

# TAX FACT SHEET

## TOBACCO TAX

► Tobacco tax is collected on the sale of most cigarettes, fine cut tobacco and cigars

► Tobacco tax is levied on each cigarette or gram of fine cut tobacco whereas tax on cigars is based on a percentage of the purchase price.

► A reduced rate of tobacco tax is provided in the Labrador Border

Zones area (Labrador City, Wabush and the south Coast of Labrador) to reduce cross border shopping in those areas.

► High tobacco prices discourage smoking, and are especially effective in preventing youth from taking up the habit, however, higher tobacco prices also encourage the purchase of contraband products.

► Concerns for public health must be weighed with the potential for increasing the demand for contraband product.

► A consumer would pay \$122.46 for a carton of cigarettes in Newfoundland compared to \$129.85 in Nova Scotia, \$116.13 in New Brunswick and \$130.90 in Prince Edward Island. These costs are based on the average price of a carton of cigarettes compiled by the Smoking and Health Action Foundation as of July 2017. ([www.nsra-adnf.ca](http://www.nsra-adnf.ca))

Price per Carton of Cigarettes



Source: *Smoking and Health Action Foundation*

### Tobacco Tax Rates January 1, 2018

	Cigarettes (Cents/Cig)	Fine Cut Tobacco (Cents/Gram)	Cigars (% of Retail Price)
NL	24.5	40.0	125
PE	25.0	21.5	71.6
NS	27.52	26.0	60
NB	25.52	25.52	75
QC	14.9	14.9	80
ON <sup>(1)</sup>	16.475	16.475	56.6
MB	29.5	28.5	75
SK	27.0	27.0	100
AB	25.0	37.5	129
BC <sup>(2)</sup>	23.9	23.9	90.5

(1) In 2018 and 2019 tobacco taxes will be increased by an additional 2 cents per cigarette or gram of tobacco each year.

(2) Rate is to increase to 24.7 cents per cigarette and gram of fine cut tobacco at a date to be announced.