

Chapter 4

Selected excise duties in OECD countries

This chapter describes the main features of the excise duties and their impact on revenue, customer behaviour and markets. It explains the respective impact of specific excise and ad valorem taxes and how they interact. It shows the detailed excise tax rates on beer, wine, alcoholic beverages, tobacco, and mineral oil products in OECD countries.

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.

1. Introduction

Excise, unlike value added taxes (VAT)¹ and other general consumption taxes, is levied only on specific goods. Although many products can be subject to excise, such as chocolate, coffee and orange juice, only a few are considered in this chapter, since they are taxed in all OECD countries. The three principal product groups that are liable to excise in all OECD countries are alcoholic beverages, mineral oils and tobacco products.

Before looking at these three groups in terms of their characteristics and their comparative treatment by different countries, a number of general characteristics on excise may be noted:

- Excise duty is generally calculated by reference to the weight, volume, strength, or quantity of the product, combined in some cases with the value, but sometimes on a value basis only.
- Excise duty does not normally become payable until the goods enter free circulation. Transfers of ownership can take place while goods remain in a controlled warehousing environment or between registered operators without creating an excise charge.
- The excise system is characterised by a small number of taxpayers, who are active in the manufacturing, wholesale stage or importation of the three main product groups.

Excise is normally part of the VAT tax base, meaning that VAT is usually levied on the duty-paid value of the excise products. Therefore, an increase of excise duty rates implies an increase of both excise and VAT burden.

The revenue from excise in OECD countries has been relatively stable over the last twenty years, accounting for about 8% of total tax revenue in 2011, after a long decline from 1965 (where they accounted for 14.2% of total tax revenue on average) to 1990 (average share of 8.1%) (see Table 4.A4.9). Behind the OECD unweighted average (8.1%), there are large differences between countries, with excise accounting for 2.8% of total tax revenue in New Zealand and 17.8% in Turkey. In two thirds of OECD countries (20 out of 34), the weight of excise is between 5% and 10% of total tax revenue while it accounts for less than 5% in 5 countries (Belgium, Canada, Mexico, New Zealand and the United States) and for more than 10% in 8 countries (Czech Republic, Estonia, Greece, Ireland, Poland, Slovak Republic, Slovenia and Turkey).

In addition to the rates and tax base, the weight and impact of excise is substantially affected by its structure. There are two main ways in which excisable products can be taxed: by a *specific tax*, charged as a fixed amount per unit of the product (e.g. USD 1 per litre), which is a tax on the volume of sales; and an *ad valorem tax*, specified as a proportion of the product price (e.g. 20% of the selling price), which is a tax on the value of sales. In a number of instances (e.g. tobacco taxes as presented in Table 4.A4.4) the total excise tax results from a mix of *ad valorem* and specific taxes. The specific tax requires a precise definition of the nature and characteristics of the tax base (e.g. a litre of unleaded gasoline with 94 RON) while the *ad valorem* tax is simply based on the price.

Most products naturally present a bundle of different characteristics (volume, weight, strength, octane or alcoholic content, etc.). A specific tax will remain unaffected by any changes in the product characteristics that have not been defined as being relevant for the tax base whereas *ad valorem* taxes bear on all the characteristics of the product that are reflected in the price. Depending on the type of tax, the impact on production and consumption will be different. For example, a specific tax on beer (per % absolute alcohol in volume) may encourage brewers to develop varieties of beer, including more luxurious products that could be offered at higher prices while remaining subject to the same level of excise as the cheaper product. On the other hand, *ad valorem* taxes may discourage costly improvements in product quality. Specific taxes may be easier to administer, because it is necessary only to determine the physical quantity of the product taxed while *ad valorem* taxes may keep pace with inflation better than specific taxes. On the other hand, *ad valorem* taxes are possibly more volatile, being subject to price variations.

Setting the “optimal” balance between specific and *ad valorem* components of excise will depend of the government’s objective. (Keen, 1998) shows that there is no optimal balance between the two taxes in absolute terms, since this balance will depend on the objectives pursued and on the particular characteristics of the market at stake. The aim can be the maximisation of tax revenue; to ensure the predictability and stability of the revenue; and/or to influence consumer behaviour.

While the original reason for introducing excise duties was to raise revenue, they are now also used to discourage consumption of certain products because they are considered harmful to health or the environment. Regardless of the reason for which they are implemented, excise taxes affect consumer behaviour. The case put forward in relation to alcoholic beverages and tobacco products is that drinking and smoking are health hazards and have negative externalities and increased excise duties help to reduce consumption (OECD, 2013a). For mineral oils, reasons for levying excise taxes relate to energy security concerns and social externalities from energy use, particularly environmental costs. Over the last decade, environmental concerns have played an increasing role in determining the nature and application of taxes, e.g. to road fuel, motor vehicles (see Chapter 5) and CO₂ emissions. OECD analysis (OECD, 2010) confirms the advantages of environmental taxes over many other environmental policy instruments in terms of environmental effectiveness, economic efficiency, the ability to raise public revenue, and transparency. Also, environmental taxes have been successfully used to address a wide range of issues including waste disposal, water pollution and air emissions. It also shows how the way they are designed and implemented is crucial to their success (OECD, 2011).

While the main characteristics and objectives ascribed to excise duties are approximately the same across OECD countries, their implementation, especially in respect to tax rates and structure, gives rise to significant differences between countries.

Giving an order of magnitude for the tax burden differences between countries is not straightforward. Although taxes (other than VAT) on alcoholic beverages and tobacco are almost exclusively made of excise duties (specific or *ad valorem*) their structure may vary widely across countries. For example, standard excise rates on beer may be tempered by the application of reduced rates on small breweries. Different duty rates applicable to substitutes (cigarettes and rolling tobacco) may also blur the picture. Cross-country comparisons are even more difficult for duties on road fuels as they show only one side of car taxation policy that also includes road tolls, taxes on registration and use of vehicles, taxes on insurance, etc.

2. Alcoholic beverages

There are a wide variety of alcoholic beverages across the world and they can be made from different products (grapes, apples, malt, rice, etc.) that are fermented or distilled. Customs Combined Nomenclature Code (CN) provides a classification of alcoholic beverages with which excise categories are intrinsically linked. CN includes six main categories of alcoholic beverages: beer made from malt (code 22.03); wine of fresh grapes, including fortified wines (code 22.04); vermouth and other wine of fresh grapes flavoured with plants or aromatic substances (code 22.05); other fermented beverages (for example, cider, perry, mead), mixtures of fermented beverages and mixtures of fermented beverages and non-alcoholic beverages (code 22.06); undenatured ethyl alcohol of an alcoholic strength of 80% pure alcohol by volume (abv) or higher (code 22.07) and undenatured ethyl alcohol of an alcoholic strength of less than 80% abv (code 22.08). There are inevitably subdivisions within each of these broad categories, but the use of the internationally accepted nomenclature provides for consistency and helps to avoid contradictory definitions in applying rates. Member States of the European Union also apply a harmonised structure for excise duties on alcohol and alcoholic beverages (Council Directive 92/83/EEC). Except otherwise mentioned in country notes (Boxes to), Tables 4.A4.1 and 4.A4.2 cover products under CN codes 22.03 and 22.04. Table 4.A4.3 covers products not included in Tables 4.A4.1 and 4.A4.2.

Given the long history of alcohol taxation, several methods and measures were developed over time for assessing the alcoholic content of a product. Nowadays, the alcohol by volume (abv) is a standard measure of how much alcohol (ethanol) is contained in an alcoholic beverage. It is defined as the number of litres of pure ethanol present in 100 litres of solution at 20 °C, expressed as a percentage of total volume. As a result, the alcoholic content in Tables 4.A4.1 and 4.A4.2 is expressed in % abv. In some countries, the alcoholic content of beer is still calculated in degree Plato (measuring the density of beer wort in terms of percentage of extract by weight). In order to provide comparable excise data, the amounts of tax per degree Plato were converted amount per % abv. There is no precise conversion between degrees Plato and degrees of absolute alcohol, but for tax purposes it is assumed that 1% abv is equivalent to 2.5 degrees Plato. As a result, tax rates expressed in degree Plato have been multiplied by 2.5 to obtain the rates in degree abv.

Excise is applied to alcoholic beverages in two main ways. The duty can be either specific in relation to the alcoholic content of the product (specific tax) or calculated according to the value of the product (*ad valorem* tax). The two methods are combined to include both the volume (based on alcohol content) and value. One exception is Mexico, where the rate of tax is calculated exclusively on the value of the product for alcoholic beverages, with a graduated rate for beer based on the alcoholic content of the product. Maybe the high inflation rate in Mexico has played a role in this choice.

Tables 4.A4.1, 4.A4.2 and 4.A4.3 and associated Boxes , and in respect of excise duties on beer, wine and other alcoholic beverages show the complicated computations for excise duties in many instances. Due to the existence of differing sub-categories and specific rates (e.g. for low-alcohol products and for small breweries) and calculations according to both the value and the nature of the product, it is difficult to be precise about the price differentials from a consumer point of view. However, Tables 4.A4.1, 4.A4.2 and 4.A4.3 show the large differences that exist between countries: excise on wine (Table 4.A4.2) may vary from zero (Austria, Greece, Italy, Luxembourg, Portugal, Slovenia, Spain and Switzerland)

up to more than USD 9 a litre of still wine (Finland) and more than USD 11 a litre of sparkling wine (Ireland). Excise on beer (Table 4.A4.1) also varies from about USD 2 per hectolitre per % abv (Czech Republic and Luxembourg) up to USD 32 (Finland) and even USD 101 (Israel).

3. Tobacco products

Historically, as for alcohol taxation, the primary motivation for tobacco taxation was the efficient generation of government revenue, with nearly all countries having taxed tobacco products for many decades or, in some cases, centuries. The relatively low elasticity of demand for tobacco products (i.e. the less than proportionate response of tobacco product consumption to increase in prices), the small number of producers and significant consumption make tobacco products particularly attractive targets for excise and other taxation. In recent decades, as evidence on the health consequences of tobacco has accumulated, the use of tobacco taxation as a tool for improving public health has emerged. This motive has gained prominence as economic evidence was provided on the effectiveness of increased tobacco product taxes and prices in reducing tobacco use (WHO, 2008).

As with alcohol and mineral oils, there is a sub-division of tobacco products into a number of categories – cigarettes, cigars, cigarette rolling tobacco and pipe tobacco. For alcoholic beverages, the objective criterion for excise is the alcoholic content; for mineral oil products it is the energy content. But what about tobacco – is there a smoking value difference between a cigar and a cigarette? Or should the nicotine/tar content be measured as part of the health issue?

Unlike for excise on alcoholic beverages and mineral oils, which are almost exclusively specific, the majority of countries use a combination of specific and *ad valorem* elements to calculate excise on tobacco products. This not only helps to provide compensation in respect of cheap and expensive products (in much the same way as alcoholic beverages) but also acts as a means of achieving neutrality between countries with low production costs and those with high production costs. Those countries with low production costs might tend to choose a low specific element combined with a high element according to value whereas high production costs can be compensated by choosing a high specific element and a low value element. Again, Table 4.A4.4 shows large differences between countries. Differences may also exist within a federal structure such as the USA where e.g. local excise rates on cigarettes (on the top of the federal tax) ranges from USD 0.17 in Missouri to USD 4.35 in New York per pack of 20 cigarettes (FTA, 2014).

In most countries, excise on value for tobacco products is calculated in percentage of retail selling price (RSP). Unlike many other taxes, a tax in percentage RSP is calculated from the price at which the final consumer pays the pack to the retailer, all taxes included (specific excise duty + *ad valorem* excise + VAT).

4. Mineral oil products

Mineral oils are usually sub-divided into product categories in relation to technical specifications such as unleaded gasoline, diesel oil, and heavy fuel oil. Some OECD countries also tax other energy products under an excise tax regime (or under specific taxes on energy products, for example carbon taxes) such as natural gas, electricity and coal. The European Union energy tax Directive (2003/96/EC) sets the EU framework for the taxation of energy products and electricity. The Directive sets minimum tax rates for energy products for all energy products including coal, natural gas and electricity.

A significant feature of excise on mineral oils is the fact that duty rates have been used to influence consumer behaviour to a greater degree than in many other areas. Excise on transport fuels has been around for many years although it was originally motivated by non-environmental needs (such as general revenue generation or sometimes earmarked for infrastructure spending). When the more environmentally-friendly unleaded gasoline appeared on the market it was more expensive to produce and as a consequence not commercially competitive with leaded gasoline as a retail product. This handicap was soon overcome through tax differentials making unleaded gasoline cheaper at the pump. Today, leaded gasoline is not allowed any more on the market. Also for the Liquefied Petroleum Gas (LPG) used as propellant, the tax is lower than on unleaded gasoline and diesel in almost all OECD countries, despite large differences in tax rates (Table 4.A4.7). However, in this case, the effect on consumer choices is much less significant since the characteristics of this fuel (not liquid at standard temperature and atmospheric pressure, more difficult to stock, need for specifically equipped stations) have hindered its development. The use of LPG is globally very low compared to diesel and gasoline.

Excise taxes on transport fuels usually are much higher than on mineral oils and, more generally, fossil fuels used in other sectors (OECD, 2013b). This can be for various reasons, including a lower elasticity of the tax base in transport, the use of excises to cover (more or less directly) some external costs that are relevant only in transport (most notably congestion), and equity concerns that may lead to lower tax rates on diesel used for household heating. Indeed, the vast majority of OECD countries (except Greece, Hungary, Israel and Netherlands) tax heating oil for households at a lower rate than diesel for transport use even though these two products are more or less identical.

Member States of the European Union have implemented the Energy Taxation Directive (2003/96/EC), which sets out common rules for the taxation of energy products. The Directive is intended to reduce distortions of competition, both between Member States created by divergent rates of tax on energy products, and between mineral oils and the other energy products. It is also intended to increase incentives to use energy more efficiently. The Directive sets common taxation rules for a range of fuels, including many oil products, coal and natural gas, and for electricity consumption. For each, it sets a minimum level of tax expressed in terms of the volume, weight, or energy content of the fuel. For example, minimum rates on road fuels are as follows: EUR 0.359/l for unleaded gasoline; EUR 0.330/l for gas oil and EUR 0.125/kg for LPG. On the other hand, the Directive does not specify which taxes should be employed to attain the minimum level and they may include a diversity of specific taxes such as excise, carbon tax, energy tax, etc. The European Commission has proposed a new Energy Taxation Directive to promote energy efficiency and consumption of more environmentally friendly products. Under the revised Directive, taxes on energy would have two components: 1) a single minimum rate for CO₂ emissions (EUR 20 per tonne of CO₂) for all sectors that are not part of the Emissions Trading System; and 2) minimum rates based on the energy content of the fuel, which will be more uniform across types of fuel. These components would be combined to produce the overall minimum tax rate at which fuel products would be taxed (full implementation would take place in 2023).

The revenues raised from these taxes are significant, as a result of the considerable level of consumption in the OECD countries and high tax rates in many of them. Although there are large differences between countries, the level of taxation for fuel relative to the base is very high compared to other tax rates within the overall economy. For premium

unleaded gasoline (Table 4.A4.5), the total tax burden (mainly excise plus VAT) exceeds 100% of pre-tax prices in almost two thirds of countries (in 21 out of 34 countries, the total tax as percentage of final price exceeds 50% and in 7 more ones it exceeds 40%).

Excise levels for diesel fuel are significantly lower than those for gasoline in most countries. Only two countries – Iceland and Switzerland – levy a higher excise duty on diesel than on gasoline and only three countries apply the excise rate to both fuels (Australia, United Kingdom and Mexico). From an environmental point of view, this is peculiar, as diesel consumption in vehicles has a much greater environmental impact than unleaded gasoline, largely due to the significant differences in NO_x^2 and particulate emissions. With more stringent motor vehicle regulations, the difference is becoming less pronounced for new vehicles, although there are concerns about differences between test cycle and on-road performance and the stock of vehicles is still weighted toward older, more polluting diesel vehicles (OECD, 2010; OECD, 2014b).

Excise rates on automotive fuels should not be considered in isolation in assessing the overall tax burden on automotive transport. Vehicles are also subject to registration taxes and recurrent circulation taxes and many countries differentiate those taxes according to the type of fuel used or according to CO_2 emissions per unit distance (see Chapter 5). Furthermore, the tax treatment of company car use is often more favourable – sometimes considerably so – than that of other car use (OECD, 2014c).

The rates shown in Tables 4.A4.5 to 4.A4.8 are taken from the International Energy Agency (IEA, 2014) and do not reflect excise duties exclusively but also include a number of taxes such as contributions to emergency stock funds.

5. Impact on cross-border trade

Differences in excise rates between countries often result from national traditions; social and health policy; local production and government's financing needs. Such differences are not without impact on the cross-border movement of goods. The development of integrated markets (e.g. the European Union) and elimination of border controls at frontiers have shed light on the disparate excise rates between neighbouring countries to the extent that market forces are affected. In such circumstances, the effects of cross-border shopping can have a significant economic impact on businesses and put pressure on the relevant tax authorities to seek closer approximation of excise duty rates with their neighbours. Differences between certain neighbouring countries may also encourage cross-border “bootlegging” activities (McKee et al., 2004). Although some would argue that market forces should encourage moves towards convergence of rates, this is contradictory with other policy factors when issues such as health are taken into account in setting the rates.

6. Distributional impact of excise

A recent OECD study (OECD, 2014a) showed that average excise tax burdens on alcohol, tobacco and transport fuels tend to be regressive whether measured as a percentage of income or expenditure, at least in the sense that the excise tax burdens on the highest income deciles are less than those on the lowest deciles. This general regressive result implies that as a household earns more they spend a smaller proportion of their income on alcohol, tobacco and transport fuels. Irrespective of any distorting effect due to savings behaviour, this result is perhaps unsurprising given the addictive nature of alcohol and tobacco (suggesting a similar quantity will be consumed irrespective of

income); and possibly suggests a large fixed cost element to transport fuels (e.g. commuting to work costs).

Notes

1. VAT may also be referred to as Goods and Services Tax (GST). For ease of reading, all value added taxes will be referred to as VAT in this chapter.
2. NO_x is a generic term for the various nitrogen oxides produced during combustion. These are considered to be important air pollutants.

Bibliography

- FTA (2014), *State Excise Taxes*, Federation of Tax Administrators, Washington, www.taxadmin.org.
- IEA (2010), *Energy Prices and Taxes, 2010*, International Energy Agency, Paris.
- Keen (1998), "The Balance Between Specific and Ad Valorem Taxation", *Fiscal Studies*, Vol. 19, No. 1, pp. 1-37, London.
- McKee, M., L. MacLehose and E. Nolte (2004), "Health Policy and EU Enlargement", *European Observatory on Health Systems and Policy Series*, Open University Press, Buckingham.
- OECD (2014a), "The Distributional Effects of Consumption Taxes in OECD Countries", *OECD Tax Policy Studies*, No. 22 (forthcoming), OECD Publishing, Paris.
- OECD (2014b), "The Diesel Differential – Differences in the Tax Treatment of Gasoline and Diesel for Road Use", *Tax Policy Working Papers*, No. 21, OECD Publishing, Paris, <http://dx.doi.org/10.1787/5jz14cd7hk6b-en>.
- OECD (2014c), "Personal Tax Treatment of Company Cars and Commuting Expenses: Estimating the Fiscal and Environmental Costs", *Tax Policy Working Papers*, No. 20, OECD Publishing, Paris, <http://dx.doi.org/10.1787/5jz14cg1s7vl-en>.
- OECD (2013a), "The Role of Fiscal Policies in Health Promotion", *OECD Health Working Papers*, No. 66, OECD Publishing, <http://dx.doi.org/10.1787/5k3tur94kvzx-en>.
- OECD (2013b), *Taxing Energy Use: A Graphical Analysis*, OECD Publishing, Paris, <http://dx.doi.org/10.1787/9789264183933-en>.
- OECD (2011), *Environmental Taxation, a Guide for Policy Makers*, OECD, Paris, www.oecd.org/env/tools-evaluation/48164926.pdf.
- OECD (2010), *Taxation, Innovation and the Environment*, OECD Publishing, Paris, <http://dx.doi.org/10.1787/9789264087637-en>.
- WHO (2008), *Methods for Evaluating Tobacco Control Policies*, International Agency for Research on Cancer, Geneva.

ANNEX 4.A4

Data on excise rates

Table 4.A4.1. **Taxation of beer**

	Specific excise per hectolitre per % abv ^a		Lower excise for small independent breweries			Excise duty on low alcohol beer (not exceeding 2.8% abv) Excise per hectolitre of product		VAT	Excise rates which are progressive by strength
	National currency	USD	Annual production (hl)	National currency	USD	National currency	USD	%	
Australia*	Country note		Country note			Country note		10.0	Yes
Austria	5.00	6.67	< 12 500	3	4.00	–	–	20.0	No
			< 25 000	3.5	4.67			20.0	
			< 37 500	4	5.33			20.0	
			≤ 50 000	4.5	6.00			20.0	
Belgium	4.62	6.16	≤ 12 500	4.02	5.36	–	–	21.0	No
			≤ 25 000	4.15	5.53			21.0	
			≤ 50 000	4.28	5.71			21.0	
			≤ 75 000	4.42	5.89			21.0	
			≤ 200 000	4.55	6.07			21.0	
Canada*	Country note		Country note			Country note		5.0/13.0/14.0/15.0	Yes
Chile*	Country note		Country note			Country note		19.0	No
Czech Republic	32.00	1.64	≤ 10 000	16.00	0.82	–	–	21.0	No
			≤ 50 000	19.2	0.98			20.0	
			≤ 100 000	22.40	1.15			20.0	
			≤ 150 000	25.60	1.31			20.0	
			≤ 200 000	28.80	1.47			20.0	
Denmark*	65.91	11.73	≤ 3 700	Country note		Country note	0.00	25.0	No
			≤ 20 000	Country note				25.0	
			< 200 000	Country note				25.0	
Estonia	6.28	8.37	≤ 3 000	3.14	4.19	–	–	20.0	No
Finland*	32.05	42.73	≤ 2 000	16.03	21.37	8.00	10.67	24.0	No
			≤ 30 000	22.44	29.91			24.0	
			≤ 55 000	25.64	34.19			24.0	
			≤ 100 000	28.85	38.46			24.0	
France	3.66	4.88	≤ 200 000	3.66	4.88	3.66	4.88	20.0	No
Germany	1.97	2.63	≤ 5 000	1.10	1.47	–	–	19.0	No
			≤ 10 000	1.32	1.76			19.0	
			≤ 20 000	1.54	2.05			19.0	
			≤ 40 000	1.65	2.20			19.0	
Greece	6.50	8.67	≤ 200 000	3.25	4.33	–	–	23.0	No
Hungary	1 620.00	7.25	< 8 000	810.00	3.62			27.0	No
Iceland*	Country note		–	–	–	Country note	–	25.5	Yes
Ireland*	22.55	30.07	≤ 20 000	Country note		Country note		23.0	No
Israel*	433.00	119.94	–	–	–	Country note		18.0	No
Italy*	6.75	9.00	–	–	–	Country note	–	22.0	No
Japan*	Country note					–	–	5.0	No
Korea*	Country note					Country note		10.0	No
Luxembourg*	1.98	2.64	≤ 50 000	0.99	1.32	–	–	15.0	No
			≤ 200 000	1.12	1.49	–	–	15.0	
Mexico*	26.5%					–	–	16.0	Yes
Netherlands*	Country note		–	–	–	–	–	21.0	Yes
New Zealand*	27.20	22.30				Country note		15.0	No
Norway*	Country note					Country note		25.0	Yes
Poland*	19.48	6.16	Country note			–	–	23.0	No
Portugal*	Country note		Country note			Country note		23.0	Yes
Slovak Republic	3.59	4.78	≤ 200 000	2.652	3.54	–	–	20.0	No
Slovenia*	11.00	14.67				–	–	22.0	No
Spain*	Country note		–	–	–	Country note		21.0	Yes
Sweden	178.00	27.34	–	–	–	–	–	25.0	No

Table 4.A4.1. **Taxation of beer** (cont.)

	Specific excise per hectolitre per % abv ^a		Lower excise for small independent breweries			Excise duty on low alcohol beer (not exceeding 2.8% abv) Excise per hectolitre of product		VAT	Excise rates which are progressive by strength
	National currency	USD	Annual production (hl)	National currency	USD	National currency	USD	%	
Switzerland*	Country note					Country note		8.0	Yes
Turkey*	63.00%	–	–	–	–	–	–	18.0	No
United Kingdom*	19.12	29.88	Country note			9.17	14.33	20.0	No
United States*	Country note					–	–		No

* See Country notes.

Conversion of national currency in USD: Conversion rates are average market rates (2013) published in *OECD Monthly Monetary Statistics* (stats.oecd.org).

a) % abv = percentage of pure alcohol by volume at 20 °C. 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 % abv. There is no precise conversion between degrees Plato and % abv, but for tax purposes it is often assumed that 1% abv is equivalent to 2.5 degrees Plato. As a result, tax rates expressed in degree Plato have been multiplied by 2.5 to obtain the % abv.

Source: National Delegates – Position as at 1 January 2014.

StatLink  <http://dx.doi.org/10.1787/888933155254>

Country notes to Table 4.A4.1

Australia. The excise rates for beer in individual containers not exceeding 48 litres are: AUD 39.75 per litre of alcohol where volume of alcohol does not exceed 3%; AUD 46.30 where volume of alcohol exceeds 3% but does not exceed 3.5%; and AUD 46.30 where volume exceeds 3.5%. The rates for beer in individual containers exceeding 48 litres are: AUD 7.94 per litre of alcohol where volume of alcohol does not exceed 3%; AUD 24.90 where volume of alcohol exceeds 3% by volume of alcohol but not more than 3.5%; and AUD 32.60 where volume exceeds 3.5%. These rates apply as of 1 August 2013. Each rate is calculated on the amount by which the alcohol content exceeds 1.15% by volume of alcohol. Beer that does not contain more than 1.15% by volume of alcohol is free of excise. These rates are indexed to inflation in February and August each year. Independent brewers receive an excise refund of 60% of the excise paid up to a maximum of AUD 30 000 per financial year for beer sold directly from the brewery.

Canada. Excise duty rates for beer are imposed per hectolitre of product (not per hectolitre per degree alcohol). Provincial and territorial governments also charge various mark-ups and levies on beer, generally at rates that exceed the federal level. Federal excise duty rates: 1) On all beer or malt liquor containing more than 2.5% absolute ethyl alcohol by volume, CAD 31.22 per hectolitre. 2) On all beer or malt liquor containing more than 1.2% absolute ethyl alcohol by volume but not more than 2.5% absolute ethyl alcohol by volume, CAD 15.61 per hectolitre. 3) On all beer or malt liquor containing not more than 1.2% absolute ethyl alcohol by volume, CAD 2.591 per hectolitre. Reduced rates of excise duty apply on the first 75 000 hectolitres of beer produced per year by Canadian brewers at the following rates: 1) On the first 2 000 hectolitres of beer and malt liquor brewed in Canada: a) if it contains more than 2.5% absolute ethyl alcohol by volume, CAD 3.122 per hectolitre; b) if it contains more than 1.2% absolute ethyl alcohol by volume but not more than 2.5% absolute ethyl alcohol by volume, CAD 1.561 per hectolitre; and c) if it contains not more than 1.2% absolute ethyl alcohol by volume, CAD 0.2591 per hectolitre. 2) On the next 3 000 hectolitres of beer and malt liquor brewed in Canada: a) if it contains more than 2.5% absolute ethyl alcohol by volume, CAD 6.244 per hectolitre; b) if it contains more than 1.2% absolute ethyl alcohol by volume but not more than 2.5% absolute ethyl alcohol by volume, CAD 3.122 per hectolitre; and c) if it contains not more than 1.2% absolute ethyl alcohol by volume, CAD 0.5182 per hectolitre. 3) On the next 10 000 hectolitres of beer and malt liquor brewed in Canada: a) if it contains more than 2.5% absolute ethyl alcohol by volume, CAD 12.488 per hectolitre; b) if it contains more than 1.2% absolute ethyl alcohol by

Country notes to Table 4.A4.1 (cont.)

volume but not more than 2.5% absolute ethyl alcohol by volume, CAD 6.244 per hectolitre; and c) if it contains not more than 1.2% absolute ethyl alcohol by volume, CAD 1.0364 per hectolitre. 4) On the next 35 000 hectolitres of beer and malt liquor brewed in Canada: a) if it contains more than 2.5% absolute ethyl alcohol by volume, CAD 21.854 per hectolitre; b) if it contains more than 1.2% absolute ethyl alcohol by volume but not more than 2.5% absolute ethyl alcohol by volume, CAD 10.927 per hectolitre; and c) if it contains not more than 1.2% absolute ethyl alcohol by volume, CAD 1.8137 per hectolitre. 5) On the next 25 000 hectolitres of beer and malt liquor brewed in Canada: a) if it contains more than 2.5% absolute ethyl alcohol by volume, CAD 26.537 per hectolitre; b) if it contains more than 1.2% absolute ethyl alcohol by volume but not more than 2.5% absolute ethyl alcohol by volume, CAD 13.269 per hectolitre; and c) if it contains not more than 1.2% absolute ethyl alcohol by volume, CAD 2.2024 per hectolitre.

Chile. The sale of alcoholic beverages (including wine, beer, distilled alcoholic beverages and other alcoholic beverages) is subject to 19% VAT and also to a surtax on the sale or import of alcoholic beverages. The rate applied to beer is of 15% and does not depend upon the degree of alcohol that the beer contains. The tax is applied to the VAT base, that is the sale's price (excluding VAT itself) and levies sales made 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 imports) until the last sale to the final retailer. The sale from the retailer to the final consumer is not subject to the surtax and the retailer cannot deduct the input tax.

Denmark. Lower rates on small independent breweries: production $\leq 3\,700$ hl receives a tax reduction of DKK 90.68 per hl; production $\leq 20\,000$ (X) receives a tax reduction of DKK $305.81 / X + 6.83$ per hl; production $< 200\,000$ hl receives a tax reduction of DKK $25.91 - X / 9083$ per hl. An additional duty is placed on products which contain a mixture of beer and non-alcoholic drinks. Rates: DKK 8.19/l of mixture with alcohol content $\leq 10\%$ vol. in the final product and DKK 14.01/l of mixture with alcohol content $> 10\%$ vol. in the final product. Beer with alcohol content less than 2.8% vol. is free of excise tax.

Finland. Beer with an alcoholic content less than 0.5 % vol. is free of excise.

Iceland. The duty in Iceland is ISK 94.05 per centilitre of alcohol per litre minus 2.25 centilitres. For example, one litre of beer that has 6% abv has 6 centilitres alcohol per litre. So the duty for one litre of beer that contains 6% abv would be as follows: $(6 - 2.25) \times 94.05 =$ ISK 352.69 per litre. As a result of this formula, beer with less than 2.25% abv is not taxed.

Ireland. There is repayment of 50% alcohol products tax (excise duty) on beer brewed in independent small breweries producing up to 20 000 hl a year. For low alcohol beer, the rate is 0.00 (beer $\leq 1.2\%$ abv) and EUR 11.27 (beer $> 1.2\%$ abv up to 2.8% abv).

Israel. The duty was set as ILS 433 on 1 January 2014. 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 8% 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.

Italy. Beer with volume of alcohol does not exceed 0.5% 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 18 700 per hectolitre on the first two hectolitres for the first five years of the license (temporary measure).

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.

Country notes to Table 4.A4.1 (cont.)

Mexico. All rates are according to the value. The rates for beer and other alcoholic beverages apply as follows: 26.5% up to 14° Gay-Lussac (GL); 30% above 14° G.L. and up to 20° G.L.; 53% 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 MXN 3 per litre fee (taxpayers that use re-usable containers can reduce an amount of MXN 1.26 per litre).

Netherlands. Most beers in the Netherlands are in the range 11°-15° Plato, usually 12° Plato, with an excise duty of EUR 37.96 : 12 = EUR 3.16 per degree Plato. Excise duty rates are as follows per hectolitre of product: a) Up to 7° Plato EUR 7.59; b) 7°-11° Plato EUR 28.49; c) 11°-15° Plato EUR 37.96; d) 15 or more degrees Plato EUR 47.48. Rates for small breweries (annual production up to 200 000 hl) are as follows: a) up to 7° Plato the above mentioned rate; b) 7°-11° Plato EUR 26.35; c) 11°-15° Plato EUR 35.11; d) 15 or more degrees Plato EUR 43.92. For beer with a maximum alcohol content of 0.5% a consumer tax of EUR 7.59 per hectolitre is applicable and a VAT rate of 6%.

New Zealand. The excise rate for beer containing more than 2.5% abv is NZD 27.870 per litre of alcohol in finished product. The rate for beer containing more than 1.15% abv but not more than 2.5% abv is NZD 41.797 per litre of product. There is no excise duty on beer containing less than 1.15% abv.

Norway. Excise rates are as follows per hectolitre of product: a) 0.0-0.7% abv: NOK 0; b) 0.7-2.7% abv: NOK 312; c) 2.7-3.7% abv: NOK 1 174; d) 3.7-4.7% abv: NOK 2 034. The excise rate for beer with an alcoholic content of more than 4.7% abv is NOK 454 per degree of alcohol and hectolitre.

Poland. Allowances for small breweries: sale ≤ 20 000 hl a year tax is reduced by PLN 30/hl; sale ≤ 70 000 hl a year tax is reduced by PLN 15/hl; sale ≤ 150 000 hl a year tax is reduced by PLN 12.00/hl and by PLN 9.00/hl if the producer sells no more than 200 000 hl a year. However, the amount of exemption cannot exceed 50% of the amount of excise duty calculated with the standard rate of excise duty on beer.

Portugal. Excise rates for beer are as follows per hectolitre of product: a) More than 0.5% abv and up to 1.2%: EUR 7.53; b) more than 1.2% abv and a degree Plato up to 7: EUR 9.43; c) more than 1.2% abv and a degree Plato in excess of 7 but up to 11: EUR 15.06; d) more than 1.2% abv and a degree of Plato in excess of 11 but up to 13: EUR 18.86; e) more than 1.2% abv and a degree of Plato in excess of 13 but up to 15: EUR 22.61; f) more than 1.2% abv and a degree of Plato in excess of 15: EUR 26.45. Rates for small breweries (annual production up to 200 000 HL) are 50% of the normal rates.

Slovenia. Specific excise per hectolitre per degree abv: EUR 11.00.

Spain. Excise rate according to strength is: beer < 1.2% abv is free of excise; beer between 1.2% and 2.8% abv is EUR 2.75/hl; beer between 2.8% abv and 11° Plato is 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/hl and per degree Plato. There is no tax on Beer in Ceuta and Melilla (Spanish cities situated in the North of Africa).

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). Beer with more than 15% vol. is taxed as an alcoholic beverage (CHF 2 900 per hectolitre of absolute alcohol).

Turkey. The minimum tax amount is TL 77 per hectolitre/degree. If the amount computed according to the tax rate (63%) is lower than the minimum tax amount, the minimum tax amount is paid.

United Kingdom. Beer with an alcoholic content not exceeding 1.2% abv is free of excise. Lower strength beer duty applies to beer 1.3 to 2.8% abv and is equivalent to 50% of the general beer duty rate. High strength beer duty was introduced from 1 October 2011 and is a duty applied to all beer exceeding 7.5% abv in addition to general beer duty. Reduced duty rates apply for independent breweries producing between 5 000 hectolitres and 30 000 hectolitres = annual production – 2500 / annual production x standard rate of

Country notes to Table 4.A4.1 (cont.)

duty; between 30 000 hectolitres and 60 000 hectolitres = annual production (2 500-8 033% of annual production in excess of 30 000) / annual production x standard rate of duty. No further reduction of the Lower Strength Beer Duty rate can be claimed by a small brewer.

United States. The weighted average Federal and State excise tax rate is USD 22 per hectolitre of product. The Federal tax is USD 18.00 per barrel (31 gallons). 1 barrel = 1.1735 hectolitres. Small domestic brewers who produce less than 2 million barrels of beer per calendar year pay USD 7.00 in federal tax per barrel on the first 60 000 barrels. There is no progressive rate structure based on alcohol content and no Federal VAT.


Table 4.A4.2. **Taxation of wine**

	Still wine			Sparkling wine			Low-alcohol (still) wine (< 8.5% abv)		
	Excise per hectolitre of product		VAT rate	Excise per hectolitre of product		VAT rate	Excise per hectolitre of product		VAT rate
	National currency	USD	%	National currency	USD	%	National currency	USD	%
Australia*	Country note	–	10.00	Country note	–	10.00	Country note	–	10.00
Austria	0.00	0.00	20.00	0.00	0.00	20.00	0.00	0.00	20.00
Belgium	56.97	75.66	21.00	194.94	258.88	21.00	18.04	23.96	21.00
Canada*	62.00	60.19	5.0/13.0/14.0/15.0	62.00	60.19	5.0/13.0/14.0/15.0	Country note	–	5.0/13.0/14.0/15.0
Chile*	Country note	–	19.00	Country note	–	19.00	Country note	–	19.00
Czech Republic	0.00	0.00	21.00	2 340.00	119.63	21.00	0.00	0.00	21.00
Denmark*	1 101.00	195.98	25.00	1 417.00	252.22	25.00	506.00	90.07	25.00
Estonia*	84.67	112.44	20.00	84.67	112.44	20.00	36.71	48.75	20.00
Finland*	339.00	450.20	24.00	339.00	450.20	24.00	Country note	–	24.00
France*	3.72	4.94	20.00	9.23	12.26	20.00	3.60	4.78	20.00
Germany*	0.00	0.00	19.00	136.00	180.61	19.00	0.00	0.00	19.00
Greece	0.00	0.00	23.00	0.00	0.00	23.00	0.00	0.00	23.00
Hungary	0.00	0.00	27.00	16 460.00	73.62	27.00	0.00	0.00	27.00
Iceland*	Country note	–	25.50	Country note	–	25.50	Country note	–	25.50
Ireland*	424.84	564.20	23.00	849.68	1 128.39	23.00	141.57	188.01	23.00
Israel*	0.00	0.00	18.00	Country note	–	18.00	0.00	0.00	18.00
Italy	0.00	0.00	22.00	0.00	0.00	22.00	0.00	0.00	22.00
Japan	8 000.00	81.97	5.00	8 000.00	81.97	5.00	8 000.00	81.97	5.00
Korea*	Country note	–	10.00	Country note	–	10.00	Country note	–	10.00
Luxembourg*	0.00	0.00	12 or 15	0.00	0.00	15.00	0.00	0.00	12.00
Mexico*	26.5%/30%	–	16.00	26.5%/30%	–	16.00	0.27	–	16.00
Netherlands*	88.36	117.34	21.00	254.41	337.86	21.00	44.18	58.67	21.00
New Zealand*	Country note	–	15.00	Country note	–	15.00	Country note	–	15.00
Norway*	5 448.00	927.00	25.00	5 448.00	927.00	25.00	Country note	–	25.00
Poland	158.00	50.00	23.00	158.00	50.00	23.00	158.00	50.00	23.00
Portugal	0.00	0.00	13.00	0.00	0.00	23.00	0.00	0.00	23.00
Slovak Republic*	0.00	0.00	20.00	79.65	105.78	20.00	0.00	0.00	20.00
Slovenia	0.00	0.00	22.00	0.00	0.00	22.00	0.00	0.00	22.00
Spain*	0.00	0.00	21.00	0.00	0.00	21.00	0.00	0.00	21.00
Sweden*	2 309.00	354.52	25.00	2 309.00	354.52	25.00	0.00	0.00	25.00
Switzerland*	0.00	0.00	8.00	0.00	0.00	8.00	0.00	0.00	8.00
Turkey*	417.00	218.90	18.00	2 820.00	1 480.31	18.00	417.00	218.90	18.00
United Kingdom*	266.72	416.75	20.00	341.63	533.80	20.00	82.18	128.41	20.00
United States*	47.00	47.00	–	116.00	116.00	–	Country note	–	–

* See Country notes.

Conversion of national currency in USD: Conversion rates are average market rates (2013) published in OECD Monthly Monetary Statistics (stats.oecd.org).

Source: National Delegates – Position as at 1 January 2014.

StatLink  <http://dx.doi.org/10.1787/888933155266>

Country notes to Table 4.A4.2

Australia. All wine (including still, sparkling and low alcohol wine) is liable for the wine equalisation tax (WET). WET applies at 29% of the value of the wine at the last wholesale sale (before adding GST). A rebate of WET applies to eligible producers, up to a maximum of AUD 500 000 each financial year.

Canada. 1) A rate of CAD 0.62 per litre applies to wine with more than 7% abv. The rate is CAD 0.295 per litre on wine of more than 1.2% abv, but not more than 7% abv; and for all wine with 1.2% abv or less the rate is CAD 0.0205 per litre. 2) Fortified wine in excess of 22.9% abv would not be included in the definition of “wine” (and, therefore, fall within the definition of “spirits”). Provincial and territorial governments also charge various mark-ups and levies on wine, generally at rates that exceed the federal level.

Chile. The sale of alcoholic beverages is subject to a surtax of 15% on the sale or import of wine, sparkling wine, champagne, cider and other alcoholic beverages (among others). The tax is applied to the VAT base, that is the sale’s price (excluding VAT itself), and levies sales made 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 imports) until the last sale to the final retailer. The sale from the retailer to the final consumer is not subject to this surtax and the retailer cannot deduct the input tax nor is levied with this tax the sale of wine in bulk made by producers to a taxpayer seller subject to this surtax.

Denmark. The rate for high-alcohol wine > 15% abv – maximum 22% abv is DKK 1 474 per hectolitre. Medium-alcohol wine is < 6% abv – maximum 15% abv is DKK 1 101 per hectolitre. Low-alcohol wine is < 1.2% abv – maximum 6% abv is DKK 506 per hectolitre. The rates for sparkling wine correspond to the rates for still wine plus DKK 317 per hectolitre. An additional duty is placed on products which contain a mixture of wine and non-alcoholic drinks. Rates: DKK 6.76 per litre of mixture with alcohol content ≤ 10% abv in the final product and DKK 10.90 per litre of mixture with alcohol content > 10% abv in the final product.

Estonia. Excise rate for low alcohol up to 6% vol. still and sparkling wine is EUR 36.71

Finland. Excise rates for low alcohol wine are as follows: a) over 1.2% abv and up to 2.8% abv EUR 22.00; b) over 2.8% abv and up to 5.5% abv EUR 169.00; c) over 5.5% abv and up to 8.0% abv EUR 241.00.

France. A reduced rate applies to the following categories of low-alcohol wine: cider, perry, mead, grapes juice lightly sparkling.

Germany. Excise rate for low alcohol sparkling wine < 6% abv is EUR 51.00. Intermediate products with a volume of alcoholic degree between 1.2% and 22% abv are taxed according to the following rates: > 15% abv-22% abv = EUR 153/hl; ≤ 15% abv = EUR 102/hl; ≤ 15% abv and sparkling = EUR 136/hl.

Iceland. The duty rate is ISK 84.60 per centilitre of alcohol per litre minus 2.25 centilitres for wine up to 15% abv. For example, one litre of wine that has 15% abv has 15 centilitres alcohol per litre. So the duty for one litre of wine that contains 6% abv would be as follows: $(15 - 2.25) \times 84.60 = \text{ISK } 1\,078.60$ per litre.

Ireland. The rate for low alcohol wine applies to wine with an alcoholic content of less than 5.5% abv. The rate for still wine with alcoholic content > 15% abv is EUR 616.45.

Israel. 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.

Korea. The rate of liquor tax on wine is 30% on the manufacturer’s price (or imported price). In addition, Education Tax (10% of the amount of Liquor tax levied) is also levied. These rates are applicable to both still and sparkling wine regardless of alcohol content.

Luxembourg. The reduced VAT rate (12%) applies to still wine with alcoholic content ≤ 13% abv.

Mexico. All rates are according to the value. The rates for beer and other alcoholic beverages apply as follows: 26.5% up to 14° Gay-Lussac (GL); 30% above 14° G.L. and up to 20° G.L.; 53% above 20° G.L.

Country notes to Table 4.A4.2 (cont.)

Netherlands. Excise duty rate for still wine > 15% abv is EUR 129.81/hl. Excise duty rate for low alcohol (max. 8.5% abv) sparkling wine is EUR 48.25/hl. For low alcohol wine < 1.2% abv, the VAT rate is 6%.

New Zealand. The excise rate for unfortified wine is NZD 2.7870 per litre of product.

Norway. The rate shown in Table 4.A4.2 is the rate for wine with an alcoholic content of 12% abv. Excise rates for wine with an alcoholic content of 4.7%-22% abv = NOK 454 per vol. pct. alcohol and per hectolitre.

Slovak Republic. The rate of EUR 54.16/hl applies to sparkling fermented beverages with an alcoholic strength by volume not exceeding 8.5 % abv. The rate for intermediate products is EUR 84.24/hl.

Spain. Intermediate products – products to which distilled alcohol has been added – and with a volume of alcoholic degree between 1.2% abv and less than 22% abv are taxed according to the following rates: alcoholic degree > 1.2% abv and less than 15% abv = EUR 36.65/hl. Others = EUR 61.08/hl.

Sweden. Excise rates for low alcohol wine are as follows: a) < 2.25% abv: SEK 0; b) 7%-8.5% abv: SEK 1 541/EUR 167.17; c) 4.5%-7% abv SEK 1 120/EUR 121.50; d) 2.25%-4.5% abv SEK 758/EUR 82.23. No special rates for sparkling wine.

Switzerland. In general, wine with more than 15% abv is taxed as an alcoholic beverage (CHF 2 900 per hectolitre of absolute alcohol). Natural wines made from fresh grapes with more than 18% abv are taxed as an alcoholic beverage (CHF 1 450 per hectolitre of absolute alcohol up to 22% abv then CHF 2 900 per hectolitre of absolute alcohol).

Turkey. The excise rate is 0%.

United Kingdom. Reduced rates for lower strength drinks (wine categories) are as follows: a) exceeding 1.2% – not exceeding 4% abv = GBP 82.18; b) exceeding 4% – not exceeding 5.5% abv = GBP 113.21; and c) low strength sparkling wine exceeding 5.5% – less than 8.5% abv = GBP 258.23; d) sparkling wine and made wine exceeding 8.5% abv but not exceeding 15% abv = GBP 341.63. Rate in the band exceeding 15% abv but not exceeding 22% abv = GBP 355.59 (wine and made wine).

United States. The weighted average Federal and State excise tax rate is USD 47 per hectolitre of product for still wine up to 14% abv and USD 116 for sparkling wine. The Federal excise rates are as follows: a) up to 14% abv: USD 1.07 per gallon; b) 14%-21% abv: USD 1.57 per gallon; c) 21%-24% abv: USD 3.15 per gallon; d) artificially carbonated wine USD 3.30 per gallon; and e) sparkling wine USD 3.40 per gallon. 26.42 US gallons = 1 hectolitre. There is no Federal VAT.

Table 4.A4.3. Taxation of alcoholic beverages^a

	Tax per hectolitre of absolute alcohol			
	Excise		VAT %	Small distillery rate
	National currency	USD		
Australia	7 844.00	7 571.43	10.00	No
Austria	1 000.00	1 328.02	20.00	Yes
Belgium	2 118.96	2 814.02	21.00	No
Canada	1 169.60	1 135.53	5.0, 13.0, 14.0 or 15.0	No
Chile	Country note	–	19.00	No
Czech Republic	28 500.00	1 457.06	21.00	No
Denmark	15 000.00	2 669.99	25.00	No
Estonia	1 643.00	2 181.94	20.00	No
Finland	4 555.00	6 049.14	24.00	No
France	1 718.61	2 282.35	20.00	No
Germany	1 303.00	1 730.41	19.00	Yes
Greece	2 450.00	3 253.65	23.00	No
Hungary	333 385.00	1 491.11	27.00	Yes
Iceland	1 152 000.00	9 429.72	25.50	No
Ireland	4 257.00	5 653.39	23.00	No
Israel	Country note	–	18.00	No
Italy	920.31	1 222.19	22.00	No
Japan	Country note	–	5.00	No
Korea	Country note	–	10.00	No
Luxembourg	1 041.15	1 382.67	15.00	No
Mexico	0.53	–	16.00	No
Netherlands	1 686.00	2 239.04	6.0 or 21.0	No
New Zealand	Country note	–	15.00	No
Norway	69 800.00	11 876.81	25.00	No
Poland	5 704.00	1 805.06	23.00	No
Portugal	1 251.72	1 662.31	23.00	Yes
Slovak Republic	1 080.00	1 434.26	20.00	No
Slovenia	1 200.00	1 593.63	22.00	No
Spain	830.25	1 102.59	21.00	Yes
Sweden	50 642.50	7 775.60	25.00	No
Switzerland	2 900.00	3 128.37	8.00	Yes
Turkey	12 423.00	6 521.26	18.00	No
United Kingdom	2 822.00	4 409.38	20.00	No
United States	981.00	974.00	–	No

Conversion of national currency in USD: Conversion rates are average market rates (2013) published in OECD Monthly Monetary Statistics (stats.oecd.org).

a) Alcoholic beverages other than those included in Table 4.A4.1 and 4.A4.2.

Source: National Delegates – Position as at 1 January 2014.

StatLink  <http://dx.doi.org/10.1787/888933155274>

Country notes to Table 4.A4.3

Australia. The excise duty of AUD 78.44 per litre of alcohol applies to all excisable beverages (but not beer) not exceeding 10% by volume of alcohol. A lower rate of AUD 73.25 per litre of alcohol applies to brandy (distilled from grape wine). These rates are indexed to inflation in February and August each year.

Austria. For small distilleries producing not more than 4 hl pure alcohol per year the rate EUR 540.

Canada. 1) Spirits are subject to excise duty at the rate of CAD 11.696 per litre abv. Spirits containing not more than 7% abv are subject to excise duty at the rate of CAD 0.295 per litre. 2) Beer with an alcoholic strength in excess of 11.9% abv is deemed to be Spirits. Provincial and territorial governments also charge various mark-ups and levies on spirits, generally at rates that exceed the federal level.

Chile. Alcoholic beverages are subject to a surtax on the sale or import. The rates are applied the following: 27% on liquors, brandy, vermouth, pisco, whiskey and other distilled alcoholic beverages; 15% on beer, wine, sparkling wine, champagne, cider and other alcoholic beverages. The tax is applied to the VAT base, that is the sale's price (excluding VAT itself) and levies sales made 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 imports) until the last sale to the final retailer. The sale from this retailer to the final consumer is not subject to the surtax and the retailer cannot deduct the input tax nor is levied with this tax the sale of wine in bulk made by producers to a taxpayer seller subject to this surtax.

Denmark. An additional duty is placed on products which contain a mixture of spirits and non-alcoholic drinks, Rates: DKK 3.15 per litre of mixture.

Finland. Excise rates are as follows: a) CN-code 2208. alcoholic content between 1.2% abv and 2.8% abv. EUR 800; b) Other products EUR 4 555.

Germany. The rates for small distilleries are EUR 730 or EUR 1 022. Additional rate for alcopops: EUR 5 500 per hectolitre of absolute alcohol.

Greece. The rate for ouzo and ethyl alcohol (derogation possible for several regions but only applied in the department of Dodecanese) is EUR 1 225 per hectolitre of pure alcohol.

Hungary. Reduced rate applies to ethyl-alcohol produced by fruit growers' distilleries from fruit supplied to them by private fruit growers. The application of reduced rate is limited to 50 litres of pure alcohol for private consumption per fruit grower per year. Higher excise duty rate (HUF 476 270 per hectolitre of pure alcohol) for ethyl-alcohol products not listed in Annex II of 110/2008/EC Regulation.

Iceland. Excise rate shown in the table is the rate for other alcohol than beer or wine up to 15% abv. The rate is ISK 115.2 per each centilitre of alcohol by volume exceeding 2.25% abv.

Israel. The excise rates for all kinds of alcoholic beverages composed from specific excise of ILS 20.98 per litre of absolute alcohol and from *ad valorem* excise of 75% of the wholesale price. 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.

Italy. Taxation applies for beverages of alcoholic strength exceeding 1.2% abv. The rate of EUR 78.81 applies to intermediate products.

Japan. Excise rates are as follows: a) Whiskey and brandy (40% abv) JPY 40 000; b) Spirits (37% abv) JPY 37 000; c) Shochu Group A and B (25% abv) JPY 25 000.

Korea. As Excise Tax for liquor is based on the value of the product, the rate does not vary with alcohol content. For whiskey, brandy, general distilled spirits, liquor, diluted soju and distilled soju, the Liquor tax is 72% and the Education tax is 30%.

Country notes to Table 4.A4.3 (cont.)

Mexico. The rates for alcoholic beverages apply as follows: 26.5% up to 14° Gay-Lussac (G.L.); 30% above 14° G.L. and up to 20° G.L.; 53% above 20° G.L.

Netherlands. For low alcohol spirits with an alcoholic content < 1.2% the VAT rate is 6%.

New Zealand. For alcoholic beverages with 9-14% abv, the excise rate is NZD 2.7870 per litre. For alcoholic beverages above 14% abv, the excise rate is NZD 50.759 per litre of absolute alcohol (with the exception of unfortified wine and vermouth which has the rate of NZD 2.7870 per litre of product).

Portugal. A reduced rate of 50% for small distilleries applies.

Slovak Republic. A reduced rate of 50% of the national rate of excise duty on ethyl alcohol, applies to ethyl alcohol produced by fruit growers' distilleries. The application of the reduced rate is limited to 43 litres of ethyl alcohol for personal consumption of the fruit growers' household per year.

Slovenia. Tax per hectolitre of absolute alcohol is EUR 1 200.

Spain. The excise rate in the Canary Islands is EUR 714.63 per hl of pure alcohol. There is a special regime for small distilleries for which the rate is EUR 799.19 per hl (or EUR 622.23 in the Canary Islands).

Switzerland. Under certain conditions, farmers do not pay tax on the first 5 litres of pure alcohol produced per year for their personal consumption. A reduced rate of 30% is applied to the first 30 litres of pure alcohol produced per year by small producers. Normal rate: CHF 2 900 per hectolitre. Special rate for certain types of wines: CHF 1 450 per hectolitre. Special rate for alcopops: CHF 11 600 per hectolitre (Alcopop – also called ready to drink (RTD) or designer drink) is a mix of alcohol and soda.

Turkey. The excise rate is 0%. If the tax amount computed according to the tax rate is lower than the minimum tax amount specified in the table, then the minimum tax amount is paid.

United Kingdom. All drinks over 22% abv are taxed as spirits. Most other mixtures of spirits with other types of alcohol are also taxed as spirits.

United States. The weighted average Federal and State excise tax rate is USD 981 per hectolitre. The Federal excise rate is USD 13.50 per proof gallon. A proof gallon is a US gallon (3.785 litres) containing 50% alcohol. There is no Federal VAT.

Table 4.A4.4. Taxation of tobacco

	Cigarettes			Cigars ^b			Tax on rolling tobacco for cigarettes			VAT
	Specific excise per 1 000		Excise on value	Specific excise per 1 000		Excise on value	Specific excise per 1 000 g		Excise on value	
	National currency	USD	% of RSP ^a	National currency	USD	% of RSP ^a	National currency	USD	% of RSP	
Australia*	401.97	388.00	0.00	Country note	–	0.00	502.48	485.02	0.00	10.00
Austria*	35.00	46.48	42.00	0.00	0.00	13.00	0.00	0.00	54.00	20.00
Belgium	23.59	31.33	50.41	0.00	0.00	10.00	14.50	31.50	31.50	21.00
Canada*	85.00	82.52	Country note	18.50	17.96	Country note	106.25	103.16	Country note	5.0/13.0/14.0/15.0
Chile*	Country note	–	60.50	Country note	–	52.60	Country note	–	59.70	19.00
Czech Republic	1 190.00	60.84	27.00	1 340.00	68.51	–	1 800.00	92.02	–	21.00
Denmark*	1 182.50	210.48	1.00	198.00	35.24	10.00	788.50	140.35	0.00	25.00
Estonia	46.50	61.75	34.00	211.00	280.21	0.00	61.00	81.01	0.00	20.00
Finland*	28.00	37.18	52.00	0.00	0.00	29.00	20.00	26.56	52.00	24.00
France	48.75	64.74	64.70	18.00	23.90	28.00	67.50	89.64	62.00	20.00
Germany	92.60	122.97	21.87	14.00	18.59	1.47	43.31	57.52	14.41	19.00
Greece	80.00	106.24	20.00	0.00	0.00	34.00	153.00	203.19	0.00	23.00
Hungary*	12 500.00	55.91	31.00	0.00	0.00	28.50	0.00	0.00	52.00	27.00
Iceland*	22 650.00	185.40	36.50	Country note	–	36.50	16 200.00	132.61	37.60	25.50
Ireland*	241.83	321.16	8.72	Country note	–	0.00	252.22	334.95	0.00	23.00
Israel*	398.98	110.55	Country note	0.00	0.00	Country note	458.59	127.07	0.00	18.00
Italy	9.08	12.06	58.50	0.00	0.00	23.00	0.00	0.00	58.50	22.00
Japan*	12 244.00	125.45	0.00	12 244.00	125.45	0.00	12 244.00	125.45	0.00	5.00
Korea*	32 050.00	29.27	0.00	Country note	–	0.00	23 000.00	21.01	0.00	10.00
Luxembourg	17.56	23.32	48.11	0.00	0.00	10.00	7.30	9.69	32.80	15.00
Mexico*	350.00	27.41	39.60	Country note	–	Country note	Country note	–	Country note	16.00
Netherlands	169.86	225.58	2.36	0.00	0.00	5.00	72.64	96.47	7.19	21.00
New Zealand*	Country note	–	0.00	Country note	–	0.00	386.14	316.51	0.00	15.00
Norway	2 390.00	406.67	0.00	2 390.00	406.67	0.00	2 390.00	406.67	0.00	25.00
Poland*	206.76	65.43	31.41	280.25	88.69	–	141.29	44.71	31.41	23.00
Portugal*	87.33	115.98	17.00	0.00	0.00	25.00	75.00	99.60	20.00	23.00
Slovak Republic*	59.50	79.02	23.00	77.37	102.75	–	71.11	94.44	0.00	20.00
Slovenia*	65.24	86.64	21.87	0.00	0.00	5.00	67.50	89.64	0.00	22.00
Spain	24.10	32.01	51.00	0.00	0.00	15.80	22.00	29.22	41.50	21.00
Sweden	1 270.00	194.99	1.00	1 120.00	171.96	0.00	1 560.00	239.52	0.00	25.00
Switzerland*	118.32	127.64	25.00	5.60	6.04	1.00	38.00	40.99	25.00	8.00
Turkey*	197.00	103.41	65.25	197.10	103.46	40.00	197.10	103.46	65.25	18.00
United Kingdom*	176.22	275.34	16.50	219.82	343.47	0.00	172.74	269.91	0.00	20.00
United States*	133.00	133.00	Country note	Country note	–	–	Country note	–	–	–


* See Country notes.

Conversion of national currency in USD: conversion rates are average market rates (2013) published in OECD Monthly Monetary Statistics (stats.oecd.org).

a) RSP. Retail selling price.

b) Cigars. Denmark and Japan tax cigars at a rate per 1 000 pieces and not according to weight. In Denmark, it is assumed that a cigar weighs 3 grams and in Japan 1 gram.

Source: National Delegates – Position as at 1 January 2014.

StatLink  <http://dx.doi.org/10.1787/888933155289>

Country notes to Table 4.A4.4

Australia. The excise rate of AUD 0.40197 per stick applies to cigarettes or cigars (in stick form) not exceeding in weight 0.8 grams per stick actual tobacco content. Other tobacco products are subject to an excise rate of AUD 502.48 per kilogram of tobacco content.

Austria. The excise duty on cigars is 13% of RSP, at least EUR 100 for 1 000 pieces. Minimum excise duty on rolling tobacco for cigarettes is EUR 60 per kg.

Canada. As of 1 January 2014, the excise duty on cigars was CAD 18.50 per 1 000 cigars plus an additional excise duty based on the greater of CAN 0.67 per cigar and 67% of the sale price. Each Province and Territory also levies a tobacco tax at varying rates on all tobacco products. Retail sales prices are then subject to GST/HST and, in some cases, when the HST is not applicable, to a provincial sales tax. Note that, effective 12 February 2014, the federal rates of excise duty on tobacco products were increased and are not reflected in this table. As of 12 February 2014, the new rates are: CAD 105.15 per 1 000 cigarettes; CAD 22.88559 per 1 000 cigars, plus an additional duty based on the greater of CAD 0.08226 per cigar or 82% of the sale price; and, CAD 131.44 per 1 000 grams of other manufactured tobacco, including “rolling tobacco for cigarettes”.

Chile. The sale of tobacco products is subject to 19% VAT and to a tax on the sale or import of processed tobacco, cigarettes and cigars. The tax applied to processed tobacco is of 59.7% on the sales price. Cigarettes are taxed at a rate of 60.5% over the pack sales price and with an additional rate of 0.000128803 of a Monthly Tax Unit per cigarette contained in the pack (a Monthly Tax Unit equals approximately CLP 40 935 or USD 76.22). Cigars are taxed at a rate of 52.6%. The tax base of the excise tax is the sale price to the final consumer, including VAT and the tax levied on tobacco, cigarettes and cigars.

Denmark. The excise tax for other smoking tobaccos is DKK 722.5/1 000 g for coarse-cut tobacco.

Finland. Cigarette paper: excise 60% of RSP. Other smoking tobacco: EUR 19.00/kg and 48% of RSP. Minimum excise tax is 161.50 per 1 000 pieces for cigarettes and EUR 97.50/kg for fine cut rolling tobacco for cigarettes.

Hungary. The excise tax for other smoking tobacco is 32.5%. Minimum excise tax is HUF 24 920 per 1 000 pieces for cigarettes, HUF 12 460 per kg on rolling and other tobacco. VAT as % of tax included retail selling price is 21.26%

Iceland. There is no specific excise rate for a piece of cigars. The rate is ISK 16 200 per 1 000 grams of cigars (i.e. the same rate as for rolling tobacco).

Ireland. The rate of excise duty on cigarettes in Ireland is EUR 241.83 per 1 000 cigarettes together with an amount equal to 8.72% of the price at which the cigarettes are sold by retail or EUR 275.62 per 1 000 cigarettes, whichever is the greater. The rate of excise duty on cigars is EUR 279.345 per kilogram. The rate of excise duty on fine-cut tobacco for the rolling of cigarettes is EUR 252.222 per kilogram. Other smoking tobacco is subject to excise duty at a rate of EUR 193.799 per kilogram.

Israel. Excises on value for cigarettes and for cigars are 270% and 90% of the wholesale price, respectively. 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.

Japan. The tax consists of a national element, a prefectural element and a municipal element.

Korea. The excise tax on cigars is KRW 65 400/1 000 g and taxation of tobacco is local government excise tax.

Mexico. An *ad valorem* rate of 160% on the producer or importer price applies for all categories. A reduced rate of 30.4% applies for cigars or rolling tobacco as long as these products are fully handmade. In addition, a charge of MXN 0.35 should be paid for each sold or imported cigarette. This charge also applies for cigars and other tobacco (MXN 0.35 per each 0.75 grams), with the exemption of those that are fully handmade.

Country notes to Table 4.A4.4 (cont.)

New Zealand. The excise rate for 1 000 cigarettes with actual tobacco content not exceeding in weight of 0.8 kg is NZD 545.39. The excise rate for cigarettes exceeding 0.8 kg in actual tobacco content per 1 000 cigarettes is NZD 777.18. The excise rate per kilo of tobacco content for other tobacco products, such as snuff, cigars, cheroots and cigarillos is NZD 681.72.

Portugal. Excise tax on cigarettes is reduced to: 1) EUR 16.30 and 38% for cigarettes sold in Azores Islands and made by small producers from the Azores and Madeira Islands; 2) EUR 78.37 and 20% for cigarettes sold in Madeira Island and made by small producers from the Azores and Madeira Islands.

Slovak Republic. Tax on rolling tobacco for cigarettes includes other smoking tobacco.

Slovenia. Minimum excise duty is EUR 101 per 1 000 cigarettes.

Switzerland. If the Retail Selling Price for 1 000 cigarettes is CHF 375.00 or less, minimum excise duty (specific + on value) yields CHF 212.10 for 1 000 pieces. Specific excise per 1 000 grams of rolling tobacco for cigarettes: the minimum excise duty (specific + on value) yields CHF 80.00 per 1 000 grams.

Turkey. Minimum tax amount per 1 000 cigarettes is TL 197.10. Specific tax amount is 0.1366 for 1 pack of cigarettes. Tax on cigarettes and other tobacco products computed according to the tax rate cannot be less than the minimum tax amount. After calculating the tax according to minimum tax amount system, specific tax amount is added to the tax for 1 pack of cigarettes.

United Kingdom. Specific excise rate for cigars is given per kilogram and not for 1 000 units. Specific rates exist for "other smoking tobacco" and "other chewing tobacco" which are currently both set at GBP 84.98 per kilo.

United States. State taxes vary widely. The weighted average of Federal and State taxes per thousand cigarettes is USD 133.00. Federal specific excise tax rates on tobacco are: USD 50.33 per thousand for small cigarettes (no more than 3 pounds per thousand); USD 105.69 per thousand for large cigarettes; USD 50.33 per thousand for small cigars weighing no more than 3 pounds per thousand; 52.75% of the manufacturers price but not more than USD 402.60 per thousand for large cigars; and USD 24.78 per pound (USD 54.63 per kg) for roll-your-own tobacco. Some states also tax on an *ad valorem* basis.

Table 4.A4.5. **Taxation of premium unleaded (94-96 RON) gasoline (per litre), 2013^a**

	Ex-tax price ^b		Excise ^c		VAT rate ^d	VAT amount	Total tax	Total price	Total tax as % of total price
	National currency	USD	National currency	USD	%	USD	USD	USD	
Australia	1.06	1.02	0.38	0.37	10.00	0.14	0.51	1.53	33.11
Austria	0.63	0.84	0.49	0.65	20.00	0.30	0.95	1.79	53.19
Belgium	0.77	1.02	0.61	0.82	21.00	0.39	1.20	2.22	54.10
Canada	0.98	0.95	0.34	0.33	5.00	0.06	0.39	1.34	29.28
Chile	445.70	0.90	250.30	0.51	19.00	0.17	0.68	1.58	42.87
Czech Republic	16.82	0.86	12.84	0.66	21.00	0.32	0.97	1.83	53.13
Denmark	6.04	1.07	4.41	0.78	25.00	0.46	1.25	2.32	53.76
Estonia	0.64	0.85	0.42	0.56	20.00	0.28	0.84	1.70	49.80
Finland	0.64	0.85	0.65	0.86	24.00	0.41	1.28	2.13	59.96
France	0.63	0.84	0.61	0.81	20.00	0.33	1.14	1.98	57.76
Germany	0.65	0.87	0.66	0.87	19.00	0.33	1.20	2.07	58.08
Greece	0.66	0.87	0.67	0.89	23.00	0.41	1.29	2.17	59.78
Hungary	204.28	0.91	123.30	0.55	27.00	0.40	0.95	1.86	50.90
Iceland	130.53	1.07	63.97	0.52	25.50	0.41	0.93	2.00	46.53
Ireland	0.70	0.93	0.59	0.78	23.00	0.39	1.17	2.10	55.81
Israel	2.42	0.67	4.00	1.11	18.00	0.32	1.43	2.10	68.07
Italy	0.68	0.91	0.73	0.97	22.00	0.41	1.38	2.28	60.35
Japan	95.40	0.98	56.10	0.57	5.00	0.08	0.65	1.63	40.03
Korea	1 216.34	1.11	781.89	0.71	10.00	0.18	0.90	2.01	44.66
Luxembourg	0.66	0.88	0.46	0.61	15.00	0.22	0.84	1.72	48.75
Mexico	10.75	0.84	0.00	0.00	16.00	0.13	0.13	0.98	13.79
Netherlands	0.64	0.85	0.75	1.00	21.00	0.39	1.39	2.24	61.93
New Zealand	1.28	1.05	0.64	0.53	15.00	0.24	0.76	1.81	42.07
Norway	6.07	1.03	5.69	0.97	25.00	0.50	1.47	2.50	58.71
Poland	2.71	0.86	1.67	0.53	23.00	0.32	0.85	1.71	49.65
Portugal	0.66	0.88	0.59	0.78	23.00	0.38	1.16	2.04	56.84
Slovak Republic	0.71	0.94	0.52	0.68	20.00	0.32	1.01	1.95	51.79
Slovenia	0.63	0.83	0.55	0.73	22.00	0.34	1.08	1.91	56.45
Spain	0.69	0.92	0.46	0.62	21.00	0.32	0.94	1.86	50.56
Sweden	5.92	0.91	5.37	0.82	25.00	0.43	1.26	2.17	58.04
Switzerland	0.87	0.94	0.73	0.79	8.00	0.14	0.93	1.86	49.65
Turkey	2.04	1.07	2.18	1.14	18.00	0.40	1.54	2.61	59.00
United Kingdom	0.51	0.80	0.58	0.91	20.00	0.34	1.25	2.04	61.05
United States	0.78	0.78	0.14	0.14	–	–	0.14	0.92	14.75

Conversion of national currency in USD: Conversion rates are average market rates (2013) published in OECD Monthly Monetary Statistics (stats.oecd.org). See also Annex A.


a) Prices and taxes as at 4th Quarter 2013.

b) Pre-tax price is the price excluding VAT and excise.

c) Excise taxes include all non-VAT taxes levied on the product. When different rates apply to the same product depending e.g. on its biofuel or sulphur content, the rate shown is the one applicable to the most commonly used fuel in the country.

d) GST for Australia, Canada and New Zealand, sales taxes for the United States and Consumption Tax for Japan. VAT for all other countries.

Source: International Energy Agency, *Energy Prices and Taxes 4th Quarter 2013* and European Commission, Doc. Ref. 1035, *Excise Duty Tables*, Part II, January 2014.

StatLink  <http://dx.doi.org/10.1787/888933155298>

Country notes to Table 4.A4.5

Canada. Excise rates include federal and provincial/urban taxes (the federal rate is CAD 10.0 per litre).

Chile. The Consumer Protection System of IEC Taxpayers (*Sistema de Protección al Contribuyente del Impuesto Especifico a los Combustibles – SIPCO*) introduced in 2011 is the variable component of the excise and acts weekly either as a tax or a tax credit to stabilise consumer price compared to international market price variations. The variable component is added to the fixed component of the excise.

Iceland. Since this country is not member of the IEA or the EU, data is taken from the OECD Inventory of Estimated Budgetary Support and Tax Expenditures for Fossil Fuels 2013.

Israel. 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. Figures as of 2nd Quarter 2013.

Japan. Excise rate is given for regular unleaded (91 RON) instead of premium unleaded.

Mexico. There are no excise duties on volume. A tax (*Impuesto Especial de Productos y Servicios*) is charged as a percentage of the value of the product at wholesale level. It is included in the ex-tax price.

United States. Average federal and state taxes – there is no VAT.

European Union. Directive 93/2006/EC sets minimal excise rates for energy products and electricity.

Table 4.A4.6. **Taxation of automotive diesel (per litre), 2013^a**

	Ex-tax price ^b		Excise ^c		VAT rate ^d	VAT	Total tax	Total price	Total tax as % of total price
	National currency	USD	National currency	USD	%	USD	USD	USD	
Australia	1.06	1.02	0.38	0.37	10.00	0.14	0.51	1.53	33.13
Austria	0.71	0.94	0.41	0.54	20.00	0.30	0.84	1.78	47.10
Belgium	0.78	1.03	0.43	0.57	21.00	0.34	0.90	1.94	46.69
Canada	1.00	0.97	0.26	0.25	5.00	0.06	0.31	1.28	24.14
Chile	468.20	0.95	60.90	0.12	19.00	0.20	0.33	1.27	25.64
Czech Republic	18.99	0.97	10.95	0.56	21.00	0.32	0.88	1.85	47.58
Denmark	5.93	1.06	3.02	0.54	25.00	0.40	0.93	1.99	46.97
Estonia	0.71	0.94	0.39	0.52	20.00	0.29	0.81	1.75	46.41
Finland	0.74	0.98	0.47	0.62	24.00	0.38	1.01	1.99	50.78
France	0.67	0.89	0.44	0.58	20.00	0.29	0.88	1.76	49.71
Germany	0.72	0.95	0.47	0.62	19.00	0.30	0.92	1.88	49.21
Greece	0.78	1.03	0.33	0.44	23.00	0.34	0.78	1.81	42.94
Hungary	218.55	0.98	113.56	0.51	27.00	0.40	0.91	1.89	48.18
Iceland	143.24	1.17	79.34	0.65	25.50	0.46	1.11	2.29	48.72
Ireland	0.74	0.99	0.48	0.64	23.00	0.37	1.01	2.00	50.57
Israel	3.48	0.96	2.88	0.80	18.00	0.32	1.12	2.08	53.63
Italy	0.74	0.98	0.62	0.82	22.00	0.40	1.21	2.19	55.41
Japan	97.20	1.00	34.40	0.35	5.00	0.07	0.42	1.42	29.66
Korea	1 016.98	0.93	528.75	0.48	10.00	0.14	0.62	1.55	40.19
Luxembourg	0.71	0.94	0.34	0.44	15.00	0.21	0.65	1.60	40.89
Mexico	10.54	0.83	0.00	0.00	16.00	0.13	0.13	0.96	13.79
Netherlands	0.71	0.94	0.44	0.58	21.00	0.32	0.91	1.85	48.98
New Zealand	1.29	1.06	0.00	0.00	15.00	0.16	0.16	1.22	13.31
Norway	6.33	1.08	4.36	0.74	25.00	0.45	1.20	2.27	52.63
Poland	2.97	0.94	1.46	0.46	23.00	0.32	0.78	1.72	45.47
Portugal	0.75	0.99	0.37	0.49	23.00	0.34	0.83	1.82	45.53
Slovak Republic	0.79	1.04	0.37	0.49	20.00	0.31	0.79	1.84	43.26
Slovenia	0.68	0.91	0.44	0.59	22.00	0.33	0.92	1.82	50.27
Spain	0.75	0.99	0.37	0.49	21.00	0.31	0.80	1.79	44.76
Sweden	7.09	1.09	4.63	0.71	25.00	0.45	1.16	2.25	51.59
Switzerland	0.96	1.04	0.76	0.82	8.00	0.15	0.97	2.00	48.32
Turkey	2.16	1.13	1.60	0.84	18.00	0.35	1.19	2.33	51.24
United Kingdom	0.57	0.90	0.58	0.91	20.00	0.36	1.27	2.16	58.59
United States	0.88	0.88	0.14	0.14	–	–	0.14	1.02	13.89

Conversion of national currency in USD: Conversion rates are average market rates (2013) published in OECD Monthly Monetary Statistics (stats.oecd.org). See also Annex A.


a) Prices and taxes as at 4th Quarter 2013.

b) Pre-tax price is the price excluding VAT and excise.

c) Excise taxes include all non-VAT taxes levied on the product. When different rates apply to the same product depending e.g. on its biofuel or sulphur content, the rate shown is the one applicable to the most commonly used fuel in the country.

d) GST for Australia, Canada and New Zealand, sales taxes for the United States and Consumption Tax for Japan. VAT for all other countries.

Source: International Energy Agency, *Energy Prices and Taxes 4th Quarter 2013* and European Commission, Doc. Ref. 1035, *Excise Duty Tables*, Part II, January 2014.

StatLink  <http://dx.doi.org/10.1787/888933155306>

Country notes to Table 4.A4.6

Canada. Excise rates include federal and provincial/urban taxes (the federal rate is CAD 0.04 per litre).

Chile. The Consumer Protection System of IEC Taxpayers (*Sistema de Protección al Contribuyente del Impuesto Especifico a los Combustibles* – SIPCO) introduced in 2011 is the variable component of the excise and acts weekly either as a tax or a tax credit to stabilise consumer price compared to international market price variations.

Iceland. Since this country is not member of the IEA or the EU, data is taken from the OECD Inventory of Estimated Budgetary Support and Tax Expenditures for Fossil Fuels 2013.

Israel. 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. Figures as of 2nd Quarter 2013.

Mexico. There are no excise duties on volume. A tax (*Impuesto Especial de Productos y Servicios*) is charged as a percentage of the value of the product at wholesale level. It is included in the ex-tax price.

Portugal. Automotive diesel used for agriculture is taxed at a lower VAT rate of 13%.

United States. Average federal and state taxes – there is no VAT.

European Union. Directive 93/2006/EC sets minimal excise rates for energy products and electricity.

Table 4.A4.7. **Taxation of liquid petroleum gas (LPG) Propellant use (per litre), 2013^a**

	Ex-tax price ^b		Excise ^c		VAT rate ^d	VAT	Total tax	Total price	Total tax as % of total price
	National currency	USD	National currency	USD	%	USD	USD	USD	
Australia	0.66	0.63	0.08	0.07	10.00	0.07	0.14	0.78	18.43
Austria	0.53	0.71	0.13	0.18	20.00	0.18	0.35	1.06	33.31
Belgium	0.57	0.76	0.00	0.00	21.00	0.16	0.16	0.92	17.36
Canada	Country note								
Chile	Country note								
Czech Republic	12.06	0.62	2.16	0.11	21.00	0.15	0.26	0.88	29.91
Denmark	6.87	1.22	1.93	0.34	25.00	0.39	0.73	1.96	37.52
Estonia	0.54	0.71	0.07	0.09	20.00	0.16	0.25	0.97	26.29
Finland	Country note			0.00					
France	0.66	0.88	0.06	0.08	20.00	0.19	0.27	1.15	23.62
Germany	0.51	0.67	0.09	0.12	19.00	0.15	0.27	0.95	28.85
Greece	0.47	0.62	0.17	0.22	23.00	0.19	0.42	1.04	40.24
Hungary	185.16	0.83	48.88	0.22	27.00	0.28	0.50	1.33	37.70
Iceland	Country note								
Ireland	0.54	0.72	0.10	0.13	23.00	0.20	0.33	1.05	31.34
Israel	Country note			0.00					
Italy	0.51	0.68	0.15	0.20	22.00	0.19	0.39	1.07	36.29
Japan	91.06	0.93	9.80	0.10	5.00	0.05	0.15	1.09	14.02
Korea	747.22	0.68	221.06	0.20	10.00	0.09	0.29	0.97	29.85
Luxembourg	0.54	0.72	0.05	0.07	15.00	0.12	0.19	0.91	20.90
Mexico	Country note								
Netherlands	0.51	0.67	0.10	0.13	21.00	0.17	0.30	0.97	30.99
New Zealand	1.03	0.85	0.10	0.09	15.00	0.14	0.23	1.07	20.99
Norway	5.07	0.86	0.34	0.06	25.00	0.23	0.29	1.15	25.06
Poland	1.66	0.52	0.42	0.13	23.00	0.15	0.28	0.81	35.16
Portugal	0.52	0.69	0.07	0.09	23.00	0.18	0.27	0.96	27.70
Slovak Republic	0.38	0.51	0.09	0.12	20.00	0.13	0.25	0.76	32.84
Slovenia	0.56	0.74	0.08	0.11	22.00	0.19	0.30	1.04	28.68
Spain	0.60	0.80	0.03	0.04	21.00	0.18	0.22	1.02	21.53
Sweden	5.84	0.90	1.33	0.20	25.00	0.28	0.48	1.38	34.80
Switzerland	Country note								
Turkey	1.59	0.83	0.89	0.46	18.00	0.23	0.70	1.53	45.56
United Kingdom	0.59	0.92	0.16	0.25	20.00	0.23	0.49	1.40	34.69
United States	Country note		n.a.		-				

Conversion of national currency in USD: Conversion rates are average market rates (2013) published in OECD Monthly Monetary Statistics (stats.oecd.org). See also Annex A.


a) Prices and taxes as at 4th Quarter 2013.

b) Pre-tax price is the price excluding VAT and excise.

c) Excise include all non-VAT taxes levied on the product. According to EU Directive 2003/96/EC, excise rates for LPG are set per 1 000 kg. The rates are converted into tax per litre in the table; the conversion rate for the purpose of this table is 1 kg = 1.985 litre.

d) GST for Australia, Canada and New Zealand, sales taxes for the United States and Consumption Tax for Japan.

Source: International Energy Agency, *Energy Prices and Taxes 4th Quarter 2013* and European Commission, Doc. Ref. 1035, *Excise Duty Tables*, Part II, January 2014.

StatLink  <http://dx.doi.org/10.1787/888933155318>

Country notes to Table 4.A4.7.

Austria. Ex-tax price calculated from industry data; Excise rate is taken from Excise Duty Tables, European Commission, January 2014, Rev. 2, REF 1039.

Belgium. Vehicles equipped for LPG are subject to a compensating annual tax from EUR 89.16 up to EUR 208.20, according to engine power with progressive scale.

Canada. LPG sales as road fuel in Canada are not significant.

Chile. Data on LPG for propellant use is currently not available.

Denmark. Ex-tax price calculated from industry data; Excise rate is taken from Excise Duty Tables, European Commission, January 2014, Rev. 2, REF 1039.

Finland. LPG is not available as road fuel in the country.

Greece. Ex-tax price calculated from industry data; Excise rate is taken from Excise Duty Tables, European Commission, January 2014, Rev. 2, REF 1039.

Iceland. LPG is not available as road fuel in the country.

Ireland. Ex-tax price calculated from industry data; Excise rate is taken from Excise Duty Tables, European Commission, January 2014, Rev. 2, REF 1039.

Israel. 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. Data on LPG is not available.

Mexico. Data on LPG is not available.

New Zealand. Ex-tax price calculated from industry data; Excise duties of NZD 0.104/l are taken from Ministry of Business, Innovation and employment.

Norway. Ex-tax price calculated from industry data; excise of NOK 0.342/l is taken from the Customs Department.

Sweden. Ex-tax price calculated from industry data; Excise rate is taken from Excise Duty Tables, European Commission, January 2014, Rev. 2, REF 1039.

Switzerland. Data on LPG is not available.

United Kingdom. Ex-tax price calculated from industry data; Excise rate is taken from Excise Duty Tables, European Commission, January 2014, Rev. 2, REF 1039.

United States. Data on LPG is not available.

European Union. Directive 93/2006/EC sets minimal excise rates for energy products and electricity.

Table 4.A4.8. **Taxation of light fuel oil for households (per litre), 2013^a**

	Ex-tax price ^b		Excise ^c		VAT ^d	VAT	Total tax	Total price	Total tax as % of total price
	National currency	USD	National currency	USD	%	USD	USD	USD	
Australia	Country note								
Austria	0.67	0.89	0.11	0.14	20.00	0.21	0.35	1.24	28.30
Belgium	0.69	0.91	0.02	0.03	21.00	0.20	0.22	1.13	19.58
Canada	1.09	1.06	0.06	0.06	5.00	0.06	0.11	1.18	9.72
Chile	532.21	1.07	0.00	0.00	19.00	0.20	0.20	1.28	15.97
Czech Republic	17.41	0.89	0.66	0.03	21.00	0.19	0.23	1.12	20.37
Denmark	6.36	1.13	3.01	0.54	25.00	0.42	0.95	2.08	45.72
Estonia	0.71	0.94	0.11	0.15	20.00	0.22	0.37	1.31	27.95
Finland	0.71	0.95	0.16	0.22	24.00	0.28	0.50	1.44	34.34
France	0.70	0.93	0.06	0.08	20.00	0.20	0.28	1.20	22.96
Germany	0.63	0.83	0.06	0.08	19.00	0.17	0.25	1.09	23.41
Greece	0.69	0.92	0.33	0.44	23.00	0.31	0.75	1.67	44.90
Hungary	194.83	0.87	113.56	0.51	27.00	0.37	0.88	1.75	50.25
Iceland	Country note								
Ireland	0.84	1.11	0.10	0.13	13.50	0.17	0.30	1.41	21.29
Israel	3.48	0.96	2.88	0.80	18.00	0.32	1.11	2.08	53.60
Italy	0.75	1.00	0.40	0.54	22.00	0.34	0.87	1.87	46.61
Japan	94.62	0.97	2.29	0.02	5.00	0.05	0.07	1.04	7.01
Korea	1 125.38	1.03	103.50	0.09	10.00	0.11	0.21	1.23	16.75
Luxembourg	0.67	0.89	0.01	0.01	12.00	0.11	0.12	1.01	12.03
Mexico	Country note								
Netherlands	0.37	0.48	0.44	0.58	21.00	0.22	0.81	1.29	62.53
New Zealand	Country note								
Norway	6.55	1.11	1.63	0.28	25.00	0.35	0.63	1.74	35.95
Poland	2.93	0.93	0.23	0.07	23.00	0.23	0.30	1.23	24.67
Portugal	0.72	0.95	0.33	0.44	23.00	0.32	0.76	1.71	44.35
Slovak Republic	Country note								
Slovenia	0.65	0.86	0.17	0.23	22.00	0.24	0.47	1.33	35.25
Spain	0.66	0.87	0.09	0.12	21.00	0.21	0.32	1.19	27.05
Sweden	6.71	1.03	3.91	0.60	25.00	0.41	1.01	2.04	49.45
Switzerland	0.84	0.90	0.16	0.17	8.00	0.09	0.26	1.16	22.28
Turkey	2.00	1.05	0.24	0.13	18.00	0.21	0.34	1.39	24.33
United Kingdom	0.53	0.83	0.11	0.17	20.00	0.20	0.37	1.21	31.03
United States	0.99	0.99	0.00	0.00	0.00	0.00	0.00	0.99	0.00

Conversion of national currency in USD: Conversion rates are average market rates (2013) published in OECD Monthly Monetary Statistics (stats.oecd.org). See also Annex A.

a) Prices and taxes as at 4th quarter 2013.

b) Pre-tax price is the price excluding VAT and excise.

c) Excise taxes include all non-VAT taxes levied on the product.

d) GST for Australia, Canada and New Zealand, sales taxes for the United States and Consumption Tax for Japan. VAT for all other countries.

Source: International Energy Agency, *Energy Prices and Taxes 4th Quarter 2013* and European Commission, Doc. Ref. 1035, *Excise Duty Tables*, Part II, January 2014. Prices as at 4th Quarter 2013.

StatLink  <http://dx.doi.org/10.1787/888933155327>

Country notes to Table 4.A4.8

Australia. No data is available.

Canada. Excise rates include provincial/urban taxes. There is no federal excise tax on diesel fuel used as home heating oil or for the generation of electricity.

Hungary. Ex-tax price provided in European Commission, *Energy Policy Figures*; Excise rate is taken from *Excise Duty Tables*, European Commission, January 2014, Rev. 2, REF 1039.

Iceland. No data is available.

Israel. 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. Figures as of 2nd Quarter 2013.

Japan. Kerosene for households.

Korea. Kerosene for households.

Luxembourg. A reduced VAT rate of 12% applies to heating gas oil.

Mexico. There are no excise duties on volume. A tax (Impuesto Especial de Productos y Servicios) is charged as a percentage of the value of the product at wholesale level. It is included in the ex-tax price.

Netherlands. Data given in European Commission, *Energy Policy and Excise Duty Tables*; Excise rate is taken from *Excise Duty Tables*, European Commission, January 2014, Rev. 2, REF 1039.

New Zealand. No data is provided because the product is not consumed in significant quantities.

Slovak Republic. Data is not available because the product is not consumed in significant quantities.

Unites States. Average federal and states taxes – there is no VAT.

European Union. Directive 93/2006/EC sets minimal excise rates for energy products and electricity.


Table 4.A4.9. **Excises (5121) as percentage of total taxation**

	1965	1975	1985	1990	1995	2000	2005	2009	2010	2011
Australia	15.5	11.8	13.9	10.3	9.4	9.2	7.6	7.6	7.4	6.7
Austria	9.8	7.9	7.0	6.1	6.0	6.0	6.3	5.6	5.7	5.8
Belgium	8.3	6.6	4.7	4.9	5.2	5.0	5.3	4.9	4.9	4.7
Canada	9.8	6.3	7.9	5.9	5.6	4.7	4.9	4.7	4.7	4.5
Chile	..	..	..	9.3	7.9	10.3	7.8	7.5	7.2	6.8
Czech Republic	..	..	..	..	9.8	9.3	9.8	10.8	10.8	11.2
Denmark	26.0	13.7	11.8	9.9	10.5	10.4	9.7	8.3	8.6	8.7
Estonia	..	..	..	..	7.5	9.6	12.0	14.1	12.7	13.6
Finland	13.4	11.5	12.0	9.8	9.9	9.0	8.6	8.0	8.3	8.9
France	10.8	6.5	6.2	6.2	6.7	6.2	5.7	5.6	5.5	5.5
Germany	11.1	8.8	6.8	6.9	7.1	7.5	8.4	7.2	7.0	6.9
Greece	17.3	13.6	14.4	12.0	14.4	9.0	8.2	8.5	10.6	11.8
Hungary	..	..	..	..	10.0	10.4	9.7	9.5	9.2	9.3
Iceland	1.1	3.0	6.0	2.0	8.9	9.3	9.2	7.9	8.6	8.6
Ireland	39.2	26.0	19.0	17.1	15.1	13.5	10.9	10.7	10.3	10.1
Israel ^a	..	..	..	..	3.5	3.5	4.5	5.6	5.9	5.6
Italy	14.8	10.2	5.8	7.7	7.9	6.3	5.6	4.9	4.9	5.0
Japan	17.2	11.3	10.5	6.6	7.4	7.2	6.9	6.7	6.5	6.4
Korea	..	22.0	13.7	13.2	13.5	13.3	12.0	9.3	10.7	7.9
Luxembourg	9.8	7.3	10.3	9.7	11.7	12.0	11.8	9.7	9.4	9.5
Mexico	..	..	11.4	7.9	8.3	8.5	3.3	3.4	3.5	3.3
Netherlands	8.1	6.3	5.4	5.7	7.4	8.3	8.5	8.1	8.0	7.9
New Zealand	12.4	9.4	7.4	7.0	5.8	5.4	3.9	2.8	2.9	2.8
Norway	13.9	10.3	14.5	12.4	12.5	8.7	7.4	7.2	7.0	6.6
Poland	..	..	..	..	10.0	11.1	12.7	11.9	13.3	12.8
Portugal	15.2	13.0	16.1	13.8	14.9	11.5	12.1	10.3	10.5	9.5
Slovak Republic	..	..	..	..	8.7	9.1	11.6	9.6	10.4	10.1
Slovenia	..	..	..	..	..	8.4	9.0	11.5	11.5	11.6
Spain	5.6	2.2	5.4	5.8	7.7	7.5	6.4	6.8	6.6	6.4
Sweden	14.9	8.8	9.4	7.3	7.2	6.0	6.1	6.2	6.0	5.8
Switzerland	9.0	7.7	6.8	5.2	5.6	5.5	5.4	4.9	5.1	4.8
Turkey	23.2	17.6	3.8	0.9	1.0	11.7	21.2	18.6	19.9	17.8
United Kingdom	21.8	12.7	11.2	9.7	11.3	10.5	8.8	9.2	8.9	8.5
United States	12.7	7.6	6.2	4.1	4.6	3.7	3.9	4.2	4.1	3.9
Unweighted average^b										
OECD-average	14.2	10.5	9.5	8.1	8.3	8.5	8.4	8.0	8.1	7.9

a) Israel. 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.

b) Unweighted averages. All member countries are taken into account for the calculation of the unweighted averages, including countries that had not implemented the relevant taxes for the year considered. They are counted with a value of zero in the numerator and 1 in the denominator. However, countries that did not exist at the time considered (Czech and Slovak Republics before 1993; Slovenia before 1991) are not included in the calculation of the averages. Are also excluded from the calculation of the averages the countries for which no data is available for the time considered (Chile before 1990, Estonia, Hungary and Israel before 1995, Korea before 1975; Mexico before 1980; Poland before 1995; and Slovak Republic before 2000).

Source: OECD (2013), Revenue Statistics 2013, OECD Publishing, Paris.

StatLink  <http://dx.doi.org/10.1787/888933155337>



From:
Consumption Tax Trends 2014
VAT/GST and excise rates, trends and policy issues

Access the complete publication at:
<https://doi.org/10.1787/ctt-2014-en>

Please cite this chapter as:

OECD (2014), "Selected excise duties in OECD countries", in *Consumption Tax Trends 2014: VAT/GST and excise rates, trends and policy issues*, OECD Publishing, Paris.

DOI: <https://doi.org/10.1787/ctt-2014-6-en>

This work is published under the responsibility of the Secretary-General of the OECD. The opinions expressed and arguments employed herein do not necessarily reflect the official views of OECD member countries.

This document and any map included herein are without prejudice to the status of or sovereignty over any territory, to the delimitation of international frontiers and boundaries and to the name of any territory, city or area.

You can copy, download or print OECD content for your own use, and you can include excerpts from OECD publications, databases and multimedia products in your own documents, presentations, blogs, websites and teaching materials, provided that suitable acknowledgment of OECD as source and copyright owner is given. All requests for public or commercial use and translation rights should be submitted to rights@oecd.org. Requests for permission to photocopy portions of this material for public or commercial use shall be addressed directly to the Copyright Clearance Center (CCC) at info@copyright.com or the Centre français d'exploitation du droit de copie (CFC) at contact@cfcopies.com.