

**GOVERNMENT OF INDIA
MINISTRY OF CIVIL AVIATION
LOK SABHA
UNSTARRED QUESTION NO. : 2060
(To be answered on the 28th July 2022)**

REDUCTION OF VAT ON ATF

2060. SHRI BRIJENDRA SINGH

Will the Minister of CIVIL AVIATION

नागर विमानन मंत्री

be pleased to state:-

- (a) whether the Value-Added Tax (VAT) on Aviation Turbine Fuel (ATF) has been reduced to under four per cent in several States including Haryana and if so, the details thereof;
- (b) whether the Government has been promoting environmental sustainability in the aviation industry, such as through carbon-mapping of airports and encouraging the use of Sustainable Aviation Fuels (SAFs), to achieve its goal of 'net carbon zero' by 2070 and if so, the details thereof; and
- (c) whether the drastic reduction in VAT on ATFs would serve as a disincentive for airlines adopting SAFs and if so, the details thereof?

ANSWER

Minister of CIVIL AVIATION

नागर विमानन मंत्री

(Shri Jyotiraditya M. Scindia)

(a) Yes Sir. The issue of reduction in Value-Added Tax (VAT) on Aviation Turbine Fuel (ATF) was taken up with States/ Union Territories levying high VATs on ATF. As a result of these efforts of the Ministry, VAT on ATF has been reduced by the following States/ UTs in the range of 1-4%: (i) Andaman & Nicobar Islands, (ii) Uttarakhand, (iii) Jammu & Kashmir, (iv) Ladakh, (v) Himachal Pradesh, (vi) Tripura, (vii) Madhya Pradesh, (viii) Haryana, (ix) Uttar Pradesh, (x) Dadra & Nagar Haveli and Daman & Diu, (xi) Arunachal Pradesh, (xii) Manipur, (xiii) Jharkhand and (xiv) Mizoram. Further, (xv) Gujarat and (xvi) Karnataka have reduced VAT on ATF to 5% and 18% in their States respectively.

(b) Yes Sir. Ministry of Civil Aviation (MoCA) has taken an initiative for working towards Carbon neutrality and to achieve Net Zero Emission at Indian airports on the lines of the country's Green House Gases (GHG) emission goals. Towards this objective, MoCA has advised to the operators of all the Brownfield Airports with scheduled operations and developers of the upcoming Greenfield Airports to work towards achieving Carbon Neutrality & Net Zero get Accreditation by Airports Council International (ACI)/ISO 14064 and adopt Carbon Mitigation Measures as well as Carbon Management Plans. Carbon mapping of Airports Authority of

India (AAI) airports has been carried out for 2021. Also, Ministry of Petroleum & Natural Gas has constituted a Bio-ATF Programme Committee to take forward the Bio-Aviation Turbine Fuel program and promote the use of clean fuel in aviation in India.

(c) Presently, the price of Sustainable Aviation Fuels (SAFs) is higher than that of Aviation Turbine Fuel (ATF). Hence, the current reduction in Value Added Tax (VAT) on ATF would not serve as a disincentive for airlines planning to adopt SAFs.
