

# Excise duties hiked, new vape tax proposed

Excise duties on alcohol and tobacco will increase by between 4.5% and 6.5%, Finance Minister Enoch Godongwana announced during his Budget Speech on Wednesday, 23 February.



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The increases mean that as from today:

- a 340ml can of beer or cider will cost 11c more;
- a 750ml bottle of wine will be 17c more expensive;
- a bottle of sparkling wine will cost an additional 76c;
- a bottle of spirits will be R4.83 more expensive;
- a packet of cigarettes will cost an additional R1.03;
- 25 grams of piped tobacco will cost an extra 37c; and
- a 23 gram cigar will be R6.77 more expensive.



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Lauren Hartzenberg 23 Feb 2022



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## New vape tax from January 2023

Government also proposes to introduce a new tax on vaping products of at least R2.90 per millilitre from 1 January 2023. A new tax will also be introduced on beer powders,” Godongwana announced.

In its Budget Review document, National Treasury said following public consultations, government proposes to apply a flat excise duty rate of at least R2.90 per millilitre to both nicotine and non-nicotine solutions.

“The proposal will be included in the 2022 Taxation Laws Amendment Bill for further consultation before being introduced from 1 January 2023.”



## The price tag of proposed excise tax on vape solutions

Wesley Grimm and Rudi Katzke 2 Feb 2022



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Treasury said the current excise duty regime applies a flat excise rate for traditional African beer powder of 34.7c/kg.

“There are similar products in the market. In the interest of equity, these products will be included in the tax net with an excise equivalent to the powder rate from 1 October 2022.”

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