

**WRITTEN QUESTION TO THE MINISTER FOR TREASURY AND RESOURCES
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QUESTION SUBMITTED ON TUESDAY 6th MAY 2025
ANSWER TO BE TABLED ON WEDNESDAY 14th MAY 2025**

Question

“Will the Minister state the rate of excise duty and GST paid on –

- (a) 1 litre of fuel;
- (b) 1 packet of 20 cigarettes; and
- (c) 1 standard bottle of wine;

and will she include, if available to her, how these rates compare to similar charges in the UK?”

Answer

(a) 1 litre of fuel

For the year beginning 1 January 2025, the rate of excise duty paid on 1 litre of regular unleaded petrol or diesel in Jersey is 64 pence. GST is charged at 5% on the product price inclusive of duty, which will vary by location and over time, reflecting changes in oil prices and supplier costs. For example, if the price at the pump is £1.45, this includes 7 pence GST (Table 1).

The UK has currently implemented a temporary fuel duty cut of 5 pence per litre, expiring on 22 March 2026, which lowers fuel duty on regular unleaded petrol or diesel from 58 pence to 53 pence per litre. While this duty rate is lower than Jersey’s, the UK charges VAT at 20%. As a result, for the same underlying pre-tax price (for example, 74 pence per litre—the median price as of 9 May 2025), the total tax and pump price in the UK would be higher than in Jersey (Table 1).

Table 1: Duty and GST/VAT breakdown of a litre of regular unleaded petrol or diesel, Jersey vs UK

	Jersey	UK
Total retail price at pump (per litre)	£1.45	£1.52
of which:		
Pre-tax retail price	£0.74	£0.74
Fuel duty	0.64	0.53
GST/VAT	0.07	0.25

Note: Differences in pre-tax retail prices between jurisdictions may arise due to factors such as shipping costs, market size, and the level of competition. Prices in Jersey may be higher than the UK for reasons other than tax.

(b) 1 packet of 20 cigarettes

The excise duty on cigarettes imported to Jersey for retail is calculated according to the manufacturer-declared weight of tobacco, set at a rate per kilogram. Tobacco content varies greatly per cigarette by manufacturer and brand. GST is charged at 5% on the product price inclusive of duty, which will vary by

manufacturer, brand and retailer. For example, if the underlying pre-tax price of a pack of 20 cigarettes in Jersey is £4.50 (based on average prices as of 9 May 2025), tobacco duty at the spot rate would be £10.52 and GST would be £0.75, for a total retail price of £15.77 (Table 2).

In the UK, tobacco duty uses a more complex formula that has a fixed (specific) duty rate per pack as well as an ad valorem component of 16.5% of the recommended retail price. This is subject to a minimum specific rate of duty per pack of £8.93. For comparison purposes, if we assume pricing that incurs the minimum amount of tax on a pack of cigarettes in the UK, the same pre-tax retail price of a packet of cigarettes of £4.50 would give rise to £8.93 of tobacco duty and £2.69 of VAT, for a total retail price of £16.50.

Table 2:Duty and GST/VAT breakdown of a packet of 20 cigarettes, Jersey vs UK

	Jersey	UK
Total retail price of 20 cigarettes	£15.77	£16.50
Of which:		
Pre-tax retail price	£4.50	£4.50
Tobacco duty	10.52	8.93
GST/VAT	0.75	2.69

Note: Differences in pre-tax retail prices between jurisdictions may arise due to factors such as shipping costs, market size, and the level of competition. Prices in Jersey may be higher than the UK for reasons other than tax.

(c) 1 standard bottle of wine

For the year beginning 1 January 2025, the rate of excise duty paid in Jersey on a 750 ml bottle of wine between 5.5% and 15.0% ABV is £1.76. Typically, wine falls between 11% and 15% ABV. GST is applied at 5% of the product price inclusive of duty, which will vary by bottle.

Alcohol duty in the UK is calculated equally for all alcoholic beverages by the percentage of alcohol by volume (in contrast to the broader band on wine in Jersey) and will vary between £2.35 for an 11% wine and £3.21 for a 15% wine. Below compares taxes in both jurisdictions on a bottle of £10 pre-tax wine of 14% strength (a stylised example as there is no “average” bottle of wine).

Table 3:Duty and GST/VAT breakdown of a standard bottle of 14% wine, Jersey vs UK

	Jersey	UK
Total retail price 750ml 14%	£12.35	£15.59
Of which:		
Pre-tax retail price	£10.00	£10.00
Alcohol duty	1.76	2.99
GST/VAT	0.59	2.60

Note: Differences in pre-tax retail prices between jurisdictions may arise due to factors such as shipping costs, market size, and the level of competition. Prices in Jersey may be higher than the UK for reasons other than tax.