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Mexican lawmakers consider raising beer taxes by as much as 1 peso a unit

The measure could bring in 6.451 billion pesos if it enters the 2027 economic package under debate in Congress.

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Mexican lawmakers are weighing a tax increase of as much as 1 Mexican peso on each unit of beer as part of the early debate over the country’s 2027 economic package, a proposal that could raise about 6.451 billion pesos in additional revenue if it moves

forward.

The measure was presented Wednesday in conclusions prepared by a working group created by the Finance and Public Credit Committee in Mexico's Chamber of Deputies. Vanessa López Carrillo, a lawmaker from the Labor Party, said the proposal calls for increasing the excise tax applied to beer by between 0.60 pesos and 1 peso per unit.

The proposal is not approved and is not in effect. It would first have to be incorporated into the broader budget discussion that begins Sept. 8 in the Chamber of Deputies as lawmakers take up the 2027 economic package.

Supporters of the change argue that beer should bear a larger share of the tax burden because of its dominant role in Mexico's alcohol market. Data presented by López Carrillo showed that beer accounts for 93.1% of the volume of alcoholic beverages sold in the country, but contributes 63.3% of revenue collected through the special tax on production and services, known as IEPS. Distilled spirits, by contrast, represent 6.3% of sales volume and generate 33.3% of that tax revenue, while wine makes up 0.6% of the market and contributes 3.5%.

López Carrillo described that gap as a deep asymmetry in the sector's tax structure. She said the adjustment would be moderate because of the size of the beer market and the financial strength of the largest companies operating in it. The working group also argued that Mexico's two leading brewers have been part of global corporations for more than a decade, while smaller domestic producers face different competitive and financial conditions.

Under the scenario recommended by the working group, combined revenue from the IEPS and the value-added tax, or IVA, would rise from 140.586 billion pesos to 147.037 billion pesos. That would mean an increase of roughly 6.451 billion pesos, or 4.6%.

Mexico now applies different IEPS rates to alcoholic beverages based on alcohol content. Drinks with up to 14 degrees of alcohol pay 26.5%, those with more than 14 and up to 20 degrees pay 30%, and those above 20 degrees pay 53%. Beer generally falls into the lowest band under the current system.

The proposal as described by López Carrillo would add a fixed amount per unit of beer rather than simply adjust the existing percentage rate. She said the practical effect would be an increase of roughly 0.60 pesos to 1 peso per beer, depending on price and presentation. The published materials do not specify what container size is included in the definition of a unit, so the increase cannot be translated into a per-liter figure.

That missing detail matters because the effect on retail prices and consumer spending could vary widely across brands, package sizes, and sales channels. A fixed increase tends to weigh more heavily on lower-priced products than on premium labels, which means the impact could be felt most in the economy segment of the beer market. Mexico is one of the world's largest beer markets, and beer is by far the most widely consumed alcoholic beverage in the country, so even a small tax increase per unit could have broad effects on consumers, producers, distributors, and retailers.

The proposal also arrives as lawmakers continue to debate how alcohol should be taxed across categories. Supporters say the current system leaves beer undertaxed relative to its market share, while stronger categories such as distilled spirits already face higher rates. The working group's recommendation reflects that view and frames beer as the clearest target for raising additional revenue without changing the structure of the broader alcohol tax bands.

For now, the measure remains a recommendation rather than a government policy. Its future will depend on whether it is included in the budget package that lawmakers begin discussing on Sept. 8 and on how Congress balances revenue needs with concerns about prices, consumption, and the effect on an industry that dominates Mexico's alcoholic beverage market.