

Taxation

EXCISE DUTIES - RATES

Council Directive [92/84/EEC](#) on the approximation of the rates of excise duties on alcohol and alcoholic beverages

Objective

To approximate the excise duty rates in the different countries on alcohol and alcoholic beverages to ensure the establishment of the internal market by laying down minimum levels for such rates.

Relevance for the hospitality industry

The level of excise duties applied to alcohol and alcoholic beverages is influencing the price for such drinks sold in hotels, restaurants, bars and cafés.

State of progress

Adopted. Member States have to apply minimum rates of excise duty in accordance with the rules laid down in this Directive since 1 January 1993.

On 8 September 2006, the Commission issued a proposal (COM(2006) 486) amending the Directive in order to increase the minimum rates of excise duty on alcohol. As a preliminary result in their discussions on 28 November 2006, the Council of Finance Ministers invited the Commission to carry out a study on the taxation of alcohol. This study has not been published, yet. The European Parliament on 10 July 2007 suggested that the Commission proposal be withdrawn.

Content

The Directive lays down the minimum rates of excise duty to be applied in the Member States on alcohol and alcoholic beverages. For wine the minimum duty was set at 0 EUR. For beer it was fixed at 0,748 EUR/hl/degree Plato of finished product or 1,87 EUR/hl/degree of alcohol of finished product. Most Member States apply a higher excise duty than the minimum on such beverages.

Member States may also apply reduced rates of excise duty to the different types of alcoholic beverages, subject to certain limits and conditions.

The Commission proposal of 2006 suggested an increase of the minimum rates of excise duties, reflecting the inflation since 1992 (31% between 1992 and 2005). The 0% minimum rate on wine would remain.

For a summary of the Directive you can visit the [SCADPlus](#) website (European Commission).

For a detailed overview of the state of progress in relation to the 2006 Commission proposal and related summaries you can visit the [OEIL](#) website (European Parliament).

HOTREC position

HOTREC is watching carefully the developments on this issue as excise duties influence directly the price of drinks served. There is currently a great variation in the level of excise duties charged for different drinks in the different Member States.

Official references

Council Directive [92/84/EEC](#) of 19 October 1992 on the approximation of the rates of excise duties on alcohol and alcoholic beverages, O.J. L 316 of 31.10.1992

Proposal for a Council Directive amending Directive 92/84/EEC on the approximation of the rates of excise duty on alcohol and alcoholic beverages – [COM\(2006\) 486](#)

Report from the Commission to the Council, the European Parliament and the European Economic and Social Committee of 26 May 2004 on the rates of excise duty applied on alcohol and alcoholic beverages (presented pursuant to Article 8 of Council Directive 92/84/EEC on the approximation of excise duty on alcohol and alcoholic beverages) - [COM\(2004\) 223](#)

See also:

Council Directive [92/83/EEC](#) of 19 October 1992 on the harmonization of the structures of excise duties on alcohol and alcoholic beverages, O.J. L 316 of 31.10.1992