



## **FAILED RTD TAX TO CONTINUE WITHOUT PARLIAMENTARY APPROVAL**

The Full Federal Court today decided that the Australian Taxation Office (ATO) can continue to collect the 70% higher alcohol excise on spirit-based Ready-To-Drink (RTD) products, despite the enabling legislation being rejected by the Senate in March.

Suntory (Aust), with the support of other members of the Distilled Spirits Industry Council of Australia (DSICA), had sought a Federal Court decision that the ATO's action to continue collecting the higher excise rate was 'unlawful' as the RTD Tax had already been rejected by Parliament.

"This action involved a fundamental legal principle," said Stephen Riden, Information and Research Manager for DSICA. "Taxes have to be approved by the Parliament, and this tax was rejected by the Senate on 18 March," he said.

"A key aspect relied upon by the ATO is that it is immune from any legal challenge for 12 months after the introduction into Parliament of an excise proposal.

"DSICA still sees no good reason why RTD drinkers should pay more for their preferred drink after the Senate rejected the tax. We regret the court's decision and, like the Australian community, remain firm in our opposition to this failed and unjust tax increase."

### **For further information please contact:**

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