

# FINANCE ACT 2015

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## EXPLANATORY NOTES

### INTRODUCTION

#### *Section 53: Rates of Alcoholic Liquor Duties*

##### Summary

1. This section provides for a reduction in the rates of excise duty charged on spirits, still cider and perry, sparkling cider and perry not exceeding 5.5% and wine and made-wine of a strength exceeding 22%. It also provides for a reduction in the rate of general beer duty and an increase in the rate of high strength beer duty. These changes will have effect on and after 23 March 2015.

##### Details of the Section

2. Subsection (2) substitutes a new rate of excise duty for spirits in section 5 of the Alcoholic Liquor Duties Act 1979 (ALDA). The previous rate of £28.22 is replaced by £27.66.
3. Subsection (3)(a) substitutes a new rate of excise duty for lower strength beer in section 36(1AA)(za) of ALDA. (This is beer of a strength exceeding 1.2% but not exceeding 2.8%). The previous rate of £8.62 is replaced by £8.10.
4. Subsection (3)(b) substitutes a new standard rate of excise duty for beer in section 36(1AA)(a) of ALDA. (This is beer of a strength which exceeds 2.8% and is not small brewery beer). The previous rate of £18.74 is replaced by £18.37.
5. Subsection (4) substitutes a new rate of excise duty for high strength beer in section 37(4) of ALDA. (This is beer of a strength which exceeds 7.5%). The previous rate of £5.29 is replaced by £5.48.
6. Subsection (5)(a) substitutes a new rate of excise duty for cider of a strength exceeding 7.5% which is not sparkling cider in section 62(1A)(b) of ALDA. The previous rate of £59.52 is replaced by £58.75.
7. Subsection (5)(b) substitutes a new rate of excise duty for other cider in section 62(1A)(c) of ALDA. The previous rate of £39.66 is replaced by £38.87.
8. Subsection (6) substitutes a new rate of duty for wine and made-wine of a strength exceeding 22% in Part 2 of the table in Schedule 1 to ALDA. The previous rate of £28.22 is replaced by £27.66.

##### Background Note

9. Budget 2015 announced a reduction in the rates of excise duty on the following alcoholic drinks by 2%:
  - spirits;
  - wine and made-wine exceeding 22%;

*These notes refer to the Finance Act 2015 (c.11)  
which received Royal Assent on 26 March 2015*

- beer between 2.8% and 7.5%;
  - sparkling cider and perry not exceeding 5.5%; and
  - still cider and perry not exceeding 7.5%.
10. There will also be a reduction in the rates of excise duty on lower strength beer by 6% and still cider and perry exceeding 7.5% by 1.3%. The duty rate for high strength beer will increase by 3.7%, which will result in the total duty rate for high strength beer being reduced by 0.75%.
11. These changes will take effect on and after 23 March 2015.
12. The rates of duty on wine and made-wine not exceeding 22% and sparkling cider and perry exceeding 5.5% will be frozen in 2015-16; this does not require legislation.