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For Immediate Release

**PRESS RELEASE**

**Ottawa continues to squeeze beer drinkers with Budget 2019**

**OTTAWA, ONTARIO – March 19, 2019** – Brewers are disappointed that the 2019 Budget does nothing to stop taxes on beer, wine and spirits from going up yet again. Federal excise tax on all beverage alcohol products will automatically go up on April 1, the third increase in just 2 years. Budget 2019 fails to repeal the rigid and unfair escalator tax on Canadians.

Federal excise tax is a production tax on brewers that ends up costing Canadian beer drinkers. The tax is built into the price of every bottle of beer, wine or distilled beverage. Liquor board markups and sales taxes are layered on top. The annual hike in federal excise bumps up GST/PST/HST and other taxes, doubling and tripling the tax hit to wallets year after year and making beer less and less affordable.

In 2017, the federal government introduced legislation to increase federal excise yearly. This legislation allows the federal government to by-pass debate in Parliament and hide the annual tax increase from Canadians.

The price Canadians pay today for beer is already 47% tax on average. Half the price of a pint of beer is tax. Brewers asked the federal government to repeal its escalator tax in Budget 2019, arguing Canadians already pay enough tax on their beer.

“By keeping the escalator tax in place and not removing it in Budget 2019, the federal government has chosen to keep making life more expensive for hard working middle-class Canadians” said Luke Harford, President of Beer Canada. “The government has chosen to ignore brewers, barley farmers, wine makers, distillers, the hospitality industry and the 53,000 Canadians that signed our petition to repeal the escalator tax in 2018.”

Unlike many other food manufacturing industries, beer remains very local: 85% of the beer purchased in Canada is made right here at home. The sale of beer in Canada supports 149,000 full-time equivalent jobs. Canada’s brewers buy 300,000 tonnes of Prairie-grown malting barley, directly employ 14,000 Canadians and pay close to a billion dollars in wages and benefits. Budget 2019 ignores this value chain by continuing to squeeze already overtaxed beer drinkers.

**ABOUT BEER CANADA**

Beer Canada is the national trade association that advocates to ensure Canadian brewers can 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.

**FOR MORE INFORMATION**

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