vinetur

Austria Plans 30% Spirits Tax Increase

The coalition government aims to raise revenue for its 2027 and 2028 budget while leaving beer and wine untouched

Wednesday, May 6, 2026



Austria’s coalition government plans to raise the special tax on spirits, liqueurs and schnapps by 30% as part of its budget consolidation for 2027 and 2028, a move that will make whiskey, gin, rum and other high-proof drinks more expensive while leaving beer and wine untouched.

The increase is being prepared by the governing coalition of the conservative People's Party, the Social Democrats and the liberal NEOS, which must close a budget gap of more than 5 billion euros in the coming double budget. Officials have said the money will come from a mix of spending cuts and higher revenue. The alcohol tax increase is one of the measures expected to contribute to that effort.

Under the current system, Austria charges 12 euros in alcohol tax per liter of pure alcohol on spirits. That means a 0.7-liter bottle of vodka at 40% alcohol currently carries about 3.36 euros in tax. With a 30% increase, that tax would rise to roughly 4.37 euros, adding about 1 euro to the bottle's price before any other costs or retail markups are applied.

For a liter of schnapps at 40% alcohol, the tax now comes to 4.80 euros. After the planned increase, it would be close to 6.30 euros, or about 1.50 euros more. In bars and restaurants, the effect would be smaller per drink but still noticeable over time. A gin and tonic made with 4 centiliters of gin at 37.5% alcohol would carry about 18 cents in alcohol tax today and about 23 cents after the change. A Negroni would rise from roughly 26 cents in tax to about 34 cents.

Beer drinkers will not be affected by this measure because beer is taxed under a different system, not through Austria's spirits tax. Wine also remains outside the new increase because it is not classified as hard alcohol under the rules being changed.

The government has framed the measure both as a way to raise revenue and as a public health signal. But recent figures suggest that alcohol-tax receipts have been falling. In January and February of this year, high-proof drinks brought in 28 million euros in tax revenue, down 4.5% from the same period a year earlier.

The higher tax is expected to hit consumers who buy spirits for home use as well as bars, clubs and restaurants that serve cocktails and mixed drinks. Businesses in hospitality may pass on the added cost directly to customers, though some could absorb part of it to stay competitive.

According to officials familiar with the plan, the political decision has already been made and only the technical details of implementation remain to be worked out.