Alcohol Duty Review: Call for Evidence response template

It is recommended that you read the full call for evidence document before completing your response. Please note that the text boxes used in this template can be expanded to accommodate additional text.

**Guidance for respondents**

* In your response, please clarify which questions you’re answering, by referring to the relevant numbers assigned to each question.
* You do not need to respond to all of the questions if they are not all relevant to you, and you may wish to provide a single answer to multiple questions.
* You are not limited to only answering the questions asked and we will also consider written submissions provided to the review.
* There is no minimum word limit.

Responses should arrive no later than **23:59 BST on 29 November 2020,** with early responses encouraged where possible. If you need an extension, please contact the review team via the email address below.

For further information on how we handle your personal data please read the Alcohol Duty Review Call for Evidence Data Protection Notice at paragraphs 1.21 to 1.42 of the Call for Evidence.

Please send your response to:

[**HMTVATandExcisePolicy@hmtreasury.gov.uk**](mailto:HMTVATandExcisePolicy@hmtreasury.gov.uk)

Please enter “**Alcohol Duty Review Call for Evidence 2020**” in the subject line.

**General Information**

**1.** **Full name (including title)**

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**2(a).** **Mark the statement below [X] as applicable.**

*[ ] I have read the Alcohol Duty Review Call for Evidence Data Protection Notice (paragraphs 1.21 – 1.42) and understand that any information submitted may be published or disclosed.*

*[ ] I would like the information I have provided to be treated as confidential.*

*If you would like the information provided to be treated as confidential please explain why*

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**2(b).** **Are you responding (please mark the relevant box [X]):**

*[ ] as an individual (please complete* ***3 to 4*** *below)*

*[ ] on behalf of an organisation / company (please complete* ***5 to 8*** *below)*

**If you are responding as an individual:**

**3. E-mail address**

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**4.** **Address**

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**If you are responding on behalf of an organisation / company:**

**5.** **Organisation / Company**

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**6.** **Position within Company / Organisation**

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**7.**  **E-mail address**

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**8. Address**

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**9. If you are responding on behalf of an alcohol business please mark the relevant boxes below with an x (please mark all that apply)**

**9(a).** **Type of alcohol business:**

*[ ] produce**r [ ] importer [ ] excise warehouse/bottler*

**9(b).** **Type(s) of alcohol your business is involved with:**

*[ ] beer [ ] cider [ ] made-wine [ ] spirits [ ] wine*

**9(c).** **Size of business (no of employees):**

*[ ] 0-9 [ ] 10-49 [ ] 50 - 249 [ ] 250+*

**9(d).** **Amount of alcohol produced/imported per year (hectolitres):**

*Beer*

*[ ] 0-5000 [ ] 5001 – 60,000 [ ] 60,001 – 200,000 [ ] 200,001 +*

*Cider*

*[ ] 0-5000 [ ] 5001 – 60,000 [ ] 60,001 – 200,000 [ ] 200,001 +*

*Made-wine*

*[ ] 0-5000 [ ] 5001 – 60,000 [ ] 60,001 – 200,000 [ ] 200,001 +*

*Spirits*

*[ ] 0-5000 [ ] 5001 – 60,000 [ ] 60,001 – 200,000 [ ] 200,001 +*

*Wine*

*[ ] 0-5000 [ ] 5001 – 60,000 [ ] 60,001 – 200,000 [ ] 200,001 +*

**10. If you are not responding on behalf of an alcohol business please mark the relevant box below with an x**

*[ ] Retailer [ ] Member of public [ ] publican [ ] health group [ ] economic group*

*[ ] other*

*If other please advise*

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**Call for Evidence questions**

*Please provide your response in the boxes below. Make sure to note the “Guidance for respondents” provided above before completing.*

The overall duty system

1. Overall, how effectively does the current set of individual duties work in meeting the Government’s aims of raising revenue and protecting public health?

2. Do you have any general comments about the current system of alcohol duties, and how it could be improved? In particular, if you are a producer, we would welcome information on your experiences of the duty system.

3. Are there any structural changes you anticipate taking place in the alcohol industry that you believe the duty regime should reflect?

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Comparisons between the duties

4. Overall, how well do the different duties work when combined together as a system?

5. Do the differences and inconsistencies highlighted cause real-world issues for producers and for public health, or are these more theoretical concerns? In particular, if you are a producer, have differences in the duties affected your business decisions?

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Methods of taxation

6. Is there a case to move to a standard method of taxation?

7. In particular, should the UK replicate the example of other countries and move wine and cider duties to be taxed in proportion to the strength of the final product, i.e. converted to a specific basis?

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Distinguishing products by the source of their alcohol

8. Is the current system of differentiating different alcoholic products on the source of their alcohol a fair approach?

9. Is there a case to remove, or add further, categories of products?

10. Is there a case to end the individual alcohol taxes and reconstitute them with a single, unified alcohol tax? If not, on what basis should individual alcohol taxes be retained?

11. Should taxation recognise the costs associated with producing different products?

12. What evidence is there of the differing harms associated with individual products?

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Distinguishing products by strength

13. How well does the current system work in taxing products of different strengths?

14. Would you support a “strength escalator” system, i.e. one where products that are stronger consistently pay more duty per unit?

15.Can a product be more or less harmful for reasons other than the strength of the product?

16. How should the Government consider setting different rates of duty for higher and lower strength products?

17. Are there appropriate points at which products become more or less harmful, which could be used to set bands for different strength products?

18. What would be the effect of moving away from a banded system to a formula-based approach such as in Iceland?

19. Should the duty system be used to encourage producers to switch to lower strength products, or reformulate existing products?

20. If so, what would the best way of encouraging such practices?

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Distinguishing based on the place of retail

21. Is there a case to distinguish between different retail sources in the alcohol duty system? What would be the benefits and disadvantages of doing so?

22. If so, what would be your recommended method of doing so?

23. What would an appropriate level of a differential be?

24. What retailers should qualify for reliefs? For example, should all “on-trade” venues qualify for reliefs?

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Small producers

25. Is there a case to extend reduced rates for small producers to other categories?

26. Do you think exemptions or reduced rates are the best way to support producers?

27. Should relief thresholds be set in reference to only the market for that product, or in reference to the whole market for alcoholic beverages?

28. What evidence is there that small producer reliefs for other categories would be value for money? Would the value of the relief be simply competed away by new market entrants?

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Indexing rates for inflation

29. How well does the current system of indexing duties in line with inflation work?

30. Would a more consistent, systematic approach to indexing alcohol duties be of benefit?

31. Is there a more appropriate index to use for inflation-matching increases than RPI

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Approvals

32. What are your views on a standard framework for approval of alcohol production regimes? What would be the benefits or disadvantages?

33. What are your views on a single approval to produce any type of alcohol? What would be the benefits or disadvantages?

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Declarations and payments

34. What are your views on a single policy and process for duty payment across all the alcohol production regimes? Please include details of any benefits or disadvantages.

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Avoidance and evasion

35. How effective do you think the current systems of controls are at tackling avoidance and evasion?

36. What more could be done to reduce the alcohol tax gap?

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