

# Reduce the VAT on alcohol sold in pubs, says expert

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Alcoholic drinks served in pubs should be taxed at a lower level than drinks bought from shops, says an expert in this week's *BMJ*.

This action would deliver the health benefits associated with introducing a minimum price on [alcohol](#), increase tax revenue for the Treasury and save pubs says Dr Nick Sheron.

The author is head of clinical hepatology at the University of Southampton, a member of the Alcohol Health Alliance and an advisor for the 2010 House of Commons Select Committee Report on Alcohol.

Sheron says lowering VAT for alcohol sold in pubs would solve the plight of the struggling local pub and help tackle the consequences of [alcohol misuse](#) in the UK.

If, argues Sheron, the VAT policy that exists on take-away and eat-in food and drink was applied to alcohol but in reverse, then the minimum price on alcohol could be increased to deliver public health benefits. This move would also increase revenue for the Treasury and prices on drinks would not increase in the local pub.

In practice, VAT on alcohol sold in pubs would reduce from 20% to 12% but drinks sold in supermarkets would go up.

Alcohol misuse costs the UK around £20bn - £55bn every year and is linked to 30,000 - 40,000 deaths and 863,300 hospital admissions, says

Sheron. He adds that minimum pricing would reduce these figures. He refers to a Department of Health study where 30p minimum price per unit would prevent 300 deaths, 40p around 1000 deaths and 50p more than 2000 deaths.

Provided by British Medical Journal

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