

Excise duty: structure and rates applied on manufactured tobacco

2008/0150(CNS) - 24/03/2009 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted by 525 votes to 103, with 45 abstentions, a legislative resolution amending, under the consultation procedure, the proposal for a Council directive amending Directives 92/79/EEC, 92/80/EEC and 95/59/EC on the structure and rates of excise duty applied on manufactured tobacco.

The main amendments are as follows:

Cigarettes: MEPs consider that, in the internal market, the minimum level should be specified only as a fixed amount per each unit of tobacco. Therefore, by 1 January 2012, Member States shall ensure that excise duty shall not be less than EUR 64 per 1 000 cigarettes for all types of cigarettes. As from 1 January 2014, all the Member States shall ensure that excise duty on all categories of cigarettes shall not be less than EUR 75 per 1 000 cigarettes or EUR 8 more than the level of 1 January 2010.

Member States in which the excise duty applied on 1 January 2009 for any retail selling price category is higher than EUR 64 per 1 000 cigarettes shall not reduce their level of excise duty.

Transparency: the Commission shall calculate and publish, for purposes of information, the EU floor price for cigarettes, expressed in euros or another national currency, adding the excise duty and VAT levied on a nominal packet of cigarettes of a value of EUR 0 pre-tax.

Fine-cut smoking tobacco: the amended text provides that, as from 1 January 2014, Member States shall apply an excise duty on fine-cut smoking tobacco intended for the rolling of cigarettes of at least EUR 50 per kilogram or 6% more than the level of 1 January 2012. As from 1 January 2012, Member States shall apply an excise duty on fine-cut smoking tobacco intended for the rolling of cigarettes of either at least EUR 43 per kilogram or 20% more than the level of 1 January 2010.

Tobacco prevention: an amendment aims to align tobacco prevention policies as outlined in Council Recommendation 2003/54/EC with Directive 95/59 in order to improve tobacco control. It provides that the directive may not hinder implementation of national systems regarding the implementation by a Member State's competent authority of appropriate threshold price measures applicable to all tobacco products, in the context of that Member State's public health policy, in order to discourage tobacco consumption, especially by the young, provided that they are compatible with Community legislation.

Specific component of the excise duty: according to MEPs, by fixing the minimum and the maximum share of the specific component of the excise duty at 10% and 55% of the amount of the total tax burden, respectively, they can fulfil two objectives: (1) to achieve a moderate convergence of the excise structure; and (2) to maintain the two component excise duty in all the Member States and avoid the change in the competitive situation between cigarette producers.

MEPs added that the specific component of the excise duty shall not be less than 10% as from 1 January 2014 and shall not be more than 60% of the amount of the total tax burden resulting from the aggregation of the specific excise duty and the proportional excise duty and the value added tax levied on the weighted average retail selling price.