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Factsheet for case NO-2020-1/718

Temporary cancellation of the air passenger tax

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Country	Norway, applies nationwide
Time period	Temporary, 01 January 2020 - 31 October 2020
Type	Legislation or other statutory regulation
Category	Supporting businesses to stay afloat – Direct subsidies (full or partial)
Case created	17 April 2020 (updated 05 May 2020)

Background information

The government lifted the air passenger tax for flights in the period from 1 January 2020 through 31 October, 2020. The measure is expected to have little impact on the volume of flights. However, the measure is intended as a temporary relief for the airlines during the outbreak of the coronavirus. The purpose of the tax is primarily to provide the state with revenue, but the tax can have an environmental impact by reducing the demand for flights. The Ministry points out that tourism in general and aviation in particular are severely affected by the virus outbreak. Maintaining a fiscal charge on air travel can help exacerbate the negative financial consequences of the virus outbreak.

Content of measure

The duty to pay air passenger tax is incurred when the flight starts from a Norwegian airport, and the fee is calculated per passenger who commences taxable flight from a Norwegian airport. The cancellation of the tax in the period from 1 January 2020 to 31 October 2020 means that the tax will be abolished both for flights made earlier this year and for flights commenced in the period up to and including 31 October 2020. The time of purchase of the air ticket is of no significance for the duty to pay. Flights starting on or after 1 November 2020 will be subject to tax. It follows from the proposal that the fee paid for flights earlier this year should be repaid to the airlines.

Use of measure

No information to date.

Actors, target groups and funding

Actors	Target groups	Funding
National government	Sector specific set of companies	National funds

Social partners

Role of social partners	Consulted
Form of involvement	Direct consultation

Social partners have been consulted regularly during design and implementation of the measure.

Sectors and occupations

This case is sector-specific (only private sector).

Economic area	Sector (NACE level 2)
H - Transportation And Storage	H51 Air transport

This case is not occupation-specific.

Sources

- 13 March 2020: Flypassasjeravgift oppheves midlertidig (www.regjeringen.no)