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Guidance

Check if your drink is liable for the Soft Drinks Industry Levy

Find out which drinks are liable for the Soft Drinks Industry Levy, and how much you may need to pay.

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From:

HM Revenue & Customs (<https://www.gov.uk/government/organisations/hm-revenue-customs>)

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Before you register for the Soft Drinks Industry Levy, you need to know if the drinks you produce, package, own the brand of, or bring into the UK are liable for the levy. If they're not, you don't need to register.

If you only dispense drinks into a cup, glass or take away cup, you're not classed as a packager and don't need to pay the levy.

Drinks that are liable for the levy

A drink is liable for the Soft Drinks Industry Levy if it meets all of the following conditions:

- it has had sugar added during production, or anything (other than fruit juice, vegetable juice and milk) that contains 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 (<https://www.gov.uk/guidance/work-out-the-sugar-content-of-your-diluted-soft-drink-notice-3>)
- 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 bottled, canned or otherwise packaged so it's ready to drink or be diluted

- it has a content of 1.2% alcohol by volume (ABV) or less

You can reformulate your drinks to reduce the sugar content, which may either reduce or remove your drinks' liability to the levy.

What's classed as sugar

For the purposes of the Soft Drinks Industry Levy, sugar includes (but isn't limited to):

- sucrose
- glucose
- fructose
- lactose
- galactose

It doesn't include sugar replacements, like:

- stevia
- aspartame
- sucralose
- erythritol

Drinks that aren't liable for the levy

Liable drinks packaged or brought into the UK before 6 April 2018 aren't included in the levy.

The levy doesn't apply to drinks that are:

- at least 75% milk
- a milk replacement, like soya or almond milk
- an alcohol replacement, like de-alcoholised beer or wine
- made with fruit juice or vegetable juice and don't have any other added sugar
- liquid drink flavouring that's added to food or drinks like coffee or cocktails
- sold as a powder
- prepared by mixing liquids and served in an open container, like cocktails
- infant formula, follow on formula or baby foods
- formulated food intended as a total diet replacement, or dietary food used for special medical purposes

Milk and milk based drinks

For your drink to be classed as milk or a milk based drink, it must contain at least 75ml of milk per 100ml of prepared drink.

For the purposes of the levy, types of milk include:

- milk from an animal
- reconstituted or recombined milk

- fermented milk
- buttermilk
- whey
- reconstituted or recombined whey

Cream isn't included in the definition of milk.

Milk replacement drinks

For your drink to be classed as a milk replacement drink, it must:

- contain at least 120 milligrams of calcium per 100ml
- be derived from legumes, cereals, nuts, seeds or another type of plant
- have all or most of the same uses as milk
- have a consistency similar to milk
- not be carbonated

Alcohol replacement drinks

For your drink to be classed as an alcohol replacement drink, it must be all of the following:

- advertised and sold as a direct replacement for a particular type of alcoholic drink
- in packaging that's similar to the alcoholic drink it's intended to replace
- marketed in a way that's similar to the alcoholic drink it's intended to replace
- not marketed in a way that targets or particularly appeals to people who are under the age of 18

Your drink must also be one or more of the following:

- made from an alcoholic drink through de-alcoholisation, which reduces the ABV to 1.2% or lower
- made by blending cider, beer, wine or other alcoholic drink with fruit juice (with or without the addition of water and other ingredients), to make a soft drink that's similar to the alcoholic drink used in its production
- made through fermentation or distillation, during which:
 - alcohol is produced
 - the ABV never goes over 1.2%
 - the drink isn't diluted or mixed with anything else, apart from anything that's been dissolved into the drink through distillation

What's classed as fruit juice

For the purposes of the levy, fruit juice includes (but isn't limited to):

- fruit puree
- dehydrated fruit juice
- powdered fruit juice

It doesn't include de-ionised fruit juice or juice drinks with added sugar.

How much you'll pay

The amount you'll pay depends on which band your liable drink is in.

You'll pay:

- 18p per litre on drinks that have a total sugar content of more than 5g and less than 8g per 100ml
- 24p per litre on drinks that have a total sugar content of 8g or more per 100ml

When the levy is due on liable drinks

For liable drinks packaged in the UK, you need to report the drinks in the same reporting period (<https://www.gov.uk/guidance/submit-a-return-and-pay-the-soft-drinks-industry-levy-notice-2>) that they leave the premises they were packaged in, unless they're moved to a registered warehouse (<https://www.gov.uk/guidance/register-a-warehouse-for-the-soft-drinks-industry-levy>). In this case, the levy becomes due when the drinks leave the registered warehouse.

If the liable drinks are made available for sale (or free of charge) at any time, the levy becomes due at that point.

Find out more information about when the levy becomes due on liable drinks brought into the UK (<https://www.gov.uk/guidance/bringing-drinks-liable-for-the-soft-drinks-industry-levy-into-the-uk>).

When drinks are classed as being made available for sale or free of charge

Drinks are considered to be 'made available for sale' (or free of charge) when they're allocated to a particular supply to a customer.

Drinks that are stored as part of your general stock on hand aren't considered to be made available.

Depending on your stock management system and your arrangements with your customers, your stock on hand may be allocated to a particular supply when they're:

- set aside in your premises
- dispatched from your premises
- delivered to your customer

Who pays the levy

For liable drinks packaged in the UK, the packager must report and pay the levy.

Find out more information about who pays the levy on liable drinks brought into the UK (<https://www.gov.uk/guidance/bringing-drinks-liable-for-the-soft-drinks-industry-levy-into-the-uk>).

Who needs to register for the levy

Find out if you need to register (<https://www.gov.uk/guidance/check-if-you-need-to-register-for-the-soft-drinks-industry-levy>) for the Soft Drinks Industry Levy.

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