Tax Facts - Wine Equalisation Tax

Wine Equalisation Tax (WET) is a tax on wine levied at 29% of the taxable value of wine. The taxing point is the last wholesale sale, or a retail sale or application for own use (e.g. tastings) when there is no wholesale sale. The taxable value is the actual sale price (excluding WET and GST) for wholesale sales, or a notional equivalent value in the other situations.

WET affects wine manufacturers, wholesalers, and importers. Retailers do not have a WET liability unless they make their own wholesale wine. WET is paid as part of the entity's activity statement, the tax period is the same as the entity's tax period for GST (which may be monthly, quarterly or annually).

The producer rebate scheme entitles wine producers to a rebate of WET for up to $500,000 of domestic sales each financial year. There is a modified producer rebate scheme for New Zealand wine producers.

Generally, WET is included in the price that retailers such as bottle shops and restaurants pay when purchasing wine. The retailer is not entitled to claim back the cost of the WET, as the WET is built into the price the retailer pays and then passed on to the consumer.

WET applies to the following alcoholic beverages:

- grape wine (including sparkling and fortified wine, marsala, vermouth, wine cocktails, and creams)
- other fruit wines and vegetable wines (including fortified fruit and vegetable wines)
- cider and perry
- mead (including fortified mead) and sake

MORE: See the ATO web site for more information on Wine Equalisation Tax and for instructions on filling out the WET section of the Activity Statement.