

ALIGNMENT OF TAX DATES GIVEN THE NOD

The Government is to remove one big headache when it comes to paying excise tax bills.

Earlier this month, the Foreign Affairs, Defence and Trade Select Committee, agreed with the Distilled Spirits Association for the need to align the two annual alcohol tax adjustments dates to 1 July.

Currently the drinks industry adheres to two calendar dates regarding annual tax adjustments - 1 June for excise tax and 1 July for the Alcohol Advisory Council (ALAC) levy.

“In practical terms, a single date will reduce compliance costs for business as well as avoid the duplication of a number of necessary logistical changes” explains Thomas Chin, chief executive of the Association.

“This simple but effective move eliminates a taxation timing problem that has caused significant disruption to the liquor industry for many years, for no good reason other than the existence of incompatible legislation.”

Mr Chin says the Association has long advocated the need for a synchronised tax date and is delighted that the Government has listened and acknowledged its recommendation.

On an annual basis, the drinks industry pays out more than \$500million in alcohol excise tax and duties and around \$12million in ALAC levies.

The Government is expected to amend the Customs and Excise Bill in time for the 2007/2008 round of taxation adjustments.

ENDS.

Prepared on behalf of the DSA by the pr shop. For further information, please contact Sally Frewin (09) 368 1078, 021 333 221, sally@theprshop.co.nz