
For Immediate Release

REPORT: Canada's beer taxes 5 times higher (and rising) than U.S. beer taxes

OTTAWA (Monday May 7, 2018) – A new report, *Beer Taxes: A Canadian – U.S. Comparison*, shows that U.S. state and federal taxes on beer average just over \$4 per case of 24, while comparable provincial and federal taxes in Canada are five times higher and average more than \$20 per case.

With almost half (47 per cent) the price of the typical case of beer purchased in this country being tax, Canadian beer drinkers are already amongst the highest taxed beer drinkers in the world and that tax burden is rising at a dramatic and unsustainable rate.

What should be particularly concerning to Canadian beer drinkers is the fact that Canadian beer taxes, and the tax difference with the U.S., are both growing rapidly because of hidden government tax measures like the federal government's new automatically escalating excise tax and Ontario's indexed Basic Beer Tax.

The new study finds that since 2010 Canadian provinces have enacted 45 individual beer tax increases while U.S. states have had just five. And not only has Canada had more tax increases, the new study shows they have been significantly larger.

Since 2010 Canadian provincial commodity taxes on beer have increased by 26 per cent while comparable U.S. state taxes have only increased by 2.9 per cent. The Canadian increase has also been double the rate of inflation over the same period.

"While we know beer drinkers understand that Canadian beer taxes are high, we don't think they really understand how high they are and how they actually work," said Beer Canada President Luke Harford. "This is because virtually all these beer taxes are built into the shelf price and are hidden from the consumer's view. Many of these hidden taxes, both provincially and federally, go up automatically every year without any debate, public announcement or notification to Canadians."

Another feature of the Canadian beer tax system that beer drinkers likely don't know about is how various federal and provincial taxes are stacked one on top of another so that the tax of one government is often taxed by the tax of another government and then taxed again.

For example, the federal excise tax of \$2.75 per case is applied at the brewery, it is then subjected to a mark-up at the liquor board warehouse and then taxed again at the retail store with a sales tax. In the province of Nova Scotia this tax on tax system results in a “taxing up” of the federal excise from \$2.75 a case to over \$5.75 a case by the time the beer reaches the consumer. This practice of taxing one tax with another just doesn’t seem fair to beer drinkers, especially when they’re already paying such high taxes.

At our website www.axethebeertax.ca, Beer Canada argues that hard-working middle class beer drinkers already pay too much beer tax and the current rate of tax escalation is unsustainable and unfair.

Beer Canada is asking all Canadians to join the campaign against never ending beer tax increases by signing up at www.axethebeertax.ca.

“With the May 24 weekend and Fête nationale du Québec coming up, we felt it was time to declare that Canadian consumers are drowning in beer taxes and it’s just not sustainable,” Harford said.

“Governments are soaking Canadian beer drinkers with yearly tax hikes hoping they won’t notice. It has to end.”

The new report ***Beer Taxes: A Canadian – U.S. Comparison*** commissioned by Beer Canada is a comprehensive study of Canada versus U.S. beer tax rates and is available online at www.axethebeertax.ca.

RESOURCES

- A video showing consumer reaction to the escalator tax is [here](#).
- The Axe the Beer Tax petition is [here](#).

ABOUT BEER CANADA

Beer Canada is the national trade association that advocates to ensure Canadian brewers are able to operate in a healthy regulatory environment and that beer remains a celebrated part of Canada's culture. As the national voice of beer, Beer Canada represents over 50 Canadian brewing companies that account for 90% of beer made in Canada and a category that supports 149,000 Canadian jobs, \$13.6 billion in real gross domestic product and \$5.7 billion in tax revenues for federal, provincial and municipal levels of government.

FOR MORE INFORMATION

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