



Excise Duty Notice

Under the *Excise Act*

EDBN22

March 2017

Changes to Excise Duty Rates on Beer

The information in this notice is for reference purposes only and does not replace the *Excise Act* or its regulations. Should there be any discrepancy between the information in this notice and that contained in the Act or its regulations, the legislative provisions apply. As the information in this publication may not completely address your particular situation, you may wish to refer to the Act or appropriate regulation, or contact any Canada Revenue Agency regional excise duty office for additional information. These offices are listed in [Excise Duty Memorandum EDM1.1.2, Regional Excise Duty Offices](#).

All legislative references in this publication are to the *Excise Act*, unless otherwise specified.

Any commentary in this notice should not be taken as a statement by the Canada Revenue Agency that the proposed amendments will be enacted in their current form.

On March 22, 2017, the Minister of Finance tabled Budget 2017 and an accompanying Notice of Ways and Means Motion, which proposes amendments to the *Excise Act* to increase the rates of excise duty on beer. These rates take effect March 23, 2017.

The new rates are outlined in the following tables. For more information, please contact your regional excise duty office.

Excise duty applied under subsection 170(1) and set out in Part II of the Schedule

Excise duty rates on beer or malt liquor

Beer or malt liquor containing	Previous rate per hectolitre	New rate per hectolitre
More than 2.5% of absolute ethyl alcohol by volume	\$31.22	\$31.84
More than 1.2%, but not more than 2.5%, of absolute ethyl alcohol by volume	\$15.61	\$15.92
Not more than 1.2% of absolute ethyl alcohol by volume	\$2.591	\$2.643

Excise duty applied under subsection 170.1(1) and set out in Part II.1 of the Schedule

Excise duty rates on beer or malt liquor brewed by domestic brewers and containing more than 2.5% of absolute ethyl alcohol by volume

Annual production volume increments	Previous rate per hectolitre	New rate per hectolitre
From 0 to 2,000 hectolitres	\$3.122	\$3.184
From 2,001 to 5,000 hectolitres	\$6.244	\$6.368
From 5,001 to 15,000 hectolitres	\$12.488	\$12.736
From 15,001 to 50,000 hectolitres	\$21.854	\$22.288
From 50,001 to 75,000 hectolitres	\$26.537	\$27.064
Greater than 75,000 hectolitres	\$31.22	\$31.84

Excise duty rates on beer or malt liquor brewed by domestic brewers and containing more than 1.2%, but not more than 2.5%, of absolute ethyl alcohol by volume

Annual production volume increments	Previous rate per hectolitre	New rate per hectolitre
From 0 to 2,000 hectolitres	\$1.561	\$1.592
From 2,001 to 5,000 hectolitres	\$3.122	\$3.184
From 5,001 to 15,000 hectolitres	\$6.244	\$6.368
From 15,001 to 50,000 hectolitres	\$10.927	\$11.144
From 50,001 to 75,000 hectolitres	\$13.269	\$13.532
Greater than 75,000 hectolitres	\$15.61	\$15.92

Excise duty rates on beer or malt liquor brewed by domestic brewers and containing more than 0.5%, but not more than 1.2%, of absolute ethyl alcohol by volume

Annual production volume increments	Previous rate per hectolitre	New rate per hectolitre
From 0 to 2,000 hectolitres	\$0.2591	\$0.2643
From 2,001 to 5,000 hectolitres	\$0.5182	\$0.5286
From 5,001 to 15,000 hectolitres	\$1.0364	\$1.0572
From 15,001 to 50,000 hectolitres	\$1.8137	\$1.8501
From 50,001 to 75,000 hectolitres	\$2.2024	\$2.2466
Greater than 75,000 hectolitres	\$2.591	\$2.643

Effective date

The new rates detailed above apply to beer produced or imported on or after March 23, 2017. As a result, the excise duty calculation for March 2017 will include both the previous and the new rates. The CRA will collect the new rate of duty on beer produced on or after March 23, 2017, paid on a voluntary basis, until such time as the amendments become law (i.e., Royal Assent). Importers and licensees that do not pay the duty in accordance with the new rates will be required to pay interest on unpaid amounts once Royal Assent is received.

Annual adjustments

The Notice of Ways and Means Motion also proposes to amend the *Excise Act* to adjust the excise duty rates annually. The rates will be indexed to the Consumer Price Index with the first inflationary rate adjustment effective April 1, 2018. The CRA will publish the adjusted rates each year, well in advance of April 1.

Further information

All technical publications related to the *Excise Act* and its regulations are available on the CRA website. Go to cra.gc.ca/exciseduty and click on "Excise Act – Technical Information" under the Publications heading.

To request a ruling or interpretation or make a technical enquiry on excise duty, contact one of the regional excise duty offices listed in [Excise Duty Memorandum EDM1.1.2, Regional Excise Duty Offices](#).