

THE STATES OF DELIBERATION
of the
ISLAND OF GUERNSEY

7th November, 2023

Proposition No. P.2023/114

Policy & Resources Committee

The States of Guernsey Budget for 2024

AMENDMENT

Proposed by: Deputy R G Prow

Seconded by: Deputy S P J Vermeulen

To insert a new proposition immediately after Proposition 16 as follows:

“16A. To direct the Policy & Resources Committee in consultation with the Committee *for* Economic Development and the Committee *for* Home Affairs to investigate the introduction of –

- (a) a further separate independent Small Brewery lower rate of Excise Duty for very small micro-breweries, and
- (b) a rate of Excise Duty chargeable on spirits for small independent distillers together with a clear definition of such a distillery and the producers liable to such a rate, and

to report back to the States by the end of June 2024 with suitable recommendations.”

Rule 4(1) Information

- a) The proposition contributes to the States’ objectives and policy plans in benefiting the economy by presenting new opportunities supporting business or start-up companies within the small micro-brewery or small independent distillers sector.
- b) In preparing the proposition, consultation has been undertaken with the Policy & Resources Committee and the Committee *for* Economic Development.

- c) The proposition has been submitted to His Majesty's Comptroller for advice on any legal or constitutional implications.
- d) There are no financial implications to the States of carrying the proposal into effect as, at this stage, the proposition requires the Committees to investigate options.

Explanatory note

This amendment proposes an investigation into the introduction of a lower rate of excise duty for small micro-breweries alongside the existing small breweries rate, and a new rate of excise duty for small independent distillers chargeable on spirits. The investigation would seek to identify the impact of such changes on revenue collection and the economy in general, and the likely scale of benefit to business. The amendment mandates the named Committees to report back to the States by the end of June 2024 with appropriate recommendations.

This matter has been brought to the attention of the Committee *for* Home Affairs and the Committee *for* Economic Development by several small businesses starting out in the drink manufacturing trade. These businesses believe they could grow and develop if there were lower excise rates in place in respect of the production of low volumes of their products.