Alcohol and alcoholic beverages: harmonisation of the structures of excise duties

2018/0173(CNS) - 25/05/2018 - Legislative proposal

PURPOSE: to amend Directive 92/83/EEC on the harmonisation of the structures of excise duties on alcohol and alcoholic beverages.

PROPOSED ACT: Council Directive.

ROLE OF THE EUROPEAN PARLIAMENT: the Council adopts the act after consulting the European Parliament but without being obliged to follow its opinion.

BACKGROUND: Directive 92/83/EEC on the structures of excise duty on alcohol and alcoholic beverages sets out the common rules on the structures of excise duty applied to alcohol and alcoholic beverages.

The Directive has not kept pace with the challenges and opportunities offered by new technologies and developments within the alcohol industry.

Some provisions of Council Directive 92/83/EEC are **outdated and unclear** and result in unnecessarily burdensome administrative procedures for both tax administrations and economic operators. The costs for economic operators of complying with those procedures have the effect of **restricting the participation of small and medium-sized enterprises** in trade in alcohol and alcoholic beverages in the internal market.

The source of the current complications for the excise duty exemption for denatured alcohol, classification of certain alcoholic beverages, status of independent small brewers and measurement of degree Plato lays precisely in the absence of clear rules at EU level.

The majority of Member State administrations have pointed out the need for improving the common definitions and rules of alcohol and alcoholic beverages for excise purposes at EU level.

CONTENT: the proposal aims to **amend Council Directive 92/83/EEC in order to improve the regulatory framework** to bring benefits to businesses, Member States and citizens.

In concrete terms, the proposal:

- clarify the provisions relating to the degrees **Plato measurement of beer**: all the ingredients of the beer, including those added after fermentation, shall be taken into account for the purposes of measuring the degree Plato;
- provides for a **uniform certificate** for small independent breweries across the EU. This will improve the cross border functionality of the existing relief for small breweries;
- increases the threshold to which reduced rates may be applied to low strength beer from 2.8% to **3.5%** so as to encourage brewers to innovate and create new products;
- introduces a definition of **'cider'**. This shall also facilitate the application of **reduced rates** for independent small cider makers, within the following limits: (i) the reduced rates shall not be applied to undertakings producing more than 15 000 hl of cider per year; (ii) the reduced rates, which may fall below the minimum rate, shall not be set more than 50% below the standard national rate of excise duty for cider;

- clarifies the provisions relating to **exemptions for denatured alcohol** and to increase the legal certainty for economic operators and Member State authorities;
- deletes a provision which currently allows the UK to provide exemptions for certain products which are no longer exempted in the UK.