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Colombia proposes steep new taxes on alcohol, cigarettes and vaping products

The bill would lift some liquor taxes to 19%, add levies on sweetened drinks from 2028, with revenue earmarked for health coverage

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Colombia’s proposed Economic Rescue Law would raise taxes on alcoholic drinks, cigarettes, vaping products and some sweetened beverages if Congress approves it, according to details of the bill published on Friday, October 30. The measure is part of a

broader fiscal plan that the government says is meant to stabilize public finances, reduce unnecessary administrative spending and bring in more money for the health system.

The proposal was filed in Congress by Finance Minister Miguel Gómez Martínez. It targets products that are widely consumed in Colombia, including beer, distilled liquor, wine, aperitifs, traditional tobacco products, heated tobacco, e-cigarettes and refill liquids. It also reaches ultra-processed sweetened drinks such as sodas, soft drinks, nectars and juices with added sugar or sweeteners, as long as their alcohol content does not exceed 0.5%.

For distilled spirits, wine and aperitifs, the bill would replace a reduced 5% value-added tax rate with the general 19% VAT rate. It would also add a consumption tax made up of two parts: a specific charge of 750 Colombian pesos for each degree of alcohol in 750-centimeter-cubic containers, and an ad valorem levy of 35% based on the retail price certified by Colombia’s statistics agency, DANE. From 2028, the specific rate would be adjusted each year by inflation plus four percentage points.

That structure could push final prices for spirits, wine and aperitifs up by more than 30% on average. If enacted, the change would matter across the beverage business, not only for local producers but also for importers, distributors, bars and stores that sell higher-tax categories. Higher shelf prices could affect margins, product mix and demand, especially in segments such as imported wine and premium spirits.

Beer and beer-based mixed drinks would also face a new tax burden. The bill would create a production tax that would be passed on to consumers. It would include a 10% ad valorem component and a specific charge of 330 pesos for each degree of alcohol in 330-centimeter-cubic containers. Nonalcoholic beer would be exempt from that specific charge. The proposal would change how beer is taxed and could alter pricing across mass-market and premium brands.

The tobacco and nicotine category would see some of the steepest increases. The public sale price of conventional cigarettes could rise by about 50% under the proposal. For a standard pack of 20 cigarettes, the specific tax would be set at 7,823 pesos in 2027 and would rise to 11,200 pesos from 2028, with an additional 10% ad valorem

charge. Loose tobacco, snuff and chimú would face a specific rate of 891 pesos per gram. Heated tobacco products are also included in the plan.

Vaping products would be hit even harder. The bill would apply to electronic cigarettes, aerosol products and systems with or without nicotine, along with refill liquids. Vape liquids would pay a specific charge of 1,000 pesos per milliliter in 2027 and 2,000 pesos per milliliter from 2028, plus a 30% ad valorem tax. Under that structure, final consumer prices for e-cigarettes and related products could rise by more than 50%.

The bill also proposes a new tax on ultra-processed sweetened beverages starting in 2028. Those drinks would pay between 45 and 76 pesos for every 100 milliliters, depending on their sugar content. The government expects that measure to generate about 1.8 trillion pesos in additional revenue. Together with the alcohol changes, it would broaden the tax pressure across major beverage categories and could influence what consumers buy in supermarkets, convenience stores and on-premise channels.

All of the additional money collected through these higher taxes would be earmarked for financing Colombians’ health coverage. To keep the revenue flowing, Colombia’s departments and the Capital District would be required to transfer the extra monthly collections to ADRES, the state administrator of health resources, during the first 15 business days of each month.