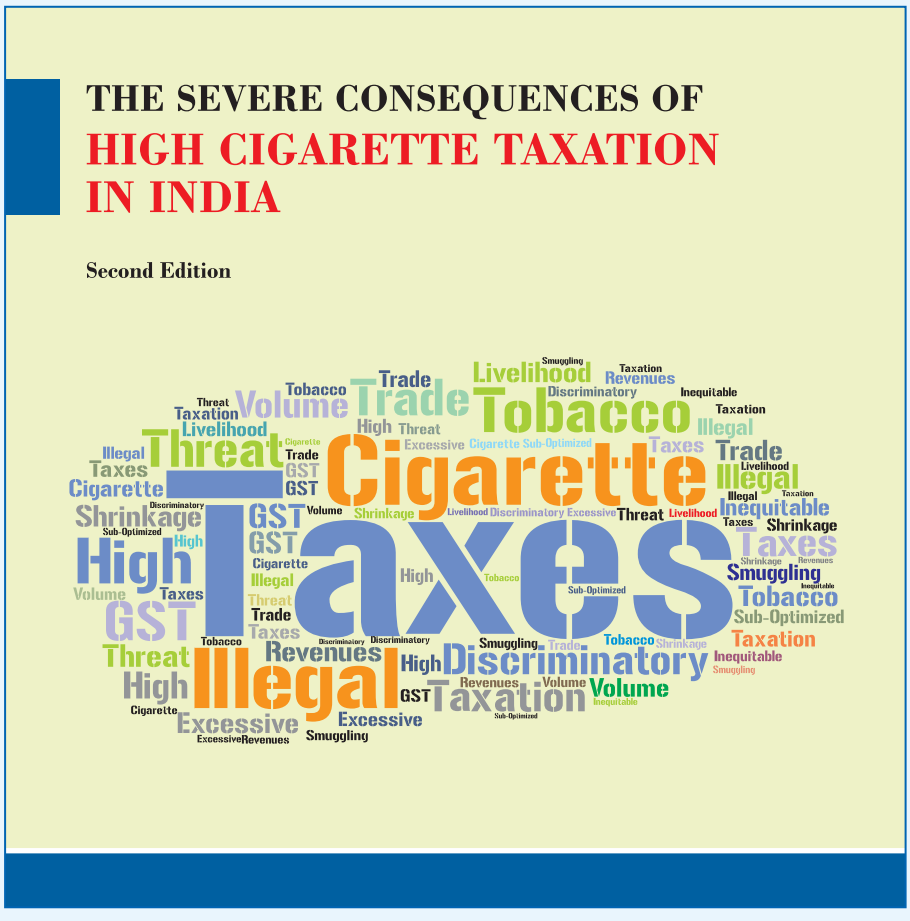
IN FOCUS

The Severe Consequences of High Cigarette Taxation in India

The Tobacco Institute of India (TII) brought out Second Edition of its publication "*The Severe Consequences of High Cigarette Taxation in India*". The Second Edition of the Publication presents more recent data and updated information on Cigarette Taxation in India.

This TII Publication attempts to provide an insight into the high and discriminatory nature of Tobacco Taxation in India and its serious consequences on the domestic legal cigarette industry, tax revenues and tobacco farmers in the country.

Through this new publication, TII makes the following observations with regard to Tobacco taxation in India:



- Tobacco taxation in India is high and discriminatory towards cigarettes
- Cigarette taxes in India are amongst the highest in the world
- Cigarettes are least affordable in India
- Current Policy framework encourages illicit cigarettes and consumption of cheaper tobacco forms
- High cigarette taxes are fuelling unabated growth in illegal cigarette trade leading to sub-optimization of Government revenues
- Shrinking legal cigarette volume is threatening tobacco farmers' livelihood
- Equitable taxation will help widen the tobacco tax base