

# 2008 Pre-Budget Report



PBRN27

24 November 2008

---

## ADJUSTMENTS TO AMOUNTS OF TOBACCO DUTY PAYABLE

---

### Who is likely to be affected?

1. 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. The rate of ad valorem duty on cigarettes imported into, or manufactured in, the United Kingdom will be increased to 24 per cent. The specific duty will be unchanged at £112.07 per thousand cigarettes.
3. The rates of duty on other tobacco products imported into, or manufactured in, the United Kingdom will be increased by 4 per cent.

### Operative date

4. This measure will have effect from 6pm on 24 November 2008.

### Current law and proposed revisions

5. Rates of duty on tobacco products are set out in the Tobacco Products Duties Act 1979 and amended in the Finance Bill. The Act additionally provides for the amount of tobacco excise duty payable to be increased or decreased by up to 10 per cent for a period not exceeding one year by secondary legislation.
6. A Treasury Order has been laid before the House of Commons today providing that, as of 6 pm on 24 November, amounts of tobacco excise duty payable will be increased by 4 per cent on products other than cigarettes and the ad valorem duty on cigarettes will be increased from 22 per cent to 24 per cent.

7. As a result of this Order, the effective rates of duty on tobacco products will be:
- cigarettes: 24 per cent of the retail price plus £112.07 per thousand cigarettes;
  - hand-rolling tobacco: £122.01 per kilogram;
  - cigars: £169.74 per kilogram;
  - other smoking tobacco and chewing tobacco: £74.63 per kilogram.

**Further advice**

8. If you have any questions about this change, please contact the National Advice Service on 0845 010 9000. Information about Pre-Budget Report measures is available on the HM Revenue & Customs website at [www.hmrc.gov.uk](http://www.hmrc.gov.uk)