

# FINANCE ACT 2010

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## EXPLANATORY NOTES

### INTRODUCTION

#### *Section 14: Rates of Air Passenger Duty*

##### Summary

1. [Section 14](#) provides for the rates of air passenger duty (APD) to be amended.

##### Details of the Section

2. Subsection (1)(a) to (d) amends section 30 of the Finance Act (FA) 1994 by replacing the rates set out in subsections (2) to (4A) of that section.
3. Subsection (2) provides that these changes have effect in relation to the carriage of passengers beginning on or after 1 November 2010.

##### Background Note

4. In the 2008 Pre-Budget Report (PBR), the Government announced that it would reform APD from a two-distance band regime to a four-distance band regime, rather than proceed with a per plane tax.
5. The four distance bands are set at 2000 mile intervals from London, and destinations are categorised based on the distance from London to the capital city of the destination country/ territory, with the exception of the Russian Federation, which is split east and west of the Urals, as it is administratively simple to do so.
6. Each band has two rates, one for the standard class of travel and one for other classes of travel. FA 2009 provided for these changes.
7. The Government also announced rates for 2010 in the 2008 PBR. This section provides for these rates.