

Tobacco Tax Rate Increase June 22, 2009

Effective at midnight tonight, Monday, June 22, 2009, tobacco tax rates will be raised by \$0.05/unit in Nova Scotia.

This is an important revenue generating initiative that will provide an estimated \$21.9 million more in 2009-10 to fund programs and services for Nova Scotians.

Tobacco tax rates are legislated under the *Revenue Act*. Rates are currently set at \$0.1652 for cigarettes and tobacco sticks (the equivalent of \$33.04 for a carton of 200 cigarettes), \$0.15 per gram of fine cut tobacco, and fifty-six per cent of the retail selling price for cigars.

New rates will be set at \$0.2152 per cigarette and tobacco stick (an increase of \$10.00 per carton of 200), and \$0.20 per gram of fine cut tobacco.

This tax rate increase is in keeping with the Province's Tobacco Control Strategy to decrease smoking rates in Nova Scotia. Higher taxes on tobacco products help to reduce consumption.

Amendments to the *Revenue Act* to effect the tobacco tax increase will be made as quickly as possible.

Tobacco tax rates were last increased in Nova Scotia in 2007. The rate of increase was \$0.01 per unit.