

Government welcomes passage of Air Passenger Departure Tax (Amendment) Bill 2025

The Government welcomed the passage of the Air Passenger Departure Tax (Amendment) Bill 2025 by the Legislative Council today (May 28) to implement the proposal in the 2025-26 Budget to increase the air passenger departure tax (APDT) from \$120 to \$200 per passenger. It is anticipated that government revenue will increase by about \$1.6 billion per year. The new tax rate will be applicable to air tickets purchased on or after October 1, 2025.

A Government spokesperson said, "The Government has struck a balance between increasing revenue and minimising the impact on passengers when considering increasing the APDT. The impact of the increase on the overall cost of travelling for air passengers (including tourists) is minimal."

The Bill also streamlines the Government's financial arrangement for paying administrative fees to the airlines and helicopter company. It empowers the Financial Secretary to approve their retention of part of the APDT collected for offsetting the administration fees payable by the Government to them, and provides that the retained fees do not form part of the general revenue under the Public Finance Ordinance (Cap. 2).

The Bill passed will be gazetted on June 6.