

**NAME** UN Model Convention Article 8

**COUNTRY** Global scope

**STATUS** In discussion at the UN Tax Committee

**DESCRIPTION** There's a longstanding global consensus that airlines should be taxed on their worldwide income by their home state of residence (e.g. France for Air France). This consensus is being challenged at the UN Tax Committee to make airlines submit tax declarations in all jurisdictions where they operate or generate revenue. This proposal was put forward without consulting the airlines or the UN agency for aviation matters, ICAO.

**COST** The changes under discussion bring potential situations of double taxation, legal disputes, and massive administrative costs to airlines and tax authorities

# The Best Practice Checklist

Prior consultation/ongoing collaboration?



Impact assessment?



Alignment with other tax policies at national, regional or global level?



Fair and non-distortive?



# Impact and Next Steps

At the UN Tax Committee meeting, IATA intervened and highlighted three critical implications of this proposal:

- i) increased and unnecessary compliance complexity and costs;
- ii) neglect of existing global tax policies; and
- iii) the disregard of the economic benefits delivered by aviation.

IATA and its member airlines will continue to oppose this proposal by actively engaging with the UN Tax Committee and getting express support from States.







# The Last Word

“Airlines pay billions in tax every year. The simplest way for States to collect these taxes is for each airline to **pay tax on its entire international operation at its home base**. This was painstakingly agreed in both the UN and OECD Double Taxation models. Filing separate tax returns for each country would be a **bureaucratic nightmare** and could affect airline decisions on where to invest in their network.”

**Conrad Clifford**

IATA Deputy Director-General

