

Cut the keg tax

Beer tax to jump \$28.3m 2022



- In 2021 the government took over \$1.2 billion in alcohol excise taxes.
- Based on the current rate of inflation Government is set to raise this by \$85.2 million dollars in 2022. \$28.3 million for beer alone.

Taking excise tax to*:



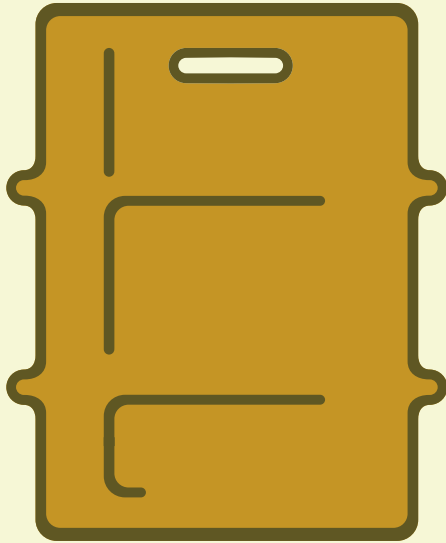
*5% ABV for a 330ml bottle, 425ml pint, 50L keg

The Brewers Association and Brewers Guild of New Zealand along with Hospitality New Zealand are calling on the Government to deliver beer tax relief to pubs, clubs and beer drinkers and other venues through a cut in keg beer tax.



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BEER TAX RELIEF POLICY PROPOSAL



50% keg tax reduction
= \$41.17 saved per 50L 5% ABV
keg per litre of pure alcohol

- We are asking for the keg beer rate to be reduced by 50 per cent to provide relief for pubs, clubs and beer drinkers.
- This would be a one-off decrease with the rate then increasing in line with CPI annually following the reduction. The change would not impact the rates for pack beer.
- A 50% reduction in the keg beer tax would mean the rate would drop from \$31.089 per litre of pure alcohol to \$15.5445 per litre of pure alcohol for full strength draught beer.

Beer tax relief to support the hospitality sector



Over 160,000 New Zealanders are employed in the accommodation and food service industry, many of these being pubs and restaurants. With venues seeing huge decreases in trade since the COVID-19 outbreak a 50 per cent keg beer would reduce the tax payable on a pint of beer by around 35 cents.

The next beer excise increase will be on 1st July and is likely to be the biggest hike in over three decades – just as venues start to recover.

Beer sales are critical for pubs and clubs representing about 70% of all their alcohol sales.

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