



# Alcoholic Liquor Duties Act 1979

## 1979 CHAPTER 4

### PART III

#### BEER

##### *Charge of excise duty*

#### **36 Beer: charge of excise duty**

There shall be charged on beer—

- (a) imported into the United Kingdom ; or
- (b) brewed in the United Kingdom,

a duty of excise at the rate of £17.4240 for every 36 gallons, that rate being, however, increased in the case of beer of an original gravity exceeding 1030° by £0.5808 for each additional degree.

##### *Computation of excise duty*

#### **37 Charge of duty on beer brewed in the United Kingdom: general**

- (1) The quantity of worts and the gravity thereof by reference to which the duty on beer brewed in the United Kingdom is charged shall, according as is provided in sections 38 and 39 below, be either—
  - (a) the quantity and the original gravity of the worts produced ; or
  - (b) the quantity of worts of an original gravity of 1055° deemed to have been brewed from the materials used.
- (2) For the purpose of ascertaining the quantity of worts of an original gravity of 1055° deemed to have been brewed from the materials used, a brewer shall be deemed, subject to subsection (4) below, to have brewed 36 gallons of worts of that gravity for every unit of materials recorded by him in pursuance of regulations under section 49 or 53 below or used by him in any brewing.

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- (3) For the purposes of subsection (2) above "unit of materials " means—
- (a) 84 pounds weight of malt or corn of any description; or
  - (b) 56 pounds weight of sugar; or
  - (c) a quantity of malt, corn and sugar, or of any two of those materials, which by relation to paragraph (a) and (b) above is the equivalent of either of the quantities mentioned in those paragraphs.
- (4) In the case of a brewer for sale, where any materials used for brewing by the brewer are proved to the satisfaction of the Commissioners to be of such a description or nature that some deduction from the quantity deemed to have been brewed should be made, the Commissioners shall make such a deduction from that quantity as will in their opinion afford just relief to the brewer.
- (5) In subsection (3) above " sugar " includes—
- (a) any saccharine substance, extract or syrup ;
  - (b) rice;
  - (c) flaked maize and any other description of corn which in the opinion of the Commissioners is prepared in a manner similar to flaked maize ;
  - (d) any other material capable of being used in brewing except malt or corn ;
- and " corn" in that subsection means corn other than corn included in the foregoing definition of sugar.
- (6) In the case of a brewer for sale, this section and section 38 below shall have effect as if priming and colouring solutions were worts.

### **38 Charge of duty on beer brewed in the United Kingdom: brewer for sale**

- (1) The duty on beer brewed by a brewer for sale shall be charged and paid in accordance with the following provisions of this section.
- (2) In respect of each brewing, duty shall first be charged by reference to the quantity and original gravity of the worts produced, as recorded by the brewer in pursuance of regulations made under section 49 below or as ascertained by the proper officer, whichever quantity and whichever gravity is the greater, less 6 per cent. of that quantity.
- (3) There shall be ascertained in respect of each brewing—
- (a) the quantity of worts of an original gravity of 1055° which is the equivalent of the worts produced ; and
  - (b) the quantity of worts of that gravity deemed to have been brewed from the materials used in accordance with section 37(2) above ;
- and if the quantity mentioned in paragraph (b) above, less 4 per cent., exceeds the quantity mentioned in paragraph (a) above duty shall in addition be charged on the excess, less 6 per cent. thereof.
- (4) For the purposes of subsection (3)(a) above, the equivalent therein mentioned shall be taken to be the quantity of the worts produced—
- (a) multiplied by the number, less 1000, of the degrees representing their original gravity; and
  - (b) divided by 55.

- (5) If at any time while any worts are in the collecting or fermenting vessels at a brewery the original gravity of the worts is found to exceed by 5° or more the gravity recorded by the brewer in pursuance of regulations made under section 49 below or that ascertained by the proper officer, those worts may be deemed to be the produce of a fresh brewing and be charged with duty accordingly.
- (6) Where beer has been prepared by a process of mixing by a brewer for sale and the aggregate amount charged in respect of duty on the several constituents of the beer exceeds the amount which would have been so charged on the mixture, the Commissioners may, subject to such conditions as they see fit to impose, remit or repay the excess.
- (7) The conditions which may be imposed under subsection (6) above include conditions as to the method of computing the amount which would have been charged in respect of duty on the mixture and of ascertaining any matter by reference to which that amount is to be computed.
- (8) Subject to subsection (9) below, the amount payable in respect of duty shall become due immediately duty is charged by the proper officer.
- (9) The Commissioners may cause the charge to be made up at the close of each month in respect of all the brewings during that month, and, in that case, the aggregate of the quantities of worts produced and the aggregate of the quantities of worts deemed to have been brewed from the materials used shall be treated as worts produced or deemed to have been brewed in one brewing, and, subject to subsection (10) below, the Commissioners may, if they think fit, allow payment of the duty to be deferred upon such terms as they see fit.
- (10) Where the Commissioners allow payment of duty to be deferred under subsection (9) above the date of payment shall be—
  - (a) in the case of worts of beer to which this paragraph applies, such date as may be so allowed, not being later than the twenty-fifth day of the twelfth month after the month in which the duty was charged;
  - (b) in any other case, such date as may be so allowed, not being later than the twenty-fifth day of the month next following that in which the duty was charged.
- (11) Paragraph (a) of subsection (10) above applies to worts of beer of an original gravity of or exceeding 1070° and worts of lager beer, being in each case beer kept for a period of at least three months on the entered premises in which it is brewed, but does not apply to priming or colouring solutions.

### **39 Charge of duty on beer brewed in the United Kingdom: private brewer,**

- (1) The duty on beer brewed by the holder of a limited licence to brew beer or of a corresponding licence in Northern Ireland shall be charged and paid in accordance with subsections (2) and (3) below.
- (2) Duty shall be charged by reference to the quantity of worts of an original gravity of 1055° deemed to have been brewed from the materials used in accordance with section 37(2) above, less 6 per cent of that quantity.
- (3) The charge of duty shall be made up and the amount payable in respect thereof shall be paid at such times as the Commissioners may appoint.

**40 Charge of duty on imported beer**

- (1) When any beer is imported or is removed into the United Kingdom from the Isle of Man, the importer of or person so removing the beer shall deliver to the proper officer in such form and manner as the Commissioners may direct a declaration of the original gravity thereof; and, for the purpose of charging duty on the beer, the original gravity thereof shall be taken to be the original gravity stated in the declaration or the original gravity as ascertained by the proper officer, whichever is the higher,
- (2) If the original gravity as ascertained by the proper officer exceeds by 2° or more that stated in the declaration, the beer shall be liable to forfeiture; and if the original gravity as so ascertained exceeds by 5° or more that stated in the declaration, the importer of or person removing the beer, and any agent of his by whom the declaration was made, shall each be liable on summary conviction to a penalty of £100.

*Reliefs from excise duty***41 Exemption from duty of beer brewed for private consumption**

The duty on beer brewed in the United Kingdom shall not be chargeable on beer brewed by a person who—

- (a) brews only for his own domestic use or for consumption by farm labourers employed by him in the actual course of their labour or employment; and
- (b) is not also a wholesaler or retailer of beer.

**42 Drawback on exportation, removal to warehouse, shipment as stores, etc.**

- (1) This section applies to—
  - (a) beer which has been brewed by a brewer for sale ; and
  - (b) beer which has been imported, or which has been removed into the United Kingdom from the Isle of Man.
- (2) Subject to the provisions of this section and to such conditions as the Commissioners see fit to impose, drawback shall be allowable—
  - (a) on the removal by any person of any beer to which this section applies to an excise warehouse on the premises of a licensed producer of made-wine ; or
  - (b) on the exportation or removal to the Isle of Man by any person of any such beer; or
  - (c) on the shipment as stores by any person of any such beer; ,and shall also be allowable, subject as aforesaid, in the case of any beer to which this section applies which it is shown to the satisfaction of the Commissioners is being exported, removed or shipped as mentioned in paragraph (b) or (c) above as an ingredient of other goods.
- (3) In the case of beer brewed in the United Kingdom, the person intending to remove, export or ship the beer shall produce to the proper officer a declaration made by the brewer in such form and manner as the Commissioners may direct stating the date upon which the beer was brewed and the original gravity thereof and that the proper duty has been charged thereon.
- (4) In the case of beer brewed outside the United Kingdom, the person intending to remove, export or ship the beer shall produce to the proper officer in such form and

manner as the Commissioners may direct a declaration that the proper duty has been charged and paid thereon.

- (5) The amount of the drawback payable under this section in respect of any duty paid shall be calculated according to the rate of drawback applicable during the period of currency of the rate at which the duty was paid to like beer charged with that rate of duty during that period.
- (6) Drawback under this section shall, where it is shown to the satisfaction of the Commissioners that duty has been paid, be allowed at the same rate as the rate at which the duty is charged; but as respects beer of an original gravity of less than 1030° the amount of drawback allowable shall not exceed the amount of the duty shown to the satisfaction of the Commissioners to have been paid.

#### **43 Warehousing of beer for exportation, etc.**

- (1) Subject to any regulations made by the Commissioners, a brewer for sale or a wholesaler of beer shall be entitled to warehouse in an excise warehouse for exportation or for use as stores any beer on which duty has been charged, and to add to the beer in warehouse finings for clarification or any other substance sanctioned by the Commissioners for the purpose of preparing the beer for exportation or for use as stores.
- (2) Subject to subsection (3) below, where the duty charged in respect of any beer warehoused under this section has been paid, drawback shall be allowed and paid as if the beer had been exported at the time of the warehousing.
- (3) Subsections (3) to (5) of section 42 above shall apply in relation to beer warehoused on drawback under this section as if the beer were being exported at the date of its warehousing.
- (4) Drawback under this section shall, where it is shown to the satisfaction of the Commissioners that duty has been paid, be allowed at the same rate as the rate at which the duty is charged; but as respects beer of an original gravity of less than 1030° the amount of drawback allowable shall not exceed the amount of the duty shown to the satisfaction of the Commissioners to have been paid.

#### **44 Remission or repayment of duty on beer used for purposes of research or experiment**

- (1) Where it is proved to the satisfaction of the Commissioners that any beer brewed in the United Kingdom which is chargeable with duty is to be used only for the purposes of research or of experiments in brewing, the Commissioners may, if they think fit and subject to such conditions as they see fit to impose, remit or repay the duty chargeable on that beer.
- (2) If any person contravenes or fails to comply with any condition imposed under subsection (1) above, then, in addition to any other penalty he may have incurred, he shall be liable on summary conviction to a penalty of £50.

**45 Repayment of duty on beer used in the production or manufacture of other beverages, etc.**

The Commissioners may by regulations provide for duty charged on beer which is used as an ingredient in the production or manufacture of—

- (a) any beverage of an alcoholic strength not exceeding 2° of proof; or
- (b) any such article (other than a beverage) as the Commissioners may determine having regard to the alcoholic content thereof,

to be repaid subject to such conditions as may be imposed by or under the regulations.

**46 Remission or repayment of duty on spoilt beer**

- (1) Where it is proved to the satisfaction of the Commissioners in the case of any brewer for sale that—

- (a) any materials upon which a charge of duty has been made, or
- (b) any worts or beer (whether manufactured by him or not),

have been destroyed or become spoilt or otherwise unfit for use by unavoidable accident while on the entered premises of the brewer and, in the case of any such substances which have become spoilt or unfit for use, have been destroyed with the permission and in the presence of the proper officer, the Commissioners shall remit or repay any duty charged or paid in respect thereof.

- (2) Where it is shown to the satisfaction of the Commissioners that any beer which has been removed from the entered premises of a brewer for sale has accidentally become spoilt or otherwise unfit for use and, in the case of beer delivered to another person, has been returned to the brewer as so spoilt or unfit, the Commissioners shall, subject to compliance with such conditions as they may by regulations impose, remit or repay any duty charged or paid in respect of the beer.

- (3) If any person contravenes or fails to comply with any regulation made under subsection (2) above, he shall be liable on summary conviction to a penalty of £50.

*Brewing of beer***47 Licences to brew beer**

- (1) No person shall brew beer unless he holds an excise licence under this section to brew beer or is exempted from holding one by subsection (5) below.

- (2) An excise licence under this section may—

- (a) authorise the person to whom it is granted to brew beer for sale; or
- (b) authorise the person to whom it is granted to brew beer not for sale and only for his own domestic use or for consumption by any persons employed by him in the actual course of their employment;

and in this Act—

" brewer " means a person holding a licence under this section;

" brewer for sale " means a person holding a licence to brew beer for sale;

and

" limited licence to brew beer " means a licence to brew beer as mentioned in paragraph (b) above.

- (3) Any licence granted under this section shall expire on the 30th September next after it is granted.
- (4) On every licence to brew beer there shall be charged an excise licence duty of the following amount, that is to say—
  - (a) in the case of a licence to brew beer for sale, £15.75;
  - (b) in the case of a limited licence to brew beer, £0.20.
- (5) A licence to brew beer shall not be required—
  - (a) for the brewing of beer only for the brewer's own domestic use or for consumption by farm labourers employed by the brewer in the actual course of their labour or employment; or
  - (b) for the brewing of beer (with the authority of the Commissioners and subject to compliance with such conditions as they see fit to impose) solely for the purposes of research or of experiments in brewing;but this subsection shall not exempt any person who is also a wholesaler or retailer of beer.
- (6) The Commissioners may refuse to grant a licence under this section in respect of any premises on which, from the situation of those premises with respect to a distillery, they think it inexpedient to allow the brewing of beer.
- (7) If any person, except as permitted by subsection (5) above, brews beer otherwise than under and in accordance with a licence under this section, he shall be liable on summary conviction to a penalty of £500 and all worts, beer and vessels, utensils and materials for brewing in his possession shall be liable to forfeiture.

#### **48 Licence to use premises for adding solutions to beer**

- (1) A brewer for sale shall not use for the purpose of adding priming or colouring solutions to beer any premises other than premises entered by him for the brewing of beer or an excise warehouse unless he holds an excise licence for that purpose under this section.
- (2) A licence granted under this section shall expire on the 30th September next after it is granted.
- (3) On any licence granted under this section there shall be charged an excise licence duty of £15.75.
- (4) If any brewer for sale uses any premises for the purpose mentioned in subsection (1) above contrary to this section or otherwise than in accordance with any licence granted to him in respect thereof under this section, he shall be liable on summary conviction to a penalty of £100.

#### **49 Power to regulate manufacture of beer by brewers for sale**

- (1) The Commissioners may, with a view to the protection of the revenue, make regulations—
  - (a) regulating the manufacture of beer by brewers for sale;
  - (b) for securing the duties on beer brewed by brewers for sale;
  - (c) regulating with respect to brewers for sale the preparation, use, storage and removal of priming and colouring solutions ;

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- (d) for enabling such solutions to be warehoused without payment of the duty chargeable on beer ;
  - (e) regulating the addition of such solutions to beer at premises in respect of which a licence has been granted under section 48 above ;
  - (f) for applying to such solutions, subject to such modifications and exceptions as may be specified in the regulations, any provision of, or of any instrument made under, any enactment relating to or containing provisions incidental to the duty on beer brewed in the United Kingdom.
- (2) Any person contravening or failing to comply with any regulation made under this section shall be liable on summary conviction to a penalty of £100, and any article in respect of which the offence was committed shall be liable to forfeiture.

## **50 Regulations as respects sugar kept by brewers for sale**

- (1) The Commissioners may make regulations as respects—
- (a) the receipt, storage, removal and disposal of sugar by brewers for sale;
  - (b) the books and other documents relating to sugar to be kept by brewers for sale ;
  - (c) the powers of officers to inspect and take copies of any such book or other document and to take stock of the sugar in the possession of any brewer for sale.
- (2) If any brewer for sale contravenes or fails to comply with any regulation made under this section he shall be liable on summary conviction to a penalty of £50.
- (3) If, on taking stock at any time, the proper officer finds that the quantity of any description of sugar in the possession of any brewer for sale differs from the quantity of that description which ought to be in his possession according to any book or other document kept by him in pursuance of any regulations made under this section, then—
- (a) if the quantity in his possession exceeds the quantity which ought to be in his possession, the excess shall be liable to forfeiture;
  - (b) if the quantity in his possession is less by more than 2 per cent. than the quantity which ought to be in his possession, the deficiency above 2 per cent. shall, unless accounted for to the satisfaction of the Commissioners, be deemed to have been used in the brewing of beer without particulars thereof having been recorded in pursuance of regulations made under section 49 above, and duty shall be charged in respect thereof as if that deficiency had been so used.
- (4) In this section " sugar " means sugar of any description and any saccharine substance, extract or syrup.

## **51 Power to require production of books by brewers for sale**

- (1) Where the Commissioners are satisfied that it is necessary for the purpose of securing the collection of the duty on beer brewed in the United Kingdom, any person specially authorised in writing in that behalf by the Commissioners may require any brewer for sale to produce to that person any book or document whatsoever relating to his business as a brewer.
- (2) If any brewer for sale fails to comply with any requirement imposed under subsection (1) above within a period of one hour he shall, on summary conviction, be



liable to a penalty of £100 and to a further penalty of £10 for every day or part of a day thereafter during which the failure continues.

## **52 Offences by brewers for sale**

- (1) If any brewer for sale conceals any worts or beer so as to prevent an officer from taking an account thereof, or after particulars of any worts or beer have been recorded by the brewer in pursuance of regulations made under section 49 above, mixes any sugar with those worts or with that beer so as to increase the quantity or the gravity or original gravity thereof, he shall be liable on summary conviction to a penalty of £100, and the worts or beer in respect of which the offence was committed shall be liable to forfeiture.
- (2) If any brewer for sale adds to beer before it is delivered from his entered premises anything other than—
  - (a) water;
  - (b) finings for the purpose of clarification ; or
  - (c) such other substances as may be sanctioned by the Commissioners,he shall be liable on summary conviction to a penalty of £50.
- (3) If any beer to which anything other than any substance falling within paragraph (a), (b) or (c) of subsection (2) above has been added is found in the possession of a brewer for sale, he shall be liable on summary conviction to a penalty of £50 and the beer shall be liable to forfeiture.
- (4) In this section " sugar " means sugar of any description and any saccharine substance, extract or syrup, and includes any material capable of being used in brewing except malt or corn.

## **53 Special provisions as to holders of limited licences to brew beer**

- (1) a limited licence to brew beer shall be granted in respect of one set of premises only, being premises occupied by the brewer.

For the purposes of this subsection the land and buildings within one curtilage, or any lands and buildings in Scotland with their parts and pertinents, shall be treated as one set of premises.
- (2) A limited licence to brew beer granted to any person shall not be transferred to any other person except the widow, personal representatives, liquidator or trustee in bankruptcy of the person to whom the licence was granted.
- (3) The Commissioners may make regulations prescribing the documents to be kept by holders of limited licences to brew beer and otherwise for securing any duty payable on, and safeguarding the revenue in connection with the brewing of, beer brewed by the holders of limited licences to brew beer.
- (4) If any holder of a limited licence to brew beer—
  - (a) contravenes or fails to comply with any provision of this section or any regulation made thereunder ; or
  - (b) sells or offers for sale any beer brewed by him,he shall be liable on summary conviction to a penalty of £25.

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- (5) An officer may at all reasonable times enter and inspect any premises used for the purposes of brewing by the holder of a limited licence to brew beer and examine the vessels and utensils used by him for the purposes of brewing, and take samples of any worts, beer or materials for brewing in the possession of the brewer.