

PETER GIBSON MP



HOUSE OF COMMONS

LONDON SW1A 0AA

September 2022

Dear Constituent

Thank you for your email about alcohol duty.

I was glad to see the announcement in the Autumn Budget 2021 that, following a review, the alcohol duty regime is to undergo a major simplification. The old system was an outdated system that set rates based on historical anomalies, and a new regime will be fairer to both consumers and producers and promote product innovation in response to evolving consumer tastes.

This radical simplification of the duty system will reduce the number of main rates from 15 to 6, and tax products in proportion to their alcohol content.

All tax categories, such as beer and wine, will be moved to a standardised set of bands, with rates for products between 1.2-3.4 per cent alcohol by volume (ABV), 3.5-8.4 per cent ABV, 8.5-22 per cent ABV, and above 22 per cent ABV. Above 8.5 per cent ABV, all products across all categories will pay the same rate of duty if they have the same proportion of alcohol content. Registration and payment will also be simplified, and the practice where individual products have different administrative rules will end.

The new progressive manner in which alcohol is taxed will ensure higher strength products incur proportionately more duty, and these rates will be the same across all product categories. This change will address the problem of harmful high-strength products being sold too cheaply, and the new rates for low-strength drinks below 3.5 per cent ABV will encourage manufacturers to develop new products at lower ABVs, giving consumers greater choice and greater options to drink responsibly.

I welcome the introduction of a new small producer relief which will build on the previous success of the Small Brewers Relief, which will benefit cidermakers and other producers of lower ABV drinks. This will allow small producers to diversify their product range to other products below 8.5 per cent ABV while still benefitting from reduced rates.

Once again, thank you for taking the time to contact me and if I can ever be of any further assistance to you then please do not hesitate to contact me again.

Yours faithfully
Peter Gibson

PETER GIBSON MP

Member of Parliament for Darlington

Constituency Office: 34 Duke Street, Darlington, Co. Durham, DL3 7AQ Telephone: 01325 711711

Email: peter.gibson.mp@parliament.uk Website: www.petergibson.org

    @gibbo4darlo