

**FISCAL ONE-STOP OFFICE
FOR THE AIRPORT TAXES
AIRPORT TAX - APRIL 2014 - MARCH 2015**

INSTRUCTIONS FOR THE COMPLETION OF THE AIRPORT TAX DECLARATION FORM

**This is an informal translation of a legal document that was originally drafted in French.
Please note that the French text prevails in case of any discrepancy between both versions.**

Article 136 of the 1999 Finance Law (n° 98-1266 of 30/12/1998) established, as of 1st July 1999, a tax called the « **Airport Tax** ». This provision is codified under Article 1609 quaterdecies of the French Internal Revenue Code.

The airport tax is collected to benefit:

- the private or public administrators of aerodromes or airport groups whose embarked or disembarked traffic was greater than 5000 traffic units on average in the course of the last three known calendar years.

A traffic unit is equal to 1 passenger or 100 kilos of freight or mail. An airport group is defined as a set of aerodromes that belong to the same concession or public service delegation or for which article L.6323-2 of the Book of Transport applies. All the airports in such a situation belong to the same airport group.

The proceeds of the tax is allocated to each aerodrome or airport group for the financing of safety – fire-fighting - rescue services, for animal strike hazard prevention, security and for measures undertaken in the context of environmental checks. It contributes, in a proportion annually set by decree, to the financing of automated control equipment in boarders and using biometrics identification which are set up in airports (IV of Article 1609 quaterdecies of The French Internal revenue Code).

The rate of the tax depends on the financial needs on each aerodrome or airport group. More specifically, these needs are in accordance with:

- the services performed in application of the current regulation,
- the forecast evolution of the data related to the traffic, of the costs and other revenues for the aerodrome administrator.
This data is declared by the aerodrome or airport group administrators. The declared data can be inspected by the departments of the French Civil Aviation Authority for the current year and up to two years before.

From April 1st 2012, a deduction is to be applied to passengers on connecting flights. Its rate is set contractually by an interministerial decree to a maximum limit of 40 %.

The rate per passenger for the airport tax is subject to an additional charge. The proceeds of this additional charge is allocated to Class 3 aerodrome or airport group administrators for the financing of the missions mentioned in paragraph IV of the article 1609 quaterdecies of The French Internal Revenue Code, as well as to administrators not included in the classes mentioned in paragraph IV.

Public air transport companies shall declare on a monthly or quarterly basis the number of passengers and the volume of freight and mail embarked the previous month or quarter for flights departing from each aerodrome or airport groups.

These monthly or quarterly declarations are to be sent out to: “Comptables du budget annexe contrôle et exploitation aériens, GFU des taxes aéroportuaires”. At the same time, payment of the tax and its additional charge is sent by wire transfer.

The tax and its additional charge are collected and controlled according to the same rules, conditions, guarantees and penalties as those provided for the Civil Aviation Tax specified in Article 302 bis K of the French Internal Revenue Code.

I Scope of and liability for the Tax

(Paragraph II of Article 1609 quaterdecies of the French Internal Revenue Code)

A - Taxable Entities

The tax is due by **public air transport companies**, whatever their nationalities and their legal forms are.

B - Taxable Operations

The following operations are taxable: operations involving embarking passengers, freight and mail **on commercial flights** (i.e flights generating revenue), whether they are scheduled or non-scheduled, departing from aerodromes or airport groups featured on the list established by the Minister of Budget and the Minister of Civil Aviation.

For flights in franchise, charter flights, flights in code share, or for capacity reservation agreement, joint services or service ensured by rented aircraft, the airline liable for the payment of the tax is the one whose flight number is used for the air traffic control.

The airport tax is due **whatever the destinations and whatever the fare conditions offered by the airline regardless of whether a ticket is issued or not.**

The following are excluded from the category of public transport flights:

- emergency medical evacuation ;
- local flights not involving transport between different aerodromes (first flights, for example) ;
- flights performed by a private individual or a legal entity on his or its own account.

C - Liability for the Tax

Liability for payment of the tax arises when passengers, freight and mail are embarked.

D - Aerodromes or airport groups covered by the Airport Tax

The list of aerodromes or airport groups covered by the airport tax is established by interministerial order. Aerodromes or airport groups are grouped into three classes relative to the number of units embarked or disembarked on average at the aerodrome or airport group in the course of the last three known calendar years.

Class 1 covers aerodromes or airport groups whose traffic in units exceeds 20 000 000;

Class 2 covers aerodromes or airport groups whose traffic in units is between 5 000 001 and 20 000 000;

Class 3 covers aerodromes or airport groups whose traffic in units is between 5 001 and 5 000 000.

The list of aerodromes or airport groups covered is included on the declaration form.

II Assessment of the Tax

(Paragraph III of Article 1609 quaterdecies of the French Internal Revenue Code)

The basis of assessment of the tax is determined with the same exceptions and conditions as those stated in Article 302 bis K of the French Internal Revenue Code.

A - Number of Passengers

The airport tax is assessed on the number of passengers embarked by the company on each aerodrome or airport group concerned.

People travelling at reduced fares or travelling for free at the airline's behest are considered as passengers.

However, the following are not considered as passengers (Article 302 bis K of the French Internal Revenue Code):

- members of staff whose presence on board is directly linked to the flight, particularly crew members, security or police officers, and agents accompanying freight.
- children under the age of 2.

B - Weight of Freight and Mail taken onboard

The airport tax is also assessed on the weight of freight and mail carried on board by the airline for each aerodrome or airport group covered by the tax.

The following definitions apply (ICAO source) :

- « freight » means " any property carried on an aircraft other than mail, onboard stores and accompanied or mishandled baggage" ; packaging must be considered as an integral part of the weight of the freight as well as containers and transport equipment, i.e. any equipment specially made for the transport of the goods in question. However, any goods loading equipment (pallets, igloos, containers) which are used on board of freight and combi-aircrafts are not to be taken into consideration when assessing the tax.

- « mail » means « dispatches of correspondence and other objects tendered by and intended for delivery to postal administrations ».

C - Exemptions (Article 302 bis K of the French Internal Revenue Code)

The following are not taxable :

- passengers, freight and mail making a temporary stopover at an airport and departing on the same aircraft with an identical flight number to the one on which they arrived (direct transit) ;
- passengers, freight and mail resuming their flight after an emergency landing ;
- for domestic flights inside the French collectivities of French Polynesia, New Caledonia and Mayotte island, the tax and its additional charge are not due for the passengers, freight or post in connection, as this is defined in paragraph VI of article 302 bis K.

III Rates

(Paragraph IV and IV Bis of Article 1609 quaterencies of the French Internal Revenue Code)

Rates for the airport tax applicable at each aerodrome or airport group, per passenger are set by an interministerial decree.

The supplementary budget law for 2011 modified Article 1609 quaterencies of the French Internal Revenue Code and set up a deduction of the rate for passengers on connecting flights. The rate of this deduction is set contractually by a decree enacted by the minister in charge of the budget and the minister of the Civil Aviation Authority, to a maximum limit of 40 %.

The rate per ton of freight or mail is set at 1€. Rates are mentioned on the declaration forms. The rate defined for freight and mail shall be for the tonnage declared by each company for the month or quarter under consideration, rounded down to the lower metric ton.

The rate per passenger for the airport tax is subject to an additional charge set to a maximum of 1,25 €, by joint decree of the Minister of Budget and the Minister of Civil Aviation.

IV Declaration Obligations

(Paragraphs IV and VI of Article 1609 quaterencies of the French Internal Revenue Code)

Public air transport companies subject to the airport tax must declare on a monthly basis **or from January 1st 2013, on a quarterly basis (*)** the number of passengers, the number of metric tons of freight and mail embarked in the previous month or quarter on flights undertaken from each of the aerodromes covered by the airport tax.

(*) Public air transport companies who have declared an amount of tax equal or inferior to 12 000€ in the former year are allowed to submit quarterly declarations from the first quarter of the following year. The quarterly declaration must be submitted at the latest on the last day of the month that follows the quarter that is being declared.

V Filling out Declarations

It is highly recommended to declare online using the forms available on the following links:

<http://www.developpement-durable.gouv.fr/Le-Guichet-Fiscal-Unique-a-la-DGAC.html>
<http://www.service-public.fr/formulaires/>

You can also download the forms and send them to the following e-mail address:

acs-sgta@aviation-civile.gouv.fr

Finally, forms downloaded then printed out or received by post from the one stop-office (GFU) can still be sent.

A - Data to Declare

Airlines subject to the airport tax must identify, for all of their flights, and for each aerodrome or airport group used in the course of the month or quarter concerned by the declaration, the number of passengers and the number of metric tons of freight and mail.

When a company makes a declaration on behalf of another airline, squares 1 and 2 on page 1 of the form must be completed.

When no taxable activity has occurred in the course of a given month or quarter, (no transport of passengers, freight or mail from the aerodromes covered by the tax), declarations bearing the mention « NEANT » (i.e. “NIL”) must be addressed to the “GFU des taxes aéroportuaires” **(box to be ticked on page 2).**

Nota bene: for practical reasons, aerodromes subject to the Airport Tax, which are located in Guyane, Martinique, Guadeloupe, in the French Overseas Collectivities of St Martin and St Bartholomew, in New Caledonia, French Polynesia and Mayotte island are grouped together at the end of the declaration form.

B - Calculation of the Tax

Calculation is automatic on the online forms.

For each of the aerodromes or airport groups concerned, the calculation of the airport tax and its additional charge must be made by applying the rates on the declaration forms to the data concerning passenger, freight and mail traffic.

Declarations must be filled out according to the following calculation and rounding rules:

- Calculations of the tax and of its additional charge must be done in Euros by applying the corresponding rates.
- For each aerodrome or airport group, the intermediate calculations relative to the tax due for passengers and the calculations for the additional charge should be rounded to the nearest euro. If it gives a result exactly in the middle, the sum is rounded up to the higher figure.
- Freight and mail metric tonnage declared per aerodrome for a given month or quarter should be rounded down to the nearest ton.

VI Sending out Declarations and Payment of the Airport Tax

(Paragraphs IV to VI of Article 1609 quater of the French Internal Revenue Code)

Monthly or quarterly declarations are to be sent out to: “Comptables du budget annexe contrôle et exploitation aériens, GFU des taxes aéroportuaires” at the latest on the last day of the month following the month or quarter being declared. At the same time, payment of the tax is sent by wire transfer.

From January 1st 2014, payment must be sent by wire transfer only; it must be done in euros and payable to the accountant whose bank references appear on page 8 of the form.

Should you have any queries regarding the filling out of the declaration or the payment of the tax, please contact the fiscal one-stop office for the airport taxes (GFU): 1 rue Vincent Auriol, 13617 Aix-en-Provence Cedex 1 - France

Phone number : + 33 (0)4 42 33 11 12 - Fax number : + 33 (0)4 42 33 11 10

E-mail address: acs-sgta@aviation-civile.gouv.fr

VII Inspection of Declarations

(Paragraphs V and VII of Article 1609 quater of the French Internal Revenue Code)

The airport tax levied on traffic departing from Class 1, 2 and 3 aerodromes as well as its additional charge are collected and inspected according to the same rules, conditions, guarantees and penalties as those defined for the civil aviation tax as specified in Article 302 bis K of the French Internal Revenue Code. Disputes and claims, followed up by The Civil Aviation Authority are submitted, investigated and decided according to the same rules as those applied to the civil aviation tax.

The right to make audits by the French Civil Aviation Authority, for the control of companies that do not declare as well as for companies presenting insufficient declarations or payments is done in the same conditions as those set by article L.176 of the Book of Fiscal Proceedings.

As per the provisions of Article 302 bis K of the French Internal Revenue Code, any failure to make declarations on time leads to the imposition of a flat-rate tax based on the loading capacity of all of the aircraft types used for all of the flights done during the month and departing from each aerodrome subject to the airport tax, and calculated as follows :

- the total number of seats offered for passenger aircraft;
- the total number of seats offered for passengers and the maximum payload for freight or combi aircraft;
- the total payload for cargo-planes.

In case of failure, lateness or inadequate declaration or payment, statutory penalties will be payable in addition to the duties as specified in Articles 1727 to 1729 A and 1731 of the French Internal Revenue Code.

Please note that you must keep copies of your declarations and all supporting evidence (flight tickets, e-tickets) and in a general manner, any kind of file (electronic, paper or computer files) that will justify the assessment of the tax. You must keep all these files at least until the last day of the third year following the one in which the tax became payable.