An Roinn Airgeadais
Department of Finance

General Excise
Tax Strategy Group – 24/08
July 2024

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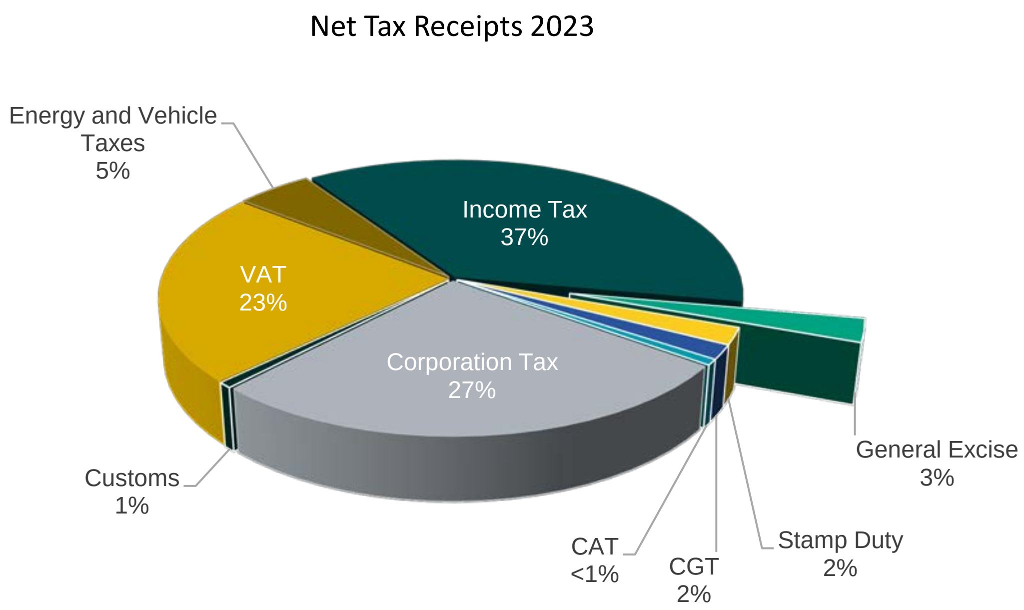
1. Introduction

Figure 1: General Excise Receipts as a Percentage of Overall Tax Receipts 2023



Data source: Data provided by the Revenue Commissioners (Revenue)[1]

1. As well as raising revenue for the Exchequer, excise duties account for the external societal cost resulting from the consumption of specific harmful products and ensure that such externalities are reflected in the market price. It is acknowledged that there are different views as to the extent of the coverage of these externalities through excise duties, and that is why regular consideration is given to them as part of the budgetary process. In addition, there is ongoing interest in public health related taxes at the World Bank and at EU level, where the importance of such taxes in advancing/promoting health equity, while generating revenues, particularly at a time of increasing global economic disparities, is well recognised.

2. Most recently, the Report of the Commission on Taxation and Welfare 2022 recommended that that the link between the public health rationale and the design of excise taxes needs to be strengthened over time.[2]

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[1] Data provided by Revenue in April 2024 and assumes no behavioural change.
[2] Commission on Taxation and Welfare, 2022. Foundations of the Future. https://www.gov.ie/pdf/?file=https://assets.gov.ie/234316/b4db38b0-1daa-4f7a-a309-fcce4811828c.pdf#page=null

3. This paper examines non-environmental excise duties and outlines the rates that have applied and the revenue yielded in recent years. It also examines consumption trends and considers both new and ongoing social and economic issues, which may affect excise yields or consumption. The paper also outlines the main policy considerations in each area and sets out options for Budget 2025. The paper is divided into four sections: Alcohol Products Tax, Sugar Sweetened Drinks Tax, Tobacco Products Tax and Betting Duty. The table below outlines excise receipts for 2023.

Table 1: 2023 Excise Receipts by Commodity

Alcohol Products Tax	**€m**
Wine	395.7
Beer	404.1
Spirits	410.1
Cider/Perry	50.0
Total	**1,259.9**
Sugar Sweetened Drinks Tax	**€m**
Total	**28.9**
Tobacco Products Tax	**€m**
Cigarettes	857.0
Other Smoking Tobacco	148.1
Total	**1,005.1**
Betting Duty	**€m**
Retail Betting	47.5
Online Betting	51.3
Betting Intermediary	3.8
Total	**102.7**[3]

Data source: Revenue[4]

[3] Please note this figure is subject to rounding.
[4] Data provided by Revenue in April 2024 and assumes no behavioural change.

2. Alcohol Products Tax

2.1. Background

4. This section reviews the current rates and structures of excise duty on alcohol products, outlines the main policy considerations in this general area and sets out options for Budget 2025.

5. The main products covered under this general excise are beer, wine, spirits and cider/perry, which between them generated €1.26 billion for the Exchequer in 2023. EU Directives 92/83/EEC and 92/84/EEC ('Alcohol Products Tax Directives') ensure a minimum level of taxation across the EU for these products, however as with many other products, such as tobacco and fuel, there is considerable variation in the level of excise applied in Member States to alcohol products.

2.2. Public Health Policy and Regulation

6. Ireland has some of the highest rates of excise duty on alcohol products in the EU. This reflects a long-standing policy to support public health objectives. Alcohol consumption, in particular problematic drinking behaviours, is a major social problem. It is estimated that 1,543 deaths in Ireland in 2019 were attributable to alcohol from all causes, representing 4.77% of all deaths.[5]

7. The Government legislated to tackle the harms caused by alcohol in the Public Health (Alcohol) Act 2018. The primary policy objectives of the Act are to reduce alcohol consumption and the harms caused by the misuse of alcohol, and regulate the supply and price of alcohol in order to minimise the possibility and incidence of alcohol related harm.

8. The Act introduced the following measures:

    - a minimum price per gram of alcohol of €0.10 to limit the availability of very low cost alcohol;
    - health labelling of alcohol products;
    - the regulation of certain aspects of the advertising and marketing of alcohol;

[5] GBD 2019 Risk Factors Collaborators, 2020. Global burden of 87 risk factors in 204 countries and territories, 1990-2019: a systematic analysis for the Global Burden of Disease Study 2019. https://doi.org/10.1016/S0140-6736(20)30752-2

- separation and reduced visibility of alcohol products in mixed trading outlets;
- the regulation of the sale and supply of alcohol in certain circumstances.

9. Notwithstanding high excise rates, it is noted that there has been no general increase in alcohol excise for 10 years. Public health lobbyists have highlighted that the absence of regular rate increases can undermine the public health objective of high excise.

10. Alcohol Action Ireland (AAI), in their pre-budget submission, have made the point that alcohol consumption in Ireland is high and estimate that the resulting harms from it cost the State up to €12 billion annually. They argue that alcohol taxation is recognised internationally as one of the most effective measures to reduce this harm and that in Ireland successive Ministers for Finance have pointed to the public health rationale for alcohol excise duties. However, they point out that there has been no general increase in duties in a decade, with the result that their value has dropped in real terms since 2013. They highlight that multiple reports from bodies such as the World Health Organization (WHO), International Monetary Fund, OECD and the Commission on Taxation and Welfare, all make the point that, for such taxes to be effective from a public health perspective, they must keep pace with inflation. In this context, the AAI recommend that the Government increase excise duty by at least 15% to bring this back to their 2014 level and going forward alcohol excise duty should be automatically linked to the Consumer Price Index.

11. The effect of not increasing excise since 2014, shown in Figures 3 and 4 below, illustrates clearly that excise as a percentage of the retail price of alcohol has decreased for the on trade and remained largely static for the off trade. On the other hand, however, Ireland remains one of the highest excise states in the EU for alcohol.

2.3. Minimum Unit Pricing

12. Minimum Unit Pricing has an important role to play in addressing the damage to health caused by high levels of alcohol consumption, by preventing the sale of very low priced alcohol. The policy is similar to the policy implemented in Scotland in 2018.

13. The Government decision in 2013 approved the implementation of a minimum unit pricing regime for alcohol products under the Public Health (Alcohol) Bill, however, made it subject to a similar provision being introduced simultaneously in Northern Ireland. The rationale for this approach at the time was to try to ensure that such a measure would not incentivise purchases of alcohol in Northern Ireland. However, due to delays in introducing an equivalent measure in that jurisdiction, the Government approved the introduction of Minimum Unit Pricing with effect from January 2022.

14. It will take a number of years to properly evaluate its efficacy in reducing alcohol deaths or its impact on the Exchequer.

2.4. Recent Changes to Rates, Yields, Consumption and Prices

2.4.1 RECENT YIELD CHANGES

15. The table below indicates yields from 2019 to 2023 by alcohol product type.

Table 2: Alcohol Products Tax Yield 2019-2023

Year	Wine (€m)	Beer (€m)	Spirits (€m)	Cider/Perry €m)	Total (€m)
2019	378	421	373	60	1,232
2020	425	351	374	53	1,203
2021	385	351	389	51	1,176
2022	375	392	411	52	1,230
2023	396	404	410	50	1,260

Data source: Revenue[6]

2.4.2 PAST RATE CHANGES

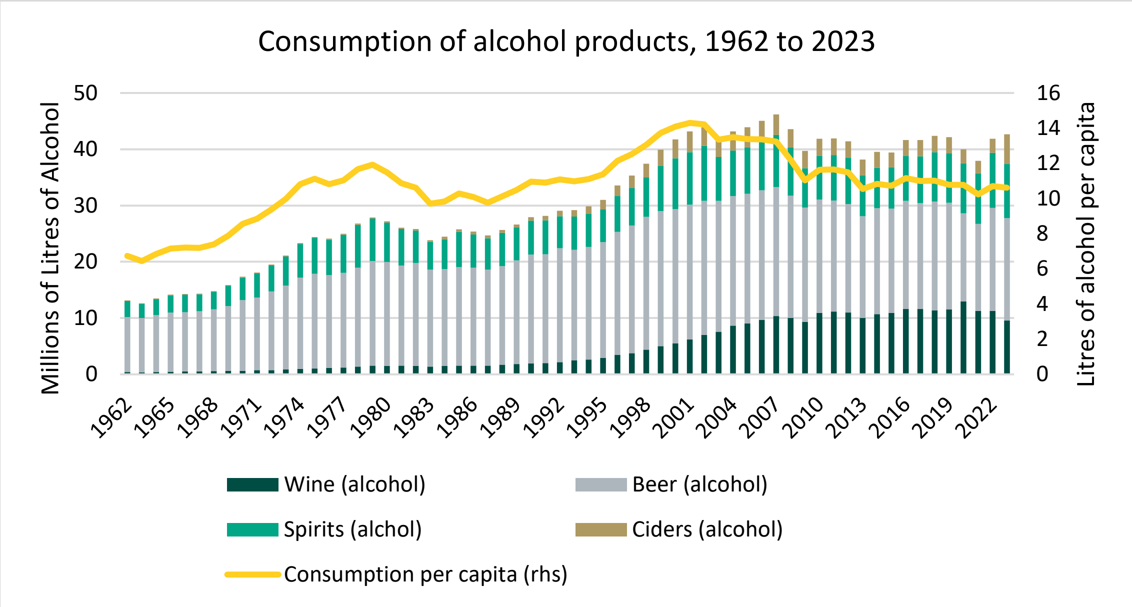
16. Previous TSG papers detailed the changes in the main rates of duty and their incidence on the representative alcohol product since 1993, when the structure of the Alcohol Products Tax came into effect. There were various increases over the period until rates decreased in 2010 and increased again in 2013. The last overall rate changes were made in 2014. In all rate changes since 1993, the rate on beer (4.3% alcohol by volume (ABV) pint) has increased 8 cent, wine (12.5% ABV bottle) €1.40, spirits (40% ABV glass) 26 cent, and cider (4.5% ABV pint) 30 cent.

2.4.3 CHANGES TO CONSUMPTION PATTERNS

17. Figure 2 below (taken from Revenue figures for excise and Central Statistics Office (CSO) population figures) indicates the total nominal quantity of pure alcohol by product released for Irish consumption, and the associated per capita consumption of pure alcohol. Consumption per capita had been steadily declining since 2000. In recent years, it has fluctuated, standing at 11.01 litres per capita in 2018 but decreasing to 9.5 litres in 2021, then increasing to 10.62 in 2023. It should be noted that the figures below do not capture alcohol products purchased outside the State and do capture alcohol products consumed in the State by foreign visitors.

[6] Data provided by Revenue in April 2024 and assumes no behavioural change.

Figure 2: Nominal Consumption of Alcohol Products (lhs) and Litres of Alcohol Consumed Per Capita (Gold Line rhs), 1962 To 2023



Data source: Revenue and CSO[7]

18. Figure 2 also highlights changes in consumer tastes over the period, with a significant increase in wine consumption. This has had implications for the pub trade, as over 80% of wine is purchased in the off-trade. Given that excise duty on alcohol is largely unchanged as a proportion of price over the years, it is unlikely that tax is the driving factor in consumption changes. In this regard, the consumption, and composition of consumption, of alcohol products is driven by factors such as personal disposable income, individual consumer preferences, the availability of alcohol products, the pricing strategies of retailers and publicans, and cultural changes.

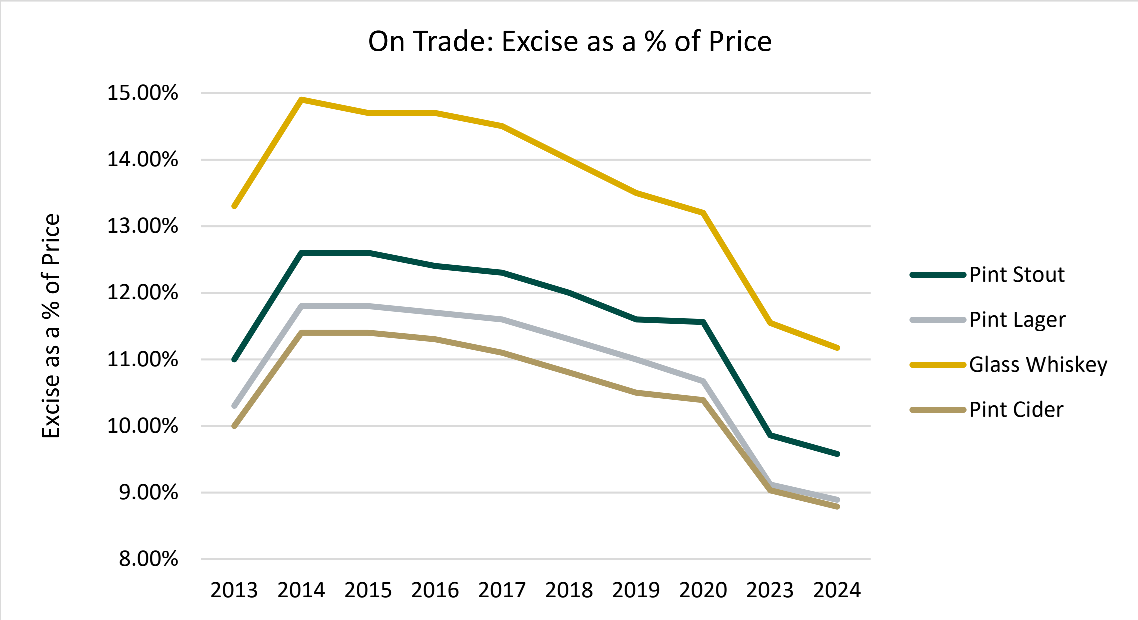
19. AAI indicate that the government target to reduce alcohol consumption to 9.1 litres per capita by 2020 has not been met.

2.4.4 RECENT RETAIL PRICE DEVELOPMENTS – ON TRADE

20. Figure 3 below illustrates the trend in excise duties as a percentage of the national average price of the representative pint of stout, pint of lager, pint of cider and glass of whiskey sold in the on-trade. Since 2014 excise duty as a percentage of the retail price has fallen significantly across all these products due to pub price inflation.

[7] Revenue figures for excise and CSO figures for population.

Figure 3: Trends in Excise Duties as a Percentage of On-Trade Prices



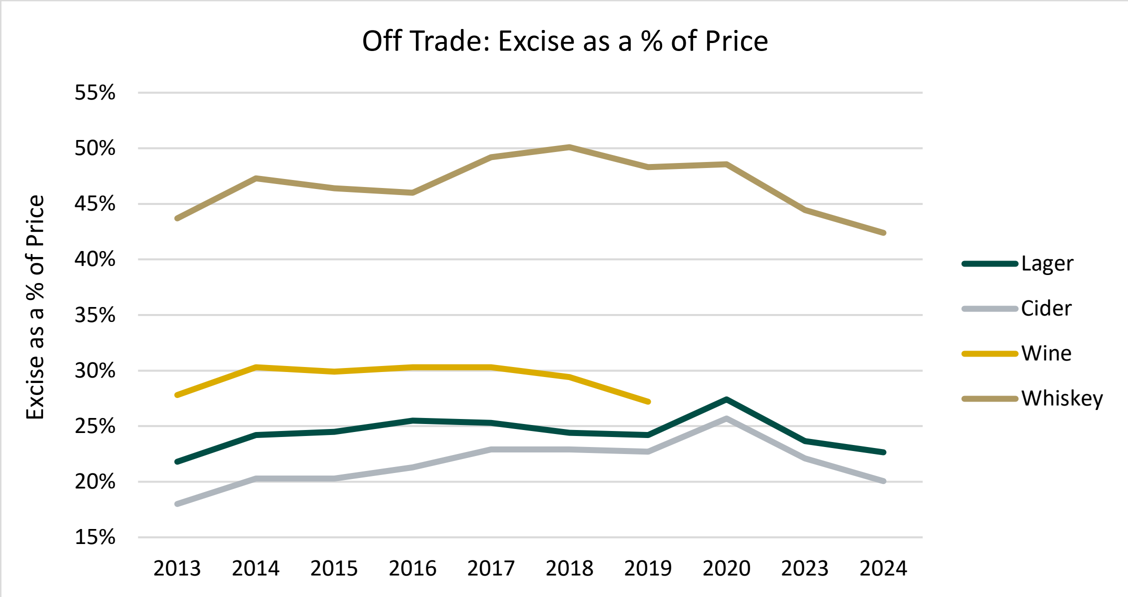
Data source: Central statistics Office[8]

2.4.5 RECENT RETAIL PRICE DEVELOPMENTS – OFF TRADE

21. Figure 4 below illustrates the trend in excise duties as a percentage of the national average price of the representative can of lager, can of cider, bottle of wine and bottle of whiskey sold in the off-trade. Broadly speaking, the trend has been relatively flat since 2014, indicating that as per CSO average retail alcohol prices have only marginally increased since 2014.

[8] CSO, 2024. CPM12 - National Average Price, as of April 2024. https://data.cso.ie/table/CPM12

Figure 4: Trends in Excise Duties as a Percentage of Off-Trade Prices



Data source: Central Statistics Office[8,9]

22. The Drinks Industry Group of Ireland (DIGI) has in the past called for a 7.5% reduction in alcohol excise in Budget 2024, and that this should be the start of a programme of annual excise reductions to gradually bring Irish alcohol excise into line with lower EU levels. It considers that this would help the drinks and hospitality sector to rebuild commercial activity in all areas of the country and to recover total employment and youth employment nationally and regionally.

2.5. Developments in Relation to Northern Ireland and Cross-Border Trade

23. It remains too early to gauge the impact the unilateral introduction of Minimum Unit Pricing (that is, without a simultaneous introduction in Northern Ireland) will have on cross-border trade and Exchequer receipts. It is clear however, that this introduction has resulted in price differentials on alcohol products between Northern Ireland and Ireland. While increased prices arising from Minimum Unit Pricing/excise will result in marginal VAT increases on certain products, it is likely that the significant price differential might lead to an increase in cross-border trade, undermining the tax take from alcohol sales. Evidence will continue to be assessed with regard to consumption volumes.

24. Similarly, the impact of the Windsor Framework on further price differentials between this State and Northern Ireland is still being assessed. The agreement allows for a divergence from EU rules on the structure of excise duties. In August 2023, the UK

[9] Wine National Average Price data no longer available since 2019.

Government implemented the new Small Producer Relief. The relief increases the scope of the existing Small Brewers' Relief to include producers of all alcoholic products up to 8.4% alcohol by volume. As the comparable scheme operating within this State (see Section 2.6) only applies to beer and cider this could result in certain beverages (e.g., spirits, wine, intermediate products) being sold at a lower cost in Northern Ireland, further encouraging cross-border shoppers. The new 'draught relief scheme' has also been introduced for alcoholic beverages packaged in large draught containers and served for immediate consumption in hospitality venues. This may also likely present a risk of price divergence, possibly leading to an impact on hospitality venues in border areas. These provisions are, however, subject to a clause that EU minima rates must be respected in order to maintain a level playing field with the EU.

25. These factors, in addition to the recent UK Budget decision to freeze alcohol duty at current rates until February 2025, different VAT rates and exchange rate fluctuations, means that the potential for cross-border shopping remains an active Exchequer risk.

2.6. Microbrewery Relief Scheme

26. Article 4 of the Alcohol Products Tax Directive (EU Directive 92/83/EEC) provides for the application of reduced rates, or relief, of excise duty of up to 50% of the national rate of excise duty in respect of breweries producing up to 200,000 hectolitres (hl) of beer per annum. The purpose of the availability of excise reliefs for microbreweries is to promote competition and diversity within the beer market and to help regional development.

27. Ireland exercised the option to apply reduced rates of excise to qualifying microbreweries in Budget 2005 and the terms of the microbrewery relief have been enhanced since its inception, including enabling microbreweries to claim the relief by way of remission rather than repayment.

28. The current rate of relief is 50% on the standard excise duty, which is the maximum relief permitted by the Directive (equivalent to €0.27 on a 4.3% ABV pint). Relief may be claimed on up to 30,000 hl of beer. Budget 2023 increased the qualifying production threshold for microbrewery relief from a production ceiling of 50,000 hl to 75,000 hl.[10]

29. The table below shows the total relief claimed and number of claimants from 2019 to 2023.

[10] Certain other qualifying criteria apply. These are outlined on the Revenue website.

Table 3: Overview of Microbrewery Relief Scheme 2019-2023

Year	Total Volume Beer (HL) availed of relief	Total Repaid /Remitted (€)	Number of Claimants
2019	136,224	6,140,972	85
2020	128,579	5,796,332	85
2021	146,310	6,595,625	81
2022	152,924	6,893,803	86
2023	153,885	7,249,299	77

Data source: Revenue[11]

30. As the microbrewery relief is already set at the maximum permissible rate under EU rules and the current production threshold ensures that all microbreweries are included, there is no compelling rationale to enhance this scheme further at this time.

2.7. Relief for Micro Producers of Cider

31. Relief for micro producers of cider and perry was introduced in the Finance Act 2022. It was broadly modelled on the existing relief arrangements for beer. While the Directive allowed for the inclusion of other fermented beverages, the diversity of products in the applicable Combined Nomenclature (CN) codes and the technical difficulties arising out of monitoring the products are such that it was decided that the relief be restricted to cider and perry.

32. Information provided by Revenue before the implementation of this provision indicated that as few as 14 Irish producers of cider or perry, with a combined output in the region of 13,000 hl, were in a position to avail of the relief. Consequently, taking into account potential future growth of these businesses, it was determined that the relief should be capped at 8,000 hl per annum on producers of up to 10,000 hl cider or perry.

33. The table below shows the total relief claimed and number of claimants in 2023.

[11] Data provided by Revenue in April 2024 and assumes no behavioural change.

Table 4: Overview of Relief for Micro Producers of Cider 2023

Year	Total Volume cider and perry (HL) availed of relief	Total Repaid /Remitted (€)	Number of Claimants
2023	3,259	408,924	10

Data source: Revenue[12]

2.8. Budget Options

34. The following table shows the estimated effect of a range of VAT inclusive increases or decreases in excise duties yield for beer, spirits and cider, and the estimated effect of a range of VAT inclusive increases in excise duties yield for still and sparkling wine.

Table 5: Budget Options

	+/-1c (€m)	+/-2c (€m)	+/-3c (€m)	+/-4c (€m)	+/-5c (€m)	+/-10c (€m)	+/-15c (€m)	+/-20c (€m)
Beer (per pint)	6.6	13.3	19.9	26.5	33.1	65.9	98.3	130.5
Spirits (1/2 glass)	4.8	9.5	14.2	18.9	23.6	46.6	68.9	90.6
Cider (per pint)	0.8	1.6	2.4	3.2	4.0	8.0	12.0	15.9

	+5c (€m)	+10c (€m)	+15c (€m)	+20c (€m)	+25c (€m)	+50c (€m)	+75c (€m)	+100c (€m)
Wine (per bottle)	3.2	6.4	9.5	12.6	15.6	30.2	43.7	56.3
Sparkling Wine (per bottle)	0.07	0.15	0.22	0.29	0.36	0.71	1.04	1.35

Data source: Revenue[13]

[12] Data provided by Revenue in April 2024 and assumes no behavioural change.
[13] Data provided by Revenue in April 2024 and assumes no behavioural change, including in relation to cross border purchases.

3. Sugar Sweetened Drinks Tax

3.1. Background

35. The Sugar Sweetened Drinks Tax (SSDT) was introduced in the Finance Act 2017 and commenced in 2018. The rationale and proposed structure for the tax was informed by the Department of Health and by public consultation.

36. The aim of the SSDT is to reduce rates of obesity in Ireland by reducing the consumption of sugar sweetened drinks as a contributor to health and dental deterioration, particularly among young people. The desired outcomes are twofold: that individuals reduce consumption of sugar sweetened drinks by reducing amount consumed or switching to healthier choices; and that industry reformulates products to reduce (not necessarily remove) levels of added sugar in the drinks products.

37. As currently enacted, the SSDT legislation applies to certain categories of ready to consume and concentrated drinks that contain added sugar and have a total sugar content of 5 grams or more per 100 millilitres.

3.2. Rates

38. SSDT applies on a volumetric basis at one of the following rates:

- €16.26 per hectolitre on drinks with a total sugar content of five grams or more, but less than eight grams, per 100 millilitres.

- €24.39 per hectolitre on drinks with a total sugar content of eight grams or more per 100 millilitres.

39. From 1 January 2019, drinks continue to be excluded from taxation if they satisfy a minimum calcium content threshold. These drinks are not subject to SSDT where labelled information indicates a calcium content of at least 119 milligrams per 100 millilitres.

3.3. Recent Yields

40. The table below indicates yields from 2019 to 2023 by SSDT band.

Table 6: Sugar Sweetened Drinks Tax Yield 2019-2023

Year	5g to 8g (€m)	More than 8g (€m)	Total (€m)
2019	3.4	29.6	33.0
2020	3.5	27.8	31.3
2021	1.9	28.5	30.4
2022	0.6	31.4	32.0
2023	0.6	28.7	29.3

Data source: Revenue[14]

3.4. Review and Budget Options

41. Initial indicators show that, while the SSDT has not resulted in the level of receipts originally anticipated for the Exchequer, it has been quite successful in spurring reformulation of existing products to fit into the lower tax band, or reduce sugar content to below the level that necessitates inclusion in the tax.

42. The Department of Health have commissioned an external evaluation of the SSDT with the objective of measuring the effectiveness of the tax in Ireland. The Department has identified a number of outcomes of interest that might be included in the evaluation:

- the extent to which the tax was successful in realising the objectives as stated in the original policy document and set out below:

    1) that individuals reduce consumption of sugar sweetened drinks by reducing the amount consumed or switching to healthier choices;

    2) that industry reformulates products to reduce (not necessarily remove) levels of added sugar in the drinks products

- other impacts that the tax may have on public health as identified by recent studies, such as evaluations of dental outcomes and also the measurement of the impact on metabolic markers;

- subgroup analysis focusing on the effect on groups such as those overweight/obese, children, lower income individuals/families.

[14] Data provided by Revenue in April 2024 and assumes no behavioural change.

43. The review is due to be completed in the coming months. It is anticipated that any future changes to the tax, in terms of scope and rates structure, will be informed by the outcome of the review.

Table 7: Budget Options[15]

	+/-1c (€m)	+/-5c (€m)	+/-10c (€m)
SSDT	3.7	18.5	30.7

Data source: Revenue[16]

[15] This costing is based on the number of 330ml cans per hectolitre of product declared in bands 1 and 2. The costing assumes that the price increase is VAT inclusive and that there is no behavioural change. It should be noted that can sizes vary and that not all products would be sold in a typical 330ml can.
[16] Data provided by Revenue in April 2024 and assumes no behavioural change.

4. Tobacco Products Tax

4.1 Background

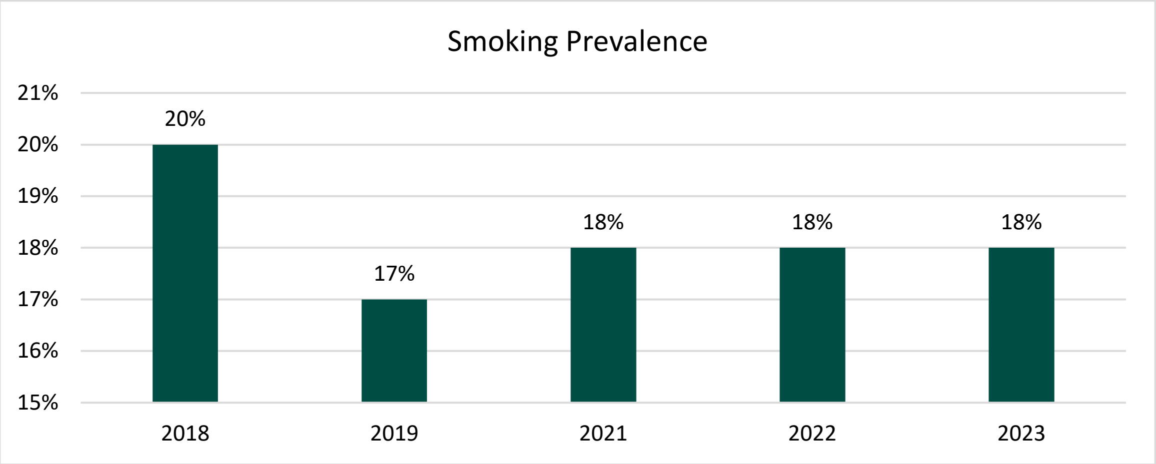
44. This section reviews the current rates and structures of excise duty on tobacco products, outlines the main policy considerations in this general area and sets out options for Budget 2025.

45. Tobacco products generated a yield of just over €1 billion for the Exchequer in 2023. The rates and structures of excise duty on tobacco products are harmonised across the European Union through the 'Tobacco Products Tax Directive' (2011/64/EU).

4.2 Public Health Policy

46. The Programme for Government set a target for Ireland to have a smoking prevalence rate of less than 5% of the population by 2025. The Department of Health indicate that smoking remains the leading cause of preventable death in Ireland, accounting for over 4,500 deaths annually.[17] It is estimated that one in every two long-term smokers will die of a disease related to their tobacco use.

Figure 5: Smoking Prevalence in Ireland (2018-2023)



Data source: Healthy Ireland[18]

[17] HSE, 2022. The State of Tobacco Control in Ireland. https://www.hse.ie/eng/about/who/tobaccocontrol/research/state-of-tobacco-control-report-2022.pdf
[18] Healthy Ireland, 2023. Healthy Ireland Survey 2023. https://www.gov.ie/en/publication/73c9d-healthy-ireland-survey-2023/

47. The 2023 Healthy Ireland Survey report, which was commissioned by the Department of Health and published in December, showed that the prevalence of smoking in Ireland fell from 20% in 2018 to 18% in 2023 (Figure 5). Smoking prevalence remains highest amongst 25-34 year olds at a rate of 22%, a drop of 2% on 2022 figures.

48. In Tobacco Free Ireland, the Department of Health made a number of recommendations in relation to fiscal policy, including raising the excise duty on tobacco products over a five-year period and reducing the price differential between Roll Your Own (RYO) and cigarettes. The Programme for Government also aims to further reduce tobacco consumption by increasing the level of excise duty on tobacco and additionally includes a commitment to bring in a targeted taxation regime to specifically discourage "vaping" and e-cigarettes.[19] As part of this commitment, the Minister for Finance announced in his Budget 2024 speech the intention to introduce a domestic tax on e-cigarette liquids in Budget 2025.[20]

4.3 Recent Changes to Rates and Yields

49. Ireland has some of the highest rates of duty on tobacco products in the EU, which reflects a long-standing policy of levying high rates of excise duty on tobacco products to meet public health targets. Excise duty on tobacco products has increased consistently over the past decade. Budget 2024 provided the highest increase in excise, at a rate of €0.75 on 20 pack cigarettes in the Most Popular Price Category (MPPC) with pro rata or higher increases applied to RYO.

Table 8: Changes to Rates and Tax Content of Cigarettes from Budget 2019 to Budget 2024

Budget	Tax Increase	Trade Increase	Tax Content (€)	Tax Content (% of Price)
2019	50c	30c	10.06	79.0
2020	50c	30c	10.65	79.0
2021	50c	30c	10.97	78.3
2022	50c	30c	11.80	78.7
2023	50c	20c	12.44	77.7
2024	75c	30c	13.27	77.8

Data source: Revenue[21]

[19] Government of Ireland, 2020. Programme for Government: Our Shared Future. https://www.gov.ie/pdf/?file=https://assets.gov.ie/130911/fe93e24e-dfe0-40ff-9934-def2b44b7b52.pdf#page=null
[20] Minister for Finance, 2023. Budget Statement 2024. https://www.oireachtas.ie/en/debates/debate/dail/2023-10-10/4/
[21] Data provided by Revenue in April 2024 and assumes no behavioural change.

50. The price of a pack of 20 cigarettes in the MPPC now stands at €17.05, with a tax content of €13.27 split between €10.08 of excise duty and €3.19 in VAT. The tax content relates to the period immediately post Budget, whereas the trade increases normally take place following any Budget increase. The rate of duty on RYO tobacco is currently €465.003 per kilogram, or €13.95 per 30g pack.

51. Traditionally, Tobacco Products Tax (TPT) receipts have remained stable at over €1 billion per annum, with successive rate increases compensating for reductions in the volumes released for consumption. However, more recently, receipts have seen a noticeable decline, while smoking prevalence has remained unchanged. Forecasting yields has become increasingly difficult due to the prevalence of illicit tobacco products on the market, high levels of non-Irish duty paid products being brought in legally through Duty Free, market trends towards 'big box' cigarettes and the uptake of novel products, such as e-cigarettes. In this environment, Revenue have previously indicated that further increases in excise duties may not lead to increased revenue.

Table 9: Tobacco Products Tax Yield 2019-2024

Year[22]	Cigarettes (€m)	Other Smoking Tobacco (€m)	Total (€m)
2019	1,011.0	125.0	1,136.0
2020	1,040.0	161.0	1,201.0
2021	1,137.0	181.0	1,318.0
2022	1,003.0	158.0	1,161.0
2023	857.0	148.0	1,005.0
2024[2223]	117.2	25.3	142.5

Data source: Revenue[24]

4.4 Illicit Tobacco Market

4.4.1 PREVALENCE

52. Ipsos MRBI conduct an annual survey, on behalf of Revenue and the National Tobacco Control Office of the Health Service Executive (HSE), to estimate the volume of non-Irish duty paid cigarettes and illicit cigarettes being consumed in Ireland. The most recent survey[25] indicates that 19% or 32.9 million cigarette packs consumed in Ireland in 2023 were illicit, based on the estimated total cigarette consumption of a pack of 20 cigarettes. This represents a notional loss to the

[22] Change to rate of tax in each year.
[23] Figure provided for 1 January – 30 April 2024.
[24] Data provided by Revenue in April 2024 and assumes no behavioural change.
[25] Ipsos MRBI, 2023. Illegal Tobacco Products Research Surveys 2023. https://www.revenue.ie/en/corporate/documents/research/tobacco-surveys-2023.pdf

Exchequer of approximately €422 million (Excise and VAT). This is viewed as a notional loss as it assumes that the illegal cigarettes consumed displaced the equivalent full tax paid quantity of cigarettes, which is unlikely to be the case.

53. Ipsos MRBI found that illicit RYO packs accounted for 20% of all packs consumed in 2023. This survey has a higher margin of error than the cigarette survey. According to Revenue, the notional loss to the Exchequer from 20% of illegal RYO packs in 2023 is €41 million (Excise and VAT). The increase in illegal and non-Irish duty paid tobacco is noted by the Department of Finance. Revenue redeploy resources as necessary to tackle the illicit tobacco trade and controls are in place at airports and ports to combat abuses of the duty-free regime.

Table 10: Annual Illicit Tobacco Survey Results[26]

Year	Illegal Cigarettes	Notional Tax Loss[27] (€m)	Illegal RYO	Notional Tax Loss (€m)
2018	13%	211	21%	32
2019	15%	242	12%	22
2021	13%	264	13%	21
2022	17%	384	17%	31
2023	19%	422	20%	41

Data source: Revenue[28]

4.4.2 REVENUE ENFORCEMENT

54. Revenue seized approximately 69.5 million cigarettes with a value of €55.7 million in 2023. In addition, 10,191kgs of tobacco was seized with a value of €7.7 million in 2023. The quantity of cigarettes and tobacco seized since 2019 and the estimated value of those seizures is outlined below.

Table 11: Seizures of Illicit Tobacco 2019-2024

	Cigarettes			Other Tobacco		
Year	No. of Seizures	Quantity (m)	Estimated Retail Value (€m)	No. of Seizures	Quantity (kg)	Estimated Retail Value (€m)
2019	3,263	13.4	8.6	1,470	3,564	2
2020	3,132	48.2	32.8	1,304	7,189	4.2
2021	4,889	60.7	43.5	1,692	38,246	24.1
2022	5,431	51.6	39.5	1,563	11,803	8.5
2023	5,164	69.5	55.7	1,673	10,191	7.7
2024[29]	1,824	57	47.7	536	29,500	24.4

Data source: Revenue[30]

[26] No survey was conducted in 2020 due to COVID-19 public health restrictions.
[27] Viewed as a notional loss as it assumes that the illegal cigarettes consumed displaced the equivalent full tax paid quantity of cigarettes, which is unlikely to be the case.
[28] Data provided by Revenue in April 2024 and assumes no behavioural change.
[29] Figure provided for year to date, 1 January – 30 April 2024.
[30] Data provided by Revenue in April 2024 and assumes no behavioural change.

4.5 Non-Irish Duty Paid Tobacco and Cross Border Comparison

55. As a high excise Member State, there is clearly an incentive for some smokers to bring non-Irish duty paid tobacco products into Ireland from Member States with lower tobacco taxes. The 2023 Ipsos MRBI survey found that the level of non-Irish duty paid cigarettes stood at 15% and the level of non-Irish duty paid RYO products was 12%, the highest levels recorded since the survey began in 2009.

56. In Budget 2020, the UK Government extended the tobacco duty escalator until the end of the current Parliament. The escalator increases tobacco excise duty at 2% above the rate of inflation at each Budget, based on the Retail Price Index (RPI). The UK Government implemented two tax increases on tobacco products in 2023[31] and announced a one-off tobacco duty increase of £2 per 100 cigarettes or 50 grams of tobacco from 1 October 2026 as part of the Spring Budget 2024.[32]

57. Consequently, there is currently little incentive to bring non-Irish duty paid cigarettes from Northern Ireland into the State, as the price of tobacco in the UK is currently higher than it is in Ireland.

4.6 Minimum Excise Duty (MED)

58. The Minimum Excise Duty (MED) supports public health objectives by ensuring that the cheapest cigarettes on the market are priced at a particular minimum level, which reflects their underlying health risks. The MED was last increased in Budget 2021 and is currently set at €479.37 per 1,000 (equivalent to €9.59 per 20 pack or €13.87 per 30 pack). This equates to a price trigger point of €11.50 per 20 pack once the MED is applied (i.e. a 20 pack costing less than €11.50 would be taxed as if it were priced at €11.50). The lowest priced cigarettes on the market are currently priced at €14.30.

59. Those who purchase the cheapest cigarettes are the most price sensitive consumers and increasing the MED may spur increased consumption of illicit and non-Irish duty paid cigarettes. The increase in the MED since 2018 has been significant and this suggests that the risks of increasing the MED further may be greater than any benefits.

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[31] Office for Budget Responsibility, undated. Tobacco duties. https://obr.uk/forecasts-in-depth/tax-by-tax-spend-by-spend/tobacco-duties/
[32] HM Treasury, 2024. Policy Paper: Spring Budget 2024 (HTML). https://www.gov.uk/government/publications/spring-budget-2024/spring-budget-2024-html

4.7 Tobacco Products Tax Directive

4.7.1 OVERVIEW

60. The taxation of tobacco products is governed by the Tobacco Products Tax Directive (2011/64/EU). The Directive defines and classifies various manufactured tobacco products according to their characteristics and lays down the relevant minimum rates of excise duty for the different types of products. The Directive aims to ensure the proper functioning of the internal market and a high level of health protection, while also deterring tax fraud, tax evasion and illegal cross-border shopping.

61. In 2021, the EU Commission and Council concluded that it is necessary to upgrade the EU regulatory framework. A review of Directive 2011/64/EU, including a revision of EU minimum tax rates and the inclusion of new products, including liquids for e-cigarettes, heated tobacco products and other novel products was expected to be published in December 2022, but a decision was made not to proceed at that time. At this stage, there is no indication as to when it will be published, but it is possible the new Commission may decide to prioritise it. In the Department's view, a revised Directive is essential in order to ensure that the rules remain fit for purpose, safeguard the proper functioning of the internal market and, very importantly, provide for a high level of health protection.

62. In light of continuing delays to the revision of the Tobacco Products Tax Directive, public health interests and the Programme for Government commitment to tax e-cigarettes and vaping products, it is intended that a domestic tax on e-cigarette liquids will be legislated for in this year's Finance Bill (see below for more details).

4.7.2 E-CIGARETTES

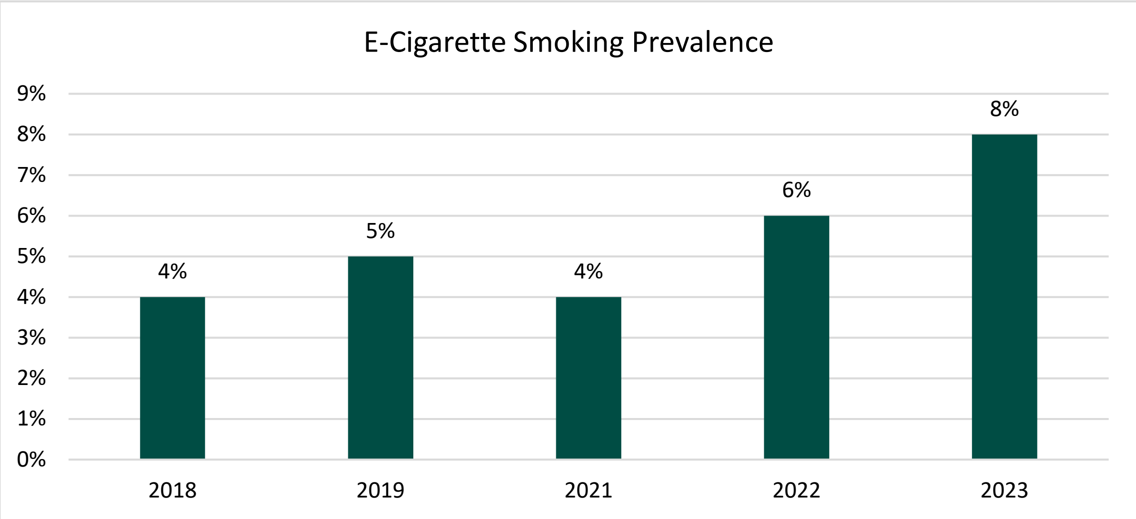
63. Electronic cigarettes ("e-cigarettes") are battery-powered electronic devices that use heat to turn a liquid ("e-liquid") into an aerosol that is then inhaled by the user. E-cigarettes consist in principle of two main components: the device itself and the consumable e-liquid that is vaporised.[33] E-liquids typically consist of propylene glycol and glycerol and may, or may not, contain nicotine and flavours. E-liquids do not contain tobacco, and there is no combustion involved in heating them.

64. According to the 2023 Healthy Ireland Survey, 8% of the population currently use e-cigarettes, an increase of 2% on last year's figures (Figure 6). Usage of e-cigarettes is highest among those aged under 25, with 18% of this age group currently using them.

[33] European Commission, 2019. Study on Council Directive 2011/64/EU on the structure and rates of excise duty applied to manufactured tobacco. https://taxation-customs.ec.europa.eu/system/files/2020-02/study-on-the-tobacco-taxation-directive-2019_en.pdf

65. A Health Research Board (HRB) review into the use of e-cigarettes found that adolescents who had tried e-cigarettes were between three and five times more likely to begin smoking cigarettes compared to those who had never tried an e-cigarette.[34] In addition, a HSE focus group study on e-cigarette and smoking use among adolescents in Ireland acknowledged the potential "gateway effect" of e-cigarettes and the growing concern that the variety of e-liquid flavours available are making such products more appealing to young people.[35]

Figure 6: E-Cigarette Smoking Prevalence in Ireland (2018-2023)



Data source: Healthy Ireland[36]

66. There is widespread consensus on the importance of updating the Tobacco Products Tax Directive (2011/64/EU) in order to bring novel products into the scope of the legislation. As e-liquids do not contain tobacco, they are not currently included in the Directive. The current lack of harmonised definitions and regulation at EU level has created distortions in the market. Some Member States have adopted varying domestic taxation policies, while others do not impose any tax. A harmonised approach would also reduce administrative difficulties in movement between Member States and support existing EU public health policies.

67. From a health perspective, e-liquids are not harm free and heated tobacco products (HTPs) often contain many of the chemicals found in traditional cigarettes.[37] Although e-cigarettes may be used by some individuals who are trying to quit

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[34] Health Research Board, 2020. New HRB evidence shows e-cigarettes are associated with adolescents starting to smoke tobacco cigarettes. https://www.hrb.ie/news/press-releases/single-press-release/article/new-health-research-board-evidence-shows-e-cigarettes-are-associated-with-adolescents-starting-to-sm/

[35] D.S. Evans and P. Hickey, 2020. E-cigarette & smoking use among adolescents in Ireland: A focus group study. https://www.lenus.ie/bitstream/handle/10147/628953/ecigfg%20repdf.pdf

[36] Healthy Ireland, 2023. Healthy Ireland Survey 2023. https://www.gov.ie/en/publication/73c9d-healthy-ireland-survey-2023/

[37] World Health Organisation, 2020. Heated tobacco products: a brief. https://www.drugsandalcohol.ie/32082/1/WHO_Heated-tobacco-products-brief-eng.pdf

smoking, their popularity among younger people is a primary public health concern, particularly due to the gateway effect these products can have in relation to the uptake of other nicotine or tobacco containing products. However, a balance must be struck in applying a tax to e-liquids, in order to ensure that such products are not priced (through the taxation measure) at a level that pushes people into the consumption of traditional tobacco products.

68. The Tobacco Products Directive (2014/40/EU) lays down regulations for e-cigarettes and e-liquids placed on the market in the EU. The Directive sets a maximum nicotine concentration level and volume for cartridges, tanks and nicotine liquid containers, as well as a number of other health and safety regulations in relation to ingredients and packaging. The provisions of the Directive were transposed into Irish law under the European Union (Manufacture, Presentation and Sale of Tobacco and Related Products) Regulations 2016. Additionally, under this legislation the HSE must be notified by manufacturers or importers in advance of any e-cigarette or refill containers that are to be placed on the market.

69. The Department of Health's Public Health (Tobacco Products and Nicotine Inhaling Products) Act 2023 came into effect on 22 December 2023 and has introduced a number of measures in relation to e-cigarettes. Sales of the products to those under 18 are now banned and additional restrictions on the advertising, points of sale and the promotion of e-cigarettes are included in the Act. A licensing system is also due to be set up over time. It is important to note that the Department of Health's legislation applies only to nicotine-containing liquids, in line with the Tobacco Products Directive. An amendment to the 2023 Act has been brought forward to increase the minimum legal age of sale of tobacco products from age 18 to age 21.

70. On 25 November 2023, the Department of Health launched a public consultation to help inform future regulation of tobacco and nicotine inhaling products, including e-cigarettes. The aim of the consultation was to assess what further measures could be introduced to decrease the appeal of nicotine inhaling products to young people, further de-normalise smoking, and improve public health. A number of tax-related questions were included in the consultation, which concluded in January, and the results are due to be published shortly.

71. Preliminary findings from high level analysis of the consultation responses suggests that more than half of respondents did not believe an increase in the price of vapes, due to an excise tax imposed on e-liquids, would reduce consumption levels among young people. Over one third of respondents contended that an increase in price may lead to products being sourced outside of Ireland. In anticipation of a domestic e-liquid tax being applied in Ireland, more than 50% of respondents supported a tax applied at a rate per ml in line with that of other Member States, currently 10 cent to 30 cent per ml of e-liquid.

72. It should be noted that these are preliminary findings and as consultation respondents are self-selected, they cannot be considered a true representation of

general public opinion. Additionally, 90% of respondents to the consultation were current vapers, compared with 8% in the general population.

4.8 Domestic E-Liquid Tax

73. As the taxation of e-cigarettes and novel products through the revision of the 2011 Tobacco Products Tax Directive has been delayed (the Department of Finance and Revenue's preferred approach to addressing this matter), the Minister for Finance announced in last year's budget that he wished to proceed with an e-cigarette tax this year. Department of Finance officials in conjunction with Revenue are currently working on the development of such a tax.

4.8.1 DUTY ON E-LIQUIDS

74. It has been argued that e-liquids may substitute for manufactured tobacco products by facilitating the intake of nicotine and consequently classifications should be included in legislation in order to ensure fair taxation on all nicotine and/or tobacco containing products. As these products are not included in the current EU legislative taxation framework, there are a variety of approaches to levelling duty across Member States. The most common tax base for e-liquids in EU Member States is the volume of liquid, applied either to all e-liquids or only to those containing nicotine. The tax rate in some Member States also varies according to the nicotine concentration in the e-liquid.

75. The Tobacco Products Directive legislates that e-liquids for sale in the EU do not contain nicotine in excess of 20 mg/ml. In jurisdictions where a duty applies, it is typically on the basis of a € rate per ml of e-liquid.

76. From an administrative perspective, a broad tax base is typically preferred as it reduces tax administration costs and allows increased revenue to be raised at lower rates. Due to the fragmented nature of the market and the potentially low return yields, self-assessment is deemed the most practical return method for such a tax and liability to pay the tax will fall at the earliest point in the supply chain.

77. Given the difficulties in determining whether e-liquids contain nicotine and the level of nicotine they may contain, it may be most effective to apply a tax to all e-liquids, regardless of nicotine content. This approach reduces the potential for tax avoidance and reduces the burden on tax authorities. A nicotine-based tax would be difficult to administer and enforce due to the availability of DIY mixtures and the ability to sell components separately.

78. Current rates applied by other EU Member States which tax e-liquids range from €0.10 to €0.30 per ml of e-liquid. The decision as to what rate to apply to the Irish tax will be a matter for the Minister for Finance to decide.

79. There are a number of issues which may arise due to implementing a domestic tax on e-liquids. As e-cigarette liquids are not harmonised excisable products, they do not come under the Excise Movement and Control System (EMCS), used by Revenue and other EU tax collection bodies for recording and monitoring the movement of excise goods within the EU. This means that they cannot be taxed in the same way that tobacco products are and consumers, retailers and suppliers would also be free to buy the product from other EU Member States and the UK with no import formalities. The EU Tobacco Products Directive provides that Member States may restrict cross-border distance sales of e-cigarettes, however this restriction only applies to products containing nicotine - nicotine-free products are outside the scope of the legislation.

80. Compliance is an area which will create a number of challenges for Revenue, particularly in the absence of a harmonised EU framework. Due to the size of the products concerned, and the fact that they are liquid-based, they are easily portable and may be difficult to detect from a customs perspective. The prevalence of the illicit e-liquid market, online sales and cross-border movement of products also create challenges. However, while the implementation environment is challenging, it does not undermine the argument for applying a tax as one tool in the overall public health policy approach to e-cigarettes.

81. The UK Government announced in their Spring Budget the intention to introduce a new excise duty on vaping products from 1 October 2026. A consultation on the design and implementation of the tax closed on 29 May 2024. They are proposing a more complex regime, which will have three rate bands, depending on the nicotine content of the product. There will be additional restrictions on flavours and disposable vapes will be banned from April 2025.

4.9 Budget Options

4.9.1 DUTY ON CIGARETTES AND RYO

82. The table below (which assumes no increase in the MED) indicates the effect of increasing various levels of duty on cigarettes (with pro rata increases on other tobacco products). It also indicates the additional yield from an additional 50% duty increase on RYO on top of the pro rata increase on RYO.

Table 12: Budget Options for Cigarettes and RYO

Increase (per pack of 20 cigs)	Yield (€m)	Additional for 50% on RYO (€m)	Total Yield (€m)
25c	19.6	0.9	20.5
50c	39.1	1.5	40.6
100c	77.4	2.9	80.3

Data source: Revenue[38]

83. Revenue have expressed the view that increases in excise may not lead to increased yields, as higher cigarette prices in Ireland could reduce demand due to greater incentives to purchase non-Irish duty paid tobacco products as well as to substitute the use of other products, such as e-cigarettes. Therefore, the above yield projections could be significantly affected by demand elasticity. The latest Illegal Tobacco Products Research Survey from 2023 indicates that over one third of cigarette packs consumed in the State are illicit or non-Irish duty paid. In recent years, the notable increases in the volume of products being consumed outside the scope of Irish excise duty raises concerns that price increases may be creating greater incentive for black market activity. These trends will be a key consideration in the context of any further tax increases, as there is a risk of a significant fall in Exchequer receipts over time.

[38] Data provided by Revenue in April 2024 and assumes no behavioural change.

5. Betting Duty

5.1 Background

84. This section reviews the current rates and structures of excise duty on betting, outlines the main policy considerations in this general area and sets out options for Budget 2025. Betting duty generated €102.7 million in revenue for the Exchequer in 2023.

85. Betting duty is chargeable on all bets placed by a person in the State with a licensed bookmaker at a bookmaker's registered premises, irrespective of the means by which a bet is placed. Betting duty is also chargeable on all bets placed by a person in the State with a licensed remote bookmaker by remote means. Licensed remote betting intermediaries are liable for betting intermediary duty on commission charged by them to persons in the State. Betting duty is applied as a turnover based tax in Ireland, whereby the tax charged is based on the amount of the bet placed by customers in the State. The purpose of betting duty is to raise revenues for the State and to account for the negative externalities generated from betting activities – that is, the social costs of problem gambling.

86. A Health Research Board report on gambling in Ireland published in 2022 found that while the incidence of problem gambling has fallen since previous research in 2014, approximately 135,000 lives are still being impacted. The survey found that problem gambling was particularly prevalent among those living in deprived areas and among those with substance abuse disorders.[39]

87. The Programme for Government committed to establishing a Gambling Regulator focused on public safety and wellbeing, covering gambling online and in person, and the powers to regulate advertising, gambling websites and apps. Consequently, the Gambling Regulation Bill 2022 was introduced. The Bill is currently progressing through the Houses of the Oireachtas and the provisions of the Bill are outlined further below.

5.2 Rates and Reliefs

88. There have been significant changes to betting duty rates over the last 25 years or so. They were reduced from 10% to 5% in 1999 and a series of further reductions took place in successive years until it stood at just 1% in 2006. In Budget 2019, the betting duty rate for retail and online operators was increased from 1% to 2% and

[39] D. Mongan, S.R. Millar, A. Doyle, S. Chakraborty and B. Galvin, 2022. Gambling in the Republic of Ireland: Results from the 2019-20 National Drug and Alcohol Survey.
https://www.hrb.ie/fileadmin/2._Plugin_related_files/Publications/2022_Publication_files/2022_Evidence_Centre/Gambling_in_the_Republic_of_Ireland_Results_from_the_2019-20_National_Drug_and_Alcohol_Survey.pdf

the duty for betting exchanges was raised from 15% to 25% of commissions earned on a bet. These increases came into effect on 1 January 2019.

89. There are long standing betting duty reliefs for on-course (horseracing and greyhound racing events) bets and for totalisator bets operated by or on behalf of Horse Racing Ireland and Rásaíocht Con Éireann. Budget 2020 introduced a further relief in the form of a tax credit of €50,000 available to all bookmakers and betting exchanges, to be applied on a single undertaking basis. The relief is considered "de minimis" aid for the purpose of EU State aid rules and the measure primarily benefits small independent retail bookmakers.

90. Betting activities are exempt from VAT under Article 135(1)(i) of VAT Directive 2006/112/EC.

5.2.1 RECEIPTS

91. A breakdown of betting duty receipts from 2019 to 2024 is provided in the table below.

Table 13: Breakdown of Betting Duty Receipts 2019-2024[40]

Year	Retail Betting (€m)	Online Betting (€m)	Betting Intermediary (€m)	Total (€m)
2018	28.9	21.7	1.8	52.4
2019[41]	51.9	40.6	2.5	95
2020	39	44.9	2.8	86.7
2021	24.4	60.5	4.2	89.1
2022	45.7	49.3	3.9	98.9
2023	47.5	51.3	3.8	102.7[42]
2024[43]	23.6	26.4	1.8	51.8

Data source: Revenue[44]

92. Betting duty receipts have almost doubled since the rate increases introduced in 2019. The retail betting market contributed approximately 46% of the total betting duty receipts in 2023.

93. Similar to the UK, the retail betting market in Ireland is highly concentrated with three firms holding the vast majority of licensed betting shops and potentially a significantly

[40] Betting Duty returns are submitted quarterly and receipts are collected in arrears.
[41] Change to rate of tax in-year.
[42] Please note this figure is subject to rounding
[43] Figure provided for year to date, 1 January – 30 April 2024.
[44] Data provided by Revenue in April 2024 and assumes no behavioural change.

greater share of retail betting turnover. Betting duty and betting intermediary duty is still overwhelmingly paid by a very small number of large firms.

5.3 Establishment of the Gambling Regulator

94. The Programme for Government included a commitment to establish a Gambling Regulator focused on public safety and wellbeing, covering gambling online and in person, and the powers to regulate advertising, gambling websites and apps. The Gambling Regulation Bill 2022 aims to reform and modernise the regulation and licensing of gambling in the State and to provide for the establishment of an independent body to be known as the Gambling Regulatory Authority of Ireland (GRAI).

95. The GRAI will be responsible for the prevention of gambling as a source of crime, the regulation and licencing of the industry and the promotion of safe and responsible gambling. The establishment of a National Gambling Exclusion Register and a Social Impact Fund will seek to offset the harms of problem gambling, with the Fund supporting research, information and treatment by health professionals.[45]

96. The Minister for Justice published the Gambling Regulation Bill on 2 December 2022 and the Bill is currently in its final stages in the Houses of the Oireachtas. There has been extensive engagement between the Department of Finance, Revenue and the Department of Justice on the Bill and work is ongoing in relation to transitional arrangements, definitions and required amendments to Finance legislation. Upon the establishment of the GRAI as licencing body, Revenue will lose the power to issue and charge for licences, but will retain responsibility for the collection of Betting Duty on bets.

97. Work is ongoing to ensure that there are appropriate transitional arrangements made for licensees, providing for a phased commencement of the GRAI's operations.

5.4 Budget Options

98. Overall, betting duty generates a modest amount of revenue for the Exchequer compared with the other excise taxes. It is clear however from the receipts table above that increasing the percentage rate from 1% to 2% has resulted in an almost doubling of receipts from 2018 to 2023. In their pre-Budget 2025 submission, the Irish Bookmakers Association (IBA) indicated that the introduction of the €50,000 relief in Budget 2020 has provided some respite for smaller operators in relation to the increased rate. However, it is acknowledged that as the relief applies on a single

[45] Department of Justice, 2021. Minister Browne provides update to Cabinet on the establishment of a Gambling Regulator. https://www.gov.ie/en/press-release/b6268-minister-browne-provides-update-to-cabinet-on-the-establishment-of-a-gambling-regulator/

undertaking basis, the impact of the measure reduces where a bookmaker or group has a number of different operations.

99. The betting sector have indicated previously that their business model is very sensitive to changes in betting duty, in particular the smaller bookmakers. Consequently, one option of an increase of 0.5%, with an accompanying increase in the amount of tax relief, is set out below.

5.4.1 INCREASE BETTING DUTY BY 0.5% WHILE SIMULTANEOUSLY INCREASING THE QUANTUM OF TAX RELIEF FROM €50,000 TO €65,000 PER FIRM

100. Increasing the betting duty rate by 0.5% is estimated to raise €25 million in a full year (betting duty is paid quarterly in arrears), while increasing betting intermediary duty commission by 5% to 30% would raise €800,000 in a full year.[46] These estimates are based on the betting market continuing as normal in 2024 and 2025 and take no account of behavioural changes, either amongst providers or consumers of betting services. It is understood the burden of such additional tax increases would mainly impact large bookmaking firms.

101. The previous betting duty increase was associated with the provision of the €50,000 relief. A proposal to simultaneously increase the betting duty tax relief from €50,000 to €65,000 per firm would principally benefit small independent retail bookmakers whose turnover is less than €2.5 million. Revenue have expressed concerns with increasing the betting duty relief amount, as amongst other things it would only benefit a very limited number of operators while adding to the State aid compliance challenge associated with the relief.

102. The table below provides an illustration of the impacts on three firms - with turnover levels of €5 million, €25 million and €750 million, respectively - with 2019 used as the comparison year, as that is the year when the 1% betting duty increase was applied.

[46] Revenue, 2023. Revenue Ready Reckoner – Post Budget 2024. https://www.revenue.ie/en/corporate/documents/statistics/ready-reckoner.pdf#page=26

Table 14: Comparison of Betting Duty Liability for Different Size Firms: 2019 vs 2024

2019	€m	€m	€m
Turnover	5.00	25.00	750.00
Betting Duty @ 2%	0.10	0.50	15.00
Budget 2025 Option	**€m**	**€m**	**€m**
Turnover	5.00	25.00	750.00
Betting Duty @ 2.5%	0.125	0.625	18.750
Less: Tax Credit	0.050	0.050	0.050
Betting Duty	0.075	0.575	18.7

Data source: Revenue[47]

[47] Data provided by Revenue in April 2024 and assumes no behavioural change.

6. Gender and Equality Implications

103. As mentioned at the outset the excise duties discussed in this paper try to account for the external societal cost resulting from the consumption of specific harmful products and ensure that such externalities are reflected in the market price. There will be a range of different views as to the impact of these taxation measures, however this paper does not consider there to be any gender specific implications.

104. It is acknowledged that indirect taxes tend to be more regressive than others, as those in lower income deciles tend to spend proportionately more of their income via indirect taxes than those in higher income deciles. However, the underlying health rationale behind these taxes means that there is a requirement to treat everybody in the same way, therefore there is not any scope for a differentiated tax approach.

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