

Table A - Taxation of beer (OECD 33 COUNTRIES - incl France recent legislated changes)

Country	Type	Specific excise per hectolitre per degree alc. (1)		Specific Excise for 4.8% Abv per HL	Annual production (HL)	Lower excise for Small Independent Breweries of 4.8% alc per HL			Incremental Volume (HL)	Reduced Excise Rate \$USD	Tax Relief available per threshold level \$USD	Maximum Excise Relief Available	Effective Tax Payable on 200,000 HL	% Reduced Rate	Excise duty on low alcohol (not exceeding 2.8% alcohol by volume) beer		VAT rate	Excise rates which are progressive by strength	OECD Purchasing Power Parity
		National currency	USD \$			conversion rate	USD \$	Annual production (HL)							Annual production (HL)	National currency per unit			
Australia (B)	Bottle	164.54	105.58	105.58	≤ 500	500	65.82	42.23					19,231	0.60	See note	-	10.0	Yes	1.56
Australia	Draught	115.85	74.33	74.33	≤ 500	500	46.34	29.73					19,231	0.60	See note	-	10.0	Yes	1.56
Austria	Both	5.00	5.88	28.25	< 12 500	12,500	3.00	16.95	12,500	11.30	141,235	353,088	5,296,320	0.40	-	-	20.0	No	0.85
					< 25 000	25,000	3.50	19.77	12,500	8.47	105,926						20.0		0.85
					< 37 500	37,500	4.00	22.60	12,500	5.65	70,618						20.0		0.85
					≤ 50 000	50,000	4.50	25.42	12,500	2.82	35,309						20.0		0.85
Belgium	Both	4.28	4.94	23.72	≤ 12 500	12,500	3.71	20.56	12,500	3.16	39,490	189,138	4,555,248		-	-	21.0	No	0.87
					≤ 25 000	25,000	3.84	21.28	12,500	2.44	30,484						21.0		0.87
					≤ 50 000	50,000	3.96	21.95	25,000	1.77	44,340						21.0		0.87
					≤ 75 000	75,000	4.09	22.67	25,000	1.05	26,327						21.0		0.87
					≤ 200 000	200,000	4.21	23.33	125,000	0.39	48,497						21.0		0.87
Canada	Both	31.22	25.39	25.39	From 0 to 2 000	2,000	3.12	2.54	2,000	22.85	45,704	620,614	4,457,386	0.90	See note	5.0, 12.0, 13.0 or 15.0	Yes	1.23	
		Rate is per hl			From 2 001 to 5 000	5,000	6.24	5.08	3,000	20.31	60,943			0.80		5.0, 12.0, 13.0 or 15.0		1.23	
					From 5 001 to 15 000	15,000	12.49	10.16	10,000	15.23	152,306			0.60		5.0, 12.0, 13.0 or 15.0		1.23	
					From 15 001 to 50 000	50,000	21.85	17.77	35,000	7.62	266,602			0.31		5.0, 12.0, 13.0 or 15.0		1.23	
					From 50 001 to 75 000	75,000	26.54	21.59	25,000	3.80	95,059			0.15		5.0, 12.0, 13.0 or 15.0		1.23	
					From 75 001 to 300 000	300,000	31.22	25.39	225,000	-	-			0.15		5.0, 12.0, 13.0 or 15.0		1.23	
Chile	Both	See note		0.00	See note	See note									See note	-	19.0	No	406.55
Czech	Both	32.00	2.30	11.03	≤ 10 000	10,000	16.00	5.52	10,000	5.52	55,197	563,465	1,643,470	0.50	-	-	20.0	No	13.92
					≤ 50 000	50,000	19.20	6.62	40,000	4.42	176,667			0.40			20.0		13.92
					≤ 100 000	100,000	22.40	7.72	50,000	3.31	165,684			0.30			20.0		13.92
					≤ 150 000	150,000	25.60	8.82	50,000	2.21	110,534			0.20			20.0		13.92
					≤ 200 000	200,000	28.80	9.93	50,000	1.11	55,384			0.10			20.0		13.92
Denmark	Both	63.60	8.14	39.07	≤ 3 700	3,700	217.78	27.87	3,700	11.20	41,430	1,429,341	6,384,030	0.29	-	-	25.0	No	7.81
					≤ 20 000	20,000	268.03	34.30	16,300	4.77	77,696			0.12			25.0		7.81
					< 200 000	200,000	248.40	31.79	180,000	7.28	1,310,214			0.19			25.0		7.81
Estonia	Both	5.43	10.21	48.99	≤ 3 000	3,000	2.72	24.54	3,000	24.45	73,354	73,354	9,725,174	0.50	-	-	20.0	No	0.53
Finland	Both	29.90	31.60	151.67	≤ 2 000	2,000	14.95	75.83	2,000	75.83	151,667	2,866,514	27,466,965	0.50	4.00	4.23	23.0	No	0.95
					≤ 30 000	30,000	20.93	106.17	28,000	45.50	1,274,006			0.30			22.0		0.95
					≤ 55 000	55,000	23.92	121.33	25,000	30.33	758,337			0.20			22.0		0.95
					≤ 100 000	100,000	26.91	136.50	45,000	15.17	682,503			0.10			22.0		0.95
France	Both	7.20	8.30	39.86	≤ 10 000	10,000	3.60	19.93	10,000	19.93	199,315	3,986,301	3,986,301	-0.31	3.60	4.15	19.6	No	0.87
					≤ 50 000	50,000	3.60	19.93	40,000	19.93	797,260			-0.31			19.6		0.87
					≤ 200 000	200,000	3.60	19.93	150,000	19.93	2,989,725			-0.31			19.6		0.87
Germany	Both	1.97	2.47	11.85	≤ 5 000	5,000	1.10	6.62	5,000	5.23	26,162	264,026	2,105,591	0.44	-	-	19.0	No	0.80
					≤ 10 000	10,000	1.32	7.94	5,000	3.91	19,546			0.33			19.0		0.80
					≤ 20 000	20,000	1.54	9.26	10,000	2.59	25,861			0.22			19.0		0.80
					≤ 40 000	40,000	1.65	9.92	20,000	1.92	38,491			0.16			19.0		0.80
					< 200 000	200,000	1.81	10.89	160,000	0.96	153,965			0.08			19.0		0.80
Greece	Both	6.50	9.19	44.10	≤ 200 000	200,000	3.25	22.05	200,000	22.05	4,409,539	4,409,539	4,409,539	0.50	-	-	23.0	No	0.71
Hungary	Both	1470.00	11.32	54.32	<8000	8,000	735.00	27.16	8,000	27.16	217,289	217,289	10,647,147	0.50	-	-	27.0	No	129.89
Iceland	Both	See note		108.71	-	-	-	-	-	-	-	-	21,742,000		See note	-	25.5	Yes	137.69
Ireland	Both	15.71	18.76	90.07	≤ 20 000	20,000	-	45.03	20,000	45.03	900,667	900,667	17,112,675	0.5	-	-	21.0	No	0.84
Israel	Both	218.00	58.79	58.79	-	-	-	-	-	-	-	-	11,758,612		See note	-	16.0	No	3.71
Italy	Both	5.88	7.36	35.35	-	-	-	-	-	-	-	-	7,070,089		See note	-	21.0	No	0.80
Japan	Both	22200.00	207.72	207.72	-	-	-	-	-	-	-	-	41,543,220		-	-	5.0	No	106.88
Korea	Both	See note		0.00	-	-	-	-	-	-	-	-	-		See note	-	10.0	No	822.78
Luxembourg	Both	1.98	2.12	10.19	≤ 50 000	50,000	0.99	5.09	50,000	5.09	254,695	922,305	1,115,255	0.50	-	-	15.0	No	0.93
					≤ 200 000	200,000	1.12	5.74	150,000	4.45	667,610			0.44			15.0		0.93
Mexico	Both	25%		0.00	-	-	-	-	-	-	-	-	-		-	-	16.0	Yes	8.15
Netherlands	Both	32.64	39.23	39.23	≤ 200 000	200,000	30.19	36.28	200,000	2.94	588,862	588,862	7,256,223	0.08	-	-	19.0	Yes	0.83
New Zealand	Both	27.20	17.86	85.71	-	-	-	-	-	-	-	-	17,141,497		See note	-	15.0	No	1.52
Norway	Both	438.00	45.52	218.49	-	-	-	-	-	-	-	-	43,697,311		See note	-	25.0	Yes	9.62
Poland	Both	19.48	10.39	49.88	≤ 25 000	25,000	63.50	33.87	25,000	16.00	400,070	1,512,263	8,463,234	0.32	-	-	23.0	No	1.87
					up to 70 000hl	70,000	78.50	41.88	45,000	8.00	360,063								1.87
					up to 150 000hl	150,000	81.50	43.48	80,000	6.40	512,089								1.87
					up to 200 000hl	200,000	84.50	45.08	50,000	4.80	240,042								1.87
Portugal	Both	18.43	29.17	29.17	≤ 200 000	200,000	14.58	23.08	200,000	6.09	1,217,446	1,217,446	4,616,013	0.5	See note	-	23.0	Yes	0.63
Slovak Republic	Both	3.59	6.90	33.14	≤ 200 000	200,000	2.65	24.50	200,000	8.64	1,727,658	1,727,658	4,900,267		-	-	20.0	No	0.52
Slovenia	Both	10.00	15.87	76.20	-	-	-	-	-	-	-	-	15,239,174		-	-	20.0	No	0.63
Spain	Both	9.96	14.03	14.03	-	-	-	-	-	14.03	-	-	2,805,902		See note	-	18.0	Yes	0.71
Sweden	Both	166.00	18.62	89.39	-	-	-	-	-	-	-	-	17,877,680		-	-	25.0	No	8.91
Switzerland	Both	25.32	16.92	16.92	≤ 15 000	15,000	-	10.13	15,000	6.79	101,879	237,254	3,147,128	0.4	See note	-	8.0	Yes	1.50
					up to 55 000hl	55,000	-	13.54	40,000	3.38	135,375			0.2					

Turkey	Both	63.30%	0.00	0.00	-	-	-	-	-	-	-	-	-	-	18.0	No	1.04
UK	Both	18.57	28.17	135.22 ≤ 5 000	5,000	67.61	5,000	67.61	338,058	338,058	26,706,576	0.5	9.29	14.09	20.0	No	0.66
				From 5 001 to 30 000	30,000	see note	25,000	-	-	-	-	-	-	-	-	-	-
				From 30 001 to 60 000	60,000		30,000	-	-	-	-	-	-	-	-	-	-
US	Both	21.00	per hl	21.00 ≤ 70 410	70,410	-	11.64	70,410	9.36	659,038	659,038	3,540,962	0.55	-	-	No	1.00
				From 70,410 to 2,347,000	2,347,000	-	21.00	2,347,000	0.00	-	-	-	0.55	-	-	No	1.00

Source: National Delegates; position as at 1 January, 2012 BUT includes French legislated changes as of 1 January 2013 & USA proposed legislation (Small Brew Act)

AVERAGE	700,445	11,283,475
AUSTRALIA VS AVERAGE	<u>36</u>	
	200,000	

Notes

(1) In some countries the excise rate on beer is calculated per hectolitre per degree Plato. For ease of reading, all amounts have been converted in excise per hectolitre per degree of absolute alcohol. There is no precise conversion between degrees Plato

(2) **The degree Plato (°P)** is a unit measuring sugar content of the wort from which beer is made. In Europe, beer is often taxed either by the degree Plato or by the actual alcohol content. There is no precise conversion between these quantities, but for tax purposes it is often assumed that 1% alcohol is equivalent to 2.5 degrees Plato.

(3) Note Korea, Mexico & Turkey deleted as their tax system is not comparable to other OECD countries

Country notes

Australia. The excise rates for beer in individual containers not exceeding 48 litres are: AUD 35.03 per litre of alcohol where volume of alcohol does not exceed 3 per cent, AUD 40.82 where volume of alcohol exceeds 3 per cent but does not exceed 3.5 per cent. The rates for beer in individual containers exceeding 48 litres are: AUD 6.99 per litre of alcohol where volume of alcohol does not exceed 3 per cent, AUD 21.96 where volume of alcohol exceeds 3 per cent but not more than 3.5 per cent, and AUD 40.82 where volume exceeds 3.5 per cent. Each rate is calculated on the amount by which the alcohol content (by volume) exceeds 1.15 per cent. Beer that does not contain more than 1.15 per cent by volume of alcohol is free of excise. These rates are indexed to inflation in February and August each year. On 1 Jan 2012, Microbrewers receive an excise refund of 60 per cent of the excise paid up to a maximum of AUD 10 000 per financial year provided the production of beer does not exceed 30 000 litres. Whereas, on 1 July 2012, Microbrewers receive an excise refund of 60 per cent of the excise paid up to a maximum of AUD 30 000 per financial year.

Looking at Australias Excise calculation of Beer at 4.8% Abv. Note Australia is the only Country in the world were there is a different excise rate for Draught beer and Non Draught beer. The Calculation will be conducted using both Draught and Non Draught

Draught 4.8% - 1.15% = 3.65% times 100litres equals 3.65 litres of Alcohol times \$31.74/l of alc = A\$115.85

Bottles 4.8% - 1.15% = 3.65% times 100litres equals 3.65 litres of Alcohol times \$45.08/l of alc = A\$+B5

Austria. Rates for small breweries (annual production up to 50 000 hl) range from EUR 1.24 to EUR 1.87 according to size of production.

Belgium. The rate of 1.71 is made of EUR 0.79 excise duty and EUR 0.92 special excise duty. Rates for small breweries (annual production up to 200 000 litres of beer) range from EUR 1.4873 to EUR 1.6857 per hl degree Plato, according to the size of production. Beer containing less than 0.5% alc by volume is subject to an excise duty of EUR 3.7184 per hl.

Canada. 1) Rates for small breweries (annual production up to 75 000 hl) range from a) over 2.5% absolute ethyl alcohol by volume (vol.) CAD 3.122 to CAD 26.537 per hl; b) over 1.2% but not more than 2.5% vol. CAD 1.561 to CAD 13.269 per hl; c) 1.2% vol. or less CAD 0.259 to CAD 2.202 per hl. **2)** Rates for breweries with an annual production over 75 000 hl: a) Over 2.5% vol. CAD 31.22; b) Over 1.2% vol. but not more than 2.5% vol. CAD 15.61; c) 1.2% vol. or less CAD 2.591. **3)** Beer that has an alcoholic strength in excess of 11.9% absolute ethyl alcohol by volume is deemed to be a Spirit.

Chile. There is no specific excise on alcoholic beverages (including wine, beer and other alcoholic beverages). However, for beer, a surtax of 15% is applied to the VAT base (excluding the VAT itself) on all sales between wholesale dealers. For sales between wholesalers, the tax paid to the vendor is creditable against the tax applied on sales at each stage of the value chain (including on imports) until the last sale to the final retailer. The sale from this retailer to the final consumer is not submitted to the tax and the retailer cannot deduct the input tax.

Czech Republic. Excise rates for small breweries: 10 000 hl CZK 12.00; <=50 000 hl CZK 14.40; <=100 000 hl CZK 16.80; <=150 000 hl CZK 19.20; <=200 000 hl CZK 21.60

Denmark. No duty on beer under 2.8% vol. An additional duty is placed on products which contains a mixture of beer and non-alcoholic drinks, Rates: DKK 8,15 pr. l. of mixture with alcohol content <=10% in the final product and DKK 14,80 pr. l. of mixture with alcohol content >10% in the final product

Finland. Four reduced rates for small independent breweries: a) EUR 11.80 (annual production up to 2 000 hl); b) EUR 16.52 (annual production over 2 000 hl and up to 30 000 hl); c) EUR 18.88 (annual production over 30 000 hl. and up to 55 000 hl); d) EUR 21.24 (annual production over 5 500 hl and up to 100 000 hl).

France. As at 1 January 2012 excise was a reduced rate of EUR 1.32 per hectolitre and per degree alc. applies to beer with less than 2.8% alcohol by volume. Reduced rate for small breweries for beer of 2.8% alcohol by volume or more: up to 100 000hl EUR 1.32 per hectolitre per degree alc.; from 100 000 up to 50 000hl EUR 1.58 per hectolitre per degree alc. and EUR 1.98 per hectolitre per degree alc. for production between 50 000 and 200 000hl. **However, on 1 July 2012, the French Government passed legislation to enact the following changes: Nominal excise rate was increased from SEUR 2.75 to SEUR 7.20, however extended a 50% excise reduction for all production from 0 to 200,000 HL.**

Germany. Rates for small breweries (annual production up to 200 000 hl) range from EUR 0.4407 to EUR 0.7862 per hl per degree Plato.

Greece. The excise rate for independant small breweries producing annually up to 200 000 hl of beer is EUR 0.68 per hl per degree plato.

Iceland. Excise rate in ISK 5 870 per % alcohol by volume exceeding 2.25%.

Ireland. Excise rate Nil 1.2% and below

Israel. On 28 February 2008, the duty was set as ILS 191 per hectolitre and ILS 200 on 28 February 2010. The amount is updated each year according to the change in the Consumer Price Index (CPI). There is no duty on beer under 2% alcohol (or under 3% alcohol if marketed in reusable bottles). The statistical data for Israel are supplied by and under the responsibility of the relevant Israeli authorities. The use of such data by the OECD is without prejudice to the status of the Golan Heights, East Jerusalem and Israeli settlements in the West Bank under the terms of international law.

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Italy. Beers with volume of alcohol does not exceed 0.5 percent is not taxed

Japan. Excise rates are JPY 22 000 per hectolitre of product. Small brewers who produce no more than 13 hectolitre of beer per year pay JPY 17 600 per hectolitre on the first two hectolitre for the first five years of the license (temporary measure). Note ** Yen 22,200 per hl of product

Korea. The rate of Liquor Tax on beer is 72% of the manufacturer's price. In addition, Education Tax (30% on the amount of Liquor Tax levied) is also levied.

Luxembourg. Rates for small breweries (annual production up to 200 000 hl) range from EUR 0.40 to EUR 0.45.

Mexico. All rates are according to the value. The rates for beer and other alcoholic beverages apply as follows: 25% up to 14° G.L.; 30% above 14° G.L. and up to 20° G.L.; 50% above 20° G.L. As a mechanism to discourage the use of disposable containers, taxpayers should pay the greater amount between the result of applying the corresponding rate to the value or a 3 MXN per liter fee (taxpayers that use re-usable containers can reduce an amount of 1.26 MXN per liter)

Netherlands. For beer that is sold usually, that is, beer of 12 degree Plato in the range 11-15 degree Plato (EUR 25.11; 12 = EUR 2.10 per degree Plato). Excise rates are as follows per hectolitre of product: a) Up to 7 degree Plato EUR 5.50; b) 7-11 degree Plato EUR 18.84; c) 11-15 degree Plato EUR 25.11; d) Over 15 degree Plato EUR 31.40. Rates for small breweries (annual production up to 200 000 hl) are as follows: a) Up to 7 degree Plato the above mentioned rate; b) 7-11 degree Plato EUR 17.43; c) 11-15 degree Plato EUR 23.23; d) Over 15 degree Plato EUR 29.05. For beer with an alcohol content of: 0.5% the VAT rate is 6%.

New Zealand. The excise rate for beer containing more than 2.5% vol. is NZD \$23.936 per litre of alcohol in finished product. The rate for beer containing more than 1.15% vol. but not more than 2.5% vol. is NZD 35.898c per litre of product. There is no excise duty on beer containing less than 1.15% vol. Note NZD \$27.20 per litre of alcohol in finished product

New Zealand NZ\$27.2 per l of alc = 4.8/100 *\$27.20*100= NZ\$130.56 per hl divided by the PPP 1.52

Norway. Excise rates are as follows per hectoliter of product: a) 0.00-0.70% vol. NOK 271; b) 0.70-2.75% vol. NOK 271; c) 2.75-3.75% vol. NOK 1 023; d) 3.75-4.75% vol. NOK 1 772. The excise rate for beer with an alcoholic content of more than 7% vol is NOK 394 per degree of alcohol and hectoliter.

Poland. Allowances for small breweries: 25 PLN/hl if the producer sells no more than 20 000 hl a year. 12.50 PLN/hl if the producer sells no more than 70 000 hl a year. 10 PLN/hl if the producer sells no more than 150 000 hl a year. 7.50 PLN/hl if the producer sells no more than 200 000 hl a year.

Portugal. Excise rates for beer are as follows per hectolitre of product: a) More than 0.5% vol. and up to 1.2% - EUR 6.91 ; b) more than 1.2% vol. and a degree Plato up to 8 - EUR 8.65; c) more than 1.2% vol. and a degree Plato in excess of 8 but up to 11 - EUR 13.81; d) more than 1.2% vol. and a degree of Plato in excess of 11 but up to 13 - EUR 17.30; e) more than 1.2% vol. and a degree of Plato in excess of 13 but up to 15 - EUR 20.73; f) more than 1.2% vol. and a degree of Plato in excess of 15 - EUR 24.26. Rates for small breweries (annual production up to 200 000 hl) are 50% of the normal rates.

Slovak Republic. Excise rate for small breweries (annual production up to 200 000 hl of beer) is EUR 1.22 per hectoliter per degree Plato.

Slovenia. Specific excise per hectolitre per degree alc. until end of February 2009 was EUR 6.86, since 1 March 2009 is EUR 9.00.

Spain. Beer with an alcoholic content not exceeding 1.2% vol. is free of excise. The rate for beer between 1.2% and 2.8% is EUR 2.75 per HL; Beer with an alcoholic degree > 2.8% and a degree Plato < 11 = EUR 7.48/HL; Beer with a degree Plato > 11 and not > 15 = EUR 9.96/HL; Beer with a degree Plato > 15 and not > 19 = EUR 13.56/HL; Beer with a degree Plato > 19 = EUR 0.91 per HL and per degree Plato. There is no tax on Beer in Ceuta and Melilla - Spanish cities situated in the North of Africa. **Note 9.96Euro per hl for 4.8%Abv**

Sweden. The rate shown is for beer stronger than 2.8% vol. The VAT rate for beer with an alcoholic strength lower than 3.5% vol. is 12%.

Switzerland. Rates per hectolitre: light beer (up to 10.0° Plato): CHF 16.88, regular and special beer (10.1 to 14.0° Plato): CHF 25.32, strong beer (from 14.1° Plato): CHF 33.76. Reductions for small breweries from 40 % (annual production max. 15 000 hl) to 0 % (annual production min. 55 000 hl). **Note 25.32 CHF per hl for 4.8%Abv**

Turkey. No specific tax element. The elements according to the value are the Excise Duty at a rate of 63.3% If the amount computed according to the tax rate is lower than the minimum tax amount specified in the above table, then the minimum tax is paid.

\$1

United Kingdom. * VAT rate: this rate is a temporary reduction for the period 1 December 2008 - 31 December 2009 inclusive and reverts to 17.5% with effect from 1 January 2010. Beer with an alcoholic content not exceeding 1.2% vol. is free of excise. Reduced duty rates apply for independent breweries producing 5 000 hectolitres or less = GBP 8.08 per % abv. Between 5 000 hectolitres and 30 000 hectolitres = GBP 8.08 -14.80 per % abv. Between 30 000 hectolitres and 60 000 hectolitres GBP 14.80 to 16.15 per %abv.

United States. The weighted average Federal and State excise tax rate is USD 21 per hectolitre of product. The Federal tax is USD 18.00 per barrel (31 gallons). 26.42 US gallons = 1 hectolitre. Small domestic brewers who produce less than 2 million barrels of beer per calendar year pay USD 7.00 per barrel on the first 60 000 barrels. There is no progressive rate structure based on alcohol content and no Federal VAT. Therefore Weighted Average State excise tax is \$6.66 per barrel plus \$7 per barrel equals \$13.66 per barrel for small breweries which equals \$11.64 per hl. Note % Reduced Rate is 55% on Federal Tax.

USA - Note US\$21 is combined Federal & Averaged State taxes. Craft Rebate is US\$7 federal plus average US\$3 state taxes. Note 1 US Barrel is equal to 1.1735 hl

<u>USA</u>	<u>Conversion</u>	
Barrel	1.00	2,000,000.00
equals Gallons	31.00	31.00
Conversion	26.42	26.42
Hectolitre	<u>1.17</u>	<u>2,346,707.04</u>
		<u>\$USD</u>
Federal Tax		8.00
Weighted Average of State Taxes		3.00
Total Weighted Average of Federal & State Taxes		<u>21.00</u>