

Excise duty: structure and rates applied on manufactured tobacco

2001/0063(CNS) - 22/01/2002

The committee adopted the second report by Giorgos KATIFORIS (PES, GR) on the Commission proposal (the first report was referred back to committee in November 2001 - see previous summary). In a spirit of compromise, the committee endorsed the Commission's proposed rate of 57% of the retail sale price and sought to introduce an element of flexibility by proposing a reduced rate of EUR 60 for 1000 cigarettes (as opposed to the Commission's proposal of EUR 70 for 1000), coupled with the alternative option of allowing the Member States to charge 71% of the retail sale price. The committee argued that the Commission's proposal would lead to discriminatory prices in certain Member States, cause dramatic increases in the applicant Member States and lead to an increase in cigarette smuggling. It therefore wanted to allow the Member States to choose the most appropriate method suited to their needs. Other amendments concerned the definition of cigars and cigarillos and emphasised the need for the Commission to come up with proposals to tackle cigarette smuggling.