

APD destination bands are changing

As announced in the Budget 2014, from 1 April 2015 the number of destination bands is reducing from 4 to 2 by merging bands B, C and D. Inclusion in each band continues to be based on geographical distance of the capital city of a country/territory from London. There is no change to band A. From 1 April 2015, destinations not included in band A will fall within band B. For a list of countries/territories that fall within band A, see Appendix 1 of Notice 550.

Go to www.gov.uk/business-tax/air-passenger-duty and under 'Notices' select 'Air Passenger Duty (Notice 550)'

Form APD2 'Air Passenger Duty Return' will look slightly different for April. The boxes relating to former bands C and D are shaded and should not be used. You should include all the information that would have gone into those boxes in the relevant band B boxes. We will update the APD2 guidance notes which we send with the returns to reflect the new 2 band structure of the tax.

APD rates from 1 April 2015

As announced in the Budget 2014, APD rates from 1 April 2015 are as follows (please also see notes 1 and 2)

Band	Reduced rate (lowest class of travel)	Standard rate (see note 3)	Higher rate (see note 4)
Band A (0 to 2,000 miles)	£13	£26	£78
Band B (over 2,000 miles)	£71	£142	£426

Notes

- 1 From 1 April 2013, APD has applied to all flights aboard aircraft of 5.7 tonnes and above.
- 2 From 1 January 2013, the rates for direct long-haul flights from Northern Ireland were devolved to the Northern Ireland Assembly and set to £0.
A direct long-haul journey from Northern Ireland is where:
 - it starts in Northern Ireland
 - the first part of the journey is to a destination outside Band AFor all other journeys from Northern Ireland, the above rates apply.
- 3 If a class of travel provides a seat pitch that exceeds 1.016 metres (40 inches) the standard rate is the minimum rate that applies, even if it is the lowest or only class of travel.
- 4 The higher rate applies to all chargeable passengers on flights aboard aircraft of 20 tonnes and above with fewer than 19 seats.

Northern Ireland rates

The new 2 band structure of the tax also applies to the devolved Northern Ireland rates. If you operate direct long-haul flights (to band B) from Northern Ireland, contact the APD Central Assurance Team. You should not include information on direct long-haul flights in your APD returns. You should give it to the APD Central Assurance Team. For more information, see section 2.1.1 of Notice 550. Go to www.gov.uk/business-tax/air-passenger-duty and under 'Notices' select 'Air Passenger Duty (Notice 550)'.

APD child exemption

There is no change to the child exemption for children under the age of 2 without their own seat, travelling in any class.

Changes announced in the Autumn Statement 2014

From and including 1 May 2015, the APD child exemption will be extended to include children under the age of 12 on the date of travel, travelling in the lowest class of travel.

From and including 1 March 2016 this exemption will be extended to include children under the age of 16 on the date of travel, travelling in the lowest class of travel.

Annual accounting scheme

The annual accounting scheme gives operators with an annual APD liability not exceeding £500,000 the option of sending a single return and payment for a 12-month period. If you're on the annual accounting scheme, you'll receive a return in March.

You should:

- fill in form APD2 and return it to the address shown on the form, by the due date
- send the declared liability payment (if you send your payment electronically, you get an extra 7 calendar days to pay)
- make sure your payment is in pounds sterling and free from all bank charges and currency conversion charges

To find out more about:

- how to pay, go to www.gov.uk/pay-air-passenger-duty
- annual accounting, go to www.gov.uk/business-tax/air-passenger-duty and under 'Notices' select 'Air Passenger Duty (APD) annual accounting (Notice 552)'

Penalties

You may be liable to penalties if:

- you fail to tell us of your liability to register
- you don't send in your return and payment by the due date
- there are inaccuracies in returns or documents you send us

Online factsheets are available with information about penalties that may apply. For details of:

- general information about compliance checks into Excise matters, go to www.hmrc.gov.uk/compliance/cc-fs1d.pdf
- penalties for inaccuracies in returns or documents, go to www.hmrc.gov.uk/compliance/cc-fs7a.pdf
- penalties for failure to notify, go to www.hmrc.gov.uk/compliance/cc-fs11.pdf

To find out more about your APD obligations, go to www.gov.uk/business-tax/air-passenger-duty and under 'Notices' select 'Air Passenger Duty (Notice 550)'.

More help and information

If you need more information:

- go to www.gov.uk/business-tax/air-passenger-duty
- email the Central Assurance Team at APDHelpdesk@hmrc.gsi.gov.uk
- phone us on **03000 533 575**
- write to us at
APD Central Assurance Team
1 Park Road
UXBRIDGE
UB8 1RW

Your rights and obligations

'Your Charter' explains what you can expect from us and what we expect from you. For more information, go to www.gov.uk/hmrc/your-charter