

Delivering Scotland's Air Departure Tax

Consultation

January 2026

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Ministerial Foreword



Our tax system plays an integral role in funding the public services we all rely on in Scotland. The Scottish Government's [Framework for Tax](#) and [Tax Strategy](#) provide the foundation from which we can design and deliver tax policies that support our national outcomes and our pursuit of a fairer, greener and more prosperous Scotland for everyone.

The Scottish Parliament passed the Air Departure Tax (Scotland) Act in 2017 and since then we have remained fully committed to finding a solution that would allow us to deliver Air Departure Tax in a way that protects the vital aviation connectivity that communities in the Highlands and Islands rely upon.

I was pleased to be able to set out in my 2026-27 Scottish Budget that we have developed a solution for the Highlands and Islands exemption, and that Air Departure Tax would become operational from 1 April 2027. I also set out this Government's intention to explore higher rates for private jets flights to ensure that users and operators of private jets make a fair contribution to our public finances.

This consultation seeks your views on these important matters, as well as on the direction of future policy for Air Departure Tax.

When introduced, Air Departure Tax will increase the range of tax powers available to the Scottish Parliament and the proportion of the Scotland Government's budget that is raised from devolved taxes. This delivers another aspect of the Smith Commission Agreement and our commitment in the Tax Strategy to work towards the implementation of Air Departure Tax.

I am keen that the tax is developed collaboratively with stakeholders and I look forward to hearing from as wide a variety of individuals and organisations as possible, particularly those involved with aviation, the Highlands and Islands, rural affairs, tax, environmental and legal sectors.

Shona Robison MSP
Cabinet Secretary for Finance and Local Government

Introduction

Scottish Approach to Taxation

The Scottish Government's approach to tax policy has developed over time, particularly following the devolution of further tax powers in 2016. In December 2021, the Scottish Government published Scotland's first [Framework for Tax](#), which sets out the principles and strategic objectives that underpin the Scottish Approach to Taxation, as well as our approach to decision making, engagement and how we manage and sequence tax policy and delivery. This approach was further emphasised and developed in the [Tax Strategy](#), which was published in December 2024. The Tax Strategy set out the Scottish Government's commitment to involving stakeholders wherever possible in the design of our tax system, and this consultation forms a part of that approach.

Our approach continues to be underpinned by the four canons of taxation proposed by the renowned Scottish economist Adam Smith. These are certainty, proportionality to the ability to pay, convenience and efficiency. We have added two further principles to reflect our commitment to engaging and collaborating with stakeholders, and to reflect our approach to tackling tax avoidance.



Figure 1 – Scottish Approach to Taxation

The Framework ensures that our decisions on tax policy are coherent and rooted in a defined set of principles and objectives, rigorously appraised and developed through an established policy cycle, which puts proactive engagement at the heart of tax policy making.

We will take full account of the principles and objectives set out in the Framework in carrying out this consultation and future ADT policy development.

Air Departure Tax

The [Scotland Act 2016](#) provides the Scottish Parliament with the power to introduce a devolved tax on the carriage of passengers on flights from airports in Scotland, to replace the UK Air Passenger Duty (APD). This followed the [2014 Smith Commission](#), which recommended that the power to implement such a tax be devolved.

APD has been in place since 1994 and is paid by air carriers. It is chargeable on a per passenger basis and applies to flights departing from UK airports. APD follows a band structure with the rates payable by air carriers varying by destination and class of travel. In 2001, the UK Government introduced an exemption to APD covering outbound flights from all Highland and Islands airports to anywhere in the world (including connecting flights).

The Scottish Parliament passed the Air Departure Tax (Scotland) Act in 2017 to establish ADT as the devolved tax in place of APD with a planned introduction date of 1 April 2018.

However, the Scottish Government identified concerns around the existing APD Highlands and Islands exemption's compliance with European Commission State Aid rules. In 2017, Scottish Ministers took the position that the Highlands and Islands exemption would need to be notified to and approved by the European Commission. This was because the Scottish Parliament was legislating for the first time on this matter and required certainty that continuing to tax exempt the carriage of passengers on Highlands and Islands flights under a new exemption would be compliant with EU State Aid rules.

The Scottish Government deferred the introduction of ADT beyond its originally planned implementation date of 1 April 2018 on the basis that maintaining the exemption was necessary to protect connectivity for communities in the Highlands and Islands, and to ensure that devolved powers were not compromised. The Scottish Government has consistently reaffirmed its commitment to the introduction of ADT once a solution for the Highlands and Islands exemption was identified.

In line with this commitment, the 2026-27 Scottish Budget set out that the Scottish Government had developed proposals for a revised Highlands and Islands exemption and that ADT would come into effect on 1 April 2027.

ADT rates and bands will match those of the UK Government's APD for the first year of operation in 2027-28 to provide certainty and stability for industry and taxpayers. Rates and bands for 2028-29 will be set out at the 2027-28 Scottish Budget.

Purpose of the consultation

This consultation seeks views on the Scottish Government's proposals for a Highlands and Islands exemption from ADT. Responses to this consultation will support the development of the secondary legislation which will give effect to an ADT Highlands and Islands exemption and inform the associated impact assessments.

While decisions on future ADT policy (e.g. from 2028-29 onwards) will be taken at future Scottish Budgets in the next Scottish Parliament, this consultation also invites evidence and views on the broader role of ADT. This is intended to ensure that ADT policy is well-designed, takes full account of the Scottish context and maximises the opportunities offered by devolution.

We would like to hear from as wide a variety of individuals and organisations as possible, particularly those involved with aviation, the Highlands and Islands, rural affairs, tax, environmental and legal sectors. We will hold roundtable events with aviation industry representatives, regional stakeholders and business organisations during the consultation period.

Next steps

The consultation will remain open for eight weeks, closing on 26 March 2026, in line with the dissolution of the Scottish Parliament in advance of the Scottish Parliament election on 7 May 2026.

The Scottish Government will publish its response to this consultation and introduce the secondary legislation required to commence ADT during the next session of the Scottish Parliament.

Consultation Structure

This consultation document comprises four parts.

Part A – Highlands and Islands exemption

Part B – Taxation of private jets

Part C – Operational and future policy considerations

Part D – Impact Assessments

Part E – Reference and Response

Part A: Highlands and Islands Exemption

This part sets out the strategic context for a revised Highlands and Islands exemption from Air Departure Tax and concludes by inviting views on the exemption.

The context for a Highlands and Islands exemption from ADT

Since 2001, flights departing from airports in the Highlands and Islands to anywhere in the world (including passengers travelling via connecting flights) have been exempt from APD. This measure was brought forward by the UK Government at the time in “recognition of the reliance on air transport by many people in this remote region.”¹ Calls to extend the exemption to other regions were resisted on the basis that the Highlands and Islands is “the only UK region with population density less than 12.5 people per square kilometre.”²

The Scottish and UK governments continue to recognise the permanent disadvantage faced by the Highlands and Islands region by virtue of its geographical remoteness and sparse population. In 2024, the Scottish Government published an [Aviation Statement](#) which set out the strategic importance of aviation and the Scottish Government’s objective of encouraging aviation connectivity in the Highlands and Islands region.

The Highlands and Islands region comprises 51% of Scotland's land mass but less than 9% of its population. Five of the six local authorities included in the Highlands and Islands exemption (Na h-Eileanan Siar, Highland, Argyll and Bute, Shetland Islands, Orkney Islands) have the lowest population densities (persons per square kilometre) among all local authorities in Scotland and the rest of Great Britain.³ Aviation therefore plays a major role alongside other modes of transport in connecting Highlands and Islands communities to each other and to the rest of the country, and in supporting economic activity and social cohesion.

The Scottish Government is committed to the objective of promoting connectivity in an area that experiences disadvantages arising from clear geographic and demographic differences to the rest of the country. There therefore remains a strong case for a form of tax exemption under ADT for Highlands and Islands flights to help maintain and promote that much needed regional aviation connectivity.

In considering proposals for how to achieve this policy objective within a devolved ADT, the Scottish Government explored the possibility of replicating the current APD exemption. However, the introduction of ADT constitutes the implementation of a wholly new tax under the terms of the UK Government’s Subsidy Control Act 2022. This means that the Scottish Government must consider anew whether conferring a tax exemption on Highlands and Islands flights would qualify as a subsidy and, if so, whether such an exemption for Highlands and Islands flights may be delivered in

¹ [Air passenger duty: introduction](#)

² *Ibid*

³ Office for National Statistics (2023), Population Density. Available at: [Population density - Office for National Statistics](#)

compliance with the Subsidy Control Act 2022.

The Scottish Government's proposal for a revised Highlands and Islands exemption

The Scottish Government proposes to introduce a Highlands and Islands exemption from 1 April 2027, alongside the commencement of ADT, for:

- the carriage of passengers on flights which begin at an airport in the Highlands and Islands region and where the final destination is an airport in the UK; and
- the carriage of passengers on flights which begin at any Scottish airport and where the final destination is an airport in the Highlands and Islands region.

What the exemption will now apply to:

Passengers travelling on flights departing from airports in the Highlands and Islands where the passenger's final destination is an airport in the UK will be exempt from ADT, as is currently the case under APD. This will apply whether the passenger is carried on a direct flight or through connected flights with a final destination in the UK. For example, the carriage of passengers travelling on connecting flights from Stornoway Airport to Glasgow Airport, then from Glasgow Airport to London Heathrow would not be subject to ADT.

The Scottish Government proposes to strengthen the exemption's purpose of promoting and assisting travel in remote and rural regions by extending the exemption to the carriage of passengers on flights to airports in the Highlands and Islands region from all Scottish airports. This goes beyond the current APD exemption and would exempt both legs of intra-Scotland flights to and from airports in the Highlands and Islands.

Currently, the carriage of passengers travelling to airports in the Highlands and Islands from other airports in the UK, including in Scotland, incur APD. In practice, this means that outbound flights from airports in the Highlands and Islands region are APD exempt while inbound flights to those airports from elsewhere in the UK are currently APD liable. Under ADT, air carriers will not be liable to pay ADT for passengers on direct or connecting flights which begin at any Scottish airport, including Glasgow International Airport, Edinburgh Airport, Aberdeen Airport, Glasgow Prestwick Airport or Dundee Airport, and where the final destination is an airport in the Highlands and Islands region.

This aspect of the exemption will only apply to the carriage of passengers on flights departing from airports in Scotland. The tax treatment of flights destined for airports in the Highlands and Islands from airports outside of Scotland will remain a matter for the departing tax jurisdiction. The tax treatment of flights from the rest of the UK to airports in the Highlands and Islands region (e.g. Bristol to Inverness) will fall under the scope of APD and therefore remain a matter for the UK Government.

[Schedule 1 to the Air Departure Tax \(Scotland\) Act 2017](#) sets out the provisions which determine what is a 'connected' flight for the purposes of ADT. Annex A sets out the airports in the Highlands and Islands region covered by the exemption.

What the exemption will no longer apply to:

The Scottish Government recognises the importance and benefits to Scotland of good international aviation connectivity. In developing a revised Highlands and Islands exemption from ADT, the Scottish Government has considered whether its objective to protect Highlands and Islands aviation connectivity, with a specific focus on domestic routes, would be best served by an exemption from ADT for air carriers carrying passengers to international destinations from airports in the Highlands and Islands region but not from airports in other parts of Scotland.

Including international services within the exemption – as is the case with APD – is the aspect of the exemption that requires the most careful consideration against Subsidy Control principles due to competition between airports for international services.

The Scottish Government has reflected on the underpinning rationale for a Highlands and Islands exemption, which centres on an equity rationale in relation to the region's clear geographic and demographic differences to the rest of the country. In doing so, the Scottish Government has concluded that carrying over the international aspect of the APD exemption into an ADT Highlands and Islands exemption goes beyond the stated policy objective of the exemption. Continued uncertainty over the Subsidy Control position in relation to international services also risks undermining the opportunities that the introduction of ADT will bring and the additional domestic connectivity benefits that are included in the revised Highlands and Islands exemption.

The exemption will, therefore, **not** apply to the carriage of passengers on direct or connected flights beginning at an airport in the Highlands and Islands region with a final destination at an airport outside the UK. This is in line with the ADT position for international flights from all other Scottish airports. For example, the carriage of passengers travelling on connecting flights from Kirkwall Airport in Orkney to Edinburgh Airport, then from Edinburgh Airport to Paris would not qualify for the exemption, on any leg of the journey. Annex B sets out further worked examples to demonstrate the different tax treatment under the proposed new exemption.

This change from the current APD exemption is intended to achieve parity between Scottish airports for international travel and reduce the risk of distortion of competition for international travel as much as possible, in line with subsidy control principles.

The exemption will also not apply to passengers travelling on private jets to and from Highlands and Islands airports. The definition of 'private jet' is explained in the next section.

Conclusion

Assisting travel and connectivity in remote regions is accepted as a legitimate equity rationale for the purpose of Subsidy Control. The proposed Highlands and Islands exemption is designed to serve that purpose and is consistent with wider Scottish Government policy and objectives in this area. Furthermore, the modifications the Scottish Government has made to the exemption in respect of international services promote equal competition and reduce the potential for distortive effects relative to the current APD exemption.

Questions

A1 - Do you agree that the carriage of passengers from airports in the Highlands and Islands to airports in Scotland and the rest of the UK should be exempt from ADT?

A2 - Do you agree that the carriage of passengers to airports in the Highlands and Islands from all Scottish airports should be exempt from ADT?

A3 - Do you agree that direct and connecting international flights from airports in the Highlands and Island should **not** be exempt from ADT?

A4 - How could different segments of the aviation market respond to the proposed Highlands and Islands exemption?

A5 - What impact could the proposed Highlands and Islands exemption have on:

- customer demand
- route viability
- regional economic development
- any other factors.

A6 - Do you agree that the carriage of passengers on private jets should not be included within the scope of the exemption?

A7 - Will air carriers face any operational or administrative challenges in applying the proposed Highlands and Islands exemption?

Part B: Taxation of Private Jet Flights

The Scottish Government has been proactive in supporting the development of commercial air services and, as we transition from APD to ADT, we are mindful of the need for Scottish airports to continue to compete with airports in the rest of the UK and elsewhere to attract these services.

However, it is the Scottish Government's understanding that private aircraft generally carry far fewer passengers than commercial flights and so emit more carbon emissions per head. The Scottish Government is committed to the 'polluter pays' principle, while our progressive approach to taxation ensures that those with the broadest shoulders contribute more. Therefore, an increased rate of tax on private jets is in line with these principles and may discourage their use and reduce emissions. As such, the Scottish Government is seeking views and evidence on the potential impacts of applying higher rates of ADT (relative to APD) through a supplement on private jet flights in future.

The carriage of passengers on private jet flights from UK airports currently incurs the 'Higher' rate of APD, which currently applies to flights above 20 tonnes with fewer than 19 seats. At its 2025 Budget, the UK Government confirmed it will extend the scope of the Higher rate by lowering the weight threshold from 20 tonnes to 5.7 tonnes with effect from 1 April 2027.⁴ In order to capture all private jets over 5.7 tonnes, the higher rate will apply to flights meeting *any* of the following conditions:

- i. the agreement of carriage is not comprised of a ticket
- ii. there is no published schedule for the flight/the flight is not a scheduled flight, and/or
- iii. the departure date and time, departure location and arrival location are specifically negotiated with the customer or customer's representative.

To provide certainty and stability for taxpayers, passengers and the aviation sector, the Scottish Government will match the UK Government's APD rates and bands for the first year of ADT's operation (tax year 2027-28). This will include matching the UK Government's higher rate of APD which applies to the carriage of passengers on private jet flights and the upcoming changes to the weight threshold.

Beyond the first year of ADT, the Scottish Government is committed to ensuring that users of private jets contribute fairly to the public finances by implementing a private jet supplement. As such, the Scottish Government is seeking views and evidence on the potential impacts of applying higher rates of ADT (relative to APD) on those who opt to travel using private jets.

Questions

B1 - Who are the primary users of private jet flights departing from Scottish airports?

B2 - What are the primary reasons for using private jets?

⁴ [Reform of Air Passenger Duty for private jets: consultation response - GOV.UK](#)

B3 - What evidence can you provide about demand, profitability and price sensitivity of the private jet sector in Scotland?

B4 - What role could ADT play in supporting decarbonisation of the private jet sector?

B5 - What additional factors should the Scottish Government consider in setting future ADT rates for private jet flights?

Part C: Operational and Future Policy Considerations

Operation of Air Departure Tax

[Revenue Scotland](#) will be responsible for the collection and management of ADT. [The Revenue Scotland and Tax Powers Act 2014](#) (RSTPA) provides the legislative framework for the collection and management of existing fully devolved taxes, including powers in relation to penalties, compliance and information gathering. ADT, as a new fully devolved tax, will be included within this legislative framework which will be modified as necessary prior to 1 April 2027.

The Air Departure Tax (Scotland) Act 2017 provides for a tax that is broadly similar to APD. A key difference is that aircraft operators undertaking regular taxable activity will make returns quarterly rather than monthly. Revenue Scotland will soon be engaging with airline operators to inform the development of their tax collection systems, processes and guidance.

Together, the Air Departure Tax (Scotland Act 2017) and the RSTPA 2014 will provide the overall legislative framework for the introduction of ADT on 1 April 2027. The Scottish Government remains open to considering the case for future changes, refinements or enhancements to ensure that the tax, and the administrative arrangements in place to collect it, provide the best possible value for money and levels of efficiency.

In support of the Scottish Framework for Tax commitment that taxes should be collected in a manner which maximises convenience for the taxpayer, the collection and management of the tax will be designed to take place online in accordance with Scottish Government's [Digital Nation Principles](#).

Question

C1 - Do you have any comments or suggestions regarding the legislative and operational framework currently in place for ADT? Do you foresee any potential challenges under the current framework?

Future policy considerations

The Scottish Government published the high-level principles of ADT on 25 June 2025. The high-level principles of ADT are that the tax will:

- Generate stable revenues to fund public services in Scotland;
- Protect Highlands and Islands aviation connectivity;
- Promote Scotland's connectivity and growth objectives; and
- Support our net zero ambitions.

It will not be possible for each aspect of ADT policy to address each principle equally, and trade-offs will be required. However, the principles provide the long-term foundation for industry, passengers, businesses and the Scottish Government to work together to realise the economic and wider opportunities arising from the implementation of ADT in Scotland.

To provide certainty and stability for industry and taxpayers, the Scottish Government will match the UK Government's APD rates and bands for the first year of ADT's operation (2027-28). Rates and bands for 2028-29, including for the private jet supplement, will be set at the 2027-28 Scottish Budget. In doing so, the Scottish Government will consider the projected economic, environmental and social impacts of the proposed rates and bands, as required by [section 17\(2\) of the Air Departure Tax \(Scotland\) Act 2017](#).

To support the preparation of ADT rates and bands for 2028-29 and future years, the Scottish Government welcomes views and evidence on the role of ADT to support its high-level principles and broader priorities as a Government, as set out in its [2025-26 Programme for Government](#).

In doing so, respondents should consider the implications that devolution of APD will have on the Scottish Budget.

The Scottish Fiscal Commission's (SFC) latest illustrative forecast of Scotland's share of APD revenues is £354 million in 2027-28.⁵ The SFC will include a forecast of ADT revenues as part of their main tax forecasts accompanying the 2027-28 Scottish Budget.

From 1 April 2027, a deduction will be made to Scotland's Block Grant to reflect that the UK Government will no longer collect APD in Scotland (known as a Block Grant Adjustment, or BGA). The Scottish Government will then retain revenues from Air Departure Tax. This is in line with the Fiscal Framework Agreement between the UK and Scottish Governments, and the arrangements in place for other fully devolved taxes.⁶

The size of the BGA will be indexed to APD revenues in the rest of the UK and will therefore be influenced by changes to APD policy and the conditions in the underlying tax base (for example, growth in passenger numbers). ADT revenues will be influenced by these same factors in a Scottish context.

All things being equal, the introduction of ADT would have a revenue-neutral effect on the Scottish Budget. However, the true impact will likely be positive or negative, depending on policy decisions taken by the UK and Scottish governments and the extent to which the performance of the underlying tax bases differs between APD and ADT.

⁵ [Scotland's Economic and Fiscal Forecasts – January 2026](#)

⁶ [Fiscal framework: agreement between the Scottish and UK Governments - gov.scot](#)

Question

C2 - What are your views on the future role for ADT policy in Scotland and the associated economic, environmental and social impacts?

Part D: Impact Assessments

In accordance with legislative requirements, a number of Impact Assessments are or will be completed as part of work to develop ADT.

Business and Regulation

In developing proposals for legislation, a Business and Regulatory Impact Assessment (BRIA) analyses whether a policy is likely to increase or reduce the costs and burdens placed on businesses, the public sector, voluntary and community organisations.

Your comments will help inform the BRIA.

Question

D1 - Do you have any information which could inform any final BRIA relating to the revised Highlands and Islands exemption?

Child Rights and Wellbeing Impact Assessment

The Articles of the UN Convention on the Rights of the Child and the child wellbeing indicators under the Children and Young People (Scotland) Act 2014 apply to all children and young people up to the age of 18, including non-citizen and undocumented children and young people.

Passengers who have not yet reached the age of 16 before the departure date of the flight are designated as non-chargeable passengers under the 2017 ADT Act.

Question

D2 - Are you aware of any examples of particular current or future impacts, positive or negative on young people, (children, pupils, and young adults up to the age of 26) of any aspect of the proposals in this consultation?

Environment

The Environmental Assessment (Scotland) Act 2005 requires those preparing public plans and programmes to undertake a Strategic Environmental Assessment (SEA) if they are likely to result in significant environmental effects when implemented.

Question

D3 - Are you aware of any examples of potential impacts, either positive or negative, that you consider any of the proposals in this consultation may have on the environment?

Equality

In developing proposals for an ADT Highlands and Islands exemption, the public sector equality duty requires the Scottish Government to pay due regard to the need to:

- eliminate discrimination, victimisation, harassment or other unlawful conduct that is prohibited under the Equality Act 2010;
- advance equality of opportunity between people who share a protected characteristic and those who do not; and
- foster good relations between people who share a relevant protected characteristic.

These three requirements apply across the 'protected characteristics' of:

- age;
- disability;
- gender reassignment;
- marriage and civil partnership;
- pregnancy and maternity;
- race;
- religion and belief;
- sex; and
- sexual orientation.

We have considered the proposals against the needs of the general equality duty as set out in section 149 of the Equality Act 2010, and have considered whether the measures could constitute direct and/or indirect discrimination.

On present evidence, we do not assess that this policy will have any impact on those who share a protected characteristic. This assessment will be updated following the public consultation, and associated engagement, to reflect any new evidence.

Question

D4 - Are you aware of any examples of how the proposals in this consultation may impact, either positively or negatively, on these with protected characteristics (age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation)?

Fairer Scotland Duty

The Fairer Scotland Duty is set out in legislation in Part 1 of the Equality Act 2010 and came into force in Scotland from April 2018. It requires Scottish Ministers and named public bodies to actively consider what more can be done to reduce the 'inequalities of outcome' caused by 'socio-economic disadvantage' when making 'strategic decisions'.

Question

D5 - Are you aware of any examples of potential impacts, either positive or negative that you consider any of the proposals in this consultation may have on groups or areas at socio-economic disadvantage (such as income, low wealth or area deprivation)?

Island Communities

The Islands (Scotland) Act 2018 provides for a duty on Scottish Ministers and other relevant public bodies that they must have regard to island communities in exercising their functions and in the development of legislation.

Section 13 of the 2018 Act obliges the Scottish Ministers to prepare an Islands Communities Impact Assessment (ICIA) in relation to legislation which, in their opinion, is likely to influence an island community that is significantly different from its effect on other communities in Scotland.

Questions

D6 - Are you aware of any examples of how the proposals in this consultation might impact, positively or negatively, on island communities in a way that is different from the impact on mainland or other areas?

D7 - Are you aware of any examples of how the proposals in this consultation might impact, either positively or negatively, on rural communities on mainland Scotland?

Part E: Reference and Response

This part includes a glossary of terms, a list of reliefs and exemptions presently in place for the UK levy, a full list of the questions in this consultation document, and details of how to submit a response.

Glossary of Terms

ADT: Air Departure Tax

APD: Air Passenger Duty

Block Grant: Funding received by the Scottish Government made up of consequential of UK Government expenditure, calculated by the Barnett Formula.

Block Grant Adjustment (BGA): Deductions or additions to the Scottish Government's total Block Grant to reflect devolved tax receipts or social security expenditure.

Devolved Tax: A tax which is set and managed by the Scottish Parliament.

Fiscal Framework: The Fiscal Framework agreement between Scottish and UK Governments determines how the Scottish Government is funded, and underpins the powers set out in the Scotland Act 2016. The Fiscal Framework is a transparent mechanism for adjusting the Block Grant to reflect devolved revenues and the transfer of responsibility for social security to the Scottish Government.

Net Zero: Achieving an overall balance between emissions produced and emissions taken out of the atmosphere.

Reserved Tax: A tax which is set and managed by the UK Parliament.

Revenue Scotland: Revenue Scotland is the tax authority with responsibility for the collection and management of Scotland's devolved taxes.

Revenue Scotland Tax Powers Act 2014: Makes provision for a Scottish Tax System to enable the collection and management of devolved tax. It puts in place a statutory framework which applies to the devolved taxes and sets out in clear terms the relationship between the tax authority and taxpayers in Scotland, including the relevant powers, rights and duties.

Scotland Act 2016: An act of the UK Parliament devolving further powers to the Scottish Parliament. The Act enacts recommendations of the Smith Commission.

Scottish Fiscal Commission: The Scottish Fiscal Commission provides the independent economic and fiscal forecaster that underpin the Scottish Budget.

Smith Commission: The Smith Commission was convened in September 2014 and charged with reaching a cross-party agreement on the devolution of further powers to the Scottish Parliament. The Smith Commission published its recommendations in November 2014.

Subsidy Control Act 2022: From 4 January 2023, public funding became subject to a new, UK-wide subsidy control regime. The framework for this new regime is provided in the [Subsidy Control Act 2022](#).

Annex A – Airports in the Highlands and Islands Region

Articles 3 and 4 of the [Air Passenger Duty \(Designated Region of the United Kingdom\) Order 2001](#) designate the Highlands and Islands region as the following for the purposes of s.31(4B) of the Finance Act 2000:

“(a) the Highland Region, Western Isles Islands area, Orkney Islands Area, Shetland Islands Area, Argyll and Bute District, Arran, Great Cumbrae and Little Cumbrae; and

(b) in the Moray District, the parishes of Aberlour, Cabrach, Dallas, Dyke, Edinkillie, Forres, Inveravon, Kinloss, Kirkmichael, Knockando, Mortlach, Rafford and Rothes.”

While the APD H&I exemption is based on geographical location rather than granted to individual enterprises, the relevant airports located within those locations that benefit from the current APD and proposed ADT Highlands and Islands exemption are:

- Barra Airport
- Benbecula Airport
- Campbelltown Airport
- Inverness Airport
- Islay Airport
- Kirkwall Airport
- Lerwick Airport
- Stornoway Airport
- Sumburgh Airport
- Tiree Airport
- Wick / John O’Groats Airport

Annex B – Worked Examples

The following examples demonstrate the differences in the tax treatment between the current APD Highlands and Islands exemption and the proposed ADT exemption.

Note that ADT and the proposed Highlands and Islands exemption apply only to flights departing from airports in Scotland. Flights arriving in Scotland are liable for any taxes due at the origin of departure, including from the rest of the UK where APD will apply (for example, Heathrow to Inverness is liable for APD, not ADT).

Route	APD	ADT
Inverness – Heathrow	Exempt	Exempt
Inverness – Heathrow – Dubai	Exempt*	Taxable*
Glasgow – Dubai	Taxable	Taxable
Inverness – Amsterdam	Exempt	Taxable
Aberdeen – Sumburgh	Taxable	Exempt
Sumburgh – Aberdeen	Exempt	Exempt
Edinburgh – Kirkwall – Sumburgh	Taxable	Exempt**
Sumburgh – Kirkwall – Edinburgh	Exempt**	Exempt**

* When travelling on connecting flights.

** Whether travelling on connecting flights or individual tickets for each leg.

Question List

Part A: Highlands and Islands Exemption

A1 - Do you agree that the carriage of passengers from airports in the Highlands and Islands to airports in Scotland and the rest of the UK should be exempt from ADT?

A2 - Do you agree that the carriage of passengers to airports in the Highlands and Islands from all Scottish airports should be exempt from ADT?

A3 - Do you agree that direct and connecting international flights from airports in the Highlands and Island should **not** be exempt from ADT?

A4 - How could different segments of the aviation market respond to the proposed Highlands and Islands exemption?

A5 - What impact could the proposed Highlands and Islands exemption have on:

- customer demand
- route viability
- regional economic development
- any other factors

A6 - Do you agree that the carriage of passengers on private jets should not be included within the scope of the exemption?

A7 - Will air carriers face any operational or administrative challenges in applying the proposed Highlands and Islands exemption?

Part B: Taxation of Private Jets

B1 - Who are the primary users of private jet flights departing from Scottish airports?

B2 - What are the primary reasons for using private jets?

B3 - What evidence can you provide about demand, profitability and price sensitivity of the private jet sector in Scotland?

B4 - What role could ADT play in supporting decarbonisation of the private jet sector?

B5 - What additional factors should the Scottish Government consider in setting future ADT rates for private jet flights?

Part C: Operational and Future Policy Considerations

C1 - Do you have any comments or suggestions regarding the legislative and operational framework currently in place for ADT? Do you foresee any potential challenges under the current framework?

C2 - What are your views on the future role for ADT policy in Scotland and the associated economic, environmental and social impacts?

Part D: Impact Assessments

D1 - Do you have any information which could inform any final BRIA relating to the revised Highlands and Islands exemption?

D2 - Are you aware of any examples of particular current or future impacts, positive or negative on young people, (children, pupils, and young adults up to the age of 26) of any aspect of the proposals in this consultation?

D3 - Are you aware of any examples of potential impacts, either positive or negative, that you consider any of the proposals in this consultation may have on the environment?

D4 - Are you aware of any examples of how the proposals in this consultation may impact, either positively or negatively, on these with protected characteristics (age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation)?

D5 - Are you aware of any examples of potential impacts, either positive or negative that you consider any of the proposals in this consultation may have on groups or areas at socio-economic disadvantage (such as income, low wealth or area deprivation)?

D6 - Are you aware of any examples of how the proposals in this consultation might impact, positively or negatively, on island communities in a way that is different from the impact on mainland or other areas?

D7 - Are you aware of any examples of how the proposals in this consultation might impact, either positively or negatively, on rural communities on mainland Scotland?

How To Respond

We are inviting responses to this consultation by 26th March 2026.

Please respond to this consultation using the Scottish Government's consultation hub, Citizen Space (<http://consult.gov.scot>). Access and respond to this consultation online at <https://consult.gov.scot/tax/air-departure-tax>. You can save and return to your responses while the consultation is still open. Please ensure that consultation responses are submitted before the closing date of 26th March 2026.

If you are unable to respond using our consultation hub, please complete the Respondent Information Form, and send it with your response:

By email to: AirDepartureTax@gov.scot

Or by post to:
Air Departure Tax
Directorate for Tax
Area 3D North, Victoria Quay
Edinburgh
EH6 6QQ

Handling your response

If you respond using the consultation hub, you will be directed to the About You page before submitting your response. Please indicate how you wish your response to be handled and, in particular, whether you are content for your response to be published. If you ask for your response not to be published, we will regard it as confidential, and we will treat it accordingly.

All respondents should be aware that the Scottish Government is subject to the provisions of the Freedom of Information (Scotland) Act 2002 and would therefore have to consider any request made to it under the Act for information relating to responses made to this consultation exercise.

If you are unable to respond via Citizen Space, please complete and return the Respondent Information Form included in this document.

To find out how we handle your personal data, please see our privacy policy: <https://www.gov.scot/privacy/>

Next steps in the process

Where respondents have given permission for their response to be made public, and after we have checked that they contain no potentially defamatory material, responses will be made available to the public at <http://consult.gov.scot>. If you use the consultation hub to respond, you will receive a copy of your response via email.

Following the closing date, all responses will be analysed and considered along with any other available evidence to help us. Responses will be published where we have been given permission to do so. An analysis report will also be made available.

Comments and complaints

If you have any comments about how this consultation exercise has been conducted, please send them to the contact address above or email above.

Scottish Government consultation process

Consultation is an essential part of the policymaking process. It gives us the opportunity to consider your opinion and expertise on a proposed area of work.

You can find all our consultations online: <http://consult.gov.scot>. Each consultation details the issues under consideration, as well as a way for you to give us your views, either online, by email or by post.

Responses will be analysed and used as part of the decision making process, along with a range of other available information and evidence. We will publish a report of this analysis for every consultation. Depending on the nature of the consultation exercise the responses received may:

- indicate the need for policy development or review;
- inform the development of a particular policy
- help decisions to be made between alternative policy proposals
- be used to finalise legislation before it is implemented

While details of particular circumstances described in a response to a consultation exercise may usefully inform the policy process, consultation exercises cannot address individual concerns and comments, which should be directed to the relevant public body.

Respondent Information Form

Delivering Scotland's Air Departure Tax

Please Note: this form must be completed and returned with your response.

Please indicate how you wish your response to be handled and, in particular, whether you are content for your response to be published. If you ask for your response not to be published, we will still take account of your views in our analysis but we will not publish your response, quote anything that you have said or list your name. We will regard your response as confidential, and we will treat it accordingly.

To find out how we handle your personal data, please see our [privacy policy](#) at the bottom of the page. By submitting your response to Scottish Government you agree to our privacy policy.

1. What is your name?
2. What is your email address?

Your email address will never be published. Your email address will be used if you give permission below to be contacted again in future about this consultation.

3. Are you responding as an individual or an organisation?

Individual

Organisation

4. What is your organisation?

If responding on behalf of an organisation, please enter the organisation's name here.

5. The Scottish Government would like your permission to publish your consultation response. Please indicate your publishing preference:

Publish response with name

Publish response only (without name)

Do not publish response

Information for organisations only:

The option 'Publish response only (without name)' refers only to your name, not your organisation's name. If this option is selected, the organisation name will still be published.

If you choose the option 'Do not publish response', your organisation name may still be listed as having responded to the consultation in, for example, the analysis report.

6. Do you consent to Scottish Government contacting you again in relation to this consultation exercise?

Yes

No

7. I confirm that I have read the privacy policy and consent to the data I provide being used as set out in the policy.

You can view the privacy policy here: [Privacy - gov.scot \(www.gov.scot\)](http://www.gov.scot/privacy)

I consent



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Any enquiries regarding this publication should be sent to us at

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