

The background of the slide features a close-up, slightly blurred view of several cigarettes with white filters and yellow-tipped ends. In the lower right corner, a portion of a US one hundred dollar bill is visible, showing the portrait of Benjamin Franklin. The overall composition suggests a link between tobacco consumption and taxation.

# Tobacco Tax

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# Introduction

Tobacco taxes about :

Cigarettes

Cigars

Little cigars

Rolling tobacco



4 types of tobacco taxes :

Excise taxes

Value added tax

General sales taxes

Import duties



## Problem & goal

- A change in tobacco taxes :
- affects consumers' behaviour like young people who are sensitive to prices
- Impacts revenue
- It's Important to establish a tax plan according to your positioning about tobacco :
- In favour of tobacco with low taxes
- Against with very high taxes
- In favour of cigars with low taxes on cigars but against cigarettes with high taxes and barriers



**VS**





## USA vs. France

How the tax affects revenue and how the tax affects other's behaviors ?

	Price/pack	Tax rate per pack	Revenue	Costs
France	€ 7,50	6,02 €	7€ billion	47€ billion per year (with 18€ billion for health expenses only)
New York (USA)	\$ 12.85 € 12,04	\$ 4.35 € 4,08	\$15.5 billion for the US Government	\$300 Billion in medical care in result of tobacco consumption in the US
North Carolina (USA)	\$ 5.45 € 5,11	\$ 0.45 € 0,42		

# USA vs. France

## United States

Smoking Tobacco

Excise Tax (Indirect tax)

Sales Tax

Smokeless Tobacco

Ad Valorem (Percentage of price)

Excise Tax (Weight)

## France

Value Added Tax or VAT

Sales Tax





## ESSCA Land Tax

Specific excise tax on all tobacco products: 0.90€ per 20 grams of tobacco.

Ad valorem excise tax:

- Per pack of 20 cigarettes: 65%
- Per cigars: 13%
- Per cigarillo: 26%
- Per kilogram of rolling tobacco: 32.5%

Tax on the turnover of tobacco producers: 2%

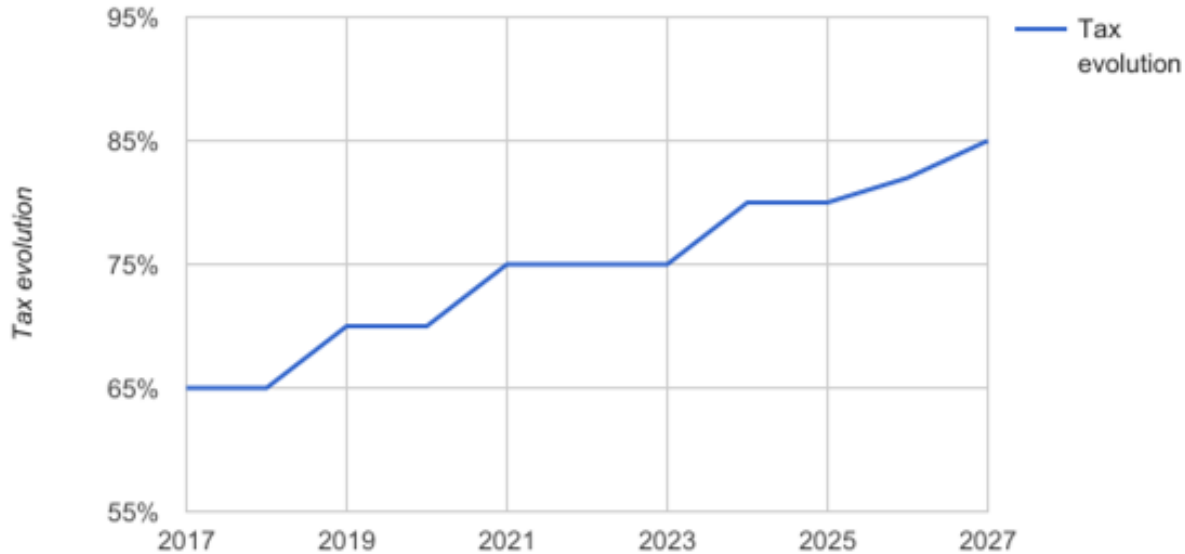
Example: 1 pack of cigarettes (roughly 20 grams of tobacco) sold for 7.50€ → 0.90€ + 65% of 7.50 = 5.775€ of excise taxes  
(= 77% of the final consumer price).

Import barrier on foreign tobacco products : 30%

# ESSCA Land Tax

→ A long term tax increase plan based on the “How to boil a frog” syndrome.

**Tax evolution**





Thank you !