

Budget 2009



BN85

22 April 2009

TOBACCO PRODUCTS DUTY: RATES

Who is likely to be affected?

1. Tobacco manufacturers and importers of tobacco products (i.e. cigarettes, cigars, hand-rolling tobacco, other smoking tobacco and chewing tobacco).

General description of the measure

2. Legislation will be introduced in Finance Bill 2009 to increase the rates of duty on tobacco products imported into, or manufactured in, the United Kingdom. The changes will represent an increase of 2 per cent on the current duty levels.

Operative date

3. The rate increase will have effect on and after 6pm on 22 April 2009.

Current law and proposed revisions

4. The rates of duty are:
 - cigarettes: an amount equal to 24 per cent of the retail price plus £114.31 per thousand cigarettes;
 - cigars: £173.13 per kilogram;
 - hand-rolling tobacco: £124.45 per kilogram; and
 - other smoking tobacco and chewing tobacco: £76.12 per kilogram.
5. An amendment will be made to the table of rates of duty in Schedule 1 to the Tobacco Products Duty Act 1979, as last substituted by section 6 of the Finance Act 2008.

Further advice

6. If you have any questions about this change, please contact the National Advice Service on 0845 010 9000. Information about Budget measures is available on the HM Revenue & Customs website at www.hmrc.gov.uk