

GOVERNMENT OF INDIA
MINISTRY OF CIVIL AVIATION
RAJYA SABHA

UNSTARRED QUESTION NO. : 9

TO BE ANSWERED ON THE 20th July 2026

**HIGH ATF VAT IN WEST BENGAL AND ITS EFFECT ON KOLKATA
AIRPORT OPERATIONS**

9. SHRI BISWAJIT SINHA (RAHUL SINHA)

Will the Minister of CIVIL AVIATION be pleased to state:-

- (a) whether Government is aware that West Bengal levies VAT plus additional tax on Aviation Turbine Fuel totalling an effective rate of about 24 per cent at Kolkata, the highest among major metro airports, against 1 per cent in Uttar Pradesh and Andhra Pradesh;
- (b) whether this high ATF taxation has been identified as suppressing airline operations, route expansion and passenger growth at Kolkata airport;
- (c) whether any representations have been made to the West Bengal Government to rationalise ATF VAT in line with the national average; and
- (d) the estimated additional per-flight cost burden at Kolkata due to this differential taxation?

ANSWER

Minister of State in the Ministry of CIVIL AVIATION

(Shri Murlidhar Mohol)

(a) to (d) The Government of West Bengal levies 20% value added tax (VAT) plus 20% additional tax on Aviation Turbine Fuel (ATF), totalling an effective rate of about 24% at Kolkata. The issue of high VAT on ATF has been taken up with the States/ UTs, including West Bengal, by the Ministry of Civil Aviation.

Regarding Kolkata Airport, it has been observed that aircraft movement and passenger handled has seen a compounded annual growth of 1.2% and 5.9% respectively during 2022-2026. As per Summer Schedule, 2026, Kolkata Airport is connected to 69 destinations.

The operating costs of airlines are dynamic and their individual components vary due to multiple factors which inter alia include, price of ATF in international markets, foreign exchange rates, excise duties and VAT, etc. Although, ATF prices constitute a major aspect of airline operating expenses, but airfares are also determined by various other factors like real time demand, competitive forces, seasonality and operational considerations.
