

Appendix A
Tables

Table A: Taxes and Prices for Manufactured Cigarettes across Canada, July 1999

Per 200 Manufactured Cigarettes (1 carton)	Prov. Tobacco Taxes	Federal Excise Tax	Federal Excise Duty	Product Cost (approx)	Price before sales taxes	Prov. Sales Tax	Federal GST	Final Retail Price	Cost per Smoke
'Low-Tax' Region									
Ontario	\$ 4.70	\$ 2.65	\$ 5.50	\$ 13.50	\$ 26.35	8.0%	7.0%	\$ 30.30	\$ 0.15
Quebec	\$ 8.00	\$ 2.25	\$ 5.50	\$ 13.50	\$ 29.25	0.0%	7.0%	\$ 31.30	\$ 0.16
New Brunswick	\$ 7.70	\$ 4.45	\$ 5.50	\$ 13.50	\$ 31.15	8.0%	7.0%	\$ 35.82	\$ 0.18
Nova Scotia	\$ 9.04	\$ 4.65	\$ 5.50	\$ 13.50	\$ 32.69	8.0%	7.0%	\$ 37.59	\$ 0.19
Prince Edward Island	\$ 12.65	\$ 3.40	\$ 5.50	\$ 13.50	\$ 35.05	0.0%	7.0%	\$ 37.50	\$ 0.19
'High-Tax' Regions									
British Columbia	\$ 22.00	\$ 5.35	\$ 5.50	\$ 13.50	\$ 46.35	0.0%	7.0%	\$ 49.59	\$ 0.25
Alberta	\$ 14.00	\$ 5.35	\$ 5.50	\$ 13.50	\$ 38.35	0.0%	7.0%	\$ 41.03	\$ 0.21
Saskatchewan	\$ 17.20	\$ 5.35	\$ 5.50	\$ 13.50	\$ 41.55	6.0%	7.0%	\$ 46.95	\$ 0.23
Manitoba	\$ 16.00	\$ 5.35	\$ 5.50	\$ 13.50	\$ 40.35	7.0%	7.0%	\$ 46.00	\$ 0.23
Newfoundland	\$ 22.00	\$ 5.35	\$ 5.50	\$ 13.50	\$ 46.35	8.0%	7.0%	\$ 53.30	\$ 0.27

Source: Tax rates and estimate of product cost provided by Finance Canada. Estimated product cost does not reflect diverse selling conditions.

Table B. Taxes and Prices for Tobacco Sticks across Canada, July 1999

Per 200 Tobacco Sticks	Prov. Tobacco Taxes	Federal Excise Tax	Federal Excise Duty	Product Cost (approx)	Price before sales taxes	Prov. Sales Tax	Federal GST	Final Retail Price	Cost per Smoke
'Low-Tax' Region									
Ontario	\$ 4.70	\$ 1.85	\$ 3.67	\$ 11.50	\$ 21.72	8.0%	7.0%	\$ 24.98	\$ 0.12
Quebec	\$ 5.90	\$ 1.85	\$ 3.67	\$ 11.50	\$ 22.92	0.0%	7.0%	\$ 24.52	\$ 0.12
New Brunswick	\$ 7.00	\$ 2.53	\$ 3.67	\$ 11.50	\$ 24.70	8.0%	7.0%	\$ 28.41	\$ 0.14
Nova Scotia	\$ 7.60	\$ 2.93	\$ 3.67	\$ 11.50	\$ 25.70	8.0%	7.0%	\$ 29.56	\$ 0.15
Prince Edward Island	\$ 10.40	\$ 2.13	\$ 3.67	\$ 11.50	\$ 27.70	0.0%	7.0%	\$ 29.64	\$ 0.15
'High-Tax' Regions									
British Columbia	\$ 22.00	\$ 2.93	\$ 3.67	\$ 11.50	\$ 40.10	0.0%	7.0%	\$ 42.91	\$ 0.21
Alberta	\$ 14.00	\$ 2.93	\$ 3.67	\$ 11.50	\$ 32.10	0.0%	7.0%	\$ 34.35	\$ 0.17
Saskatchewan	\$ 17.20	\$ 2.93	\$ 3.67	\$ 11.50	\$ 35.30	6.0%	7.0%	\$ 39.89	\$ 0.20
Manitoba	\$ 16.00	\$ 2.93	\$ 3.67	\$ 11.50	\$ 34.10	7.0%	7.0%	\$ 38.87	\$ 0.19
Newfoundland	\$ 22.00	\$ 2.93	\$ 3.67	\$ 11.50	\$ 40.10	8.0%	7.0%	\$ 46.12	\$ 0.23

Source: Tax rates and estimate of product cost provided by Finance Canada. Estimated product cost does not reflect diverse selling conditions.

Table C: Taxes and Prices for Fine-Cut Tobacco across Canada, July 1999

Per 200 gr. Fine-cut tobacco	Prov. Tobacco Taxes	Federal Excise Tax	Federal Excise Duty	Product Cost (approx)	Price before sales taxes	Prov. Sales Tax	Federal GST	Final Retail Price	Cost per Smoke*
'Low-Tax' Region									
Ontario	\$ 4.70	\$ 2.13	\$ 3.67	\$ 11.00	\$ 21.50	8.0%	7.0%	\$ 24.73	\$0.05
Quebec	\$ 3.80	\$ 2.13	\$ 3.67	\$ 11.00	\$ 20.60	0.0%	7.0%	\$ 22.04	\$0.06
New Brunswick	\$ 5.48	\$ 2.13	\$ 3.67	\$ 11.00	\$ 22.28	8.0%	7.0%	\$ 25.62	\$0.06
Nova Scotia	\$ 6.70	\$ 2.13	\$ 3.67	\$ 11.00	\$ 23.50	8.0%	7.0%	\$ 27.03	\$0.06
Prince Edward Island	\$ 6.82	\$ 2.13	\$ 3.67	\$ 11.00	\$ 23.62	0.0%	7.0%	\$ 25.27	\$0.06
'High-Tax' Regions									
British Columbia	\$ 22.00	\$ 2.13	\$ 3.67	\$ 11.00	\$ 38.80	0.0%	7.0%	\$ 41.52	\$0.09
Alberta	\$ 8.00	\$ 2.13	\$ 3.67	\$ 11.00	\$ 24.80	0.0%	7.0%	\$ 26.54	\$0.06
Saskatchewan	\$ 11.40	\$ 2.13	\$ 3.67	\$ 11.00	\$ 28.20	6.0%	7.0%	\$ 31.87	\$0.07
Manitoba	\$ 10.60	\$ 2.13	\$ 3.67	\$ 11.00	\$ 27.40	7.0%	7.0%	\$ 31.24	\$0.07
Newfoundland	\$ 14.66	\$ 2.13	\$ 3.67	\$ 11.00	\$ 31.46	8.0%	7.0%	\$ 36.18	\$0.08

Source: Tax rates and estimate of product cost provided by Finance Canada. Estimated product cost does not reflect diverse selling conditions. *Calculations for roll-your-own based on .45 grams per cigarette, given the availability of the brand Rockport.

Table D. Tax Revenues (not including sales taxes) from cigarette sales for provincial and federal governments, 1991-92 to 1998-99.

Revenues from Tobacco Taxes (\$000,000)	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	5 year Impact
	← Pre-roll-back			Post roll-back →					
'low-tax region'									
Prince Edward Island	\$18.3	\$18	\$17.9	\$12.4	\$13.4	\$13.9	\$13	\$13.4	-\$23
Nova Scotia	\$105	\$102	\$90.1	\$60.4	\$67.7	\$86.3	\$75.8	\$74.6	-\$85
New Brunswick	\$59.6	\$50.3	\$43.5	\$34.9	\$38.1	\$40.9	\$42.35	\$43	-\$18.2
Quebec	\$513	\$411.3	\$288.2	\$184	\$264.6	\$283.1	\$323	\$490	\$103.7
Ontario	\$1,028	\$969	\$773	\$324	\$337	\$356	\$425	\$470	-\$1,953
'High-tax region'									
Manitoba	\$129.8	\$128.1	\$123.2	\$116.1	\$112.4	\$109.7	\$112.9	\$110	-\$54
Saskatchewan	\$104.6	\$115.2	\$110.8	\$115.6	\$114.1	\$116.7	\$123.6	\$123	\$39
Alberta	\$322.1	\$313.1	\$312	\$322	\$311	\$317	\$330	\$345	\$65
British Columbia	\$433	\$483.2	\$482	\$516.7	\$482.3	\$487.9	\$486	\$476	\$36
Newfoundland	\$55.3	\$61.7	\$67.8	\$67.5	\$65.8	\$63.6	\$64	\$64	-\$14
Federal government	\$3,312	\$2,980	\$2,566	\$1,914.3	\$1,941	\$2,031	\$2,049	\$2,049	-\$2,865
'Low-tax' provinces	\$1,724	\$1,550	\$1,212.7	\$615.7	\$720.9	\$780.2	\$879.1	\$1,091	-\$1,976
'High-tax' provinces	\$1,044	\$1,101.5	\$1,096.2	\$1,138	\$1,085.7	\$1,095	\$1,116.5	\$1,118	\$72
Total - Federal & Provincial taxes	\$6,080.8	\$5,632.2	\$4,878.9	\$3,668	\$3,747.6	\$3,906.2	\$4,044	\$4,258	-\$4,769.7

Sources: Public accounts and/or budget documents for each jurisdiction.

The revenue loss derived by comparing revenues in 1998-99 to those in 1993-94 results in an underestimate of the total loss. Revenues in 1993-94 were lower than they would have been without the tax roll back, because they include revenues for two months after the roll-back (February and March, 1994).

Table E. Earnings (before income taxes) from cigarette sales for tobacco companies in Canada, 1991 to 1998

Earnings from Cigarette Sales (\$000,000)	1991	1992	1993	1994	1995	1996	1997	1998
Imperial Tobacco	\$397	\$432	\$462	\$592	\$645	\$705	\$775	\$815
Rothman's Benson & Hedges	\$129	\$147	\$158	\$173	\$168	\$177	\$196	\$188
RJR-Macdonald	----- Not available-----							
Industry Total (minus RJR-Macdonald)	\$526	\$579	\$620	\$765	\$813	\$882	\$971	\$1,003

Sources: *Imasco Limited Annual reports, 1991 – 1998; Rothmans Incorporated Annual Reports, 1991 – 1998.* Where fiscal years for Rothmans ends March 31, and information has been included in the previous calendar year.

Table F. Per-Capita Consumption (15+) of Cigarettes & Equivalents, by province 1988 – 1998

	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998
'Low-Tax' Region											
Ontario	2,517	2,479	2,277	2,009	1,811	2,206	2,222	2,183	2,225	2,094	2,133
Quebec	3,312	2,918	2,615	2,184	1,502	1,016	2,470	2,360	2,417	2,298	2,290
New Brunswick	3,159	2,663	2,285	1,587	1,519	1,302	1,773	1,928	2,111	1,906	1,995
Nova Scotia	3,502	2,879	2,437	2,112	2,234	2,020	2,401	2,400	2,529	2,433	2,045
Prince Edward Island	2,187	2,407	2,178	1,927	1,989	1,693	2,128	2,195	1,965	1,814	1,979
'High-Tax' Region											
British Columbia	2,416	2,269	2,136	1,927	1,945	1,820	1,708	1,574	1,568	1,507	1,437
Alberta	3,375	3,182	2,992	2,855	2,830	2,716	2,793	2,516	2,426	2,381	2,411
Saskatchewan	2,482	1,917	1,804	1,613	1,463	1,370	1,407	1,541	2,025	1,995	1,987
Manitoba	3,559	3,215	2,642	2,295	2,324	2,230	2,037	1,655	1,726	1,758	1,788
Newfoundland	3,064	2,782	2,411	2,243	2,111	1,633	1,781	1,758	1,721	1,324	1,754
Average – High Tax	2900	2653	2433	2232	2210	2073	2038	1865	1897	1857	1849
Average – Low-Tax	2883	2667	2409	2061	1707	1723	2303	2248	2303	2175	2196

Sources:

Population estimates, Statistics Canada estimates for July of each year.

Tobacco Sales based on monthly shipment data provided by the tobacco companies to Health Canada, and obtained under Access to Information; fine cut is converted to cigarette equivalents at .7 grams per cigarette. Data does not include sales from companies other than the three major manufacturers, who share 99% of the market.

Table G . Per-Capita Consumption (15+) of Cigarettes & Equivalents, 1949 - 1998

	Cigs*	Fine Cut*	Contraband *	Total*	Pop 15+*	Per cap
1949	16,836,000	11,430,000		0 28,266,000	9,509	2,973
1950	17,172,000	11,750,000		0 28,922,000	9,642	3,000
1951	15,672,000	12,380,000		0 28,052,000	9,759	2,875
1952	17,844,000	14,060,000		0 31,904,000	10,006	3,188
1953	21,000,000	11,840,000		0 32,840,000	10,217	3,214
1954	22,116,000	11,110,000		0 33,226,000	10,452	3,179
1955	24,576,000	10,700,000		0 35,276,000	10,659	3,309
1956	27,000,000	9,620,000		0 36,620,000	10,856	3,373
1957	30,144,000	9,430,000		0 39,574,000	11,153	3,548
1958	32,404,000	10,800,000		0 43,204,000	11,395	3,792
1959	33,822,000	10,210,000		0 44,032,000	11,625	3,788
1960	34,829,000	10,300,000		0 45,129,000	11,840	3,812
1961	36,699,000	10,390,000		0 47,089,000	12,046	3,909
1962	38,683,000	10,570,000		0 49,253,000	12,273	4,013
1963	39,877,000	10,120,000		0 49,997,000	12,513	3,996
1964	40,639,000	9,620,000		0 50,259,000	12,792	3,929
1965	43,013,000	9,980,000		0 52,993,000	13,088	4,049
1966	46,276,000	8,710,000		0 54,986,000	13,423	4,096
1967	46,864,000	8,160,000		0 55,024,000	13,791	3,990
1968	46,269,000	8,750,000		0 55,019,000	14,143	3,890
1969	46,582,000	8,620,000		0 55,202,000	14,490	3,810
1970	49,823,000	8,660,000		0 58,483,000	14,843	3,940
1971	50,864,000	8,890,000		0 59,754,000	15,582	3,835
1972	53,292,000	6,974,000		0 60,266,000	15,935	3,782
1973	54,864,000	7,359,000		0 62,223,000	16,309	3,815
1974	57,123,000	6,705,000		0 63,828,000	16,722	3,817
1975	57,756,000	6,592,000		0 64,348,000	17,141	3,754
1976	60,745,000	6,577,000		0 67,322,000	17,545	3,837
1977	61,787,000	6,316,000		0 68,103,000	17,919	3,801
1978	61,610,000	5,660,000		0 67,270,000	18,271	3,682
1979	63,866,000	5,227,000		0 69,093,000	18,620	3,711
1980	64,494,000	4,784,000		0 69,278,000	19,008	3,645
1981	66,559,000	4,764,000		0 71,323,000	19,357	3,685
1982	66,338,000	5,553,000		0 71,891,000	19,666	3,656
1983	63,089,000	6,026,000		0 69,115,000	19,923	3,469
1984	61,734,000	6,165,000		0 67,899,000	20,174	3,366
1985	58,953,000	6,866,000		0 65,819,000	20,427	3,222
1986	55,436,000	7,413,000	200,000	63,049,000	20,707	3,045
1987	52,613,000	7,863,000	510,000	60,986,000	21,009	2,903
1988	51,053,265	8,026,798	560,000	59,640,063	21,298	2,800
1989	47,601,965	7,749,215	1,060,000	56,411,180	21,696	2,600
1990	45,917,521	6,657,578	1,270,000	53,845,099	22,027	2,445
1991	39,363,928	6,423,598	6,430,000	52,217,526	22,299	2,342
1992	35,060,790	5,079,936	8,200,000	48,340,726	22,556	2,143
1993	30,224,722	3,829,427	14,500,000	48,554,149	23,009	2,110
1994	45,743,167	3,964,233	2,500,000	52,207,400	23,284	2,242
1995	45,581,675	3,833,467	800,000	50,215,142	23,631	2,125
1996	47,117,904	4,050,144	500,000	51,668,048	23,981	2,155
1997	45,520,274	3,969,216	500,000	49,989,490	24,294	2,058
1998	45,613,257	4,183,810	500,000	50,297,067	24,635	2,042

Had trend continued

All numbers are in 000s except for per capita data

Population Sources:

- Statistics Canada Catalogue 91-512 Occasional, "Population 1921-1971, Revised annual estimates of population, by sex and age group, Canada and the provinces", 1973
- Statistics Canada, Catalogue No. 91-537, "Revised Intercensal Population and Family Estimates, July 1, 1971-1991
- Statistics Canada, Catalogue No. 91-213, "Annual Demographic Statistics", annual, 1992-1998.
- Note: There is an unusually big jump in the population difference between 1970 and 1971, perhaps because different data sources used.

Sales data:

- *Statistics Canada, Catalogue No.32-022, monthly, December issues, 1988-98*
- *Goodyear, Michael, "Canadian tobacco taxation 1867-1994" Hamilton Regional Cancer Centre, Hamilton, ON, Canada, 7 September 1994.*

Contraband estimates:

- *For 1986 – 1991 Canadian Tobacco Manufacturers' Council, [untitled, 1993] summary of Canadian and American tobacco sales, including sales of Canadian contraband.*
- *For 1992, Lindquist Avey Macdonald Baskerville "1992 contraband estimate -- an update" September 27, 1993.*
- *For 1993, Lindquist Avey Macdonald Baskerville, "The impact of reducing tobacco taxes on the contraband market" June 27, 1994*
- *For 1993, Lindquist Avey Macdonald Baskerville, "Cigarette smuggling in the United States" August 15, 1994.*
- *For 1993 – 1995, Imasco Ltd. "Annual Report 1995" 1996.*
- *For 1996-1998, contraband has been estimated at 500 million units per year.*
- *There is some difficulty in estimating contraband, thus creating resulting uncertainty in per capita consumption estimates.*

Cigarette equivalents

- *Throughout the time period in the graph, one gram of fine cut has been treated equivalent to one cigarette. However, in more recent years, manufacturers have expanded fine cut tobacco so that less is required to make one cigarette. At least one brand today (Rockport) requires just .45g to make one cigarette. Some other brands need only .55g to make a cigarette. If fine cut were converted at .55g per cigarette, 1998 per capita consumption would be 2142, 6.8% higher than represented on the graph.*
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Table H. Federal and Provincial Tax Revenues from the underage sale of cigarettes to children,

	Minimum Age	Number of underage smokers	Cigarettes smoked per day by underage smokers	Cigarettes smoked per year by underage smokers
Prince Edward Island	19	1,670	15,532	5,669,180
Nova Scotia	19	16,014	145,689	53,176,485
New Brunswick	19	12,559	117,415	42,856,475
Quebec	18	151,589	1,338,839	488,676,235
Ontario	19	191,103	1,637,290	597,610,850
Newfoundland	19	11,378	105,511	38,511,515
Manitoba	18	21,865	196,399	71,685,635
Saskatchewan	18	17,584	154,973	56,565,145
Alberta	18	55,959	518,601	189,289,365
B.C.	19	71,339	605,626	221,053,490
Canada		551,060	4,835,875	1,765,094,375

	Provincial Taxes on underage smoking	Federal Taxes on underage smoking	Provincial Sales tax on underage smoking	GST/HST on underage smoking
Prince Edward Island	\$358,575	\$252,278	\$0	\$69,546
Nova Scotia	\$2,403,577	\$2,698,706	\$695,335	\$608,418
New Brunswick	\$1,649,974	\$2,132,109	\$533,991	\$467,242
Quebec	\$19,547,049	\$18,936,204	\$0	\$5,002,822
Ontario	\$14,043,854	\$24,352,642	\$6,298,818	\$5,511,466
Newfoundland	\$4,236,266	\$2,089,249	\$714,003	\$624,753
Manitoba	\$5,734,850	\$3,888,945	\$1,012,380	\$1,012,380
Saskatchewan	\$4,864,602	\$3,068,659	\$587,570	\$822,598
Alberta	\$13,250,255	\$10,268,948	\$0	\$2,540,736
B.C.	\$24,315,883	\$11,992,151	\$0	\$3,586,040
Canada	\$90,404,890	\$79,679,895	\$9,842,100	\$20,246,005

Source: The figures were calculated by Physicians for a Smoke-Free Canada using the following in-puts:

- Smoking rates among under-age smokers and number of cigarettes smoked by underage smokers derived from the Youth Smoking Survey, 1994 (Health Canada, 1996)
- Population estimates adjusted for legal smoking age in each province based on tables provided by Statistics Canada

These estimates are conservative because:

- smokers underestimate the number of cigarettes smoked per day when self-reporting
- other surveys of youth have found higher prevalence among 15-19 year olds than the 1994 Youth Smoking survey)
- sales for the three territories are excluded – about .3% of the population.

Table I. Changes in tobacco taxes 1994 – 1999, including adjustments for inflation.

	1994 reduction (per carton of 200 cigarettes)	Increases since 1994 (per carton of 200 cigarettes)	% increase in Tobacco Taxes 1994- 98	Total taxes pre-roll- back (per carton)	Total taxes pre roll- back adjusted for inflation to 1999	Tax change since 1994 adjusted for inflation	% change in tobacco taxes adjusted for inflation
B.C.	\$5.00	\$0	0%	\$37.85	\$40.80	-\$2.95	-7 %
Alta	\$5.00	\$0	0%	\$29.85	\$32.18	-\$2.33	-7 %
Sask	\$5.00	\$0.80	16%	\$31.85	\$34.33	-\$1.68	-5 %
Man	\$5.00	\$0	0%	\$31.85	\$34.33	-\$2.48	-7 %
Ont	\$19.20	\$3.20	17%	\$28.85	\$31.10	\$0.95	3 %
Que	\$21.00	\$5.08	24%	\$29.61	\$31.92	\$2.77	9 %
N.B.	\$14.00	\$2.20	16%	\$29.45	\$31.75	-\$0.10	-0.3%
N.S.	\$14.00	\$2.60	18%	\$29.45	\$31.75	\$0.30	0.9%
P.E.I.	\$18.50	\$4.60	25%	\$35.45	\$38.22	\$1.83	4 %
Nfld	\$5.00	\$0	0%	\$36.41	\$39.25	-\$2.84	-7 %

Table J. Canadian Exports of Cigarettes and Tobacco, 1980 – 1998 (000s).

Year	Total Canadian Exports of Cigarettes and Fine- cut Tobacco	Canadian Exports of Cigarettes	Canadian Exports of Fine-cut Tobacco (in cigarette equivalents)
1980	404,767	381,058	23,709
1981	414,915	400,332	14,583
1982	442,799	410,423	32,376
1983	507,263	476,333	30,930
1984	486,943	468,276	18,667
1985	493,711	477,100	16,611
1986	737,006	716,871	20,135
1987	1,636,101	1,079,809	556,292
1988	3,033,619	3,008,005	25,614
1989	1,220,998	1,122,489	98,509
1990	2,246,903	1,682,828	564,075
1991	6,896,137	4,510,166	2,385,971
1992	10,043,786	7,595,113	2,448,673
1993	18,599,074	15,660,930	2,938,144
1994	2,454,381	1,475,387	978,994
1995	2,360,933	1,050,872	1,310,061
1996	1,078,328	830,365	247,963
1997	1,052,925	882,763	170,162
1998	1,428,192	1,184,114	244,078

Source: Statistics Canada, Exports by Commodity, Catalogue 65-004, December issues, 19980 – 1998.

Table K. Imperial Tobacco earnings (pre-tax profits) per cigarette or cigarette equivalent, 1990 – 1998

	1990	1991	1992	1993	1994	1995	1996	1997	1998
Billions of cigarettes (and equivalents) sold	28.3	30.6	28.3	28.9	32.7	32.9	34.0	33.7	34.2
Profits (\$ millions)	\$367.1	\$397	\$432	\$462	\$592	\$645	\$705	\$775	\$815
Profit per cigarette	\$0.013	\$0.013	\$0.015	\$0.016	\$0.018	\$0.019	\$0.021	\$0.023	\$0.024
Profit per package (25)	\$0.32	\$0.32	\$0.38	\$0.40	\$0.45	\$0.49	\$0.52	\$0.57	\$0.60
Annual profit per pack- a-day smoker	\$118.37	\$118.39	\$139.29	\$145.87	\$165.20	\$178.89	\$189.21	\$209.85	\$219.65

Source: IMASCO Annual Reports, 1990 – 1998.