Air Travel Tax Manual

Document last reviewed July 2019
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Introduction
An excise duty, called Air Travel Tax (ATT), was applied to departures of passengers on flights from certain Irish airports from 30 March 2009. Following cessation of the tax from 1 April 2014, ATT no longer applies to passenger departures.

This Manual outlines the main features of ATT, by reference to the governing legislation.

1. Legislation

The Air Travel Tax (Abolition) Order (S.I. 130 of 2014), signed by the Minister for Finance, abolished ATT with effect from 1 April 2014.

2. Application of tax
Subject only to the exemptions detailed below, ATT applied to all departures of passengers on flights from relevant Irish airports on or after 30 March 2009 to 31 March 2014, irrespective of when a passenger booked or paid for the flight.

3. Exemptions
ATT did not apply in the case of an aircraft not capable of carrying 20 or more passengers. It did not apply, therefore, to flights to or from Irish islands.

The tax did not apply to flights from airports where the number of departures of passengers in the previous calendar year was less than 50,000. ATT applied, therefore, to departures from Dublin, Cork, Shannon, Waterford, Kerry, Galway and Knock Airports, but did not apply to departures from Donegal Airport, Carrickfinn, Co. Donegal, or from Sligo Airport, Strandhill, Co. Sligo.

In addition, the following persons were exempt from the tax:
- Members of the aircraft crew (including any relief crew);
- A child under the age of two who does not occupy a seat on the aircraft;
- A disabled person, and one person accompanying the disabled person for the purposes of providing care and assistance; and
- Transit and transfer passengers.

The exemption for disabled persons applied only where the disabled person requested and availed of assistance from the airline in accordance with Council
Regulation 1107/2006 concerning the rights of disabled persons or persons with reduced mobility when travelling by air.

A transit passenger means a passenger who is on board an aircraft which lands at an airport in the course of its journey and who continues his or her journey on that aircraft.

A transfer passenger means a passenger who arrives on a flight to an airport and who leaves on a further flight (other than to the airport where the passenger’s journey started), where both flights are part of a single booking and there is not more than six hours between the scheduled time of arrival of the first flight and the scheduled time of departure of the second.

4. Rates of ATT
ATT ceased with effect from 1 April 2014.
The rate of ATT was €3 per passenger departing from an airport from 1 March 2011 to 31 March 2014.

Up until 28 February 2011, a rate of €2 applied where the flight was to a destination located not more than 300 kilometres from Dublin Airport. This covered all flights within Ireland and flights to the following locations in the UK: Cardiff, Glasgow, Prestwick, Liverpool, Manchester, Blackpool and Isle of Man. A rate of €10 applied to flights to any other destination.

5. Liability for ATT
An airline operator is liable for paying and returning ATT in respect of passengers departing on its aircraft, and must register with Revenue for the purposes of the tax.

The Revenue Commissioners have power to require airlines to provide security for the payment of ATT. Security for payment of the tax could be required, for example, where an airline does not comply satisfactorily with filing and payment requirements. If security is required, Revenue will inform the airline operator concerned of the amount and form of security that must be provided.

If an airline fails to provide security for payment of ATT as required by Revenue, Revenue may then serve notice on the airline’s groundhandling supplier. This notice will indicate that, as and from a specified date, the groundhandling supplier will be liable for the ATT on departures on the airline’s flights.

6. Registration for ATT
Every airline operator must register with Revenue for the purposes of ATT, using the form AT1. In the case of an airline operator who began to operate after 30 March 2009, registration must have been completed before the airline operator commenced flights from Ireland. Airline operators who commence after 1 April 2014 are not required to register.
7. Payment
ATT is payable to the Collector-General. The tax for a given month must, under Regulation 7 of the Air Travel Tax Regulations 2009, be paid not later than the 23rd of the following month. Payment of ATT for March 2014 is due up to 23 April 2014.

ATT must be paid electronically through ROS (Revenue’s On Line Service) and all taxpayers must have a current account in an Irish-based financial institution for that purpose.

In accordance with section 103(2) of the Finance Act 2001, interest is chargeable where ATT is not paid by the due date, at the rate of 0.0322 per cent for each day or part of a day before 1 July 2009, and 0.0274 per cent for each day or part of a day after 1 July 2009, during which the amount due remains unpaid.

The provisions relating to collection and recovery of tax, as amended by section 97 and Schedule 4 of the Finance (No. 2) Act 2008, apply in relation to ATT. The powers of assessment under section 99A (inserted by section 46 of the Finance (No. 2) Act 2008) of the Finance Act 2001 also apply.

8. Returns
In addition to the monthly payments of ATT, taxpayers have to furnish to the Revenue Commissioners, by electronic means, a detailed annual return in relation to the tax. The annual return for a year must be submitted not later than 23 February of the following year, in accordance with Regulation 8 of the Air Travel Tax Regulations 2009. This must include details of the numbers of departures liable at each rate of ATT and the numbers of persons carried by the airline operator who are exempt from ATT. The annual return for 2014 is due not later than 23 February 2015.

(The Taxes (Electronic Transmission of Air Travel Tax Returns) (Specified Provisions and Appointed Day) Order 2009 (S.I. No. 135 of 2009) applies Chapter 6 of Part 38 of the Taxes Consolidation Act 1997 to these annual returns.)

9. Exclusions from requirements to make payments and returns electronically
A person who must make ATT payments or returns can request to be excluded from the requirement to do so electronically, on the grounds of lack of capacity. The procedures in relation to such requests, which include a right of appeal to the Appeal Commissioners, are set out in Regulations 9 to 11 of the Air Travel Tax Regulations 2009.
10. Records
Airline operators, groundhandling suppliers and airports must keep records (on passenger numbers, etc.) relevant to the tax. The specific requirements are set out in Regulation 15 of the Air Travel Tax Regulations 2009.

11. Offences and Penalties
It is an offence, under section 55(6) of the Finance (No. 2) Act 2008, to contravene or fail to comply with the provisions of ATT law, and a person convicted of such an offence is liable on summary conviction to a fine of €5,000. This is a standard excise law provision, and there are similar provisions for all of the other excise duties.

Fraudulent evasion of ATT is covered by section 1078 of the Taxes Consolidation Act 1997. That section provides for the prosecution of such offences either summarily or on indictment, and allows the imposition, on conviction on indictment, of a fine not exceeding €126,970 or a term of imprisonment not exceeding 5 years, or both.

12. Management of ATT
For further information please contact Revenue using MyEnquiries.