

How Do Government Taxes Increase the Price of Airfare?

BACKGROUND

Each day, millions of people hit the skies and travel through American airports. In fact, more than 800 million people flew on U.S. airlines in 2023 alone. But what many Americans don't know is that a large chunk of the price of a ticket goes to the government in taxes. And the hidden taxes can add up.

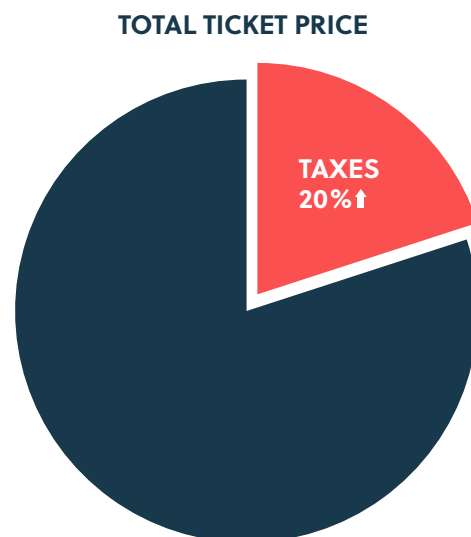
WHAT TAXES ARE YOU PAYING?

When you buy an airline ticket, taxes are included in the total amount you pay. Common charges include a federal excise tax, domestic segment tax, passenger facility charge, and September 11th fee. If you look closely at checkout, you can see just how much of the price tag is because of these taxes.

Take a round trip ticket from Washington D.C. to New York, for example. The total ticket amount is about \$200 but roughly 20% is because of government-imposed taxes and fees.

BOTTOM LINE

Millions of Americans hit the skies each day, whether for business or pleasure. And while ticket prices can be eye-popping at times, remember that government taxes play a big role.



Example: Round trip plane ticket from Washington, D.C. to New York