



Government of the Netherlands

Dutch government tables national flight tax bill

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The Dutch government wants to introduce a tax on air travel and transport on 1 January 2021. While its preference is for a European tax on aviation, it has drafted a bill for a national flight tax of €7 per departing passenger in case insufficient progress is made on creating a Europe-wide tax. The bill was submitted today to the House of Representatives via the King's Office. There will be an exemption for transfer passengers.

The exact rate will be set in the 2021 Tax Plan, but it is expected to remain below €7.50 after adjustment for inflation. There will also be a tax on air cargo transport, with a lower rate for quieter aircraft. The noisiest planes will be taxed at a rate of €3.85 per tonne of cargo and the quietest at a rate of €1.925 per tonne of cargo. The tax will be based on the weight of the aircraft.

As set out in the coalition agreement, the government wants to make the aviation section greener and more sustainable. International air traffic is currently not subject to excise duty or VAT.

State Secretary for Finance Menno Snel: 'Unlike travel by car, bus or train, international flights from the Netherlands are not in any way taxed by the Dutch government. This is a key reason for introducing a flight tax. It will also help close the price gap between plane tickets and, for example, train tickets. Many of our neighbours already have a flight tax, so it's our priority to seek cooperation at European level.'

The government is pushing hard for European agreements on aviation tax in the context of the climate goals and creating a level playing field. In June the Netherlands is holding an international conference on the introduction of an aviation tax and on carbon pricing. The feasibility of a European levy on kerosene is also being investigated.

A bill for a national flight tax has been drafted in the event that European negotiations fail to yield sufficient results. The bill is based on the coalition agreement, which anticipates returns of €200 million.

The proposal includes measures to prevent a potential negative impact on Schiphol's role as a hub and on its international network of connections. A tax per passenger also aligns with aviation taxes levied by other European countries, which will benefit coordination at European level. The

bill is part of efforts by the Dutch government to charge consumers and businesses for environmentally polluting behaviour.

The flight tax bill will first be debated by the House of Representatives and the Senate. If passed, the new law will enter into force on a date to be determined by royal decree. This provides the necessary flexibility. If it emerges in 2019 or 2020 that European agreements will be made on an aviation tax, it will still be possible to halt the introduction of a national flight tax.