

Pre-Budget

		Brand A	Brand B	Brand C
Recommended Retail Price (RRP)				
per pack of 20		£8.50	£7.00	£6.80
Specific Duty Excise	£196.42 per 1000 per 20 pack =	£3.93	£3.93	£3.93
Ad Valorem Excise	16.5% of the RRP per 20 pack =	£1.40	£1.16	£1.12
Total Excise		£5.33	£5.08	£5.05
VAT	20% (16.67% of the RRP) per 20 pack =	£1.42	£1.17	£1.13
Total Tax		£6.75	£6.25	£6.18
Total Tax Incidence		79.4%	89.3%	90.9%
Excise per 1000		£266.55	£254.17	£252.52

Post-Budget

		Brand A	Brand B	Brand C
Recommended Retail Price (RRP)				
per pack of 20		£8.85	£7.35	£7.15
Specific Duty Excise	£207.99 per 1000 per 20 pack =	£4.16	£4.16	£4.16
Ad Valorem Excise	16.5% of the RRP per 20 pack =	£1.46	£1.21	£1.18
Total Excise		£5.62	£5.37	£5.34
VAT	20% (16.67% of the RRP) per 20 pack =	£1.48	£1.23	£1.19
Total Tax		£7.10	£6.60	£6.53
Total Tax Incidence		80.2%	89.8%	91.3%
Excise per 1000		£281.00	£268.63	£266.98

Minimum Excise Tax (MET) of £268.63 per 1000 will take effect from 20th May 2017. It is equivalent to £5.37 per pack of 20. MET will impact on any pack of 20 cigarettes with an RRP below £7.35 on 20th May 2017

		Brand C
Recommended Retail Price (RRP)		
per pack of 20		£7.15
Specific Duty Excise	£207.99 per 1000 per 20 pack =	
Ad Valorem Excise	16.5% of the RRP per 20 pack =	£5.37
Total Excise		£5.37
VAT	20% (16.67% of the RRP) per 20 pack =	£1.19
Total Tax		£6.56
Total Tax Incidence		91.81%
Excise per 1000		£268.63

Therefore from 20th May 2017 a brand whose RRP is £7.15 will have to pay an additional 3p in excise to comply with the minimum excise tax of £5.37 per pack