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Germany’s cabinet approved a 20% tax increase on spirits and sparkling wine

The measure would take effect in 2027, raising prices on vodka, alcopops and fortified wines while leaving beer untouched

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Germany’s cabinet has approved a bill to raise taxes on spirits, sparkling wine and alcopops by 20%, a move that would take effect in 2027 and increase the retail price of some products across the country.

According to Deutschlandfunk, the draft law was presented by Finance Minister Lars Klingbeil and adopted by the federal cabinet on Monday. The higher duties would apply to spirits, Champagne and Sekt, fortified wines and alcopops. Beer would be left out of the increase, and wine would remain untaxed.

The measure would make a standard 0.7-liter bottle of vodka at 40% alcohol content cost nearly €0.90 more, according to the report. Germany’s Finance Ministry expects the tax increase to bring in an additional €455 million in revenue.

The plan is part of a broader package of tax changes affecting products linked to public health and consumption. Deutschlandfunk reported that the government also intends to raise tobacco taxes and introduce a sugar tax on soft drinks such as lemonades and colas.

For the drinks industry, the change could have direct effects on pricing, margins and distribution strategy, especially in spirits, sparkling wine and ready-to-drink alcoholic beverages. Producers, importers, wholesalers and retailers may face pressure to decide how much of the higher tax burden can be passed on to consumers. The decision to exclude beer and keep wine tax-free also creates a clear difference in treatment across beverage categories, which could influence competition and purchasing patterns once the new rates take effect.

The cabinet’s approval does not by itself put the measure into force, but it marks a formal step in the legislative process for one of the most significant alcohol tax changes now planned in Germany.