

GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE
RAJYA SABHA
UNSTARRED QUESTION NO-2299
ANSWERED ON – 16.03.2021

TAX BURDEN FOR TOBACCO PRODUCTS

2299 Shri K.T.S. Tulsi:

Will the Minister of **Finance** be pleased to state:
the present tax burden for all tobacco products in India and that prescribed by WHO for tobacco products and the details thereof?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI ANURAG SINGH THAKUR)

The tax burden on tobacco products includes GST, Compensation Cess, Excise Duty and NCCD. The tax incidence on tobacco products is as follows:

Product	Excise Duty	NCCD	GST	Compensation Cess
Cigarettes	From Rs 5 per thousand to Rs 10 per thousand based on length	From Rs200 per thousand to Rs735 per thousand based on length	28% ad valorem	From (5% ad valorem in addition to Rs.2076 per thousand specific duty) to (36% ad valorem in addition to Rs.4170 per thousand specific duty) based on length
Bidi	From paisa 5 per thousand to paisa 10 per thousand	From Rs1 per thousand to Rs2 per thousand	28% ad valorem	Nil
Smokeless tobacco and other manufactured tobacco	Nil to 1% ad valorem	Nil to 60% ad valorem	28% ad valorem	Nil to 290% ad valorem on different products
Unmanufactured tobacco	Nil	Nil	28% ad valorem (except tobacco leaves at 5%)	Nil to 71% ad valorem on different products

WHO has not prescribed any rate on tobacco products but recommends a share of tax as 75% of the retail price of tobacco.
