Australian Customs Notice 1997 18

**EXCISE TARIFF ACT 1921 - SPIRITUOUS BEVERAGES**

Following the decision of the Administrative Appeals Tribunal in the matter of Carlton and United Breweries and the CEO of Customs, there has been some uncertainty as to the ambit of sub-item 2(H) of the Excise Tariff Act 1921.

So as to remove this uncertainty a Notice of Intention to propose an Excise Tariff alteration in accordance with section 160B of the Excise Act 1901 was published in Special Commonwealth Gazette No. S41 on 3 February 1997. The proposed alteration took effect on and from that date in accordance with section 160B.

The Gazette Notice amends the Schedule to the Excise Tariff Act 1921 to:

1. delete all references to "spirituous beverage" in the Schedule and Item 2; and
2. substitute a new item 2 to ensure that excise duty continues to be imposed on all spirits and beverages containing distilled alcohol. In particular, new sub-item 2(H) makes excisable all beverages containing distilled alcohol, n.e.i., regardless of the alcohol content.

As was the case prior to the Notice, fortified wines and fortified wine based beverages are not subject to excise duty. However, if spirit is added to a fortified wine then the added spirit will be liable for the relevant duty.

It should also be noted that pre-mixed beverages containing brandy are now subject to excise duty on the brandy content at the excise rate for brandy, currently $31.59 per litre of distilled alcohol. This changes the previous arrangement where pre-mixed beverages containing brandy paid the general spirit excise duty rate (currently $36.99 per litre of distilled alcohol).

When preparing Excise entries (Nature 40) for pre-mixed beverages containing brandy, the relevant excise duty rate will be applied under Excise Tariff Item 2H, Stat. Code 63 by inserting in the Additional Information Field on the entry - 'Additional Tariff Item 2A'.

To assist in the preparation of entries, listed below are the new Excise Tariff sub-items 2G, 2H and 2O and the new Statistical Codes allocated by the Australian Bureau of Statistics. There are no changes to the other sub-items or statistical codes in Item 2.

|  |  |  |  |
| --- | --- | --- | --- |
| Item | Description | Statistical Code | Product |
| 2G | Liqueurs | 59 | Liqueurs |
| 2H | Beverages (other than beverages | 60 | Vodka |
|  | comprised solely of fortified wine) | 61 | Ouzo |
|  | containing distilled alcohol, n.e.i. | 62 | Gin |
|  |  | 63 | Beverages containing brandy |

|  |  |  |  |
| --- | --- | --- | --- |
|  |  | 64 | Other |
| 2O | Non potable spirits, n.e.i. | 65 | Non potable spirits |

Previously where potable spirit was moved underbond it was classified within sub-item 2(O), it will now be classified within sub-item 2(H) for the underbond movements. Any inquiries concerning these changes should be directed to the Assistant Director, Alcohol, Inland Revenue, on (06)275 6095.

(J H Jeffery) National Manager Inland Revenue

for Chief Executive Officer CANBERRA ACT 2601

25 February 1997

Inland Revenue:- C89/8700