

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

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## **EXPLANATORY NOTES**

### **THE ACT**

#### **Part 2 – Key Concepts**

##### ***Section 5 – Passengers carried on connected flights***

17. **Section 5** provides a tax exemption for the carriage of passengers who are travelling on connected flights, but only in relation to the second or any subsequent connected flight. Schedule 1 sets out the rules for determining which flights are to be treated as connected for ADT purposes. The rules prescribe maximum connection times between flights: 24 hours if connecting to an international flight and either six, 10 or 17 hours for connecting to a domestic flight, depending on what time of day the preceding flight is scheduled to arrive. The rules also prescribe that the flights must be covered by the same agreement for carriage (and for that definition, see section 12(2)).
18. The status of the passenger (chargeable or non-chargeable) on the first connected flight, and the status of the aircraft used for that flight (chargeable or non-chargeable), determines whether tax is chargeable, and at what rate, for the carriage of the passenger on the whole series of connected flights (see section 16). For example:
  - if the passenger is a non-chargeable passenger on the first connected flight, or if that flight is on a non-chargeable aircraft, no tax will be incurred for any of the connected flights;
  - if the passenger is a chargeable passenger on the first connected flight, and if that flight is on a chargeable aircraft, the aircraft operator for the first connected flight incurs tax at a rate that is determined by, among other things, the place where the last connected flight ends.
19. The connected flight rules are intended to have the same effect as, and therefore dovetail with, the rules that currently apply for APD under The [Air Passenger Duty \(Connected Flights\) Order 1994 \(S.I. 1994/1821](#), as amended). Any difference between the rules that apply in Scotland and the rules that apply in the rest of the UK would create a risk of aircraft operators being taxed more than once for the carriage of a single person on connected flights.
20. The following examples illustrate the ADT that would be payable in respect of the carriage of a passenger on any series of connected flights that includes a flight beginning in Scotland. The examples assume that:
  - the flights concerned are connected flights under the rules in schedule 1;
  - the passenger would be a chargeable passenger in relation to the first connected flight; and
  - the first connected flight is on a chargeable aircraft.

*These notes relate to the Air Departure Tax (Scotland) Act  
2017 (asp 2) which received Royal Assent on 25 July 2017*

<i>Example</i>	<i>Tax outcome</i>
<p><i>Example 1</i> The passenger's first connected flight leaves from a Scottish airport, e.g.:</p> <ul style="list-style-type: none"> <li>• Aberdeen # London Heathrow # Bristol, or</li> <li>• Edinburgh # London Heathrow # Sydney</li> </ul>	<p>ADT is payable by the aircraft operator carrying the passenger on the first connected flight, at the rate determined under section 16 by reference to the destination of the passenger's last connected flight.</p>
<p><i>Example 2</i> The passenger's first connected flight leaves from an airport within the UK but outwith Scotland, and a subsequent connected flight leaves from a Scottish airport, e.g.:</p> <ul style="list-style-type: none"> <li>• London Gatwick # Glasgow # Stornoway, or</li> <li>• Newcastle # Glasgow # New York</li> </ul>	<p>No ADT is payable because the first connected flight begins outwith Scotland, and the passenger is a non-chargeable passenger, under section 5, on any subsequent connected flight from an airport in Scotland.</p>
<p><i>Example 3</i> The passenger's first connected flight leaves from an airport outwith the UK, and a subsequent connected flight leaves from a Scottish airport, e.g.:</p> <ul style="list-style-type: none"> <li>• Brussels # London # Inverness # Stornoway, or</li> <li>• New York # Edinburgh # Kirkwall</li> </ul>	<p>No ADT is payable because the first connected flight begins outwith Scotland, and the passenger is a non-chargeable passenger, under section 5, on any subsequent connected flight from an airport in Scotland.</p>