

Brussels, 2/3-2018

Dear State Secretary,

Thank you very much for your letter sharing the ideas of the Government of the Netherlands concerning possible actions with regard to aviation tax in the Netherlands and the possibility for an EU initiative in this policy area.

Taxation at national level in this area is of course possible, provided that it is in line with EU law. A tax at EU level can always be considered. But it should be clear from the outset if the tax would have a budgetary purpose only or if it would address environmental policy objectives. This is important in order to assess such tax and design it properly.

The Commission would like to remind that the aviation sector is currently covered by the EU Emission Trading System, even if the EU has decided to limit the scope to flights within the EEA until the development of a global measure by the International Civil Aviation Organization (ICAO). ICAO is currently working on a market-based instrument called CORSIA (Carbon Offsetting and Reduction Scheme for International Aviation) to address greenhouse gas emissions on a global scale. Furthermore, the Chicago Convention and bilateral air service agreements in place provide for tax exemption of commercial aviation fuel. Likewise, the EU Energy Tax Directive also provide for an exemption.

Regardless of that, several Member States are applying an air ticket tax, a levy or some sort of taxes on aviation. Taxation is a field of shared competence; the Commission's legislative initiative in this area is limited to proposing tax harmonisation for the purpose of ensuring the proper functioning of the internal market and for reasons of energy and environmental policy. To our knowledge no complaints have been received on distortion of competition or single market issues.

*Mr Menno Snel*  
*State Secretary for Finance of the Netherlands*  
*Korte Voorhout 7*  
*2511 CW Den Haag*

./..

In conclusion, I would like to stress that the Commission will not neglect the question of aviation tax and that we are reflecting on the necessary reforms within the current EU legal framework. However, the final decision will depend on the outcome of the on-going evaluation of the Energy Taxation Directive, the objectives of the EU transport policy and climate change policy and the position of the EU Member States. Considering the limited time left until the expiry of its current term, the Commission will be in a better position to consider the need for action in the field of aviation during its next term. I am looking forward to meeting with you to discuss these issues.

Yours sincerely,



---

Pierre Moscovici