



HOUSE OF COMMONS
LONDON SW1A 0AA

12th June 2022

Jean Contrevent,

RE: ALCOHOL DUTY

Thank you for your recent correspondence in respect of alcohol duty. I have read your comments with interest.

The Autumn Budget of 2021 confirmed that duty rates on beer, cider, wine and spirits will be frozen for another year - a move which will save consumers £3 billion over the next five years, and provide further support to the hospitality industry and its suppliers as they recover from the COVID-19 pandemic. Duty rates on draught beer and cider will be cut by 5 percent, taking 3p off a pint and further supporting pubs.

I was glad to see the announcement in the Autumn Budget that, following a review, the alcohol duty regime is to undergo a major simplification. The old system was an outdated one that set rates based on historical anomalies, and a new regime will be fairer to both consumers and producers, and promote product innovation in response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 percent alcohol by volume (ABV), 3.5-8.4 percent ABV, 8.5-22 percent ABV, and above 22 percent ABV. Above 8.5 percent 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 percent 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 percent ABV, while still benefitting from reduced rates.

Once again, thank you for having taken 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.

With best wishes,


**TOM PURSGLOVE MP
MEMBER OF PARLIAMENT
CORBY & EAST NORTHAMPTONSHIRE**