

CALL FOR EVIDENCE FOR AN EVALUATION / FITNESS CHECK

TITLE OF THE EVALUATION	Evaluation of the rates and structures of excise duty on alcohol and alcoholic beverages
LEAD DG – RESPONSIBLE UNIT	DG TAXUD, UNIT C2
INDICATIVE TIMETABLE (PLANNED START DATE AND COMPLETION DATE)	Start date: Q1-2022 Planned completion date: Q2-2023
ADDITIONAL INFORMATION	Excise Duty on Alcohol (europea.eu)

This document is for information purposes only. It does not prejudice the final decision of the Commission on whether this initiative will be pursued or on its final content. All elements of the initiative described by the document, including its timing, are subject to change.

A. Political context, purpose and scope of the evaluation

Political context

Excise duties are indirect taxes on the sale or consumption of specific products such as alcohol beverages, tobacco and energy products.

[Council Directive 92/84/EEC](#) lays down minimum rates of duty on alcohol and alcoholic beverages, based on the following product categories: beer, wine, fermented beverages other than wine and beer (cider, perry etc.), intermediate product (port, sherry etc.) and ethyl alcohol (spirit drinks). Member States can freely set actual duties according to their own national preferences, as long as they are above the minimum rates specified in the Directive.

The rates have not been revised since 1992. In 2006, the Commission made a [legislative proposal](#) to adjust the minima by introducing regular increases according to the inflation rate. Although many Member States supported the proposal, it fell short of the necessary unanimity and was [withdrawn by the Commission](#) in 2015.

In 2020, the Council adopted [new rules](#) amending [Directive 92/83/EEC](#), which sets out the categories, the structures for excise duties on alcohol and alcoholic beverages, the basis for calculation and special provisions.

Harmful consumption of alcohol is addressed under the United Nations Sustainable Development Goal 3. In February 2021, the European Commission adopted [Europe's Beating Cancer Plan](#), which notes the pivotal role of taxation in balancing the objectives of public revenue and health protection.

The [Action plan for fair and simple taxation supporting the recovery strategy](#) includes the revision of the EU harmonised rates on alcohol and alcoholic beverages, to secure revenue and fight against tax evasion.

Purpose and scope

A comprehensive evaluation is required to assess the validity and effectiveness of the minimum rates of excise duty on alcohol and alcoholic beverages, which have not been updated since 1992, and the basis of taxation (volume or alcoholic content of the beverages), to ascertain whether they still respond to policy needs and objectives, despite the evolution of market and consumption patterns. This involves reviewing the coherence of the intervention logic that underpins the legislative framework in the light of the objective of the functioning of the Single Market, but also regarding the fight against tax fraud, public health protection and broader societal goals, as well as the added value of EU action. The evaluation will identify the outstanding issues and, where possible good practices to best address identified issues.

The Directive requires the European Commission to regularly evaluate and report to the Council on the implementation. The evaluation will serve as a basis for a discussion with Member States on the state of play and possible future evolution of the EU legislative framework.

The evaluation will cover all harmonised categories of alcohol products currently in the scope of Council Directive 92/84/EEC. The geographical scope will encompass the entire EU27 and identify the areas and those Member States that are most affected by the current arrangements. The analysis will focus on the period from 2010 until

the present date.

B. Better regulation

Consultation strategy

The consultation will target citizens; Member States, including both excise and public health authorities; economic operators; public health experts; NGOs and sectoral professional organisations.

The planned consultation activities are:

- a public consultation, accessible on the Commission's central [public consultations page, Have your Say portal](#) in all EU languages, for 12 weeks;
- a targeted consultation of Member State authorities;
- in-depth interviews with a variety of stakeholders.

These activities will take place during Q2 and Q3 2022. Consultation activities will be promoted online and in relevant expert and stakeholder groups of the European Commission.

A factual summary report will be published on the consultation page 8 weeks after the closure of the public consultation. A synopsis report summarising the results of all the consultation activities will also be published.

Why we are consulting?

The aim of the consultation is to gather the views of all relevant stakeholders on the minimum excise duty rates for alcohol and alcoholic beverages. These stakeholders have a concrete experience with the day-to-day functioning of the Directive, from various perspectives. Views are sought on:

- the affordability, demand and market developments for the range of alcohol products in Member States;
- the policy framework and needs, covering both national and EU rules.

Stakeholders' feedback to the consultation will provide qualitative and quantitative data to support the assessment of [Council Directive 92/84/EEC](#) fitness for purpose, and therefore will be duly taken into consideration as part of the evaluation.

Target audience

The consultation will target the following groups:

- EU and non-EU citizens;
- Member States authorities, including both excise and public health authorities;
- Sectoral professional organisations, covering production, import and distribution, retail of alcoholic beverages and the hospitality sector;
- Economic operators in the sectors listed above;
- Public health experts;
- NGOs.

Data collection and methodology

The evaluation will be based on an external study. The starting point will be the review of [Council Directive 92/84/EEC](#) on the rates and related parts of [Council Directive 92/83/EEC](#) on the harmonisation of the structures of excise duty on alcohol and alcoholic beverages. The work will build upon the analysis of relevant documents, including previous evaluations, impact analyses and Commission reports, as well as the broader policy environment. The methodology will rely on four main elements:

- Stakeholder consultation, including public consultation, surveys and in-depth interviews;
- Desk research, including datasets, policy frameworks and literature;
- Data analysis, including the retrospective effects of EU rules and prospective effects of changes;
- Case studies in selected Member States and including ad hoc data analysis.

The evaluation of the effectiveness of the legislation will be based on hypothetical counterfactual scenarios. The data analysis will mainly cover the effects on the market, revenue, recorded and unrecorded alcohol consumption, and on public health. It will also look at regulatory costs, which will be quantified according to the Standard Cost Model.