

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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NOTIFICATION OF CHANGES IN TAX ADJUSTMENTS

Addendum

UNITED KINGDOM

This notification is made pursuant to paragraph 40 of L/3464.

The following changes in indirect taxation, consequent upon the Chancellor of the Exchequer's Budget Statement to the House of Commons on 26 March 1980, have been embodied in the Finance Act 1980¹, which received Royal Assent on 1 August.

1. Value-added tax

With effect from 1 May 1980 the zero rate of VAT will cease to apply to lubricating oils. Schedule 4, Group 7 of the Finance Act 1972 has been amended accordingly.

2. Alcoholic drinks

With effect from midnight, 26-27 March 1980 the rates of duty on alcoholic drinks have been increased as follows:

- (a) the rate of duty on spirits by £1.43 per litre of alcohol in the spirits (new rate £11.87 per litre for spirits warehoused three years or more and £11.90 for other spirits);
- (b) the rate of duty on beer by £2.40 per hectolitre and the charge for each additional degree of original gravity above 1030° by £0.08 per hectolitre (new rate £13.05 per hectolitre plus £0.435 for every degree in excess of 1030°);

¹ Available in the GATT secretariat for consultation (Miss Y. Davel, office 1066, telephone extension 2156).

(c) the rates of duty on wine by the following amounts per hectolitre:

Wine of an alcoholic strength:	
not exceeding 15 per cent	£9.93 (new rate £81.42)
exceeding 15 per cent but not exceeding 18 per cent	£11.45 (new rate £93.93)
exceeding 18 per cent but not exceeding 22 per cent	£13.48 (new rate £110.59)
exceeding 22 per cent plus £1.43 for every 1 per cent, or part of 1 per cent, in excess of 22 per cent	£13.48 (new rate £110.59 plus £11.87 for every 1 per cent, or part of 1 per cent, in excess of 22 per cent)
surcharge on sparkling wine	£2.18 (new rate £17.90)

(d) the rates of duty on made-wine by the following amounts per hectolitre:

Made-wine of an alcoholic strength:	
not exceeding 10 per cent	£6.44 (new rate £52.85)
exceeding 10 per cent but not exceeding 15 per cent	£9.65 (new rate £79.16)
exceeding 15 per cent but not exceeding 18 per cent	£10.61 (new rate £87.04)
exceeding 18 per cent plus £1.43 for every 1 per cent, or part of 1 per cent, in excess of 18 per cent	£10.61 (new rate £87.04 plus £11.87 for every 1 per cent, or part of 1 per cent, in excess of 18 per cent)
surcharge on sparkling made-wine	£1.00 (new rate £8.25)

(e) the rate of duty on cider and perry by £0.73 per hectolitre (new rate £6.05 per hectolitre).

3. Hydrocarbon oil duties

With effect from 6 p.m. on 26 March 1980, the rates of duty on hydrocarbon oils have been increased as follows:

- (a) the rate of duty on light hydrocarbon oil, petrol substitutes and spirits used for power methylated spirits by 1.9p per litre (new rate 10.0p per litre);
- (b) the rate of duty on heavy hydrocarbon oil for use as road fuel by 0.8p per litre (new rate 10.0p per litre);
- (c) the effective rate of duty borne by rebatable oils (except kerosene used other than as aviation fuel) by 0.11p per litre (new rate 0.77p per litre);
- (d) the rate of duty on gas for use as road fuel by 0.95p per litre (new rate 5.0p per litre).

4. Tobacco

With effect from midnight, 28-29 March 1980, the rates of duty on tobacco have been increased as follows:

- (a) the specific element in the duty on cigarettes by £1.65 per 1,000 cigarettes (new rate £13.42 per 1,000 cigarettes with a tar yield of less than 20 mg. and £15.67 per 1,000 cigarettes with a tar yield of 20 mg. or more, the ad valorem element remaining unchanged at 21 per cent);
- (b) the duty on cigars by £4.66 per kilogram (new rate £25.60 per kilogram);
- (c) the duty on hand-rolling tobacco by £2.32 per kilogram (new rate £22.60 per kilogram);
- (d) the duty on other smoking and chewing tobacco by £1.31 per kilogram (new rate £17.40 per kilogram).