

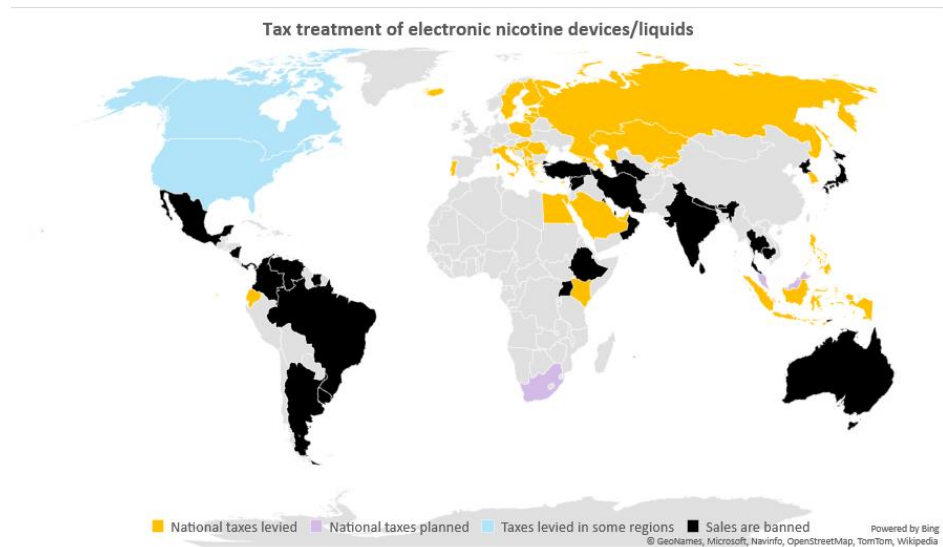
Taxes on e-cigarettes in Canada and other jurisdictions

April 2021¹

COUNTRIES WHICH TAX E-CIGARETTES

Canada:

In April 2021, the federal government announced its intention to impose a specific excise tax on vaping liquids, beginning in 2022.² The proposed rate is \$1 per 10 ml or portion thereof. This is effectively a minimum tax of \$1 per unit of nicotine sold and would increase the price of 4 pods (each containing 0.1 ml) by \$4. In addition, GST would be charged on these products.



Five Canadian provinces have indicated that they intend to impose higher tax on e-cigarettes than they do on other consumer goods, and three were in place in April 2021.

- British Columbia applies HST at a rate of 20% to vaping devices and liquids since January 1, 2020.³
- Alberta announced in October 2019⁴ that it would tax vaping products and set the tax rate at 20% in its February 2020 budget,⁵ but the following year announced that this had been put on hold.⁶
- Nova Scotia applies a specific tax of \$0.50 per millilitre for liquids, and a 20% tax on devices, effective September 15, 2020.⁷
- In its fall 2020 budget, Newfoundland and Labrador announced it would be imposing a tax of 20% on vaping products, which came into effect January 1, 2021.⁸
- In its spring 2021 budget, Saskatchewan announced a tax of 20% of vaping products (replacing a 6% sales tax), which will be effective on September 1, 2021.⁹

United States¹⁰

One-half of 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.^{11 12}

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
Alaska			
• Matanuska-Susitna	Ad valorem, wholesale price	55%	2015
• Juneau	Ad valorem, wholesale price	45%	2015
California	Ad valorem, wholesale price	56.93%	2017 (adjusted in 2020)
Colorado	Ad valorem, wholesale price	30%	2021 (increasing in 2022)
Connecticut	Ad valorem, device wholesale price, Specific, liquid by volume	10% ; \$0.40 / mL	2019
Delaware	Specific, liquid by volume	\$0.05 / mL	2018
Georgia	Specific, closed system by volume Ad valorem, open system	\$0.05 /ml 7%	2021
Illinois	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)
Kansas	Specific, liquid by volume	\$0.05 / mL	2015 (lowered in 2017)
Kentucky	Specific, closed pod Ad valorem, wholesale price for open	\$1.50 per cartridge 15% open system	2020
Louisiana	Specific, volume of consumable nicotine liquid	\$0.05 / mL	2015
Maine	Ad valorem, wholesale price	43%	2020
Maryland			
• Montgomery Country	Ad valorem, wholesale price	30%	2015
Massachusetts	Ad valorem, wholesale price	75%	2020
Minnesota	Ad valorem, wholesale price	95%	2013
Nevada	Ad valorem, wholesale price	30%	2020
New Hampshire	Ad valorem, wholesale price for open system Specific, liquid by volume, for closed	8%; \$0.30/ml	2020
New Jersey	Specific, volume of liquid Ad valorem for container, retail prices	\$0.10 / mL; 10%	2019
New Mexico	Mixed, (1) ad valorem wholesale price, (2) specific closed system cartridge	(1) 12.5%, (2) \$0.50 / cartridge	2019
New York	Ad valorem, retail price	20%	2019
North Carolina	Specific, liquid by volume	\$0.05 / mL	2015
Ohio	Specific, 0.10 mL or 0.1 mg if solid	\$0.10 / mL	2019
Oregon¹³	Ad valorem	65% of wholesale price	2021
Pennsylvania	Ad valorem, wholesale price	40%	2016
Puerto Rico	Specific, per device or liquid by volume	\$3 per device \$0.05/ml	2017
US Virgin Islands	Ad valorem, cost price	45%	Before 2017
Utah	Ad valorem, wholesale price	56%	2020
Vermont	Ad valorem, wholesale price	92%	2019
Virginia	Specific, volume of liquid	\$6.6/ml	2020
Washington	Specific, volume of liquid	\$0.27 /mL if container under 5ml; \$0.09 /mL if container over 5 ml	2019
Washington, DC	Ad valorem, wholesale price	95%	2015
West Virginia	Specific, liquid by volume	\$0.075 / mL	2016
Wisconsin	Specific, liquid by volume	\$0.05 / mL	2019
Wyoming	Ad valorem, wholesale price	15%	2020

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.

Table 2: Taxes on vaping products set by national governments¹⁴

Country	Type and base	Amount	CAD equivalent ¹⁵	Effective date
Albania	Specific, volume of liquid	ALL 10 / mL (€ 0.07964)	\$0.12 / mL	2019
Azerbaijan	Specific, volume of liquid	AZN 20 (€ 10.225) / l	\$0.0159 / mL	2019
Bahrain	Ad valorem, Pre-tax price	100%	100%	2018
Croatia	Specific, volume	HRK 0	\$0.00	2017
Cyprus	Specific, volume of liquid	€ 0.12 / mL	\$0.1716 / mL	2017
Ecuador	Ad valorem, manuf. price	150%		2020
Egypt	Specific, liquid per volume	EGP 2 / ml	\$0.18 / ml	2020
Estonia	Specific, volume of liquid	€ 0.20 / mL	\$0.286 / mL	2018 (now suspended) ¹⁶
Finland	Specific, liquid by volume	€ 0.30 / mL	\$0.4290 / mL	2017
Greece	Specific, liquid by volume	€ 0.10 / ml	\$0.143 / mL	2017
Hungary	Specific, Liquid by volume	HUF 20 / mL (€ 0.006)	\$0.01 / mL	2017 (increase to HUF 30/ml in 1 April 2021) ¹⁷
Iceland¹⁸	Ad valorem, by sale price	0.9%		2019. Levy given to governmental health promotion fund
Indonesia	Ad valorem, retail selling price	57%	57%	2018
Italy	Ad valorem	30% 2021 – 40% 2023	\$0.57 / mL	2016 (revised in 2021) ¹⁹
Kazakhstan	Specific, by volume	KzT 0 / mL	\$0.00	2015
Kenya	Specific, (1) devices, (2) cartridges	(1) Shs 3,974/unit (2) Shs 2,649.74/unit	(1) \$47.83 / unit (2) 31.88 / unit	2015
Kyrgyzstan	Specific, by volume	KGS 1 / mL	\$0.02 / mL	2020
Latvia	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
Lithuania	Specific, volume	€ 0.12 / mL	\$0.1716 / mL	2019
Malaysia²⁰	Specific and ad valorem	10% of device value and RM 0.40/ml on liquids	\$0.13/ml	January 2021
Montenegro	Specific, liquid	€ 0.9/mL	\$0.1287 / mL	2017
North Macedonia	Specific, volume	MKS 2.2 / mL	\$0.062 / mL	2019
Philippines	Specific, Volume	10 pesos / 10 mL	\$0.025 / mL	2020 (increased after 2021)
Poland	Specific, volume of liquid	PLN 0.55 / mL	\$0.170 / mL	2018 (zero based until September 30, 2020)
Portugal	Specific, liquid by volume	€ 0.60 / mL	\$0.858 / mL	2014
Romania	Specific, liquid by volume	€ 0.11/mL	\$0.1573 / mL	2016 (updated with inflation)
Russia	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
Saudi Arabia	Ad valorem, pre-tax price	100%	100%	2019
Serbia	Specific, by volume	RSD 4.25 / mL	\$0.053 / mL	2015 (increased in 2018)
Slovenia	Specific, by volume	€ 0.18 / mL	\$0.2574 / mL	2016
South Africa²¹				Stated intention to tax
South Korea	Specific, liquid by volume For Green fund, per cartridges	(1) KRW 628/mL (Excise tax); (2) K525 / mL (Health Promotion Fund); (3) KRW 370/mL (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)
Sweden²²	Specific, liquid by volume. Nicotine 15 to 20 mg/ml taxed at higher rate	2000 SEK/l 4000 SEK/l	\$0.31/ml \$0.61/ml	2021
United Arab Emirates²³	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
Countries which ban e-cigarette sales include: Antigua and Barbuda, Argentina, Australia, Bhutan, Brazil, Brunei, Cambodia, Colombia, East Timor, Ethiopia, Gambia, India, Iran, Japan, Kuwait, Lebanon, Mauritius, Mexico, Nepal, Nicaragua, North Korea, Oman, Panama, Qatar, Seychelles, Singapore, Sri Lanka, Suriname, Syria, Thailand, Turkey, Turkmenistan, Uganda, Uruguay, and Venezuela. Despite these restrictions, sales are tolerated in some countries.
- 2 Government of Canada. Budget 2021. Excise Duty on Vaping Products
<https://www.budget.gc.ca/2021/report-rapport/anx6-en.html#excise-duty-on-vaping-products>
- 3 British Columbia. Bill 45, the Tax Statutes Amendment Act, 2019..<https://www.leg.bc.ca/parliamentary-business/legislation-debates-proceedings/41st-parliament/4th-session/bills/progress-of-bills>
- 4 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>
- 5 Alberta Budget 2020. <https://open.alberta.ca/dataset/05bd4008-c8e3-4c84-949e-cc18170bc7f7/resource/79caa22e-e417-44bd-8cac-64d7bb045509/download/budget-2020-fiscal-plan-2020-23.pdf>
- 6 Alberta. Fiscal Plan. Budget 2021.
<https://open.alberta.ca/dataset/6f47f49d-d79e-4298-9450-08a61a6c57b2/resource/ec1d42ee-ecca-48a9-b450-6b18352b58d3/download/budget-2021-fiscal-plan-2021-24.pdf>
- 7 Nova Scotia. Budget 2020.
<https://beta.novascotia.ca/sites/default/files/documents/6-2046/ftb-bfi-041-en-budget-2020-2021.pdf>
- 8 Newfoundland and Labrador. Budget 2020. <https://www.gov.nl.ca/budget/2020/budget-speech/>
- 9 Saskatchewan. Saskatchewan Provincial Budget 2021.
<https://www.saskatchewan.ca/government/budget-planning-and-reporting/budget-2021-22/budget-documents>
- 10 Data for the United States is taken from the Public Health Law Center, which also provides links to enabling legislation.
- 11 Public Health Law Centre. US E-cigarette Regulation: a 50-state review.
<https://www.publichealthlawcenter.org/sites/default/files/States-with-Laws-Taxing-ECigarettes-December152019.pdf>
- 12 City of Juneau, Alaska. Ordinance 2015-01(b)
- 13 Ballotpedia. Oregon Measure 108.
[https://ballotpedia.org/Oregon_Measure_108,_Tobacco_and_E-Cigarette_Tax_Increase_for_Health_Programs_Measure_\(2020\)](https://ballotpedia.org/Oregon_Measure_108,_Tobacco_and_E-Cigarette_Tax_Increase_for_Health_Programs_Measure_(2020))
- 14 As noted on Vapour Products Tax data centre unless otherwise specified.
- 15 Conversion rate August 2019
- 16 In December 2020, the Riigikogu adopted legislation to suspend collection of the excise tax until December 2022. The reason given was to address illicit trade.
<https://www.riigikogu.ee/tegevus/eelnoud/eelnou/5392386a-2eb0-4484-90d9-3622cb243985/Alkoholi-,%20tubaka-,%20k%C3%BCtuse-%20ja%20elektriaktsiisi%20seaduse%20muutmise%20seadus>
- 17 Hungary Legislature. T / 13258. Bill amending certain tax laws
<https://www.parlament.hu/irom41/13258/13258.pdf>
- 18 Iceland. Act on electronic cigarettes and refill containers for electronic cigarettes, No. 87/2018.
<https://www.government.is/lisalib/getfile.aspx?itemid=37dbe67d-f4d4-11e9-9450-005056bc4d74>
- 19 Money.it. Tassa sul fumo, dal 2021 i prezzi salgono anche per le sigarette elettroniche reporting on the 2021 Italian budget
- 20 Malaysia. Budget 2020. Budget speech. November 6, 2020.
<http://belanjawan2021.treasury.gov.my/pdf/revenue/2021/fiscal-outlook-2021.pdf>
- 21 South Africa Minister of Finance. Tito Titus Mboweni. Minister of Finance.
<https://www.pwc.co.za/en/assets/pdf/Budget/budget-speech-2020.pdf>
- 22 Sweden. Lag (2018:696) om skatt på vissa nikotinhaltiga produkter
- 23 EY. Indirect Tax Alert. UAE announces anticipated expansion of excise tax
[https://www.ey.com/Publication/vwLUAssets/UAE_announces_anticipated_expansion_of_excise_tax/\\$FILE/2019G_001062-19Gbl_Indirect_UAE%20announces%20anticipated%20expansion%20of%20excise%20tax.pdf](https://www.ey.com/Publication/vwLUAssets/UAE_announces_anticipated_expansion_of_excise_tax/$FILE/2019G_001062-19Gbl_Indirect_UAE%20announces%20anticipated%20expansion%20of%20excise%20tax.pdf)