



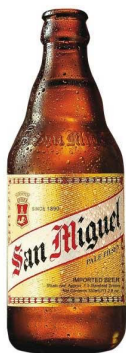
# FISCAL POLICY on ALCOHOL TAX

ALEX

DARRYL

JESSICA

PAOLA



# PHILIPPINES

## Sin Tax Law Reform

- An Act Restructuring the Excise Tax on Alcohol and Tobacco Products
- Signed into Law - Dec. 19, 2012

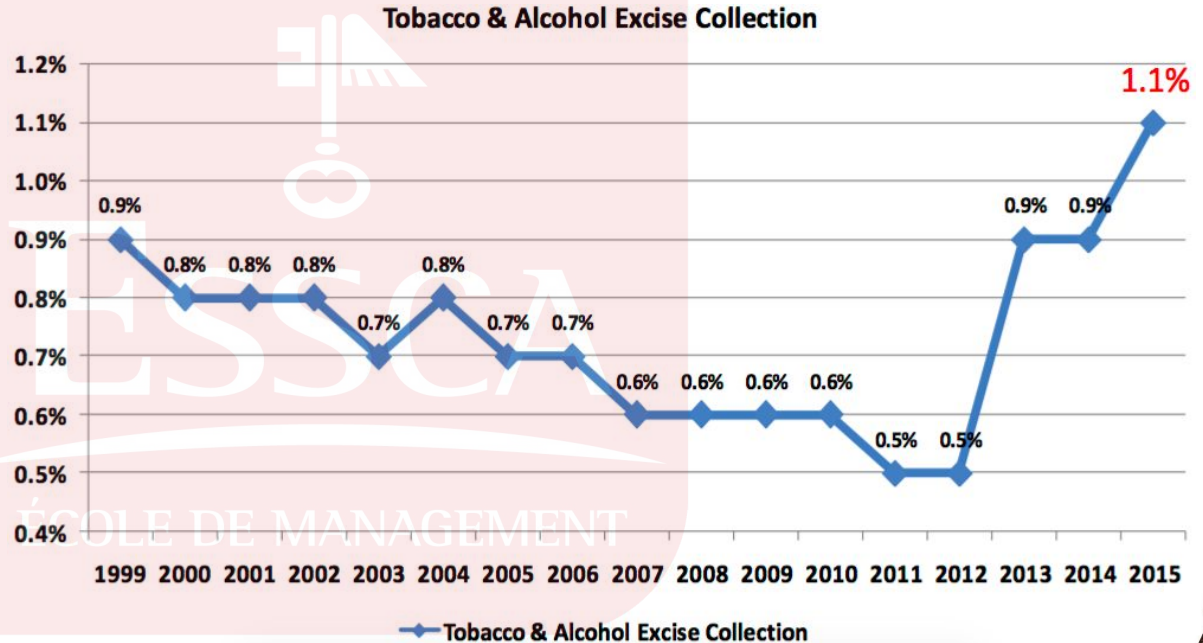
Type	Tax
Distilled spirits	20%
Wines	
Sparkling	PHP 292.47 (USD 6)
Still	PHP 70.20 (USD 1.5)
Fermented Liquors	PHP 32.76 (USD 0.6)



# PHILIPPINES

## Win for Revenues

Generated US\$ 3.9 billion in incremental excise tax revenues during the first three years of implementation, far exceeding government projections

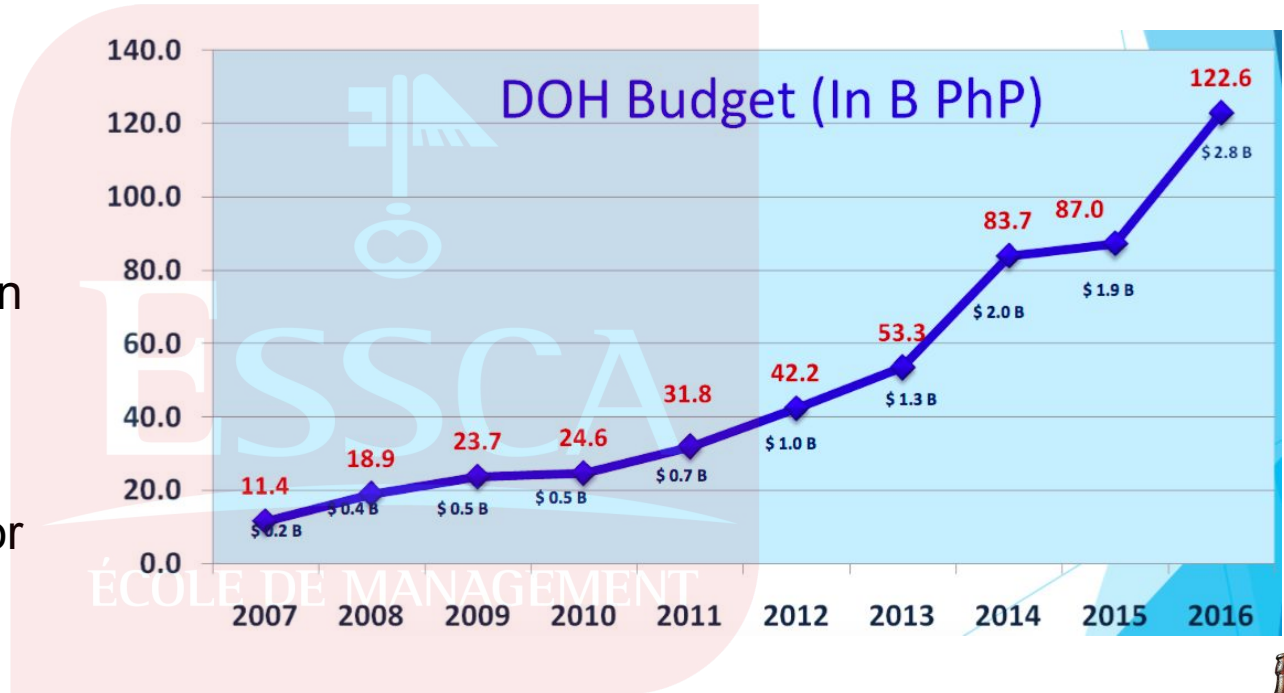


# PHILIPPINES

## Expense for Public Health

2.4 billion USD spent on healthcare

Syntax Law also now covers 2.8 million senior citizens with free Philhealth insurance coverage.



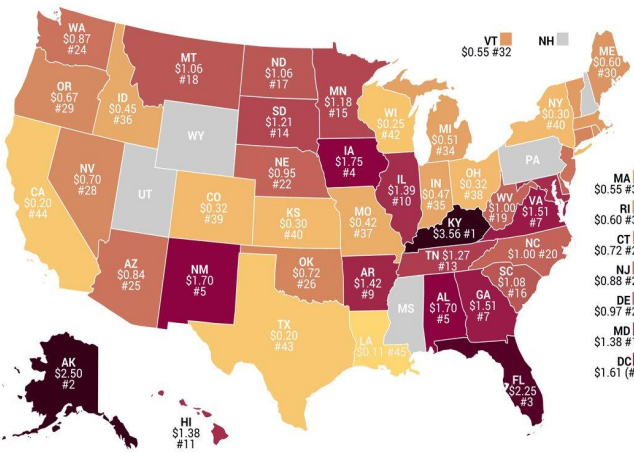
# UNITED STATES

- There are different taxes for beer, wine, and distilled spirits in the United States.
- These taxes vary by state with
  - TN having the highest beer tax at \$1.17 per gallon and WY the lowest at \$0.02 per gallon.
  - KY having the highest wine tax at \$3.56 per gallon and LA the lowest at \$0.11 per gallon.
  - WA has the highest spirits tax at \$35.22 per gallon and NH & WY don't have tax.
- According to the CDC, the health costs for excessive drinking is around \$249 billion. We make \$9.6 billion on the alcohol tax, according to the Tax Policy Center.



# State Wine Excise Tax Rates

(Dollars per Gallon)



taxfoundation.org/maps



**Note:** Rates are those applicable to off-premise sales of 11% alcohol by volume (a.b.v.) non-carbonated wine in 750ml containers. States may apply different rates to other wines, such as sparkling wines.

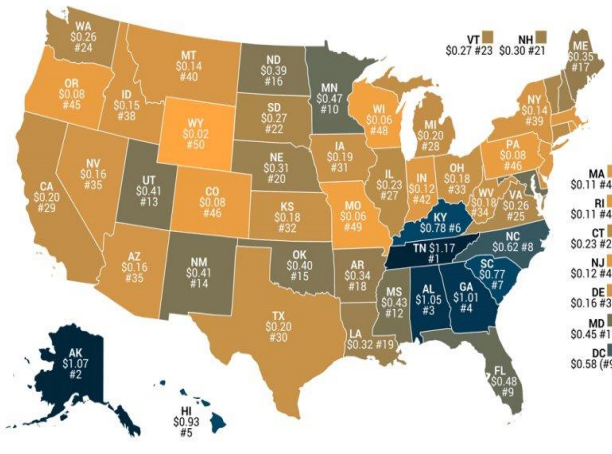
Data as of January 1, 2014. Published February 12, 2014.

**State-specific notes:**  
MS, NH, PA, UT, and WY: Control states, where the government controls all sales. Products can be subject to ad valorem mark-up and excise taxes.  
AR, MN, and TN: Includes case fees and/or bottle fees which may vary with size of container.  
AR, MD, MN, SD, and DC: Includes sales taxes specific to alcoholic beverages.  
KY: Includes wholesale tax rate of 11 percent, converted into a gallonage excise tax rate.

**Source:** Distilled Spirits Council of the United States

# State Beer Excise Tax Rates

(Dollars per Gallon)



taxfoundation.org/maps



**Note:** Rates are those applicable to off-premise sales of 4.7% a.b.v. beer in 12 ounce containers.

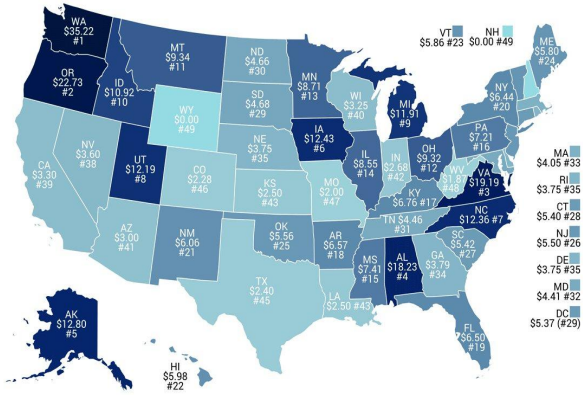
Data as of January 1, 2014. Published February 12, 2014.

**State-specific notes:**  
All states: Local excise taxes are excluded.  
AL and GA: Includes statewide local taxes (\$0.52 in Alabama and \$0.53 in Georgia).  
AR, MD, MN, and DC: Includes sales taxes specific to alcoholic beverages.  
AR and RI: Includes case fees and/or bottle fees which may vary with size of container.  
TN: Includes the wholesale tax rate of 17 percent, converted into a gallonage excise tax rate.

**Source:** Distilled Spirits Council of the United States

# State Spirits Excise Tax Rates

(Dollars per Gallon)



taxfoundation.org/maps



**Note:**  
Rates are those applicable to off-premise sales of 40% alcohol by volume (a.b.v.) distilled spirits in 750ml containers.

Data as of January 1, 2014. Published February 12, 2014.

**State-specific notes:**  
AK, CA, CT, DE, FL, GA, IL, IN, LA, MD, MA, NV, NY, ND, RI, SD, and TX: Different rates also applicable according to alcohol content, place of production, size of container, or place purchased (on- or off-premise or on board airlines).  
AL, ID, IA, ME, MI, MS, MT, NH, NC, OH, OR, PA, UT, VT, VA, WV, and WY: States where government controls sales. In these "control states," products are subject to ad valorem mark-up and excise taxes. The excise tax rate is calculated using a methodology developed by the Distilled Spirits Council of the United States.  
KY: Includes the wholesale tax rate of 11 percent, converted to a gallonage excise tax rate.  
AR, MN, SC, and TN: Includes case fees and/or bottle fees which may vary with the size of the container.  
AR, MD, MN, ND, SD, WA, and DC: Includes sales taxes specific to alcoholic beverages.  
WA: Includes the retail (17 percent) and distributor (10 percent) license fees, converted into a gallonage excise tax rate.

**Source:**  
Distilled Spirits Council of the United States



Source: Tax Foundation



# HONG KONG

- Hong Kong used to tax on all kind of alcohol. However, government removed all duties on alcohol except for spirits
- Only tax on liquor with an alcoholic strength of more than 30% by volume measured at a temperature of 20C - 100%
- Liquor, other than wine with an alcoholic strength of not more than 30% by volume measured at a temperature of 20C - 0%
- Wine - 0%
- Tax revenue of alcohol around US\$37.3 million
- Public health expense to treat alcohol related health issues: 45 Million USD



# MEXICO

## IEPS - Impuesto Especial Sobre Produccion y Servicios

Article 2.- To the value of the acts or activities that are indicated below, the following fees and quotas will apply:

I. In the alienation or, as the case may be, in the importation of the following goods:

A) .Alcoholic beverages and beer:

- 1 . With an alcoholic graduation up to 14 ° G.L. .... 26.5%
- 2 .With an alcoholic rating of more than 14 ° and up to 20 ° G.L. .... 30%
- 3 .With an alcoholic strength of more than 20 ° GL ..... 53%





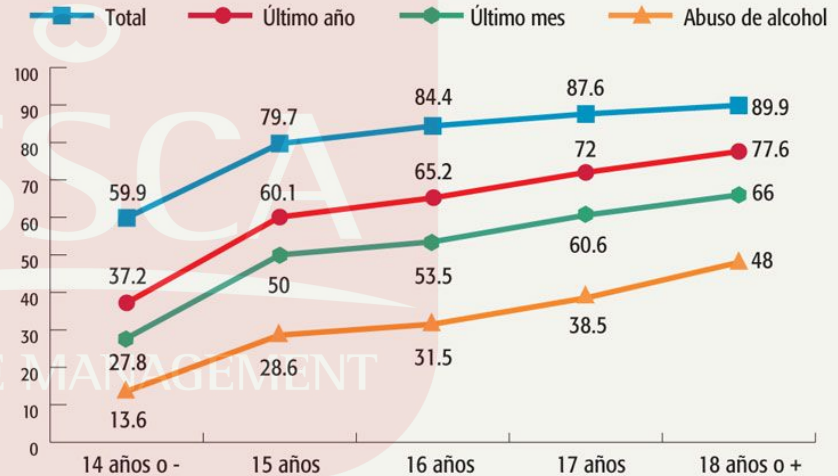
# MEXICO

## INCOME OF TAX VS. COST OF HEALTH

2,5 Billion USD - income from tax

4 Billion USD - expense

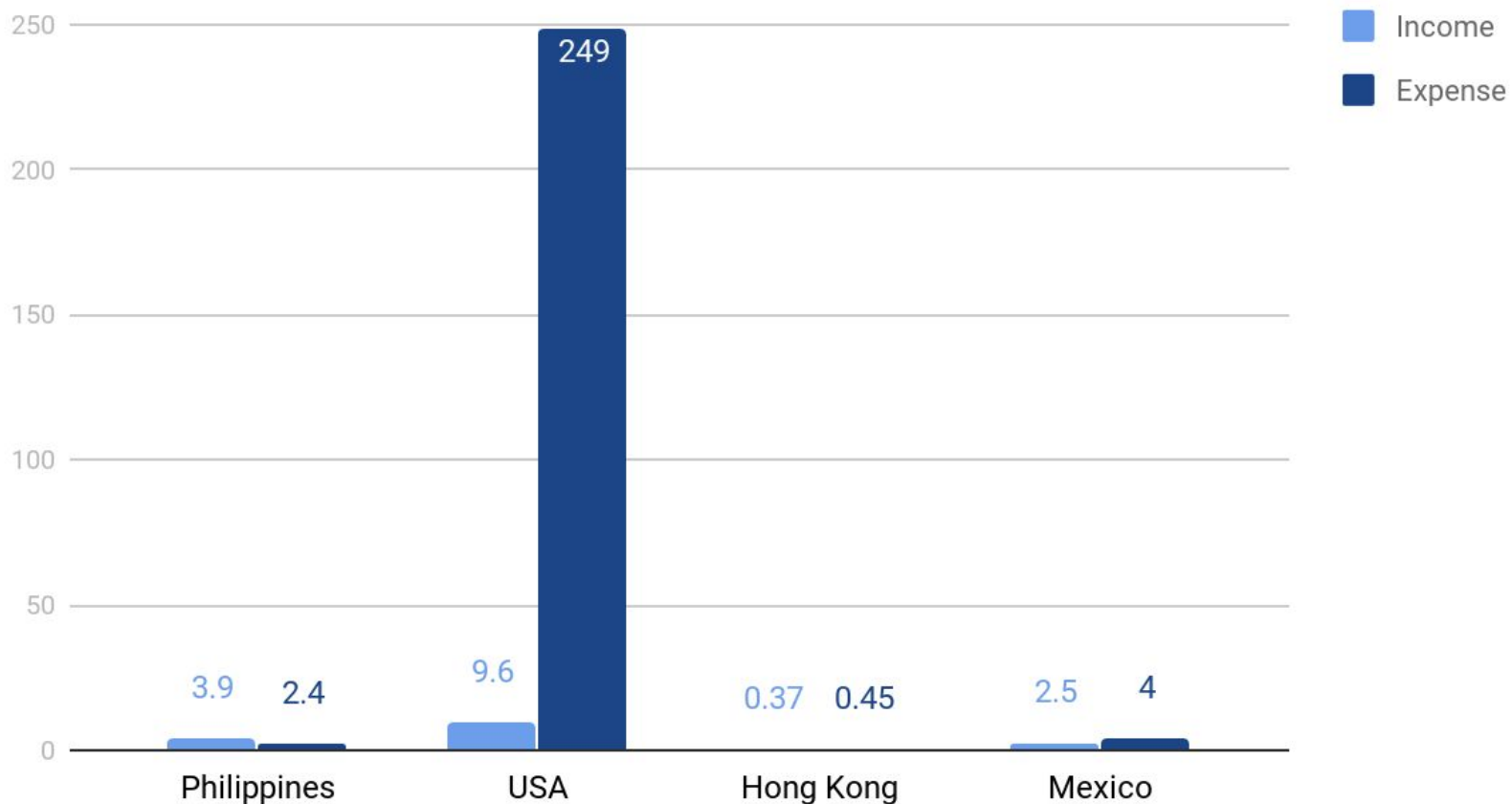
GRÁFICA 3 Consumo de alcohol por edad (porcentaje)



Fuentes: Encuesta de consumo de drogas en estudiantes SEP-INPRFM / Consumo de alcohol, tabaco y otras drogas en la Ciudad de México, medición 2009.



## Income and Expense Comparison Chart (in billion USD)



# ESSCALAND

Type	Tax (in percentage)
Wines	8
Beers	10
Spirits	38

Elasticity (according to KPMG audit)

Beer -0.3

Wine -1

Spirits - 1.5

# MOTIVES

- ESSCALAND is a wine producing country, so by having a low tax we will encourage people who want to drink alcohol to consume local wine boosting local businesses
- Tax is applied for every type of alcoholic beverage in order to create revenue for nation
- Due to health issues related to alcoholism and the government expense for it, by applying tax on all alcoholic beverages we also discourage people from developing this addiction

# WEBLIOGRAPHY

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Tax Foundation, USA Alcohol taxes map breakdowns:  
<https://taxfoundation.org/individual-consumption-taxes/excise-taxes/alcohol-taxes/>



**THANK YOU !**

ÉCOLE DE MANAGEMENT