

These notes refer to the Air Passenger Duty (Setting of Rate) Act (Northern Ireland) 2012 (c.5) which received Royal Assent on 11 December 2012

Air Passenger Duty (Setting of Rate) Act (Northern Ireland) 2012

EXPLANATORY NOTES

BACKGROUND AND POLICY OBJECTIVES

3. The Finance Act 2012 enables the devolution to the Assembly of the power to set the rates of Air Passenger Duty (APD) on direct long haul flights (Bands B, C and D) that take off from Northern Ireland. Powers to set the rate of APD on short haul (Band A) routes have not been devolved as part of the Finance Act 2012.
4. This Act sets the rate of APD to be applied to passengers on these direct long haul flights that take off from Northern Ireland (APD Bands B, C and D) on or after a day to be appointed by order. By setting the rates of duty for these flights this Act acts as the next step in devolving these powers to the Northern Ireland Assembly. The appointed day will be determined by the Department of Finance and Personnel, in conjunction with HM Revenue and Customs. It is intended that this will be the 1 January 2013.
5. This Act acts to set the rate as zero for all direct long haul flights from Northern Ireland, following through on the Executive's policy commitment as laid out in the 2011-15 Programme for Government.
6. This Executive commitment to eliminate APD followed the Government announcement in September 2011 that, effective from 1 November 2011, APD for passengers travelling on direct long haul routes departing from airports in Northern Ireland would be cut to the lower short-haul (Band A) rate and, to provide a lasting solution, that these aspects of APD would be devolved to the Northern Ireland Assembly. The Executive considered that were the existing Band A rates to be maintained this would still have Northern Ireland at a competitive disadvantage with the South where the equivalent rate is much lower.