

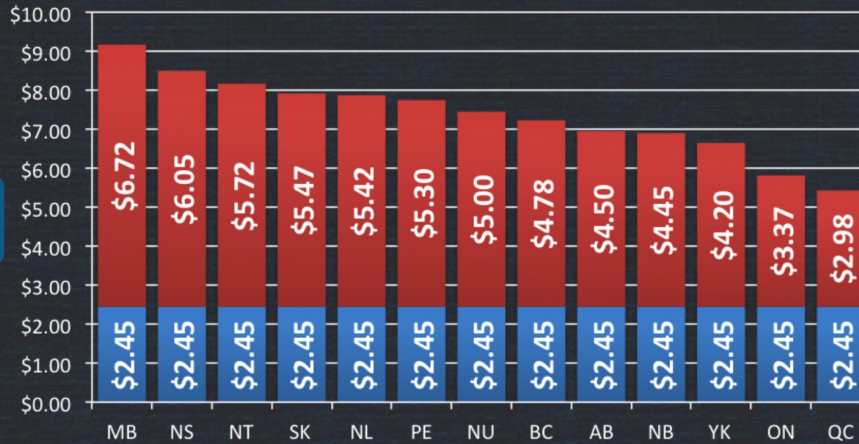
# Tobacco Taxation

In Canada, tobacco is taxed federally and provincially.

Tax rates vary by province.



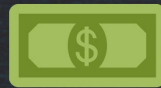
Ontario has the 2nd lowest tax rates in Canada at \$5.82 per pack...



Taxes may seem high, but...

Price is the **MOST** effective way to reduce **SMOKING**

an increase



in price

will

- deter youth from starting
- prevent former smokers from restarting
- reduce consumption

19,526



1 pack = 1,000

This many packs of cigarettes wouldn't be smoked per day if there was just a 10% increase in taxes.

That's 390,520 cigarettes every day.

In Ontario, a 10% tax increase would be 58 cents per pack of 20.

Research shows that for every 10% increase in tax, there is a 4% reduction in cigarette consumption - this number is higher in youth and young adults.

The tobacco industry wants you to think that an increase in taxes will drive the illegal Contraband trade.

Ontario and Quebec have the lowest tobacco taxes among all provinces in Canada, yet the number of consumers of contraband tobacco is the largest in these two provinces.

The use of contraband tobacco has been decreasing while taxes have increased slightly.

Tobacco taxation is an effective way to reduce tobacco use and to increase government revenues.

The revenues from tobacco tax can offset the heavy costs of healthcare used to treat tobacco related illnesses.

Taxation isn't always such a bad thing.



Sources:

[http://otru.org/wp-content/uploads/2015/02/special\\_tax\\_contraband\\_final.pdf](http://otru.org/wp-content/uploads/2015/02/special_tax_contraband_final.pdf)  
[http://www.nsra-adnf.ca/cms/file/files/SHAF\\_Prohibitive\\_pricing\\_fact\\_sheet\\_March\\_2015\(1\).pdf](http://www.nsra-adnf.ca/cms/file/files/SHAF_Prohibitive_pricing_fact_sheet_March_2015(1).pdf)  
 FJ Chaloupka, A Yurekli, GT Fong, "Tobacco taxes as a tobacco control strategy," Tobacco Control 2012