vinetur

Britain Will Raise Spirits Duty 4.55% From February 2027

HMRC said drinks above 22% alcohol will face a rate of £35.54 per liter of pure alcohol, adding about 43.4 pence to a standard bottle before VAT

Thursday, October 29, 2026



The British government said on Wednesday, October 28, that it plans to raise the excise duty on distilled spirits by 4.55% from February 1, 2027, increasing the tax burden on products such as whisky, gin, vodka and rum sold in one of the world’s most important spirits markets.

Under the updated rates published by HM Revenue & Customs, the duty for drinks with more than 22% alcohol by volume will rise to £35.54 per liter of pure alcohol from £33.99. That is an increase of £1.55 per liter of pure alcohol. HMRC is the U.K. tax and customs authority and publishes the detailed conditions and rates for duties announced by the government.

The change applies to spirits and other distilled drinks that fall into that strength band. Because the tax is charged on the amount of pure alcohol in the product, the effect on each bottle depends on its size and alcoholic strength. For a standard 70-centiliter bottle at 40% alcohol by volume, the duty would increase to about £9.95 from about £9.52, according to a calculation based on the published rates. That is an additional 43.4 pence per bottle before value-added tax.

The announcement affects producers, importers, distributors and retailers that sell distilled spirits in the United Kingdom. Britain is a major market both for domestic brands and for overseas suppliers, so changes in duty rates can influence pricing, margins and sales strategies across the industry. The measure raises the fiscal cost of selling spirits, although it does not mean retail prices will automatically rise by 4.55%, since shelf prices also reflect production costs, transport, packaging, retailer margins and VAT.

The government’s update concerns a tax that is scheduled to take effect in 2027, not a rate that is already in force. That timing matters for businesses planning contracts, shipments and pricing for the coming year. Spirits companies often make commercial decisions months in advance, especially in export-heavy categories such as Scotch whisky and premium gin, where inventory, aging, and distribution schedules can span long periods.

The published material also indicated that improvements to relief for small producers are limited to products below 8.5% alcohol by volume. That means the adjustment does not provide a direct offset for most distilled spirits, which are typically sold at much higher strength. As a result, producers and sellers of spirits covered by the more than 22% band would still face the higher rate without benefiting from that specific relief change.

Excise duty in the United Kingdom is set by product category and alcohol strength, and it is measured in pounds per liter of pure alcohol rather than as a share of the final sale price. For that reason, a higher-strength bottle generally attracts more duty than a lower-strength one of the same size. The October 28 update kept that structure in place while lifting the rate for the strongest alcoholic drinks.

For companies that export to Britain, the announced increase adds another cost factor to a market already shaped by currency movements, freight charges, consumer demand and tax policy. For domestic producers, it comes as they continue to balance input costs and price sensitivity in supermarkets, bars and specialty retailers. The change published by HMRC sets a clearer basis for those calculations ahead of February 1, 2027, when the new rate is due to begin.