



**WORKING PAPER**

**ASSEMBLY — 42ND SESSION**

**ECONOMIC COMMISSION**

**Agenda Item 26: Economic Development of Air Transport**

**PRESERVING ICAO PRINCIPLES ON TAXATION AND COUNTERING EMERGING AIR  
TRANSPORT TAXES**

(Presented by the United States)

**EXECUTIVE SUMMARY**

The International Civil Aviation Organization (ICAO) has long recognized that the air transport sector plays a critical role in global economic development, enabling international trade, tourism, and connectivity. Aviation supports 86.5 million jobs, 58% of international tourist travel, and one-third of global trade by value. Given its pivotal role in global connectivity and economic development, it is vital to safeguard the international aviation sector's efficiency, affordability, and resilience.

In 2023, the Global Solidarity Levies Task Force (GSLTF), led by France, Kenya, and Barbados, was launched to explore climate related taxation mechanisms. In 2025, the GSLTF launched a new coalition proposing to levy taxes on international air travel—particularly kerosene usage, premium class travel, private jets, and frequent flyers—intended to raise revenue for climate and development initiatives. While these objectives may be well intentioned, such measures undermine the integrity and efficiency of the global air transportation system. They also distort competition in the global air transportation sector and disproportionately harm developing and tourism-dependent economies. These measures run counter to established ICAO principles and recent Assembly Resolutions, including A41-21, which urges Member States to prevent the disproportionate targeting of international aviation for general climate finance purposes.

**Action:** The Assembly is invited to:

- a) acknowledge the negative impacts of international air transport taxes on connectivity, development, and economic growth;
- b) reaffirm ICAO's longstanding principles discouraging general revenue-raising taxation on international aviation, as outlined in Doc 8632; and
- c) request the Council to engage with relevant United Nations (UN) bodies and other international partners to discourage the proliferation of such taxes and reinforce ICAO's role in guiding global aviation economic policy.

<i>Strategic Goals:</i>	This working paper relates to Strategic Goal: The Economic Development of Air Transport Assures the Delivery of Economic Prosperity and Societal Well-Being for All
<i>Financial implications:</i>	
<i>References:</i>	Doc 8632 – ICAO's Policies on Taxation in the Field of International Air Transport Doc 9082 – ICAO's Policies on Charges for Airports and Air Navigation Services Doc 10184 – Assembly Resolutions in Force (as of 7 October 2022) ICAO Assembly Resolution A41-21

## 1. INTRODUCTION

1.1 Air transport is essential to global connectivity, providing a lifeline for trade, tourism, and personal mobility. It supports 86.5 million jobs, accounts for 58 percent of international tourist arrivals, and enables one-third of global trade by value.<sup>1</sup>

1.2 Commercial aviation is already subject to a wide range of taxes and charges, including corporate taxes, ticket taxes, freight levies, and air navigation fees—often comprising up to 40 percent of total airfare.<sup>2</sup> These costs are compounded by infrastructure-related charges, such as user charges and other fees.

1.3 Launched at the 28th meeting of the Conference of the Parties to the United Nations Climate Change Conference (COP28), the Global Solidarity Levies Task Force (GSLTF), co-chaired by the Governments of France, Kenya and Barbados, was established to “explore feasible, scalable and sensible options for climate levies.”<sup>3</sup> Ahead of the 30th meeting of the Conference of the Parties to the United Nations Climate Change Conference (COP30), a decision was made by the GSLTF to launch a coalition focused on introducing taxes relating to air transport. Among the proposals were a kerosene tax, a differentiated ticket tax based on travel class, a tax on private jets, and a frequent flyer tax.

1.4 In June 2025, the GSLTF turned their focus to a tax on premium passengers, estimating potential annual revenues of \$91 billion. Eight countries have already announced their intent to implement such taxes and additional participation is anticipated in advance of COP30. There are no clear guidelines that determine how and where this tax revenue would be used, though the GSLTF has alluded to “development” and “climate initiatives.”

## 2. CONFLICT WITH ICAO PRINCIPLES

2.1 On December 9, 1996, the ICAO Council adopted a Resolution strongly urging that if States choose to impose environmental levies on air transport, they should do so through charges instead of taxes. The Council further recommended that the revenue collected should be used primarily to reduce the environmental effects of aircraft engine emissions, such as by supporting technological research and development.

2.2 ICAO makes a clear distinction between charges and taxes. As outlined in *Doc 8632 – ICAO’s Policies on Taxation in the Field of International Air Transport* and reaffirmed in *Doc 10075 – Assembly Resolutions in Force (as of 6 October 2016)*:

*“A charge is a levy that is designed and applied specifically to recover the costs of providing facilities and services for civil aviation, and a tax is a levy that is designed to raise national or local government revenues which are generally not applied to civil aviation in their entirety or on a cost-specific basis”.*

2.3 The proposed tax in question is not linked to the provision of aviation-specific services and is intended solely to raise general government revenue. This places the GSLTF initiative squarely in the category of a tax, not a charge, and, as such, it runs contrary to ICAO’s principle that international air transport should not be subject to general revenue-raising taxation. Furthermore, there is no clearly defined beneficiary of the GSLTF tax revenues.

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<sup>1</sup> Ibid.

<sup>2</sup> International Air Transport Association, *Global Solidarity Levies Task Force* (unpublished white paper, n.d.).

<sup>3</sup> Global Solidarity Levies Task Force, “About,” accessed July 23, 2025, <https://solidaritylevies.org/>.

2.4 In Doc 8632 as well as Doc 9082 – *ICAO’s Policies on Charges for Airports and Air Navigation Services*, ICAO urges States to avoid discriminatory and double taxation. Targeting only international flights, premium passengers, or specific fuels could violate this principle. In particular, fuel for international aviation is historically exempt from taxation, which is a position that the proposed measures directly contravene.

2.5 Doc 10075 explicitly acknowledges the negative effects of taxation on international air transport: “*The imposition of taxes on international air transport... may have an adverse economic and competitive impact on international air transport operations.*” This principle recognizes the uniquely global, competitive nature of air transport, and the fact that airlines operate across jurisdictions and are especially vulnerable to asymmetric taxation. Unilateral or unevenly applied taxes risk distorting competition and weakening air connectivity, especially in developing regions.

2.6 Furthermore, the ICAO Council has consistently reiterated its concern over proposals to impose levies and taxes on international aviation. ICAO Assembly Resolution A41-21, paragraph 16 “urges that ICAO and its Member States express a clear concern, through the United Nations Framework Convention on Climate Change (UNFCCC) process, on the use of international aviation as a potential source for the mobilization of revenue for climate finance to the other sectors, in order to ensure that international aviation would not be targeted as a source of such revenue in a disproportionate manner.”

### 3. ECONOMIC AND SOCIAL IMPLICATIONS

3.1 Taxation is a well-documented obstacle to the growth of air transport. New taxes would increase costs for consumers, reduce passenger volumes, and undermine economic activity across tourism, trade, and related sectors.

3.2 The burden would fall disproportionately on developing and tourism dependent economies. According to an International Monetary Fund (IMF) analysis, aviation related taxes could reduce gross domestic product (GDP) by 0.5% to 6% in small and tourism driven States.<sup>4</sup> In such regions, air transport is not a luxury, it is a necessity.

3.3 With fuel costs comprising a significant share of airline expenses, taxes are likely to be passed on to passengers. IMF research suggests that nearly 100% of such taxes would be reflected in ticket prices.<sup>5</sup> Price sensitive leisure travel would be most affected, reducing tourist inflows and harming local economies.

3.4 Increased air transport costs would also hinder trade, particularly for geographically remote or island economies that depend heavily on aviation. These countries already face elevated logistics costs, and a proliferation of new taxes would widen the gap in global competitiveness.

3.5 If a GSLTF tax is applied inconsistently across jurisdictions, carriers may reroute through countries that do not impose it, undermining direct air services from participating States. This would penalize airlines based in participating countries and erode connectivity for regions that can least afford it.

3.6 Although framed as a climate initiative, the proposed taxes face significant public scepticism. A 2024 International Air Transport Association (IATA) survey across 15 countries found that 74% of respondents viewed such taxes as ineffective “greenwashing,” and an equal 75% said they don’t

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<sup>4</sup> Simon Black, Ian W.H. Parry, Sunalika Singh, and Nate Vernon-Lin. "Destination Net Zero: The Urgent Need for a Global Carbon Tax on Aviation and Shipping", *Staff Climate Notes* 2024, 003 (2024), accessed July 25, 2025, <https://doi.org/10.5089/9798400290244.066>.

<sup>5</sup> Ibid.

trust governments to spend tax revenue wisely. Meanwhile, 86% preferred investment in sustainable aviation fuels (SAF) as a more credible path to decarbonization.<sup>6</sup>

#### 4. CONCLUSION

4.1 Aviation underpins \$4.1 trillion in global GDP<sup>7</sup> and supports essential connectivity for developing economies. Making air travel less accessible risks economic exclusion, especially for regions that rely on tourism, air cargo, and cross border trade.

4.2 The proposed taxes, risk undermining ICAO principles and fragmenting policy coordination. They also lack clear mechanisms to ensure a reduction in emissions despite GSLTF claims. The international aviation sector already has a robust climate framework in place through ICAO. Rather than layering new and potentially duplicative or destructive taxes onto the sector, efforts should focus on supporting innovation and preserving the connectivity that underpins global development.

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<sup>6</sup> International Air Transport Association, “IATA Comments on Misguided Solidarity Levy Proposal” (press release, July 4, 2025), <https://www.iata.org/en/pressroom/2025-releases/2025-07-04-01/>.

<sup>7</sup> Air Transport Action Group, *White Paper: Aviation Carbon Pricing – The Aviation Sector’s Perspective on an Aviation Levy* (Geneva: Air Transport Action Group, June 2023), [https://atag.org/media/re1hcm3q/whitepaper\\_aviation-levy.pdf](https://atag.org/media/re1hcm3q/whitepaper_aviation-levy.pdf).