

Voluntary Report – Voluntary - Public Distribution

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Report Name: The Netherlands Raises Levy on Non-Alcoholic Beverages

Country: Netherlands

Post: The Hague

Report Category: Agriculture in the News, Agriculture in the Economy, Beverages, Agricultural Situation, Retail Foods, Sugar

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Report Highlights:

The Netherlands is working towards a 'sugar tax'. As a first step, the existing levy on non-alcoholic beverages (excluding dairy, soy drinks and water) was increased to €0.26 (\$0.29) per liter starting January 1, 2024. The levy is the consumption tax on non-alcoholic beverages, which has been in place since the 1970s, but the modern iteration puts dairy alternatives at a disadvantage against exempt dairy products. Furthermore, research into a graduated Dutch sugar tax has been ongoing, but its future is unclear and is to be decided by the new Dutch government, once a coalition is formed. For more information, see also NL2022-0063 Dutch Reviewing Options for a Sugar Tax.

Tax changes in 2024

On January 1, 2024 the consumption tax on non-alcoholic beverages was raised to €0.26 (\$0.29) per liter, up from €0.09 (\$0.10) per liter.¹ This raise was originally planned for 2023.² The consumption tax is paid upon the beverages leaving a Dutch production facility or at the moment of import into the Netherlands.³ Bulk-deliveries of beverages are exempted from the tax (up until the time they are processed into a product for the end user), however post-mix beverage deliveries are not exempt from the tax.⁴

The product groups impacted are:

- Lemonade (which includes soft drinks and beverages with zero alcohol content), being:⁵
 - any type of sweetened and/or aromatized drinks (e.g., oat milk drink, rice milk drink, and whey drinks could fall under this definition);
 - any type of drink with fragrance or flavoring intended to be drunk cold (e.g., iced tea would fall under this definition).
- Fruit juices
- Vegetable juices
- Beer with an alcohol content of up to 0.5 percent
- Other beverages with an alcohol content of up to 1.2 percent

Bottled water will not be subject to the consumption tax anymore from January 1, 2024.

Exemption for Milk Products

Milk, and (sugary) beverages made from milk such as yoghurt drinks or chocolate milk, are exempt under the consumption tax.⁶ This has been the case since the inception of the tax in the 1970s, using the consideration that milk is a basic food necessity.⁷ Soy drinks are exempted as well, as long as its fat and protein content is comparable to milk.⁸

Criticism Exemption for Milk Products

A citizen petition against the taxing of alternative protein drinks was offered to the House of Representatives in October 2023 and was signed by 40,000 people.⁹ A similar petition was offered against the tax increase on fruit and vegetable juices.¹⁰ There was no political response after the petition,

¹ Rounded figures, the levy is charged per 100 liters at €26.13 (\$28.58).

² See for more information [NL2022-0063 Dutch Reviewing Options for a Sugar Tax](#).

³ <https://www.tweedekamer.nl/downloads/document?id=2023D31463>, p. 7

⁴ https://www.belastingdienst.nl/bibliotheek/handboeken/html/boeken/HVAD/alcoholvrije_dranken-limonade.html

⁵ Id.

⁶ If the mass percentage of milk fat is 0.02 percent, and milk protein and milk sugar is present, per article 9 (3) sub a of the Dutch Law on the Consumption Tax on Non-Alcoholic Beverages, article 9 (3) sub b, <https://wetten.overheid.nl/BWBR0005802/2024-01-01>.

⁷ <https://www.tweedekamer.nl/kamerstukken/kamervragen/detail?id=2023Z03447&did=2023D12900>

⁸ Per article 9 (3) sub b the Dutch Law on the Consumption Tax on Non-Alcoholic Beverages, article 9 (3) sub b.

⁹ https://www.tweedekamer.nl/debat_en_vergadering/commissievergaderingen/details?id=2023A06415

¹⁰ https://www.tweedekamer.nl/debat_en_vergadering/commissievergaderingen/details?id=2023A06869

however questions relating to the subject matter have been raised in the House of Representatives.¹¹ The exemption for milk products was explained as dairy and soy drinks having been included in the national dietary guidelines, as well as differences in nutritional composition between dairy products from animal origin or soy drinks on one side, and drinks from vegetal sources positioned as alternative to dairy products on the other side. Additionally, the State Secretary explained that there was a budgetary goal behind raising the consumption tax, to increase the revenue for the Treasury.¹² See for more details [NL2022-0063 Dutch Reviewing Options for a Sugar Tax](#).

Alignment of Alcohol Excise Duty on Low Alcoholic Beers

The excise duty rate on low alcoholic beers has traditionally been equal to the consumption tax rate for non-alcoholic beverages. To reflect this, the alcohol excise duties on beer have therefore been altered as well beginning January 1, 2024.¹³ It is changed to €0.08 (\$0.09) per percent point of alcohol content per liter. For beer with a lower alcohol content than 3.2 percent, a flat rate of €0.26 (\$0.29) per liter applies.¹⁴ New is the calculation based on alcohol percentage, instead of degrees Plato.¹⁵ In practice, this change means that the absolute increase in excise duty will be higher for beers with a higher alcohol content.

Research into Future ‘Graduated’ Sugar Tax and Potential Changes to Consumption Tax

Since the Dutch held elections in November 2023 for the House of Representatives, it remains to be seen if and how the new Dutch government will further explore and develop a sugar tax. If yes, it remains unclear at this moment whether it will draw for the research below. The research below might however serve as future reference.

The National Institute for Public Health and the Environment (known in Dutch by its acronym *RIVM*) was tasked with researching a graduated sugar tax. It focused on (sugary) beverages, and not on other foodstuffs with sugar. Four sugar tax scenarios were modeled, with different tax brackets based on sugar content.¹⁶ Best practices of surrounding countries such as France, Ireland, Poland, Portugal, the United Kingdom, and Spain (Catalonia) were investigated. One of the underlying goals of a sugar tax would be to stimulate producers to reformulate beverages, as to lower their sugar content.¹⁷ Such effect has been witnessed in the United Kingdom with their Soft Drinks Industry Levy, according to the report.¹⁸

¹¹ <https://www.rijksoverheid.nl/documenten/kamerstukken/2023/03/29/antwoorden-op-kamervragen-over-het-bericht-havermelk-duurder-door-limonadebelasting>

¹² <https://www.rijksoverheid.nl/documenten/kamerstukken/2023/03/29/antwoorden-op-kamervragen-over-het-bericht-havermelk-duurder-door-limonadebelasting>, p. 2.

¹³ Along with the modification of alcohol excise duties on wine, liquor and other alcoholic products. For more information see

https://www.belastingdienst.nl/wps/wcm/connect/bldcontentnl/themaoverstijgend/brochures_en_publicaties/tarievenlijst_accijns_en_verbruiksbelastingen (English version not updated at time of writing).

¹⁴ Rounded figures, respectively the levy is €8.12 (\$8.88) per percent point of alcohol content per 100 liters, and the flat rate is €26.13 (\$28.67) per 100 liters.

¹⁵ See

https://www.belastingdienst.nl/wps/wcm/connect/bldcontentnl/themaoverstijgend/brochures_en_publicaties/tarievenlijst_accijns_en_verbruiksbelastingen

¹⁶ <https://www.rivm.nl/publicaties/impact-van-getrapte-verbruiksbelasting-op-verkoop-van-suiker-via-alcoholvrije-dranken>, Hereafter: RIVM report, p. 13.

¹⁷ RIVM report, p. 11-12.

¹⁸ RIVM report, p. 26.

The research focused on applying the tax to drinks with more than 4 grams sugar per 100 ml (3.38 fl oz); drinks with less sugar would fall under the consumption tax for non-alcoholic beverages. The report concluded that for its four scenarios,¹⁹ a reduction of 11 to 14 percent in sales could be the result, or a reduction in sales of 244 to 323 million liters of non-alcoholic beverages. This comes on top of a calculated forecasted reduction in sales of 384 million liters due to the 2024 increase of the consumption tax on alcoholic beverages.²⁰ The accompanying reduction in sugar purchased through non-alcoholic beverages was calculated at 18 to 12 thousand ton.²¹

Other concepts that were asked by the Ministry of Health, Welfare, and Sport to be researched, as potential ideas for altering the current consumption tax on non-alcoholic beverages:²²

- taxing fruit and vegetable juices;
- not taxing zero sugar soft drinks or flavored mineral water;
- taxing dairy and soy drinks, or tax dairy and soy drinks containing more than 5 grams of sugar per 100 ml (3.38 fl oz);
- different calculation method regarding the dilution of sirops.

Attachments:

No Attachments.

¹⁹ Based on the year 2025.

²⁰ RIVM report, p. 31.

²¹ RIVM report, p. 5.

²² RIVM report, p. 28.