

AUSTRALIAN CAPITAL TERRITORY

TAXATION (ADMINISTRATION) ACT 1987

**DETERMINATION FOR THE PURPOSES OF THE BUSINESS FRANCHISE
(LIQUOR) ACT 1993**

NO. 92 OF 1995

EXPLANATORY STATEMENT

The *Taxation (Administration) Act 1987* deals with the administration of various tax laws relating to the imposition and collection of certain taxes, duties and fees. These tax laws are specified in section 3 of the Act. Section 99 (1) empowers the Minister to determine these taxes, duties and fees.

One of the specified tax laws is the *Business Franchise (Liquor) Act 1993* which provides for different rates for different levels of alcohol content liquor.

This instrument revokes Determination No 23 of 1993 dated 10 March 1993 and notified in the Australian Capital Territory Special Gazette No. S37 of 12 March 1993, and replaces it with a further Determination.

The new Determination includes low strength alcohol wine products in the definition of low alcohol liquor. The previous Determination defined low alcohol liquor as liquor containing ethyl alcohol/volume of 3.5% or less, and was targeted at low alcohol beer products. The new determination expands the definition of low alcohol liquor to include wine products containing 6.5% or less ethanol by volume. Low alcohol liquor attracts no liquor licence fees.

The inclusion of wine products into the definition of low alcohol liquor recognises that low alcohol beer is not, for many people, a suitable substitute for wine to accompany a meal and therefore, an encouragement to consume low alcohol wine is consistent with the aim of lowering alcohol intake.

This Determination is targeted to further discourage the consumption of high alcohol liquor thereby ensuring that persons who drive are more likely to have consumed low alcohol products. This implements the Federal Government's National Road Safety Action Plan which proposes a range of priority road safety and trauma reduction measures in order to minimise the number of alcohol related road accidents and fatalities. This proposal brings the ACT in line with the NSW definition of low alcohol liquor. The fee on high strength alcohol products set by Determination remains unchanged.

The fee on low strength alcohol wine products will be abolished, effective from the quarterly franchise fee period commencing 1 July 1995.

Authorised by the Chief Minister and Treasurer