

Voluntary Report – Voluntary - Public Distribution

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Report Name: Update to Japan's Liquor Tax

Country: Japan

Post: Tokyo ATO

Report Category: Beverages, Exporter Guide, Food Processing Ingredients, Food Service - Hotel Restaurant Institutional, Retail Foods, Product Brief, Promotion Opportunities, Wine

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Report Highlights:

This report highlights the harmonization of specific liquor taxes on alcoholic beverages that took effect on Oct.1st, 2024. U.S. exports of these products are not directly affected, but exporters should be aware of these changes. Japan also imposes a 10 percent consumption tax on all alcoholic beverages, which continues to be a consideration for price-conscious consumers. It and may affect preferences for less expensive domestic options vs. imported alcoholic beverage products, that typically demand premium pricing.

New liquor tax rates for beer and hard cider took effect on October 1, 2024, and further revisions are expected in October 2026. Tariffs on U.S. wine are also scheduled to be removed in April 2025.

Japan’s liquor taxes on beer are far more expensive than many other countries. Japan’s beer market has several different product categories for which different liquor tax rates apply, and major Japanese breweries have developed beer-flavored products to take advantage of lower tax classifications.

Japan’s Government consolidates both liquor tax rates for malt beer, low malt beer and beer flavored liquors, as well as unifying all such products in one tax category under the name of “beer flavored effervescent alcoholic beverages” in 2026. In addition to these liquor taxes, all alcoholic beverages are subject to a ten percent general sales tax.

Hard cider faces challenges given its tax classification. Because hard cider’s alcohol content is less than ten percent, it is currently taxed at a lower rate than wine. This is despite similarities in production and consumption. In 2024, and moving forward, taxes on hard cider, will increase, regardless of alcohol content, going from JP¥80,000 to JP¥100,000 per kiloliter in 2026.

The liquor tax rate on wine of ¥100,000 has been unified with Japanese sake since 2023.

Timetable of Japan Liquor Tax Revision in 2025 and 2026

Liquor taxes per kiloliter Category\Effective Date	Current Since Oct/1/2024	Last Stage (#3) From Oct/1/2026
Beer - (beer flavored effervescent alcoholic beverages)	¥181000 (\$1,207)	¥155,000 (\$1,034)
Happoshu (beer flavored effervescent alcoholic beverages with other ingredients) - malt contents more than 50%	¥181000 (\$1,207)	
Happoshu – (low malt beer) malt contents not less than 25 % and less than 50%. Alcohol content less than 10%	¥155,000 (\$1,034)	
Happoshu – (low malt beer) malt contents less than 25 % Alcohol content less than 10%	¥134,250 (\$895)	

Other effervescent alcoholic beverages - no hop or bitter agent used. (beer flavored liquors) This includes <u>Hard Cider</u> , ChuHai (mix of spirits and soda water).	¥80,000 (\$534)	¥100,000 (\$667)
Non-sparkling low alcohol sprits: Cocktail. Alcohol content: less than 11%	¥80,000 (\$534)	¥100,000 (\$667)
Brewed Alcoholic Beverages: Wine & Sake	¥100,000 (\$667)	

Note: Exchange rate ¥150 per \$US

Import Duty for U.S. Beer, Hard Cider

The Japan government abolished import duties for beer, as per terms of the World Trade Organization (WTO) agreement in 2002.

Timetable for Import Duty: U.S. Beer and Hard Cider

Duty	HS Code	Import Duty - Current from Apr/1/2024	Import Duty from Apr/1/2025
Beer	2203.00-000	Free	
Hard cider	2206.00-221	¥27/liter	

Import Duty for U.S. Wine

The U.S. - Japan Trade Agreement (USJTA) entered into force on January 1, 2020. In this agreement, Japan committed to provide substantial market access for the United States by phasing out most tariffs, enacting meaningful tariff reductions. Following implementation of USJTA, the U.S. wine products imported to Japan will be duty free in 2025.

The [full text of the agreement](#) and [factsheets](#) are available on the U.S. Trade Representative (USTR) website.

Timetable for Import Duty: U.S. Wine

Duty	HS Code	Import Duty - Current from Apr/1/2024	Import Duty from Apr/1/2025
Sparkling wine	2204.10-000	¥17.33/liter	Free
Wine - in containers holding less than 2 liters but not more than 10 liters.	2204.21-020	1.4% or ¥125/liter, whichever is the less	Free

Consumption Tax (Sales Tax)

Japan's Government increased the consumption tax rate from 8 percent to 10 percent in October 2019. The ratio of total taxes as a percentage of the final price will be marginally reduced for high malt U.S. craft beers after the liquor tax review in 2026.

Attachments:

No Attachments.