

## Fuel for private light aircraft used for business flights: colloquially 'Bizjets'

The government's proposal in 2008 to replace Air Passenger Duty (APD) with a tax per plane (Aviation Duty) was accompanied by a proposal to tax fuel for small planes. The proposal for Aviation Duty has since been dropped.

Fuel for pleasure flights has from November 1 2008 been taxed at a rate comparable to road fuel duty (with a rebate for flights with destinations outside the UK). Fuel for business flights remains untaxed.

Passengers are exempt from APD on aircraft with an authorised take-off weight under 10 tonnes or fewer than 20 passenger seats.

Aircraft below 5.7 tonnes will be exempt from the forthcoming EU Emissions Trading System.

This note addresses levels of emissions, but it should also be noted that bizjets take up 7% of UK airspace (2). Figures derived from assessments published during the consideration of the expansion of Farnborough business aviation airport (1) suggest that this is in order to carry 0.15% of passengers.

### Emissions levels

The following figures are the basis for an assessment of **Emissions per Business Aviation passenger**

*"The average load factor for private jets in Europe is 2.3".* (Blink Ltd: European Business Aviation News July 2008) At a public Farnborough Airport Consultative Committee meeting in March 2009, TAG Aviation gave 2.7 as the load-factor that day, and agreed that 2.5 could be quoted as an average for light business jets.

On this basis, each passenger departing on a business flight in a light business jet from Farnborough is on average responsible for emissions of approximately 4 tonnes of CO<sub>2</sub> (average flight lengths unknown). This is equivalent to 8 tonnes of CO<sub>2</sub>, applying a radiative forcing factor of 1.9 (used in the 2008 Pre-Budget Report, paragraph 7.58).

This level is:

- approximately two thirds of the average annual emissions per person in the UK;
- 30 times the level for each passenger departing on a scheduled flight from London City airport (average flight length 550 kms); and
- 12 times that for Gatwick airport (average flight length 2,000 kms)

### Aggregate emissions

According to Eurocontrol data for June 2009, total UK business aviation movements are approximately 13,000 per month, of which the vast majority (> 98%) are by light aircraft. Applying the following factors:

(i) Percentage of these movements which are departing from a UK airport, allowing for landings, takeoffs and overflights: 42%;  
(ii) Passengers per departing flight: 2.5;  
(iii) CO<sub>2</sub> per departing passenger: 4 tonnes,  
the annual aggregate emissions from business aviation flights departing from UK airports are approximately

$13,000 \times 98\% \times 12 \times 42\% \times 2.5 \times 4 = 640,000$  tonnes,

equivalent to over 1.2 million tonnes of CO<sub>2</sub> after applying a radiative forcing factor of 1.9.

### **Taxing business aviation fuel**

We suggest that no types of flight should be exempt from tax. This principle rests both on grounds of fiscal equity and climate change. It could be achieved if fuel for all aircraft not subject to APD were subject to tax.

Given these high levels of emissions, a duty on fuel for business flights at a rate higher than road fuel duty would be appropriate; but a rate equivalent to road fuel duty might be more administratively practicable.

There would be no international impediment to taxing fuel for business flights on domestic journeys, as is now done for pleasure flights. For overseas journeys the UK's international obligations might entitle operators to reclaim the proportion of duty paid on fuel used in the international segments of flights.

The distinction between business and pleasure purposes may not always be clear, so tax on fuel for flights primarily for pleasure may be evaded by being claimed for business. Taxing fuel for business flights would eliminate this possible abuse.

#### References:

- (1) Evidence from CPRE Hampshire to the Planning Inspectorate of 2 March 2010 concerning an appeal regarding an application by the airport operator (TAG Aviation) to Rushmoor Borough Council for increased movements.
- (2) As measured by the proportion of movements operated under instrument flight rules and quoted in paragraph 5.1 of the CAA Report "UK Business Air Travel", May 2009.

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Campaign for Better Transport

16 Waterside, 44-48 Wharf Road, London N1 7UX, [bettertransport.org.uk](http://bettertransport.org.uk)

020 7566 6480

[info@bettertransport.org.uk](mailto:info@bettertransport.org.uk)

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