

# Progressive Ticket Tax - Frequent Flyer Levy

Facilitation: Laura Machler (Am Boden bleiben) <[L\\_ma@posteo.de](mailto:L_ma@posteo.de)> & Matthias Schmelzer (Am Boden bleiben) <[m.schmelzer@knoe.org](mailto:m.schmelzer@knoe.org)>

Paper prepared by including [inputs](#) by Leo Murray, John Stewart, Miguel Valencia, Lisa Hopkinson, Werner Reh and Calum Harvey-Scholes.

## 1. Summary of strategy/measure

The frequent flyer levy (FFL) is a policy proposal that **aims to tackle the environmental impacts of flying in an equitable way**. The idea is to progressively tax frequent flying, thereby constrain demand for flights, while at the same time distributing flights more equally across the income spectrum. A long overdue measure to tackle aviation growth is to tax kerosene and apply VAT to tickets; this would make flying more expensive and contribute to end the sector's privileges and competitive advantage over other forms of transportation. However, taxing everyone the same is socially regressive – wealthy people who can afford to will continue to fly often, whilst poorer people will be priced out. Why should the rich man on his sixth visit of the year to his Tuscan villa be taxed the same as someone visiting their family every second year? A FFL addresses this challenge of equity. The tax increases with each additional flight the individual takes (e.g. the tax on the 3rd flight is double that on the 2nd) thereby aiming to actively restrain the number of flights. The key goal of the policy is to deliver social justice, given that a relatively small number of people benefit from frequent flying, whilst the environmental damage it causes is spread across the global population.

Even though cheap prices have led to a “democratisation of aviation” in wealthier countries, it remains **the privilege of few, both within the countries of the global North and certainly globally**. In the UK, where the idea of a FFL started, 70% of flights are taken by just 15% of the population. Globally, only 3 percent of the population flew in 2017, and around 90 percent of the global population has never flown. As lower income groups fly much less, the FFL would largely affect the wealthier people. Focusing specifically on taxing frequent flyers would considerably reduce air travel without limiting access to mobility for the many. However, the FFL might not be sufficient to reduce aviation enough to be consistent with overall CO2-reduction goals, so it needs to be combined with other measures such as kerosene or CO2 taxes. Also, there are many technical difficulties of introducing it.

## 2. State of the art: Does this measure already exist somewhere?

**No similar measure currently exists with regard to aviation.** There are a number of ticket taxes, the toughest of which is the UK's Air Passenger Duty. And some countries charge VAT on tickets for internal flights. However, all existing instruments tax every ticket/person equally. There exist, however, some **examples of progressively taxing environmentally damaging consumption**. For example, the UK's Vehicle Excise Duty, under which cars are taxed according to carbon emissions, was very successful in encouraging car owners to buy smaller, cleaner cars (until it was changed in 2017).

### 3. Advantages

One key advantage is that the FFL might be much more **socially acceptable** than general increases in taxes on aviation or kerosene, due to the disproportionate impact on wealthy frequent fliers. Studies show that most people in the UK (85%) would be better off under a FFL than under Air Passenger Duty, through either paying less tax or simply being the beneficiaries of more public spending. A survey on public attitudes to the FFL in the UK found that a FFL is perceived to be fairer than and preferable to any of the other options for reducing air travel.

The primary **focus of the FFL on number of flights** rather than distance is key: It means that low-income people with families in other continents have the opportunity from time to time to visit their families. Reducing the number of flights is also the key demand of communities impacted by noise around airports.

### 4. Disadvantages

There will be massive and coordinated **opposition from the aviation industry**. We can also expect **opposition from politicians and the general population**, in particular in the beginning, as aviation is seen as a means of boosting economic growth and enabling modern lifestyles, but this could change and will have to. There is a crucial job of raising public awareness of the fact that climate targets cannot be met without constraints on air travel. And then the FFL might be the most popular option available, because of its strong equity component. Meanwhile, more sustainable travel modes to aviation must be made more attractive to support a change in public opinion.

A FFL might be **more complex to administer** than the current or alternative aviation tax arrangements. This was the pretext used by the Scottish Government when they refused to consider a FFL as an alternative to APD when tax powers were devolved to their government. Implementing a FFL will entail changes to the customer journey when purchasing plane tickets which the industry will try to resist. That's why it needs to be as simple as possible.

The FFL **legitimizes frequent flyers' flights**, since frequent flyers' will contribute to finance public policies. The FFL thus needs to be combined with other policies aimed at reducing aviation in general. If the first flight per person per year is tax free (or taxed low), the FFL will **only be able to reduce aviation to a certain degree** that might still not be in line with climate goals. The FFL at least implies and probably normatively establishes **a right to one return flight of any distance per year**. It also dispels any notion that distance has consequences regarding one's (or one's family's or friends') relocation choices, a critical matter given the scale of world population and the significant role of air (and other long-distance) travel on annual global GHG emissions.

The FFL **does not account for the distance and class of a flight**. These are, however, key determinants of the climate impact, a long-distance flight London-Sydney being 30 times more harmful than a short-distance flight London-Malaga and a first class seat generating 7 times more carbon. The FFL should thus be combined with a kerosene or CO2 tax. Given that the FFL is insufficient by itself from a climate standpoint, it should also be discussed why it is beneficial to use FFL in addition to a kerosene or CO2 tax.

There is an opportunity cost of pushing the FFL into adoption, as efforts could otherwise be used to promote other measure(s) that would more effectively reduce aviation's harms to the climate. A related consideration is that some climate measures may cause injustices; for example, the

injustice of a kerosene tax on the poor who might wish to fly is one of the harms that should be considered.

## 5. Questions to discuss

There are some key questions and challenges that need to be discussed. These include among others the following: What is the difference between the FFL and a CO2 tax? What should be the level of the tax? What should be the scope of the FFL, national, EU, global? How could the FFL be introduced, what are the legal challenges? What should be done with the revenues? Taxing business or employees?

For more details on these questions see [here](#) - we suggest participants of the working group to read them before the conference.

## 6. Literature

- Outline of Frequent Flyers Levy: <http://afreeride.org/>
- Poll of public opinion of the Frequent Flyers Levy:  
[https://s3-eu-west-1.amazonaws.com/media.afreeride.org/documents/Aviation\\_briefing\\_Jan2019+FI\\_NAL.pdf](https://s3-eu-west-1.amazonaws.com/media.afreeride.org/documents/Aviation_briefing_Jan2019+FI_NAL.pdf)
- The economics and effectiveness of the Frequent Flyers Levy:  
[https://neweconomics.org/uploads/files/58e9fad2705500ed8d\\_hzm6yx1zf.pdf](https://neweconomics.org/uploads/files/58e9fad2705500ed8d_hzm6yx1zf.pdf)
- The Committee on Climate Change's UK Expert Advisory Group on reaching Net Zero recently explicitly suggested that a FFL could be a politically viable approach to demand management policy in the UK:  
<https://www.theccc.org.uk/wp-content/uploads/2019/05/UK-Net-Zero-Advisory-Group-Chair-Report.pdf>
- Some recent favourable coverage of the concept is here:  
<https://www.thisismoney.co.uk/money/comment/article-6981961/A-Free-Rides-idea-fairer-tax-flights-fight-climate-change.html>
- FoE and Greenpeace both call for a FFL again in their recent climate emergency manifestos / policy papers: <https://www.greenpeace.org.uk/climatemanifesto/aviation-and-shipping/>  
<https://friendsoftheearth.uk/climate-change/friends-earth-court-continue-challenge-against-unlawful-decision-build-third-runway>
- Work from Transport & Environment:  
<https://www.transportenvironment.org/newsroom/blog/ending-aviation's-tax-holiday>
- Suggestion from the Dutch Secretary of State for Finance:  
<http://www.airportwatch.org.uk/2019/02/dutch-sec-of-state-for-finance-says-an-eu-airline-tax-needed-to-limit-low-cost-flights/>
- Petition set up by Andrew Murphy of T&E:  
<https://www.change.org/p/eu-governments-stop-airplane-pollution-end-tax-breaks-for-airlines>
- The company 'Responsible Travel' argue for a 'green flying duty' as part of a new manifesto on tourism: <https://www.responsibletravel.com/copy/manifesto-aviation>
- Siân Berry, the co-leader of the Green party, [has called on people to take no more than one flight a year](#) and suggested a tax should be imposed on further journeys. Berry hasn't flown since 2005. See:  
<https://www.theguardian.com/travel/2019/may/22/could-you-give-up-flying-meet-the-no-plane-pioneers>
- Curbing aviation with a Frequent Flyer Levy and aviation fuel duty – a fair tax package:  
<http://www.transportforqualityoflife.com/radicaltransportpolicytwopagers/>
- Public attitude in the UK to tackling aviation's climate change impacts: <https://1010uk.org/flying>

