



Tobacco taxation

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France

The price paid for a pack of cigarettes in France (about **10€** for a pack of 20 cigarettes) is broken down into 3 parts :

- Cost share for the manufacturer = **10%**
- Cost share for the distributor = **6%**
- Taxes share for the state = **84%**

(20% VAT)

- **Total Revenue 2020: 18 billion €/year**
- **Total Cost** (for smoking related care): **26 billion €/year**
- **Total social cost**: Evaluated at about **120 billion €/year** (Alexandre Kopp Paris Sorbonne stone)

→ In order for tobacco not to cost anything to society (social level), a pack should cost **40 to 50 euros**.

Spain

- Data and analysis in this report includes:
Cigarettes
Cigars, Cigarillos and Smoking Tobacco
Smokeless Tobacco, E-Vapour Products and Heated Tobacco
- Revenue in the Tobacco Products market : 12,365m€
- Economic cost of smoking in Spain: 20,773€ million euro.
This includes direct costs related to healthcare expenditures and indirect costs related to lost productivity due to early mortality and morbidity.

Total Cost: 8,408€



Ranked #14 of highest duty
in the EU

As of March 2020	Excise Duty		Total Tax (Excise Duty and VAT)		Weighted Average Retail Sale Price (Including Excise Duty and VAT)		Tax as a Share of the Weighted Average Retail Sales Price
Spain (ES)	€2.81	\$3.15	€3.60	\$4.03	€4.55	\$5.09	79.2%



Ireland

- Total tax (Excise Duty and Vat) of a 20-cigarette box is: **€10.64** (July 2021)
 - Bringing the average price per box to €14
 - Rolling tobacco pouch (30g) costs anywhere between €19.40 - €25.00
 - With the average cost of tax per pouch being **€16.00**
 - Chewing Tobacco and Cigars are also taxed high but aren't as common
 - Chewing: N/A
 - Cigars: **€434.496** p/Kg
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Costs In Ireland

- Taxes on tobacco raised **€1.201 billion** (2020)
- The total cost to the health service is estimated to be **over €460 million.** (2016)
- The total estimated cost of lost productivity is over **€1 billion.** (2016)
 - productivity lost through: smoking breaks, absences from work and the premature death of employees
- Costs tax payers **€2 billion** (2013) a year for healthcare of smokers. (**€2,000 for every smoker** in the country)
 - less than **€15 million** annually is spent trying to help smokers quit.

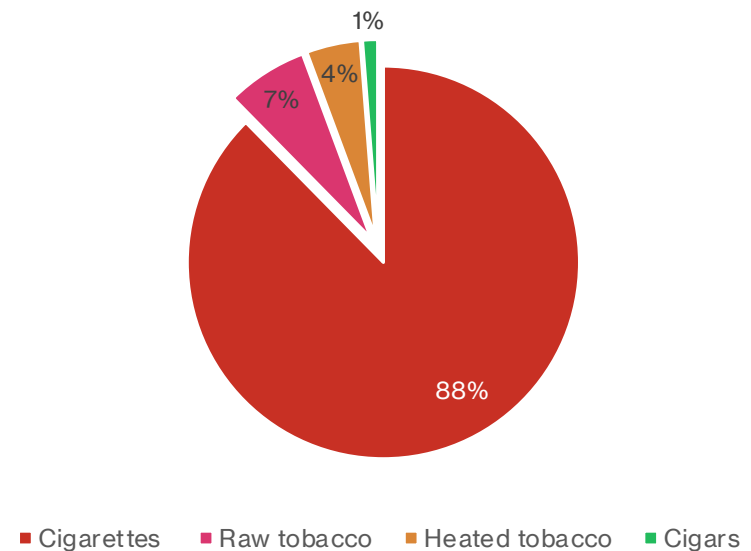
Italy

The Italian government tries to decrease the number of smokers and protect the non-smokers through a series of law:

- **2003**: ban on smoking in all **closed spaces**
- **2013**: ban on smoking in areas pertaining to **educational institutions**
- **2016**: ban on smoking near **hospitals** and inside the **vehicle** in the presence of minors and pregnant women
- **DRAFT LAW**: ban on smoking in **all outdoor spaces**

The retail price of manufactured tobacco is set by the Italian **Customs and Monopolies Agency** on cigarettes, cigars, fine-cut tobacco, snuff and chewing tobacco, and tobacco for inhalation without combustion and it is not at all homogeneous.

Sales of tobacco products in 2019



The different regimes for tobacco products:

The annual revenues for tobacco duties settles around **14 billion euros**, but the expenses incurred by public health to treat tobacco-related diseases (*TABAGISMO* in Italian) reach about **50% of this income**. Let's see the different regimes:

The price of tobacco products is calculated applying:

- Excise duty
- VAT (in Italy 22%)
- Commission to the reseller
- Quota to the supplier



Tobacco duties for different products:

- Cigarettes: 59,8%
- Fine-cut cigars: 59%
- Tobacco for inhalation without combustion: **35%***
- Snuff and chewing tobacco: 25,28%
- Cigars: 23,5%

*since the beginning of the pandemic 500k individuals have converted to electric cigarets. This category represented 30% of the overall tobacco products sales in 2021, and it is forecasted to be 35% in 2022 and 40% in 2023.

An aerial photograph of a coastal town, likely in the Caribbean, showing a sandy beach, turquoise water, and a dense residential area with red-roofed buildings. A road runs along the coast. The image is used as a background for the presentation slide.

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- **We are an island in a climate that can grow tobacco**
 - **Between 20° and 30° C, with moderate rainfall.**
- **Extremely high tax on imported, factory made cigarettes/tobacco**
 - **Want to push use of our pouches of rolling tobacco**
 - **70% Import duties with 30% VAT once in the country**
- **As rolling tobacco is healthier than pre rolled cigarettes this should reduce our social and economic costs**



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Implementing average tax on our tobacco (**45%**), but adding extra duties on rolling papers and filters. In this way:

- Less people will buy factory made cigarettes, as they're more expensive.
- Most will buy home grown rolling tobacco (less taxed than regular cigarettes) but will then have to buy papers and filters at higher prices (extra duties apply).

Consequently:

- National production is favoured
- State revenues remain high thanks to the duties on rolling papers and filters