

Tobacco taxes paid by smokers

Canadian tobacco taxes range from \$54 to \$83 dollars per carton of 200 cigarettes

Excise taxes on tobacco products are applied by all provincial and territorial governments, as well as by the federal government. The rate of tax varies across the provinces, as does the practice of applying additional sales taxes to these products.¹ In 2019, the federal government applied a tax of \$24.38 to each carton of cigarettes. Provincial excise taxes ranged from \$29.80 per carton (Quebec) to \$59.00 (Manitoba), and those in the northern territories are even higher (\$60 in Nunavut and Yukon, and \$60.80 in Northwest Territories).²

The average Canadian smoker pays \$1,682 a year in tobacco taxes.

In 2018-2019, Canadian governments reported that they received a total of \$8.3 billion from specific taxes imposed on tobacco products. Less than half (41%) of that total was represented by the \$3.4 billion in tobacco taxes received by the federal government, with \$4.9 billion received by provincial governments. Almost all (94%) of the federal tobacco tax is collected on manufactured cigarettes, with taxes on cigars and loose tobacco totalling less than \$220 million. Provincial governments do not provide detail on revenues from different types of tobacco.

These revenues represents an average of \$1,682 in tobacco taxes collected from each of Canada's 4.9 million smokers – with the federal government reporting \$690 in tobacco tax revenue per smoker and provincial governments reporting between \$664 and \$1,674 per smoker. Almost two-thirds (63%) of Canada's smokers live in Quebec and Ontario, where where tobacco taxes are lowest.

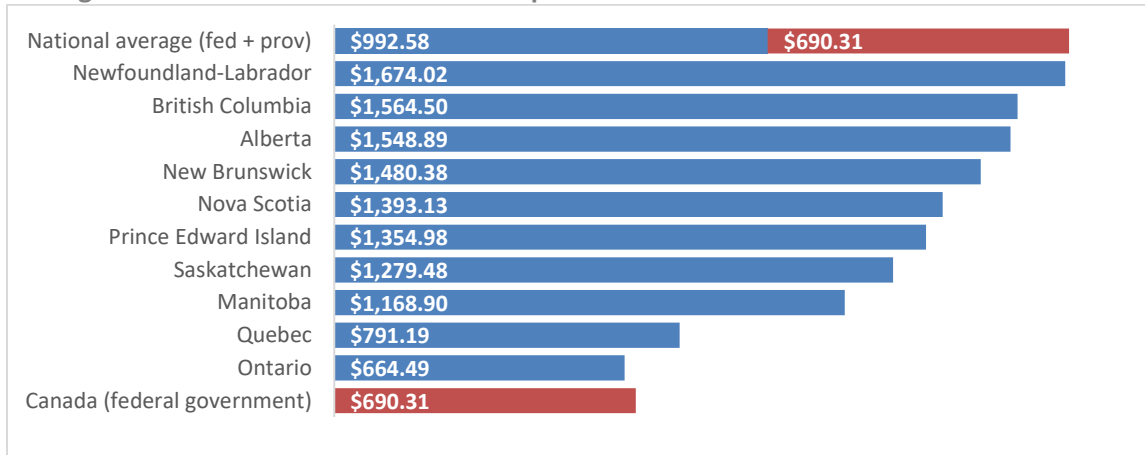
Tobacco taxes represent about 1.5% of government tax revenues and about 1.09% of total government revenues.

The contribution of tobacco tax revenues to the treasury of federal and provincial governments ranges from a low of 0.8% in Ontario to a high of 1.8% in Alberta.

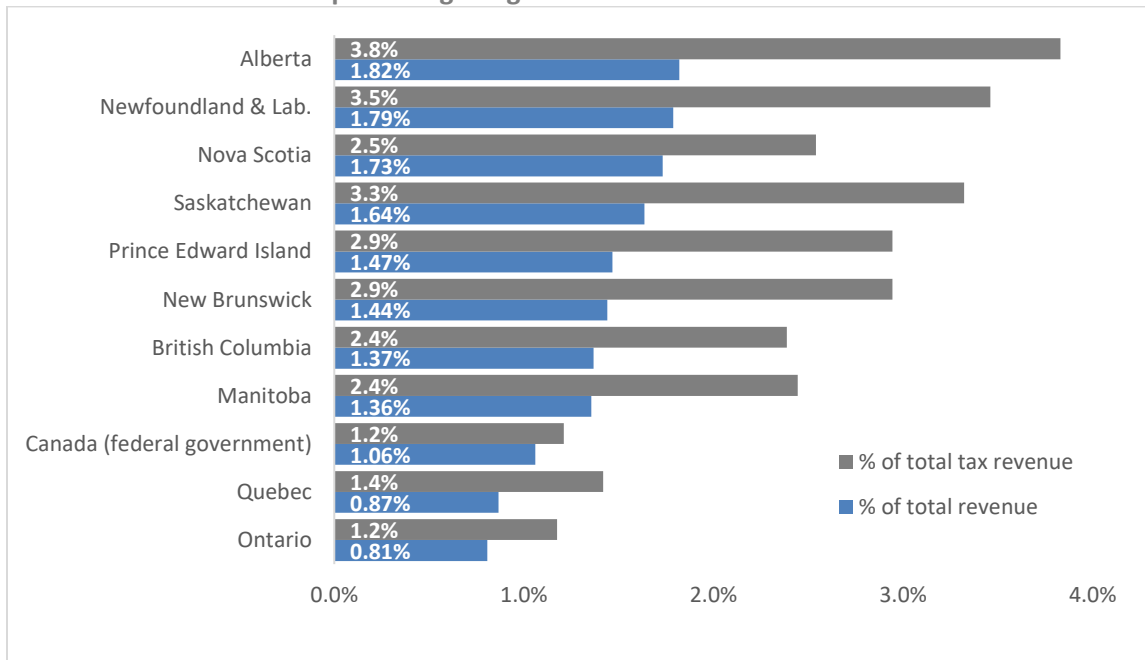
Tax revenues, tobacco taxes and number of smokers per jurisdiction, 2018.

	Number of Smokers (12+) ³	Tobacco tax revenues ⁴	Total tax revenues	Total Revenues
	2018	2018-2019	2018-2019	2018-2019
Canada (federal government)	4,926,800	\$3,400,996,223	\$280,846,000,000	\$320,759,000,000
Newfoundland & Lab.	83,600	\$139,948,000	\$4,044,200,000	\$7,826,900,000
Prince Edward Island	22,500	\$30,487,000	\$1,035,400,000	\$2,078,700,000
Nova Scotia	147,700	\$205,766,000	\$8,097,829,000	\$11,874,746,000
New Brunswick	94,300	\$139,600,000	\$4,742,000,000	\$9,697,100,000.00
Quebec	1,257,600	\$995,000,000	\$70,169,000,000	\$114,746,000,000
Ontario	1,867,600	\$1,241,000,000	\$105,524,000,000	\$153,700,000,000
Manitoba	186,500	\$218,000,000	\$8,919,000,000	\$16,085,000,000
Saskatchewan	184,800	\$236,447,000	\$7,116,672,000	\$14,449,179,000
Alberta	583,000	\$903,000,000	\$23,578,000,000	\$49,624,000,000
British Columbia	499,200	\$781,000,000	\$32,714,000,000	\$57,128,000,000
Total	4,926,800	\$8,291,244,223	\$546,786,101,000	\$757,968,625,000

Average amount received in tobacco taxes per smoker



Tobacco tax revenues as a percentage of government revenues



Endnotes

- 1 Provinces which do not apply additional sales tax are Alberta, Quebec, Prince Edward Island.
- 2 Physicians for a Smoke-Free Canada. Taxes on cigarettes in Canadian jurisdictions. August 2019.
- 3 Statistics Canada. Table 13-10-0096-10 (formerly CANSIM 105-0501). Estimates of smoking prevalence is reported for the calendar year (January 1 to December 31 2018).
- 4 Data taken from the Public Accounts of each province and the federal government. Tax data is reported for the fiscal year (April 1 2018 to March 31 2019)