

Timeline of tobacco tax increases in the United Kingdom

Years	Tobacco excise increase
1993 – 1997	3% above inflation (RPI)
1998 – 2000	5% above inflation
2001 – 2008	In line with inflation
2009	2% increase [NB at a time of deflationary RPI forecast of -3%]
2010	1% above inflation, with a commitment to minimum 2% above inflation increases for next four years
2011	2% above inflation [Additional 10% increase on hand-rolled tobacco]
2012	5% above inflation
2013 – Present	2% above inflation [with a commitment to 2% above RPI for the 2015-2020 Parliament]. In 2016, tax on hand-rolled tobacco increased by 5% above inflation.

Notes and links

Unless otherwise noted, the tax increases took place in the annual Budget, usually in March of each year.

In July 1997, the Labour Government announced its intention to raise cigarette taxes by at least 5% above the rate of inflation each year, following the previous government's policy of raising tobacco duty by at least 3% above inflation. This commitment was carried through in the 1998, 1999 and 2000 Budgets. However, in November 1999 the Chancellor changed the policy and instead announced that any extra revenue raised from future tobacco tax rises would be spent on improved health care. (HM Treasury Pre-Budget Report, 1999. Section 5.113, 9/11/99.

http://webarchive.nationalarchives.gov.uk/+http://www.hm-treasury.gov.uk/prebud_pbr09_repindex.htm)

Since then, tobacco taxes have risen either in line with, or slightly above inflation, as measured by the Retail Prices Index (RPI).

Note: In November 2008 tobacco duties were increased to ensure the overall level of taxation remained broadly unchanged following the temporary reduction in VAT. [Pre-Budget Report, 2008] <https://www.gov.uk/government/publications/hm-treasury-pre-budget-report-november-2008>

Budget 1998 <https://www.gov.uk/government/publications/financial-statement-and-budget-report-march-1998>

Budget 1999 <https://www.gov.uk/government/publications/budget-report-march-1999>

Budget 2000 http://webarchive.nationalarchives.gov.uk/20130129110402/http://www.hm-treasury.gov.uk/bud_budget00_repindex.htmhttps://www.gov.uk/government/uploads/system/uploads/attachment_data/file/265498/hc346.pdf

Budget 2001 <http://webarchive.nationalarchives.gov.uk/20100407010852/http://www.hm-treasury.gov.uk/d/435.pdf>

Budget 2002 http://webarchive.nationalarchives.gov.uk/20130129110402/http://www.hm-treasury.gov.uk/media/4/1/Budget_2002.pdf

Budget 2003 http://webarchive.nationalarchives.gov.uk/20130129110402/http://www.hm-treasury.gov.uk/d/Budget_2003.pdf

Budget 2004 http://webarchive.nationalarchives.gov.uk/20130129110402/http://www.hm-treasury.gov.uk/d/Budget_2004.pdf

Budget 2005 http://webarchive.nationalarchives.gov.uk/20130129110402/http://www.hm-treasury.gov.uk/d/bud05_completereport_147.pdf

Budget 2006 http://webarchive.nationalarchives.gov.uk/20130129110402/http://www.hm-treasury.gov.uk/d/bud06_completereport_2320.pdf

Budget 2007 http://webarchive.nationalarchives.gov.uk/20130129110402/http://www.hm-treasury.gov.uk/d/bud07_completereport_1757.pdf

Budget 2008
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/250345/0388.pdf

Budget 2009 http://webarchive.nationalarchives.gov.uk/20130129110402/http://www.hm-treasury.gov.uk/d/bud09_completereport_2520.pdf

Budget 2010 http://webarchive.nationalarchives.gov.uk/20130129110402/http://www.hm-treasury.gov.uk/d/budget2010_complete.pdf

Budget 2011 <http://webarchive.nationalarchives.gov.uk/20130129110402/http://www.hm-treasury.gov.uk/2011budget.htm>

Budget 2012 <http://webarchive.nationalarchives.gov.uk/20130129110402/http://www.hm-treasury.gov.uk/budget2012.htm>

Budget 2013 <https://www.gov.uk/government/publications/budget-2013-documents>

Budget 2014 <https://www.gov.uk/government/topical-events/budget-2014>

Budget 2015 <https://www.gov.uk/government/publications/budget-2015-documents>

Summer Budget 2015 <https://www.gov.uk/government/topical-events/budget-july-2015>

[NB There were no additional tobacco tax increases in the July 2015 Budget following the May General Election.]

Budget 2016 <https://www.gov.uk/government/topical-events/budget-2016>

Budget 2017 (March) <https://www.gov.uk/government/publications/spring-budget-2017-documents>