

# Budget 2010



BN61

24 March 2010

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## ALCOHOL DUTY: RATES

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### Who is likely to be affected?

1. Manufacturers, importers, distributors, retailers and consumers of alcohol products (spirits, beer, cider, wine and made-wine).

### General description of the measure

2. Legislation will be introduced in Finance Bill 2010 to provide for the annual setting of duty rates for alcohol. Duty rates for all still ciders, and sparkling cider exceeding 1.2 per cent alcohol by volume (abv) but not exceeding 5.5 per cent abv, will increase by 10 per cent above inflation. Duty rates for all other alcoholic drinks will increase by 2 per cent above inflation. The impact of the changes on retail prices for typical alcoholic drinks is equivalent to:
  - 36 pence on a 70cl bottle of spirits @ 37.5 per cent abv;
  - 2 pence on a pint of beer;
  - 5 pence on a litre of still cider;
  - 9 pence on a 75cl bottle of sparkling cider;
  - 10 pence on a 75cl bottle of wine or made-wine; and
  - 12 pence on a 75cl bottle of sparkling wine.
3. The Small Brewers Relief scheme will continue to provide 50 per cent duty relief to the smallest brewers.

### Operative date

4. Annual duty rate changes will have effect on and after 29 March 2010.

### Current law and proposed revisions

5. The Alcoholic Liquor Duties Act 1979 and the HM Revenue & Customs Tariff will be amended to effect the changes.

### Further advice

6. If you have any questions about this change, please contact the Excise and Customs helpline on 0845 010 9000. Information about Budget measures is available on the HM Revenue & Customs website at [www.hmrc.gov.uk](http://www.hmrc.gov.uk)

**The alcohol duty rates will be as follows:**

| <b>Type</b>   | <b>Rate</b>  |
|---|--|
|   | <b>Rate £ per litre of pure alcohol</b>                      |
| <b>Spirits</b>  | 23.80  |
| <b>Spirits-based Ready To Drinks</b>  | 23.80  |
| <b>Wine and made-wine:</b> Exceeding 22% abv                                | 23.80  |
|   | <b>Rate £ per hectolitre per cent of alcohol in the beer</b> |
| <b>Beer</b>   | 17.32  |
|   | <b>Rate £ per hectolitre of product</b>                      |
| <b>Still cider and perry:</b> Exceeding 1.2% - not exceeding 7.5% abv.      | 36.01  |
| <b>Still cider and perry:</b> Exceeding 7.5% - less than 8.5% abv.          | 54.04  |
| <b>Sparkling cider and perry:</b> Exceeding 1.2% - not exceeding 5.5% abv.  | 36.01  |
| <b>Sparkling cider and perry:</b> Exceeding 5.5% - less than 8.5% abv.      | 217.83   |
| <b>Wine and made-wine:</b> Exceeding 1.2% - not exceeding 4% abv.           | 69.32  |
| <b>Wine and made-wine:</b> Exceeding 4% - not exceeding 5.5% abv.           | 95.33  |
| <b>Still wine and made-wine:</b> Exceeding 5.5% - not exceeding 15% abv.    | 225.00   |
| <b>Wine and made-wine:</b> Exceeding 15% - not exceeding 22% abv.           | 299.97   |
| <b>Sparkling wine and made-wine:</b> Exceeding 5.5% - less than 8.5% abv.   | 217.83   |
| <b>Sparkling wine and made-wine:</b> 8.5% and above -not exceeding 15% abv. | 288.20   |