vinetur

German Draft Law Exempts Coke Zero From Planned Sugar Tax

Beverages with at least 5 grams of sugar per 100 milliliters would face a tiered levy starting at €0.26.

Wednesday, September 30, 2026



A draft German law under review by the federal government would exempt sugar-free drinks such as Coke Zero and several alcohol-free beverage categories from a planned tax on sugary drinks, narrowing the scope of a proposal that has already sparked political debate.

According to t-online, citing a draft bill seen by Handelsblatt, the proposed sugar-drinks tax would apply to beverages containing at least 5 grams of sugar per 100 milliliters. Products affected would include soft drinks, flavored or sweetened waters, concentrates and syrups. Fruit and vegetable juices could also be taxed, although drinks with no added sugar would be excluded.

The draft would also exempt dietary supplements and products covered by Germany’s medicines law. It would further leave out alcohol-free wine, alcohol-free sparkling wine and alcohol-free beer, along with sugar-free soft drinks such as Coke Zero.

The measure would create a tiered excise tax based on a drink’s total sugar content. Under the draft described by Handelsblatt, beverages with at least 5 grams but less than 7 grams of sugar per 100 milliliters would face a rate of €0.26. Drinks with 7 grams to less than 10 grams would be charged €0.32, and products with 10 grams or more would face €0.38.

German media reported that the government expects the tax to raise €795 million next year. From 2028 onward, the additional annual revenue is projected at about €1.2 billion.

The government plans to use the money to help offset a smaller reduction in the federal subsidy to the national health fund. The proposal also serves a health policy goal by trying to reduce sugar consumption.

Finance Minister Lars Klingbeil of the Social Democratic Party has framed the levy as a matter of fairness, arguing that if heavy sugar consumption drives up health care costs, consumers should bear more of that financial burden.

The draft remains politically contentious. Parts of the conservative Union bloc oppose the tax. Earlier proposals from the Finance Ministry had also raised the possibility of taxing zero-sugar drinks, a move linked to concerns about possible environmental effects from chemical substances used in those products. After public criticism, Klingbeil moved quickly to reject that idea, and the current draft appears to reflect that change.

The exemptions are likely to matter across Germany’s beverage industry. For soft drink makers, the thresholds could increase pressure to reformulate products or adjust pricing to stay below higher tax bands. For brewers and producers of alcohol-free wine and sparkling beverages, the decision to exclude zero-alcohol categories may help avoid new cost increases in a segment that has been growing and could otherwise have faced price changes and shifts in demand.

The draft is currently in inter-ministerial coordination, meaning it is still being reviewed within the government and could change before final approval. Still, the latest version gives the clearest sign yet of how Berlin intends to define the tax and which drinks it wants to target.