

**GOVERNMENT OF INDIA
MINISTRY OF CIVIL AVIATION
LOK SABHA
UNSTARRED QUESTION NO. : 745
(To be answered on the 21st November 2019)**

AIRLINE TAXES

745. **SHRI A. RAJA
DR. KALANIDHI VEERASWAMY**

Will the Minister of CIVIL AVIATION

तागर विमानन मंत्री

be pleased to state:-

- (a) the details of the taxes the airlines have to pay for services across the country;
(b) whether these charges are taxed multiple times and if so, the details thereof and the reasons therefor;
(c) whether the Government has made a request to the Ministry of Finance for removal of these multiple taxes and if so, the details and outcome thereof; and
(d) the time by which these multiple taxes are likely to be removed?

ANSWER

Minister of State (IC) in the Ministry of CIVIL AVIATION

तागर विमानन मंत्रालय में राज्य मंत्री (स्वतंत्र पक्ष)

(Shri Hardeep Singh Puri)

(a) and (b): The airlines, inter alia, have to pay the following taxes on services across the country:

(i) Goods and Services Tax (GST) on both output services such as passenger tickets, air cargo, catering and other ancillary services, and input services such as navigation, landing, parking, and maintenance, repair and overhaul services.

(ii) GST is leviable on goods procured domestically, except for Aviation Turbine Fuel (ATF) which is outside the ambit of GST. Airlines pay a number of taxes on ATF, which include Central Excise duty and VAT/Sales Tax, besides GST on certain fuel supply related services. Import of ATF, like other goods imports, attracts Customs duties also.

(iii) Direct taxes are payable by airlines on their profits.

(c) and (d): In order to mitigate the impact of multiple taxes on ATF, Ministry of Finance was requested (i) to bring ATF within the ambit of GST, and (ii) reduce the incidence of Central Excise. At the same time, State Governments were requested to reduce the VAT/Sales Tax applicable on ATF. A number of States have reduced the VAT/Sales Tax applicable at airports State-wide, while some States have reduced the rate for some designated airports.
