

THE STATES OF DELIBERATION
of the
ISLAND OF GUERNSEY

15th December, 2020

Proposition No. P.2020/193

Policy & Resources
Committee

The States of Guernsey Annual Budget for 2021

AMENDMENT

Proposed by: Deputy Simon Vermeulen

Seconded by: Deputy Nick Moakes

1. In proposition 11 –

- a) immediately after ""The Excise Duties (Budget) Ordinance, 2020"" insert ", subject to the amendment indicated below," and
- b) immediately after the proposition, insert the following amendment to the Ordinance -

"Amendment

- i. In section 1 of the Ordinance, substitute paragraph 5 in the tables set out in that section with the following paragraph:

“5. Spirits –

- | | |
|--|---|
| (a) Spirits distilled by an independent small distiller of spirits | £19.95 per litre of alcohol contained in the liquor, calculated in accordance with section 23D |
| (b) Spirits, other than spirits distilled by an independent small distiller of spirits | £39.90 per litre of alcohol contained in the liquor, calculated in accordance with section 23D” |

- ii. After section 1 of the Ordinance add the following section:

“Amendment of interpretation provisions of Fourth Schedule to the Law.

1A. In the Fourth Schedule to the Customs and Excise (General Provisions) (Bailiwick of Guernsey) Law, 1972, as amended, immediately after the definition of “independent small cider-maker”, insert the following definition –

“independent small distiller of spirits” means a distiller of spirits, wherever located, in respect of which the Chief Officer of Customs and Excise is satisfied that –

- (a) it does not distill more than 20,000 litres of alcohol per year;
- (b) it is legally and economically independent of any other distiller of spirits;
- (c) it uses only premises situated physically apart from any other distiller of spirits; and
- (d) it does not operate under licence;

provided that where two or more distillers of spirits co-operate and their combined annual distillation of alcohol does not exceed 20,000 litres, those distillers of spirits may be treated as a single independent small distiller of spirits,”.

Explanatory note

This Amendment would introduce a lower rate of duty for spirits distilled by an independent small distiller of spirits. The duty rate would be 50% of the current duty rate which is in line with the discount applied for independent small breweries and independent small cider-makers. At an Alcohol By Volume (ABV) of 40%, a litre of spirits would attract duty at £15.96 (full rate) or £7.98 (lower rate).

It is not possible to calculate the cost of this Amendment as it is not known which of the current distillers who supply the Bailiwick would qualify for the lower rate. However, the budgeted income for 2021 from Excise Duty on Spirits is £4.2million so the potential maximum reduction revenues would be 50% - £2.1million. If 10% of the current volume of spirits qualified for the lower rate, there would be a reduction in revenues of approximately £200,000 per annum.