



Budget 2019 - Time to Stop the Escalator Tax on Alcohol

TORONTO, ON - March 18, 2019 - Canada's distillers are asking federal Finance Minister Morneau to repeal the job-killing and pocket-picking annual automatic escalator tax on beer, wine and spirits in tomorrow's federal budget.

"Canada already imposes amongst the very highest taxes on alcohol in the world, and, in the case of spirits, 80% of what you pay are taxes", said Jan Westcott, President & CEO of Spirits Canada.

Unless the escalator tax is repealed, taxes on alcohol in Canada will rise on April 1st without a vote in Parliament - the third increase in 3 years. Federal excise duty revenues on Spirits alone rose a staggering 17.8% last year.

Canadians across the country have voiced their support for repealing the escalator tax through participation in the spirits' [#NotOnMyTab](#) and brewers' [#AxeTheBeerTax](#) awareness campaigns.

Alcohol excise duties are an antiquated and outdated tax on alcohol manufacturers whose deficiencies are compounded by a series of cascading federal and provincial liquor taxes and mark-ups that drive consumer prices higher and make domestic producers less competitive.

"Today's escalator tax is having the same negative effect it had when Canada last experimented with it in the 1980s; sky high prices, a freeze on investment, closed distilleries, lost jobs and Canada losing ground versus our international competitors", said Mr. Westcott.

Canadian spirits manufacturers source virtually 100% of their cereal grains from local Canadian farmers, providing a valuable and stable customer base for generations of farmers' highest-grade barley, corn, rye and wheat.

"We are calling for an immediate repeal of the escalator tax as a first step in a long overdue review and reform of Canadian alcohol tax policy", added Westcott.

Spirits Canada is the sole national trade association representing the interests of Canadian spirits manufacturers, exporters, marketers and consumers.

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