



ALCOHOL DUTY

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Alcohol History in the United States

- 1600's: Alcohol was brought to America when the early colonists came
- 1700's: Some alcohols served as a currency; the first brewery came to life & production grew
- 1800's & 1900's: Prohibition became prevalent; it became federal law on January 16, 1920
- 1984: The drinking age changed to 21; Mothers Against Drunk Driving (MADD) is formed
- Today: There are a lot of opinions on alcohol, but no major laws passing



You're an adult, but... you cannot drink.

In the US, adults 18 to 20 years can...

- marry
- vote
- adopt children
- own and drive automobiles
- have abortions
- enter into legally binding contracts
- operate businesses
- purchase or even perform in pornography
- give legal consent for sexual intercourse
- fly airplanes
- hold public office
- serve on juries that convict others of murder
- hunt wildlife with deadly weapons
- be imprisoned
- be executed
- be an employer
- sue and be sued in court
- serve in the United States armed services and give their lives defending their country and otherwise conduct themselves as the adults they are, both legally and socially.

Alcohol Taxes in the United States

■ Texas – The #1 beer producer

- Producing beer can be very expensive in terms of taxes
- There is a varying federal tax, as well as a state tax, which typically happens higher on the supply chain
- Taxes on alcohol are measured in dollars per gallon,
 - Beer is \$.20
 - Wine is \$.20
 - Spirits is \$2.40



A six pack can cost up to 10 dollars, or 8.82 euro.

■ California – The #1 wine producer

- Wine production is in between the cost of producing beer and spirits
- The federal tax rate ranges from \$1.07 and \$3.40 per gallon, depending on alcohol content and carbonation level
- Taxes on alcohol in California are:
 - Spirits is \$3.30
 - Wine is \$.20
 - Beer is \$.20



Like Europe, wine can range from cheap to expensive, but the average bottle costs 10-15 dollars (9-13 euro)



Consequences of Alcohol in the US

- The total national amount of revenue earned from alcohol taxation in 2019 was **\$9.99 billion**.
- This number may seem like a lot, but not when you compare it to the **\$44 billion** cost of motor vehicle crashes involving alcohol-impaired constitutes.
- Relationship problems, increased chances of drug use, diminishes heart health, possible birth defects are all also prevalent

Alcohol taxes in Spain

BEER	€ (by hectolitre)
Under 1.2%	0
Between 1.2 - 2.8%	2.75
Between 2.8 - 11%	7.48
Between 11 - 15%	9.96
Between 15 - 19%	13.56
Above 19	0.91



1.5€



12.5€



9€

Alcohol and derivated drinks	€ (by hectolitre)
Peninsula and Baleares islands	830.25
Canary islands	649.66

Intermediate drinks	€ (by hectolitre)
<= 15%	
Peninsula and Baleares islands	33.32
Canary islands	26.09
+15%	
Peninsula and Baleares islands	55.53
Canary islands	43.47



3-12€



CONSECUENCIAS OF ALCOHOL IN SPAIN

- The alcohol (75.2%) is being more consumed than tabaco (40.9%) .
- The total national amount of revenue earned from alcohol taxation in Spain is 320 €millions from beer with 3.879 millions of litres consume . On the other hand if we talk about pure alcohol the consume is 90 millions of litres and the revenue earned is 821 € millions.
- The 43.4% of drivers killed in a traffic accident in 2018 had consumed alcohol, drugs or psychoactive drugs.
- The ethyl commas of young people under 14 have multiplied by three in Spain in the last ten years.
- Spain has a 'per capita' alcohol consumption higher than that of the European average.

Alcohol and liqueur taxes in France





History of alcohol in France

- Used since the creation of the country
- The romans used to drink different types of alcohol → spread in France as the country was occupied.
- We have a missconception as we believe that wine was kept for the richest. Everyobdy drunk wine at that time.
- Wine and beer were the two main alcohol during centuries. Drank alcohol to celebrate victories or wedding → Linked with happiness
- Alcohol had a medical use → lowering the pain and clean wounds.

From the Middle Ages to now

- Very common to drink → alcoholism
- Used during wars to give motivation to soldiers
- The renaissance brought a new conception of alcohol → more refined wines, better quality
- A huge issue in rural areas with a huge consumption of alcohol.
- Used during making deals, meeting people → social integration



From the Middle Ages to now



- Major changes in 1954 by the French State → Restricting places where alcohol was found (football stadium for example) and ways to buy it – be at least 18 years old)
- New type of alcohol → strong alcohol → Mostly used by young people during parties.
- Prevention campaign against dangers of alcoholism
- Alcohol is nowadays a big concern → 41 000 people dead in 2017 because of alcohol



Tariffs by tax category of products



Category of products

Tariffs 2019 Tariffs2020

wines	3,82 €/hl	3,88 €/hl
Fermented beverages other than wine and beer (art. 438 2° b and c of the CGI)	3.82 €/hl	3.88 €/hl
Sparkling wines (art. 438 1° du CGI)	9,44 €/hl	9,59 €/hl
Ciders/Poirés/Hydromel (art 438 3° du CGI)	1,34 €/hl	1,36 €/hl
VDN and VDL PDO mentioned in articles 417 and 417 bis of the CGI (art. 402 bis a of the CGI)	47.67 €/hl	48.43 €/hl
Other intermediate products (art. 402 bis b of the CGI)	190.68 €/hl	193.73 €/hl
Beers less than 2.8% vol. (art. 520 A I a of the CGI)	3,75 €/hl	3,81 €/hl
Beers more than 2.8% vol. (art. 520 A I a of the CGI)	7,49 €/hl	7,61 €/hl
Small breweries ≤ 10 000 hl (art. 520 A I a of the CGI)	3,75 €/hl	3,81 €/hl
10 000 hl < small breweries ≤ 50 000 hl (art. 520 A I a of the CGI)	3,75 €/hl	3,81 €/hl
50 000 hl < small breweries ≤ 200 000 hl (art. 520 A I a of the CGI)	3,75 €/hl	3,81 €/hl
Rums from the DOM (art. 403 I 1° of the CGI)	879,02 €/hlap	893,80 €/hlap
Other alcohols (art. 403 I 12° of the CGI)	1758,45€/hlap	1786,59 €/hlap
Reduced duty for distillers (art. 317 of the CGI)	879,24 €/hlap	893,31 €/hlap



- The pricing of excise duty and social security contributions varies according to the tax category of the alcoholic beverage.
- The rates of duty on alcohol, alcoholic beverages and non-alcoholic beverages are set each year by ministerial order.
- Excise duty and social security contributions are paid on behalf of consumers or retailers by importers or authorized ware housekeepers.
- Alcoholic beverages are subject to the standard VAT rate of 20% for drinks to be taken away, delivered or consumed on the premises.

ESSCAland Alcohol Taxes

- Population: 2 Million
 - <18: 200 000 – 10%
 - 18-24: 700 000 – 35%
 - 25-35: 400 000 – 20%
 - 36-50: 600 000 – 30%
 - 50+: 100 000 – 5%
- Drinking age: 20 years old
- Import taxes: For wine & spirits it would be 9%, for beer it would 20%
- Export taxes: For beer, it would be 5%, for wine it would be 10%
- Tax on Alcohol:
 - Beer: 3%
 - Wine: 7%
 - Spirits: 12%

Our attempts to prevent consequences:

- Have Uber in our country
- Public transportation, free for students, as well as a school shuttle
- Large fines if you cause an alcohol-related accident, as well as points on your license.
 - If someone dies, jail time & paying for everything involving the accident
- Strict enforcements & punishments if caught drinking underage:
 - First offense: 30 000 euros fine
 - Second offense: community service & possible jail time, as well as the fine
 - Third offense: 10 years in jail, as well as the fine

QUESTIONS?

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Resources

- <https://taxfoundation.org/state-tax/alcohol-taxes/>
- <https://www.statista.com/statistics/248952/revenues-from-alcohol-tax-and-forecast-in-the-us/>
- <https://crashstats.nhtsa.dot.gov/Api/Public/ViewPublication/812864>
- <https://www.niaaa.nih.gov/publications/brochures-and-fact-sheets/alcohol-facts-and-statistics>
- <https://www.rtve.es/noticias/20180921/espana-tiene-consumo-alcohol-per-capita-mayor-media-europea/1803926.shtml>
- <https://www.mscbs.gob.es/campannas/campanas11/alcoholenmenoresnoesnormal/sa-bias.html>
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- <https://www.bbva.com/es/los-impuestos-especiales-sobre-alcohol-y-tabaco/>