Following the Budget announcement on banding reform, the structure of the tax is being amended by the legislation introduced in clause 73. Consequential amendments are therefore required to the NI Act to remove the references to those subsections of section 30A of the Finance Act 1994 that are being omitted with effect from 1 April 2015.

5. The Government is introducing Amendments 5 and 6 to make these changes, to remove from section 1 of the NI Act references to subsections of section 30A of the Finance Act 1994 that relate to Parts 2 and 3 of Schedule 5A and align the NI Act to the UK legislation.

BACKGROUND NOTE

6. Budget 2014 announced that the number of Air Passenger Duty destination bands will be reduced from four to two. This will contribute to the UK’s growth opportunities by cutting APD rates on flights to many emerging market destinations such as China, India and Brazil.

7. This amendment which the Northern Ireland Executive has asked us to make, aligns the NI legislation with the UK legislation, and has no effect on the APD devolved rates which continue to be £0.