

# 2008 Pre-Budget Report



PBRN 28

26 November 2008

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## ADJUSTMENTS TO AMOUNTS OF ALCOHOL DUTY PAYABLE

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*This PBR Note replaces the version issued on 24 November 2008. The previous version should be disregarded. The changes from the previous version affect the rate of duty on spirits and spirits-based Ready-to-Drinks.*

### Who is likely to be affected?

1. Manufacturers, importers, distributors, retailers, warehousekeepers and consumers of alcohol products (spirits, spirit based Ready To Drinks, beer, cider, wine and made-wine).

### General description of the measure

2. The rates of duty for spirits and spirits based Ready to Drinks will be increased by 4 per cent. All other alcohol duties will be increased by 8 per cent.
3. The Small Brewers Relief scheme will continue to provide 50 per cent duty relief to the smallest brewers.

### Operative date

4. This measure will have effect on and after 1 December 2008.

### Current law and proposed revisions

5. Rates of duty on alcoholic drinks are set out in the Alcoholic Liquor Duties Act 1979 and amended in the Finance Bill. The Excise Duties (Surcharges or Rebates) Act 1979 additionally provides for the amount of alcohol excise duty payable to be increased or decreased by up to 10 per cent for a period not exceeding one year by secondary legislation.
6. Treasury Orders have been laid before the House of Commons providing that, as of 1 December 2008, amounts of excise duty payable on spirits and spirits based Ready to Drinks will be increased by 4 per cent. Excise duty payable on all other alcoholic drinks will be increased by 8 per cent.
7. As a result of these Orders, the effective rates of duty on alcoholic drinks will be as shown in the table below.

## Further advice

8. If you have any questions about this change, please contact the National Advice Service on 0845 010 9000. Information about Pre-Budget Report 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>2008/09 from 1 December 2008</b>
	Rate per litre of pure alcohol
<b>Spirits</b>	£22.20
<b>Spirits-based Ready to Drinks</b>	£22.20
<b>Wine and made-wine:</b> Exceeding 22% abv	£23.05
	Rate per hectolitre per cent of alcohol in the beer
<b>Beer</b>	£16.15
	Rate per hectolitre of product
<b>Still cider and perry:</b> Exceeding 1.2% - not exceeding 7.5% abv.	£31.21
<b>Still cider and perry:</b> Exceeding 7.5% - less than 8.5% abv.	£46.83
<b>Sparkling cider and perry:</b> Exceeding 1.2% - not exceeding 5.5% abv.	£31.21
<b>Sparkling cider and perry:</b> Exceeding 5.5% - less than 8.5% abv.	£203.14
<b>Wine and made-wine:</b> Exceeding 1.2% - not exceeding 4% abv.	£64.65
<b>Wine and made-wine:</b> Exceeding 4% - not exceeding 5.5% abv.	£88.90
<b>Still wine and made-wine:</b> Exceeding 5.5% - not exceeding 15% abv.	£209.82
<b>Wine and made-wine:</b> Exceeding 15% - not exceeding 22% abv.	£279.74
<b>Sparkling wine and made-wine:</b> Exceeding 5.5% - less than 8.5% abv.	£203.14
<b>Sparkling wine and made-wine:</b> 8.5% and above - not exceeding 15% abv.	£268.75