

Portugal's new Punishment Tax (NAT Tech Stops beware!)

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Effective July 1st, **Portugal has introduced a new tax directed at business aviation.** If you are operating an aircraft with 19 seats or less, you'll have to pay the hefty new tax – a G650 operating Lisbon-Newark will get a bill for around €2,000 (US\$2,200).

It's billed as a "Carbon Tax" – ostensibly to mirror the same regulation that has applied since 2021 to airline passengers. However, an airline operating the same route with 250 passengers will only pay **€500**, despite having a fuel burn three times higher.

As such, it's better labeled as a **Punishment Tax** for business aviation.

Tech stops in the Azores are included

If you are planning a tech stop in the Azores (LPLA/Lajes or LPAZ/Santa Maria, for example) – think again. The Azores is "Portuguese Territory" and so covered by the new tax, and the exemption for "technical reasons" doesn't mean tech stops. So, if you divert in with a fire warning, no tax. If LPAZ or LPLA is your destination, however, **you can add about \$2,000 USD to your invoice.**

You might want to find another NAT tech-stop.



How to calculate your bill

$$\text{Amount in Euros} = \text{TC} \times \text{CP} \times \text{L} \times (\text{D} + 1)$$

The official regulation is here (Artigo 184.º) – in Portuguese. The basics are:

1. From July 2023, a carbon tax is introduced for “consumers of air travel on aircraft with a maximum capacity of up to 19 seats” ,
2. The amount to pay is calculated as: € ($\text{TC} \times \text{CP} \times \text{L} \times (\text{D} + 1)$). **TC** is the Carbon Tax (€2), **CP** is a Coefficient of Pollution (10x), **L** is the number of seats and **D** is the distance flown in kilometres **divided by 1000**.
3. The fee applies to each commercial **and** non-commercial flight departing from airports in **Portuguese territory**.
4. Exemptions: “Fully electric aircraft”, PSO flights, State, Instruction, Medical emergency, SAR, and departures following landings for technical, meteorological or similar **contingency** reasons.

Examples: G650 Lisbon-Newark, G7500 Azores-Cairo

The formula can be more easily written as:

$$\text{€20} \times \text{Seats} \times \text{Distance}$$

- A Gulfstream 650 with 14 seats operating **LPPT/Lisbon - KEWR/New York Newark**: The

distance is 5,447km. The charge is thus €20 x 14 x (5.4+1) will get a bill for **1,792 Euro (\$2,000 USD)**.

- A Global 7500 with 19 seats calling in to LPAZ/Santa Maria for gas on the way to Cairo: the LPAZ-HECA distance is 5,223 km. The charge here is €20 x 19 x (5.2+1) = **2,356 Euro (\$2,600 USD)**
- For comparison, an Airbus 330-200 operating LPPT/Lisbon – KEWR/New York Newark will pay **500 Euro (\$550 USD)**. The charge is simply based on €2 per passenger (250 on board). An A330 will burn about 90,000 lbs of fuel, compared to about 30,000 lbs for a G650. This means that the G650 is being charged about **12 times more** in total.

Why is this happening?

Because of the “war” on private jets declared by Greenpeace and other groups. Their aim: **tax business jets out of existence**.

Although the new tax only came into effect a few days ago, it was signed into law in April 2023. The first few months of this year saw media across Europe pay attention to a Greenpeace “report” on business aviation, claiming massive increases in business jet use using super-flawed data (their baseline was 2020, which wasn’t that busy for some reason). The EBAA countered with some actual facts, but it wasn’t enough to stop the disinformation spread.

In Portugal, the PAN (People, Animals, Nature) political party convinced the government to sign this tax into law as a budget amendment.

So who has to pay, and who doesn’t?

Since this has just come into effect, expect further clarifications and changes, but so far:

☐ Pay the punishment tax:

- **Any flight** leaving Portugal using an aircraft with **19 seats or less** (aka all business jets)
- Irrelevant if commercial or private ops – all must pay

☐ Exempt from the punishment tax:

- **Fully electric aircraft** (If you see one flying, let us know)
- **PSO flights** (A European thing where governments give you money to operate unpopular routes, so they would be charging themselves)
- **State flights** (The government exempting themselves again)
- Flights wholly operated by reticulated, northern, or southern giraffes (we threw that in, but it makes as much sense as the others)
- Medevac, training, SAR flights, and diversions for unforeseen events

More on the tax

There's plenty of uncertainty around the new rules for now, but we'll update this article as we find out more.

- EBAA - Portugal introduces new Carbon Tax
- FCC Aviation - Portugal Carbon Tax
- Original law (in Portuguese)

Do you know more about this? Help us out with any new information! Email news@ops.group or post below in the comments - **Obrigado!**