

ANNEX B-5: Special Tax and Liquor Duties

Special Tax

S/N	Name of Tax Change	Current Treatment	New Treatment
1	Revised Special Tax Structure for Euro-IV Private Diesel Cars	Currently, an owner of a Euro-IV private diesel car pays both a road tax and a special tax which is 4 times the annual road tax. Based on the road tax rate effective in July 2008, a 1,600cc car attracts a special tax of \$2,972 (4 times the road tax of \$743).	<p>The special tax for Euro-IV cars will be revised from the current 4 times the road tax to an absolute-dollar tax based on the engine capacity of the car, at a rate of \$1.25 per cubic centimetres (cc) of engine capacity, subject to a minimum tax of \$1,250.</p> <p>Hence, a typical 1,600 cc Euro-IV diesel car will pay a special tax of \$2,000 (which is 1,600cc multiplied by \$1.25 per cc). In this case, the computed special tax based on the engine capacity is greater than minimum tax of \$1,250, so the minimum tax does not apply. The special tax of \$2,000 imposed on the 1,600 cc car is roughly equivalent to 2.7 times its road tax.</p> <p>The revised tax structure will take effect from 1 July 2008.</p>

Liquor Duties

S/N	Name of Tax Change	Current Treatment	New Treatment
1	Rationalisation of Liquor Duties	There are currently 13 categories of dutiable liquor (consisting of 19 dutiable items) on volumetric taxation basis. They are cider & perry, brandy, other spirits, whisky, rum, gin & geneva,	Taxing liquors on the basis of alcoholic content would be a more rational and fairer basis of taxation of an alcoholic beverage, as it ensures a direct relation between the alcoholic strength of a drink and its tax rate.

S/N	Name of Tax Change	Current Treatment	New Treatment
		vodka, liqueurs & cordials, bitters, sparkling wine, still wine, vermouth and shandy.	MOF will streamline the duty rate to \$48 per litre of alcohol for cider & perry, and \$70 per litre of alcohol for the other 12 types of liquor. The new rates will be effective on 15 February 2008.

Current and New Excise Duties for Liquor (with effect from 15 February 2008)

HS Code	Description	Current Excise Duty (per litre of beverage)	New Excise Duty (per litre of alcohol)
22041000	Sparkling wine	\$9.50	\$70.00
22042111	Still wine, 2 ltr or less, not exceeding 15% alc/vol	\$9.50	\$70.00
22042112	Still wine, 2 ltr or less, exceeding 15% alc/vol	\$9.50	\$70.00
22042911	Still wine, more than 2 ltr, not exceeding 15% alc/vol	\$9.50	\$70.00
22042912	Still wine, more than 2 ltr, exceeding 15% alc/vol	\$9.50	\$70.00
22051010	Vermouth and other grape wine flavoured with plants or aromatic substances, 2 ltr or less, not exceeding 15% alc/vol	\$9.50	\$70.00
22051020	Vermouth and other grape wine flavoured with plants or aromatic substances, 2 ltr or less, exceeding 15% alc/vol	\$9.50	\$70.00
22059010	Vermouth and other grape wine flavoured with plants or aromatic substances, more than 2 ltr, not exceeding 15% alc/vol	\$9.50	\$70.00
22059020	Vermouth and other grape wine flavoured with plants or aromatic substances, more than 2 ltr, exceeding 15% alc/vol	\$9.50	\$70.00
22060010	Cider & perry	\$3.30	\$48.00
22060040	Shandy	\$0.80	\$70.00
22082010	Brandy, not exceeding 46% alc/vol	\$30.00	\$70.00

HS Code	Description	Current Excise Duty (per litre of beverage)	New Excise Duty (per litre of alcohol)
22082030	Other spirits obtained by distilling grape wine or grape marc, not exceeding 46% alc/vol	\$30.00	\$70.00
22083010	Whisky, not exceeding 46% alc/vol	\$30.00	\$70.00
22084010	Rum & other spirits obtained by distilling fermented sugar-cane products, not exceeding 46% alc/vol	\$30.00	\$70.00
22085010	Gin & Geneva, not exceeding 46% alc/vol	\$30.00	\$70.00
22086010	Vodka, not exceeding 46% alc/vol	\$30.00	\$70.00
22087010	Liqueurs & cordials, not exceeding 57% alc/vol	\$30.00	\$70.00
22089070	Bitters and similar beverages, not exceeding 57% alc/vol	\$30.00	\$70.00