

# **AIR DEPARTURE TAX (SCOTLAND) ACT 2017**

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## **EXPLANATORY NOTES**

### **BACKGROUND**

3. The Act was brought forward as a consequence of measures enacted in the Scotland Act 2016<sup>1</sup> (“the 2016 Act”). Under the terms of sections 17 and 19 of the 2016 Act, the Scottish Parliament may make provision about taxes charged on the carriage of passengers by air from airports in Scotland. This Act deals with that responsibility and makes provision for a tax to be charged on the carriage of passengers on flights that begin at an airport in Scotland, to be called air departure tax (“ADT”).
4. Under paragraph 26 of the fiscal framework<sup>2</sup> agreed between the Scottish Government and UK Government, the provisions in the 2016 Act disapplying the UK Air Passenger Duty (“APD”) regime in Scotland intended to be brought into force with effect from 1 April 2018 by regulations made by Her Majesty’s Treasury and laid in the UK Parliament. It is intended that the majority of the legislative provisions for ADT will come into force the same day that APD is disappplied, although some provisions will be commenced before that date.
5. The Act is designed to operate under the tax collection regime set up by the Revenue Scotland and Tax Powers Act 2014<sup>3</sup> (“RSTPA 2014”). The RSTPA 2014, amongst other things, established Revenue Scotland as Scotland’s tax authority for devolved taxes and provides the general framework for the collection and management of devolved taxes in Scotland. Revenue Scotland currently collects and manages land and buildings transaction tax (“LBTT”) and Scottish landfill tax (“SLfT”), which came into effect on 1 April 2015, and the Act provides that Revenue Scotland will also collect and manage ADT.

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<sup>1</sup> <http://www.legislation.gov.uk/ukpga/2016/11/part/2/crossheading/devolved-taxes>

<sup>2</sup> <http://www.gov.scot/Publications/2016/02/3623/1>

<sup>3</sup> <http://www.legislation.gov.uk/asp/2014/16/contents>