



‘Payment Under Protest’ clears way for RTD tax refund as extra tax take approaches \$150 million

The \$1.75 million a day in extra tax collected from Ready-to-Drink (RTD) products is now officially being ‘Paid Under Protest’ by leading alcohol wholesalers across Australia.

The decision by wholesalers to formally record their opposition to collecting and paying a tax that has not been presented to the Senate protects the right of the community to claim millions of dollars of tax should the RTD tax trial be abandoned or revised.

This significant step coincides with the release of sales data from the Liquor Merchants Association of Australia that reveals an extra 21 million standard spirit drinks – or 266,000 litres of alcohol – were sold in June compared with April when the 70% tax hike on RTDs was introduced.

Since 27 April, the Government’s so-called ‘health measure’ has raised in excess of \$147 million. This eclipses the \$120 million the previous Government was forced to return to the community when it could not obtain Senate approval for increased excise rates on beer in 2001.

“Predicting the additional tax on RTDs may be rejected by the Senate, or scrapped altogether by the Government, leading wholesalers have formally advised the Government they are paying this additional revenue under protest,” said Stephen Riden from the Distilled Spirits Industry Council.

To ensure the rightful return of excise collected under an abandoned or revised tax, wholesalers must inform the Government, formally and in writing, that they are paying the excise ‘under protest’.

“Given the questionable future of this tax, wholesalers felt they must register their protest with the Australian Taxation Office and Customs to ensure the Government does not get the benefit of what may turn out to be ill-gotten gain,” Mr Riden said.

Despite strong evidence that the tax grab has not addressed problem drinking, and has instead exacerbated a range of social and health problems, the Government continues its disregard of the Senate’s rightful role in overseeing such measures.

As Federal Health Minister Nicola Roxon stated: *“Well we have, as you would be aware, 12 months to introduce that measure into the Senate ... we will certainly introduce this measure into the Senate at a time that is convenient for us.”*

“Problem drinking is a complex social and cultural issue. While there is no single, simple solution, DSICA is committed to working with the Government, Greens, Independents and health organisations in finding a sustainable, long term solution to alcohol abuse in our community,” Mr Riden said.

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