

THE STATES OF DELIBERATION
of the
ISLAND OF GUERNSEY

3rd November 2026

Proposition No. P.2026/82

Policy & Resources Committee

The States of Guernsey Annual Budget for 2027

AMENDMENT

Proposed by: Deputy A Kazantseva-Miller

Seconded by: Deputy M Leadbeater

1. At the end of Proposition 9, add "subject to the following amendments to section 6:
 1. in the table set out in paragraph 4:
 - a. in subparagraph (c), for "71p" substitute "70p";
 - b. in subparagraph (e), for "46p" substitute "45p";
 - c. in subparagraph (f), for "39p" substitute "38p";
 - d. in subparagraph (g), for "£1.15" substitute "£1.13";
 - e. in subparagraph (h), for "98p" substitute "96p";
 - f. in subparagraph (i), for "58p" substitute "56p";
 - g. in subparagraph (j), for "52p" substitute "50p";
 - h. in subparagraph (k), for "£1.44" substitute "£1.41";
 - i. in subparagraph (l), for "£1.30" substitute "£1.27";
 - j. in subparagraph (m), for "£1.66" substitute "£1.63"; and
 2. in the table set out in paragraph 5, for "£25.94" substitute "£25.45" and for "£51.87" substitute "£50.90"; and
 3. in the table set out in paragraph 6:
 - a. in subparagraph (c), for "71p" substitute "70p";
 - b. in subparagraph (e), for "46p" substitute "45p";
 - c. in subparagraph (f), for "39p" substitute "38p";
 - d. in subparagraph (g), for "£1.15" substitute "£1.13";
 - e. in subparagraph (h), for "98p" substitute "96p";
 - f. in subparagraph (i), for "58p" substitute "56p";
 - g. in subparagraph (j), for "52p" substitute "50p";
 - h. in subparagraph (k), for "£1.44" substitute "£1.41";
 - i. in subparagraph (l), for "£1.30" substitute "£1.27";
 - j. in subparagraph (m), for "£1.66" substitute "£1.63"; and
 4. in the table set out in paragraph 7:
 - a. in subparagraph (a), for "90p" substitute "89p";
 - b. in subparagraph (b), for "77p" substitute "76p";

- c. in subparagraph (c), for "£3.66" substitute "£3.59";
- d. in subparagraph (d), for "£3.29" substitute "£3.23"; and
- e. in subparagraph (e), for "£5.85" substitute "£5.74".

2. After Proposition 9 to insert a new Proposition as follows:

"9A. To agree that alcohol duty rate increases will be limited to RPIX only for 2027 and 2028 or, prior to that point, until such time as a Minimum Unit Price for alcohol or other public health policy relating to alcohol is implemented by the States of Guernsey."

Rule 4(1) Information

- a) The propositions contribute to the States' objectives and policy plans by supporting the hospitality industry and therefore aligning with the 'Empowering Economy' key outcome under the 'Foundations for our Future' area of focus in the Government Work Plan 2026 – 29.
- b) In preparing the propositions, consultation has been undertaken with the Policy & Resources Committee and Treasury officers.
- c) The propositions have been submitted to His Majesty's Procureur for advice on any legal or constitutional implications.
- d) The financial implications to the States of carrying the proposals into effect are a reduction in revenue income of £0.3m compared to the proposed 2027 Budget.
- e) Drafting advice has been sought from the States' Greffier.

Explanatory note

This amendment seeks to remove the additional 2% increase above RPIX proposed in the 2027 Budget for alcohol duty. The purpose of the amendment is to support the hospitality sector during a period of rising business costs and sustained inflationary pressures. The second proposition seeks to provide greater certainty for businesses by committing to limit future increases in alcohol duty to RPIX only for a period of two years, or until a Minimum Unit Price for alcohol is introduced.

The Committee *for* Economic Development (the Committee) consulted with alcohol producers and representatives of the retail and hospitality sectors during 2026. Responses received highlighted rising operating costs as a significant challenge for hospitality businesses. Respondents emphasised the need for stability and supported limiting duty increases to RPIX only, accompanied by a commitment to maintain this approach for a number of years. This would assist businesses in planning and investment decisions. The feedback and recommendations were shared by the Committee with the Policy and Resources Committee prior to the publication of the 2027 Budget.

The Committee welcomes the addition of the Tap Rate duty discount and agrees that this would provide some support for the hospitality sector. However, it observes that the discount primarily applies to draught products and does not extend to other on-trade products, including bottled wine, bottled beer and spirits which would remain subject to the proposed RPIX + 2% increase. The Committee recognises that increases in alcohol duty are generally reflected in consumer prices. At a time when hospitality businesses are already facing rising operating costs, further increases may add to affordability pressures for consumers and may adversely affect demand within the sector. The 2027 Budget identifies declining alcohol consumption as a factor supporting the additional increase in duty. The Committee notes, however, that the rising cost of hospitality and associated changes in consumer spending may also be contributing factors.

By comparison, the States of Jersey have proposed an increase in alcohol duty in line with RPI only. Given that many businesses operate across both Islands, the Committee notes that the proposed increase in Guernsey would further widen the differential in duty rates between the Islands. Based on the proposed rates for 2027, this would result in an increase of 2.8% in Jersey, compared with 6.3% (RPIX +2%) in Guernsey. The comparison below further illustrates the differences in duty rates between the Islands and the higher rates that would apply in Guernsey under the proposals contained in the 2027 Budget.

Category/ABV band	Rate basis	2026	2026		2027	2027
		Guernsey standard rate	Jersey standard rate		Guernsey Proposed rate at RPIX+2%	Guernsey Proposed rate at RPIX only
Beer 1.2% to 2.8%	£/litre product	£0.67	£0.38		£0.71	£0.70
Beer 2.8% to 4.9%	£/litre product	£1.08	£0.76		£1.15	£1.13
Beer above 4.9%	£/litre	£1.35 for	£1.41		£1.44 for	£1.41 for

	product	4.9% to 7.5%; £1.56 above 7.5%			4.9% to 7.5%; £1.66 above 7.5%	4.9% to 7.5%; £1.63 above 7.5%
Cider 1.2% to 2.8%	£/litre product	£0.67	£0.38		£0.71	£0.70
Cider 2.8% to 4.9%	£/litre product	£1.08	£0.76		£1.15	£1.13
Cider above 4.9%	£/litre product	£1.35 for 4.9% to 7.5%; £1.56 above 7.5%	£1.41 for 4.9% to 8.6%; ciders above 8.6% treated as wine/made wine		£1.44 for 4.9% to 7.5%; £1.66 above 7.5%	£1.41 for 4.9% to 7.5%; £1.63 above 7.5%
Wine 1.2% to 5.5%	£/litre product	£0.85	£0.91		£0.90	£0.89
Wine 5.5% to 15%	£/litre product	£3.44	£2.41		£3.66	£3.59
Wine 15% to 22%/other wines	£/litre product	£5.50	£3.18		£5.85	£5.74
Spirits	£/litre pure alcohol	£48.80	£46.64		£51.87	£50.90
Ready-to-drink cocktails/alcopops	£/litre pure alcohol	n/a	£46.64		n/a	n/a

Note: Jersey rates shown exclude GST.

The Committee recognises the importance of public health considerations and the need to address alcohol-related harm. However, it considers increases in alcohol duty above RPIX to be a relatively broad mechanism for influencing alcohol consumption. The Committee notes the conclusions of the Combined Substance Use Strategy for Guernsey and Alderney 2027-2032, which identified the introduction of Minimum Unit Pricing for alcohol as a potentially effective policy measure. The second proposition therefore seeks to provide greater certainty for businesses by limiting increases in alcohol duty to RPIX only for 2027 and 2028 or until a Minimum Unit Pricing regime or other public health policy has been introduced, at which point the effectiveness of the overall approach to alcohol pricing can be reconsidered. Further recommendations concerning alcohol duty rate policy could also be considered within the 2029 Budget which will coincide with the introduction of GST.

Due to the low percentage increase, some of the rates will not change, due to the increase being less than a penny (for example the duty rates for Beer and Cider under 2.8%).

For clarity, the proposed rates are reflected in the Appendix to this amendment.

Appendix

4.	Beer -	
(a)	Beer brewed by an independent small brewery exceeding 1.2 per cent volume but not exceeding 2.8 per cent volume	28p per litre
(b)	Beer qualifying for tap relief brewed by an independent small brewery exceeding 1.2 per cent volume but not exceeding 2.8 per cent volume	24p per litre
(c)	Beer, other than beer brewed by an independent small brewery, exceeding 1.2 per cent volume but not exceeding 2.8 per cent volume	70p per litre
(d)	Beer qualifying for tap relief, other than beer brewed by an independent small brewery, exceeding 1.2 per cent volume but not exceeding 2.8 per cent volume	60p per litre
(e)	Beer brewed by an independent small brewery exceeding 2.8 per cent volume but not exceeding 4.9 per cent volume	45p per litre
(f)	Beer qualifying for tap relief brewed by an independent small brewery exceeding 2.8	38p per litre

	per cent volume but not exceeding 4.9 per cent volume	
(g)	Beer, other than beer brewed by an independent small brewery, exceeding 2.8 per cent volume but not exceeding 4.9 per cent volume	£1.13 per litre
(h)	Beer qualifying for tap relief, other than beer brewed by an independent small brewery, exceeding 2.8 per cent volume but not exceeding 4.9 per cent volume	96p per litre
(i)	Beer brewed by an independent small brewery exceeding 4.9 per cent volume but not exceeding 7.5 per cent volume	56p per litre
(j)	Beer qualifying for tap relief brewed by an independent small brewery exceeding 4.9 per cent volume but not exceeding 7.5 per cent volume	50p per litre
(k)	Beer, other than beer brewed by an independent small brewery, exceeding 4.9 per cent volume but not exceeding 7.5 per cent volume	£1.41 per litre

(l)	Beer qualifying for tap relief, other than beer brewed by an independent small brewery, exceeding 4.9 per cent volume but not exceeding 7.5 per cent volume	£1.27 per litre
(m)	Beer exceeding 7.5 per cent volume	£1.63 per litre

5. Spirits -

Spirits produced by an independent small distiller	£25.45 per litre of alcohol contained in the liquor, calculated in accordance with section 23D
Spirits, other than produced by an independent small distiller	£50.90 per litre of alcohol contained in the liquor, calculated in accordance with section 23D

6. Cider -

(a)	Cider produced by an independent small cider-maker exceeding 1.2 per cent volume but not exceeding 2.8 per cent volume	28p per litre
(b)	Cider qualifying for tap relief brewed by an independent small	24p per litre

brewery exceeding 1.2 per cent
volume but not exceeding 2.8 per
cent volume

- | | | |
|-----|--|-----------------|
| (c) | Cider, other than cider produced
by an independent small cider-
maker, exceeding 1.2 per cent
volume but not exceeding 2.8 per
cent volume | 70p per litre |
| (d) | Cider qualifying for tap relief,
other than cider produced by an
independent small cider-maker,
exceeding 1.2 per cent volume
but not exceeding 2.8 per cent
volume | 60p per litre |
| (e) | Cider produced by an
independent small cider-maker
exceeding 2.8 per cent volume
but not exceeding 4.9 per cent
volume | 45p per litre |
| (f) | Cider qualifying for tap relief
produced by an independent
small cider-maker exceeding 2.8
per cent volume but not
exceeding 4.9 per cent volume | 38p per litre |
| (g) | Cider, other than cider produced
by an independent small cider- | £1.13 per litre |

maker, exceeding 2.8 per cent
volume but not exceeding 4.9 per
cent volume

(h)	Cider qualifying for tap relief, other than cider produced by an independent small cider-maker, exceeding 2.8 per cent volume but not exceeding 4.9 per cent volume	96p per litre
(i)	Cider produced by an independent small cider-maker exceeding 4.9 per cent volume but not exceeding 7.5 per cent volume	56p per litre
(j)	Cider qualifying for tap relief produced by an independent small cider-maker exceeding 4.9 per cent volume but not exceeding 7.5 per cent volume	50p per litre
(k)	Cider, other than cider produced by an independent small cider- maker, exceeding 4.9 per cent volume but not exceeding 7.5 per cent volume	£1.41 per litre
(l)	Cider qualifying for tap relief, other than cider produced by an	£1.27 per litre

independent small cider-maker,
exceeding 4.9 per cent volume
but not exceeding 7.5 per cent
volume

(m)	Cider exceeding 7.5 per cent volume	£1.63 per litre
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7. Wines -

(a)	Light wines not exceeding 5.5 per cent volume	89p per litre
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(b)	Light wines qualifying for tap relief not exceeding 5.5 per cent volume	76p per litre
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(c)	Light wines exceeding 5.5 per cent volume but not exceeding 15 per cent volume (including sparkling wines)	£3.59 per litre
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(d)	Light wines qualifying for tap relief exceeding 5.5 per cent volume but not exceeding 15 per cent volume (including sparkling wines)	£3.23 per litre
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(e)	Other wines	£5.74 per litre". "
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