

NIVO ASSIST

BRIEFING DOCUMENT – No.11

SUGAR TAX - UPDATED 1ST MARCH 2018

The UK Budget for 2016 made the following announcement:

“Soft drinks companies will pay a levy on drinks with added sugar from April 2018. This will apply to drinks with total sugar content above 5 grams per 100 millilitres, with a higher rate for more than 8 grams per 100 millilitres. This won’t need to be paid on milk-based drinks or fruit juices.

This will be used to double the primary PE and sport premium (the additional money schools have to spend on PE and sports) to £320 million a year.”

Comment

The reason for the implementation being set 2 years after the announcement, was largely to allow soft drink manufacturers to make required changes well in advance. Many manufacturers have responded by reducing sugar levels and/or pack sizes.

Helpful links: [UK Gov Info](#) ; [BBC Report](#) ; [Policy 3.6](#) ; [Confirmed in 2017 budget](#)

The tax will be imposed at different levels, subject to how much sugar per 100 ml

- 18p per litre if the drink has 5g of sugar or more per 100ml
- 24p per litre if the drink has 8g of sugar or more per 100ml

A drink is liable for the tax if it meets all the following conditions:

- it has a content of 1.2% alcohol by volume or less
- it’s either ready to drink, or to be drunk it must be diluted with water, mixed with crushed ice or processed to make crushed ice, mixed with carbon dioxide or a combination of these
- it’s packaged ready for sale
- it has had sugar added during production, including pure cane sugars like sucrose and glucose as well as substances (other than fruit juice, vegetable juice and milk) that contain sugar, such as honey
- it contains at least 5 grams (g) of sugar per 100 millilitres (ml) in its ready to drink or diluted form

A drink is exempt if it meets one of the following conditions:

- it contains at least 75% milk
- it's a milk-substitute which contains at least 120 milligrams of calcium per 100ml, for example soya or almond milk
- it's an alcohol replacement drink, for example de-alcoholised beer or wine
- it's infant formula, follow-on formula, baby foods, formulated food intended as a total diet replacement or dietary food used for special medical purposes

If you produce less than one million litres of liable drink, you're a small producer and don't need to register if all the following apply – see the Government website link above for more details.

Reports suggest that generally the public perception is one of approval.

A recent survey showed 56% supported the move with only 29% opposed. The figures are very different for natural products, where only circa 25% approved for drinks such as fruit juices, squash, smoothies and hot chocolate.

Since 2012, sugar levels in soft drinks have been reduced by 13.6%

DISCLAIMER: THIS INFORMATION WAS COMPILED ON 1ST MARCH 2018 AND IS SUBJECT TO VARIATION OR CHANGE. PLEASE CHECK WITH THE GOVERNMENT WEBSITE FOR UP TO DATE INFORMATION.