

"If it moves, tax it. If it keeps moving, regulate it. If it stops moving, subsidize it."
President Ronald Reagan.

Airlines for America

BOARDING PASS

We Connect the World

PASSENGER NAME
SMITH, JOHN
FROM:
LOS ANGELES, CA

TO:
CHICAGO, IL

GROUP 3

LAX



ORD

FLIGHT CLBP223 CLASS A DATE 12MAY DEPARTS 12MAY

GATE 12 BOARDING TIME 515P SEAT 38C

03091998712502354



ITD0512

PASSENGER NAME
SMITH, JOHN
FROM:
LOS ANGELES, CA

TO:
CHICAGO, IL

FLIGHT CLBP223 38C
GROUP 3

DATE 12MAY CLASS A DEPARTS 12MAY

\$61.49



**FEDERAL
GOVERNMENT
TAXES**

\$63.47



**FUEL
COSTS**

\$51.52



**LABOR
EXPENSES**

\$123.11



**NON-LABOR/FUEL
OPERATING AND
OTHER EXPENSES**

41¢



**AIRLINE
PROFITS**

COSTS – Why do airlines have difficulty covering their Fully Allocated Costs?

Governments tax airlines unmercifully.

Oh, the Fees You'll Pay . . .

Here are two sample air tickets with taxes, fees and surcharges broken out.

	Boston-San Diego on American	Chicago-Frankfurt on Lufthansa
Base fare	\$593.49	\$1,191.00
U.S. federal tax	58.51	30.80
Security fees	10.00	12.67
Airport charges	18.00	36.68
Fuel surcharge	NA	200.00
Customs, immigration and agriculture inspection fees	NA	17.50
Total taxes and fees	86.51	297.65
Total ticket cost	680.00	1,488.65

Source: the airlines. NA=not applicable

Source: The Wall Street Journal

Taxes

Sample Round-Trip Itinerary: Peoria (PIA) - Raleigh/Durham (RDU) via Chicago O'Hare (ORD)	
Base Airline Fare	\$238.51
: Federal Ticket (Excise) Tax (7.5%)	17.89
: Passenger Facility Charge (PIA)	4.50
: Federal Flight Segment Tax (PIA-ORD)	3.90
: Federal Security Surcharge (PIA-ORD)	2.50
: Passenger Facility Charge (ORD)	4.50
: Federal Flight Segment Tax (ORD-RDU)	3.90
: Federal Security Surcharge (ORD-RDU)	2.50
: Passenger Facility Charge (RDU)	4.50
: Federal Flight Segment Tax (RDU-ORD)	3.90
: Federal Security Surcharge (RDU-ORD)	2.50
: Passenger Facility Charge (ORD)	4.50
: Federal Flight Segment Tax (ORD-PIA)	3.90
: Federal Security Surcharge (ORD-PIA)	2.50
Total Taxes	61.49
Total Ticket (Fare + Taxes)	\$300.00
Taxes as % of Fare	25.8%
Taxes as % of Ticket	20.5%