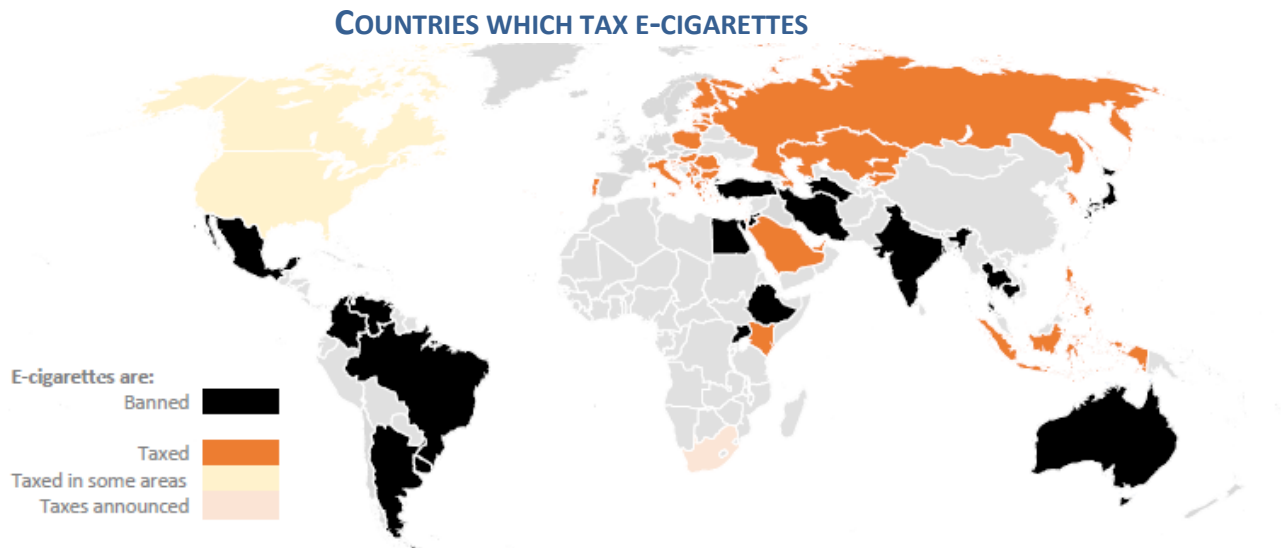


# Taxes on e-cigarettes in Canada and other jurisdictions

August 2020<sup>1</sup>



## Canada:

Currently, the federal government does not impose taxes on e-cigarettes, other than the GST at the rate imposed on all consumer goods. Three Canadian provinces have indicated that they intend to impose higher tax on e-cigarettes than they do on other consumer goods, and one of these put this tax in place.

- British Columbia applies HST at a rate of 20% to vaping devices and liquids since January 1, 2020.<sup>2</sup>
- Alberta announced in October 2019<sup>3</sup> that it would tax vaping products, and set the tax rate at 20% in its February 2020 budget,<sup>4</sup> although it did not specify an implementation date.
- Nova Scotia announced in its February budget that it would impose a specific tax of \$0.50 per millilitre for liquids, and a 20% tax on devices, effective September 15, 2020.<sup>5</sup>
- Newfoundland announced in its September 2020 budget that it will be imposing a tax of 20% on vaping products,

## United States<sup>6</sup>

23 U.S states apply taxes to electronic cigarette devices or the nicotine liquids that are used with them, as do a small number of municipalities. The amounts levied and the date of implementation are shown in Table 1.<sup>7 8</sup>

## Globally

More than two dozen countries impose taxes on e-cigarettes, although in some cases the tax rate is set low or even at zero, as shown in Table 2.

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**Physicians *for a* Smoke-Free Canada**

134 Caroline Avenue ♦ Ottawa ♦ Ontario ♦ K1Y 0S9  
www.smoke-free.ca ♦ psc@smoke-free.ca

**Table 1: Taxes imposed on vaping products, U.S. states and municipalities**

State/District	Type and base	Amount (USD)	Effective date
<b>Alaska</b>			
• Matanuska-Susitna	Ad valorem, wholesale price	55%	2015
• Juneau	Ad valorem, wholesale price	45%	2015
<b>California</b>	Ad valorem, wholesale price	56.93%	2017 (adjusted in 2020)
<b>Connecticut</b>	Ad valorem, device wholesale price, Specific, liquid by volume	10% ; \$0.40 / mL	2019
<b>Delaware</b>	Specific, liquid by volume	\$0.05 / mL	2018
<b>Georgia</b>	Specific, closed system by volume Ad valorem, open system	\$0.05 /ml 7%	2020
<b>Illinois</b>	Ad valorem, wholesale price	15%	2019
• Cook County	Specific, volume of liquid	\$0.20 / mL	2016
• Chicago	Product unit and volume of liquid	\$1.50 / unit; \$1.20 / mL	2016 (revised 2019)
<b>Kansas</b>	Specific, liquid by volume	\$0.05 / mL	2015 (lowered in 2017)
<b>Louisiana</b>	Specific, volume of consumable nicotine liquid	\$0.05 / mL	2015
<b>Maine</b>	Ad valorem, wholesale price	43%	2020
<b>Maryland</b>			
• Montgomery Country	Ad valorem, wholesale price	30%	2015
<b>Massachusetts</b>	Ad valorem, wholesale price	75%	2020
<b>Minnesota</b>	Ad valorem, wholesale price	95%	2012 (increased in 2013)
<b>Nevada</b>	Ad valorem, wholesale price	30%	2020
<b>New Hampshire</b>	Ad valorem, wholesale price for open system Specific, liquid by volume, for closed	8%; \$0.30/ml	2020
<b>New Jersey</b>	Specific, volume of liquid Ad valorem for container, retail prices	\$0.10 / mL; 10%	2018
<b>New Mexico</b>	Mixed, (1) ad valorem wholesale price, (2) specific closed system cartridge	(1) 12.5%, (2) \$0.50 / cartridge	2019
<b>New York</b>	Ad valorem, retail price	20%	2019
<b>North Carolina</b>	Specific, liquid by volume	\$0.05 / mL	2015
<b>Ohio</b>	Specific, 0.10 mL or 0.1 mg if solid	\$0.10 / mL	2019
<b>Pennsylvania</b>	Ad valorem, wholesale price	40%	2016
<b>Utah</b>	Ad valorem	56%	2020
<b>Vermont</b>	Ad valorem, wholesale price	92%	2019
<b>Washington</b>	Specific, volume of liquid	\$0.27 /mL if container under 5ml; \$0.09 /mL if container over 5 ml	2019
<b>Washington, DC</b>	Ad valorem, wholesale price	95%	2015 (increased in 2018)
<b>West Virginia</b>	Specific, liquid by volume	\$0.075 / mL	2016
<b>Wisconsin</b>	Specific, liquid by volume	\$0.05 / mL	2019
<b>Wyoming</b>	Ad valorem, wholesale or retail price	15% (wholesale), 7.5% retail	2020

**Table 2: Taxes on vaping products set by national governments<sup>9</sup>**

Country	Type and base	Amount	CAD equivalent <sup>10</sup>	Effective date
<b>Albania</b>	Specific, volume of liquid	ALL 10 / mL (€ 0.07964)	\$0.12 / mL	2019
<b>Azerbaijan</b>	Specific, volume of liquid	AZN 20 (€ 10.225) / l	\$0.0159 / mL	2019
<b>Bahrain</b>	Ad valorem, Pre-tax price	100%	100%	2018
<b>Croatia</b>	Specific, volume	HRK 0	\$0.00	2017
<b>Cyprus</b>	Specific, volume of liquid	€ 0.12 / mL	\$0.1716 / mL	2017
<b>Estonia</b>	Specific, volume of liquid	€ 0.20 / mL	\$0.286 / mL	2018
<b>Finland</b>	Specific, liquid by volume	€ 0.30 / mL	\$0.4290 / mL	2017
<b>Greece</b>	Specific, liquid by volume	€ 0.10 / ml	\$0.143 / mL	2017
<b>Hungary</b>	Specific, Liquid by volume	HUF 20 / mL (€ 0.006)	\$0.01 / mL	2017
<b>Indonesia</b>	Ad valorem, retail selling price	57%	57%	2018
<b>Italy</b>	Specific, liquid by volume	€ 0.3976 / mL	\$0.57 / mL	2016 (increased in 2018)
<b>Kazakhstan</b>	Specific, by volume	KzT 0 / mL	\$0.00	2015
<b>Kenya</b>	Specific, (1) devices, (2) cartridges	(1) Shs 3,156/unit (2) Shs 2,104/unit	(1) \$38.75 / unit (2) 25.83 / unit	2015
<b>Kyrgyzstan</b>	Specific, by volume	KGS 1 / mL	\$0.02 / mL	2020
<b>Latvia</b>	Specific,(1) liquid by volume, (2) nicotine by weight	(1) € 0.01 / mL (2) € 0.005 / mg	(1) \$0.0143 / mL (2) \$0.0072 / mg	2016
<b>Lithuania</b>	Specific, volume	€ 0.12 / mL	\$0.1716 / mL	2019
<b>Montenegro</b>	Specific, liquid	€ 0.9/mL	\$0.1287 / mL	2017
<b>North Macedonia</b>	Specific, volume	MKS 2.2 / mL	\$0.062 / mL	2019
<b>Philippines</b>	Specific, Volume	10 pesos / 10 mL	\$0.025 / mL	2020 (increased after 2021)
<b>Poland</b>	Specific, volume of liquid	PLN 0.5 / mL	\$0.170 / mL	2018 (zero based until December 31, 2018)
<b>Portugal</b>	Specific, liquid by volume	€ 0.60 / mL	\$0.858 / mL	2014
<b>Romania</b>	Specific, liquid by volume	€ 0.11/mL	\$0.1573 / mL	2016 (updated with inflation)
<b>Russia</b>	Specific, (1) Each unit, (2) liquid by volume	(1) RUB 40 / unit (2) RUB 10/mL	(1) \$0.81 / unit (2) \$0.20 / mL	2017
<b>Saudi Arabia</b>	Ad valorem, pre-tax price	100%	100%	2019
<b>Serbia</b>	Specific, by volume	RSD 4.25 / mL	\$0.053 / mL	2015 (increased in 2018)
<b>Slovenia</b>	Specific, by volume	€ 0.18 / mL	\$0.2574 / mL	2016
<b>South Africa<sup>11</sup></b>				Stated intention to tax as of 2021
<b>South Korea</b>	Specific, liquid by volume For Green fund, per cartridges	(1) KRW 628/mL (Excise tax); (2) K525 / mL (National Health Promotion Fund); (3) KRW 370/mL (Individual Consumption Tax); (4) KRW 276 / mL (Local Education Tax); (5) KRW 24.per 20 cartridges	(1) \$0.69 / mL (2) \$0.57 / mL (3)\$0.40 / mL (4)\$0.30 / mL (5) \$0.03 / 20 cartridge	2011 (Excise); 2015 (National Health Promotion Fund); 2015 (Individual Consumption tax) 2015 (local education tax increase)

Country	Type and base	Amount	CAD equivalent <sup>10</sup>	Effective date
<b>United Arab Emirates<sup>12</sup></b>	Ad valorem	100% on electronic cigarettes and on liquids used in e-cigarettes		2020

## References

- 1 This fact sheet relies heavily on data taken from the Vapour Products Tax data centre. Vaporproductstax.com/taxation-database
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- 3 Alberta. Fiscal Plan 2019-2023. <https://open.alberta.ca/dataset/3d732c88-68b0-4328-9e52-5d3273527204/resource/2b82a075-f8c2-4586-a2d8-3ce8528a24e1/download/budget-2019-fiscal-plan-2019-23.pdf>
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- 6 Data for the United States is taken from the Public Health Law Center, which also provides links to enabling legislation.
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- 8 City of Juneau, Alaska. Ordinance 2015-01(b)
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- 10 Conversion rate August 2019
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