



HM Treasury, 1 Horse Guards Road, London, SW1A 2HQ

The Rt Hon Sir George Howarth MP
House of Commons
London
SW1A 0AA

1 June 2022

Dear Sir George,

Thank you for your email of 23 May to the Secretary of State for the Department of Transport enclosing correspondence from a number of your constituents, about a frequent flyer levy. Your email has been passed to HM Treasury, and I am replying as Minister responsible for this policy area.

Air Passenger Duty (APD) is the UK's principal tax on the aviation sector. It is paid by airlines and is levied on a per-passenger basis on all flights departing UK airports, with different rates according to a passenger's class of travel and the distance of their journey. The tax raised £3.6 billion in 2019-20 and its primary objective is to ensure that airlines make a fair contribution to the public finances.

As part of a consultation on aviation tax reform between March and June 2021, the Government sought views on whether a frequent flyer levy could replace APD as the principal tax on the aviation sector. In the responses received to the consultation, the Government received a wide range of views on a frequent flyer levy, which it considered carefully.

Following the consultation, the Government published a response which outlined that it was minded to retain APD as the principal tax on the aviation sector, noting in particular continuing concerns around the possible administrative complexity and data processing, handling and privacy of a frequent flyer levy.

Full details of the consultation and the Government's response can be found at:
www.gov.uk/government/consultations/consultation-on-aviation-tax-reform.

More broadly, the Government has put in place a wide range of measures to support the decarbonisation of the aviation industry, including investment of £180 million for a competition to support the commercialisation of sustainable aviation fuel (SAF) plants in the UK and the launch of the Jet Zero Council as a sector-wide partnership to drive the delivery of new technologies and innovative ways to cut aviation emissions. The UK's new Emissions Trading Scheme (ETS) covers participants from the aviation, power and industrial sectors. It sets a total annual cap on greenhouse gases emitted by these sectors. It covers domestic flights within the UK and flights from the UK to the EEA.

Please pass on my thanks to your constituents for making me aware of their concerns.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Helen Whately'. The signature is fluid and cursive, with a large loop at the end of the last name.

Helen Whately
EXCHEQUER SECRETARY TO THE TREASURY