TAX ON TOBACCO PRODUCTS

2147 Shri Tiruchi Siva:

Will the Minister of Finance be pleased to state:
(a) whether Government is of the view that increasing taxes on tobacco products can reduce the consumption;
(b) if so, the steps taken in this regard;
(c) whether Government has carried out any studies to determine that increasing prices of tobacco products reduce the consumption; and
(d) if so, the details thereof?

ANSWER

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE
(SHRI PANKAJ CHAUDHARY)

(a) and (b): Tax and Price Policies are recognized to be effective means of influencing the demand for tobacco products. The Central Excise Duty is reviewed periodically as a part of Union Budget taking all relevant aspects into account

(c) and (d): In the year 2015, the Report on Tobacco Taxes in India: An Empirical Analysis was commissioned by Ministry of Health & Family Welfare, Government of India, supported by WHO Country Office for India and developed by Institute for Studies in Industrial Development and Public Health Foundation of India.

*****