

PRESS RELEASE

Beer Canada Calls for 50% Draught Beer Excise Duty Cut to Save Neighbourhood Restaurants

TORONTO, ONT. (August 11, 2021) – Beer Canada seeks support from the House of Commons Standing Committee on Finance for targeted support measures to help save local neighbourhood restaurants as part of their 2022 Pre-Budget consultations.

“A 50% tax cut on draught beer sold to licensed bars and restaurants would provide a critical economic lifeline to neighbourhood restaurants and bars struggling to emerge from the COVID pandemic,” said CJ Hélie, Beer Canada’s President.

In addition to reducing federal excise duties on draught beer, Beer Canada is also seeking MPs support for an increase from 50% to 100% in permissible income tax deductions on meals purchased from restaurants for the next three years to match the IRS’s support of American restaurants.

It may take years for the Canadian restaurant sector to fully recover from the pandemic, and continued targeted support measures from all levels of government are essential to avoid permanent business closures and job losses.

A 50% excise duty cut would reduce federal excise duties on draught beer sold to licensed bars and restaurants by more than \$35 million dollars annually, with these cuts more than fully offset by additional GST revenues on pints of draught beer consumed in these licensed premises. This makes the measure a net gain for the federal government in terms of overall direct tax revenues.

In addition, Beer Canada’s pre-budget recommendations include eliminating alcohol excise duties on non-alcoholic beer as well as a freeze on the scheduled April 2022 automatic alcohol excise duty increase.

Canada is one of the few countries in the world that imposes alcohol excise duties on non-alcoholic beer. Non-alcoholic wines and spirits in Canada already benefit from an excise duty exemption.

QUICK FACTS

- 85% of the beer consumed in Canada is made here.
- Approximately 149,000 Canadian jobs are supported by the production and sale of beer.
- Over 19,000 Canadians work in breweries across the country.
- Canada is home to over 1,200 breweries.
- Beer contributes \$13.6 billion to Canada’s GDP annually.

ASSOCIATED LINKS

beercanada.com

industry.beercanada.com

ABOUT BEER CANADA

Beer Canada is the voice of the people who make our nation's beers. Our members account for 90% of the beer produced in Canada. The sale of beer supports 149,000 Canadian jobs, generates \$14 billion in Gross Domestic Product and \$5.7 billion in government tax revenues.

Beer Canada has represented Canadian brewers since 1943 and offers the most comprehensive and timely statistical overview of monthly and annual trends in the beer industry.

FOR MORE INFORMATION

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