

Europe *Poland*

Sugar and alcohol: new taxes coming soon

Introduction

The Polish parliament recently adopted a bill “amending certain acts in connection with the promotion of pro-health consumer choices” (the “Bill”). The Bill, which enters into force on 1 July 2020, imposes additional charges on alcohol sold in packaging smaller than 300 ml and soft drinks containing sugar.

The government’s aim is to counter obesity and alcohol addictions. Under the Bill, almost all of the sums raised will be redistributed to the National Health Fund and municipalities to fund education, prevention, psychiatric care and addiction treatments.

Although it’s commonly referred to as a “sugar tax”, the Bill imposes charges through an administrative fee. It will apply to the distribution of:

- alcoholic beverages – an additional fee for **wholesale permit** and;
- sweetened beverages – a fee for **introduction into the national market**.

Charge amounts

Alcoholic beverages		Sweetened beverages	
PLN 25	for every litre of 100% pure alcohol sold in packaging with volumes of up to 300 ml	Fixed fee	PLN 0.5 for every litre of beverage with added sugar or sweeteners within the meaning of Regulation (EC) no 1333/2008 of the European Parliament and of the Council
			PLN 0.5 for every litre of beverage with the addition of an active substance (caffeine or taurine)
		Variable fee	PLN 0.5 for every gram of sugar above 5g/100ml per litre of beverage

Fees will be charged at the moment of sale to retail outlets.

Exemptions

The following beverages are exempt from the new charges:

- medical devices;
- dietary supplements;
- foods for special medical purposes, infant formulae and follow-on formulae within the meaning of Regulation (EC) no 609/2013 of the European Parliament and of the Council;
- excise goods and;
- beverages whose primary ingredient is milk (or related products).

Additionally, beverages that contain at least 20% of fruit, vegetable or fruit-vegetable juice, as well as carbohydrate-electrolyte solutions within the meaning of Regulation (EC) No 432/2012, will be **exempted from the fixed fee**.

Comment

The Polish government based its proposal on similar taxes and charges that have already been introduced in other countries. The Bill was submitted to Parliament in February 2020 and will enter into force on 1 July 2020. Preparation time is therefore extremely limited and companies should take immediate steps to adjust their pricing policies.

Initially, this new legislation was also supposed to cover dietary supplements (and their advertising). However, the government eventually decided to exclude them from the Bill's scope. According to the Vice Minister for Health, these issues will be covered by a separate, larger amendment of laws concerning dietary supplements. As no draft bill has been published at this point, its details remain unknown. We will monitor government progress and inform on any new developments.



Agnieszka Majka
Senior Associate, Warsaw
T +48 22 529 29 69
agnieszka.majka@hoganlovells.com



Celina Bujalska
Associate, Warsaw
T +48 22 529 29 00
celina.bujalska@hoganlovells.com



Anna Wiktorow
Associate, Warsaw
T +48 22 529 29 14
anna.wiktorow@hoganlovells.com

