

**2020 No. 1256**

**EXCISE**

**The Tobacco Products Duty (Alteration of Rates) Order 2020**

*Approved by the House of Commons*

*Made - - - - at 9.30 a.m. on 12th November 2020*

*Laid before the House of Commons at 1.00 p.m. on 12th November 2020*

*Coming into force - - - - 16th November 2020*

The Treasury, in exercise of the powers conferred by section 6(1) of the Tobacco Products Duty Act 1979<sup>(a)</sup>, make the following Order.

**Citation and commencement**

1. This Order may be cited as the Tobacco Products Duty (Alteration of Rates) Order 2020 and comes into force on 16th November 2020.

**Excise duty charged on tobacco products**

2. The Schedule to this Order has effect in relation to the excise duty charged on tobacco products<sup>(b)</sup>.

*David Rutley  
Rebecca Harris*

At 9.30 a.m. on 12th November 2020 Two of the Lords Commissioners of Her Majesty's Treasury

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(a) 1979 c. 7 ("the Act"); section 6(5)(a) was amended by section 23(1) and (2) of the Finance Act 2017 (c. 10).

(b) See sections 1 and 2(1) of, and Schedule 1 to, the Act.

## SCHEDULE

Article 2

### Tobacco products: increases to rates of duty

Each rate of duty in force under the Table in Schedule 1 to the Tobacco Products Duty Act 1979<sup>(a)</sup> (except for the percentage of the retail price of cigarettes<sup>(b)</sup>) is increased by the specified percentage that gives the corresponding, increased rate shown in the table below.

(To three decimal places, the respective specified percentages are: 3.134, 5.134, 3.134, 7.134, 3.134 and 3.134 per cent.)

| <i>Description of tobacco product<sup>(1)</sup></i> | <i>Increased rate of duty<sup>(2)</sup></i>  |
|---|--|
| 1. Cigarettes                                       | (a) £244.78 per thousand cigarettes where 16.5% of the retail price is added to determine the duty of excise charged under section 2(1) of the Tobacco Products Duty Act 1979, and otherwise<br>(b) £320.90 per thousand cigarettes. |
| 2. Cigars   | £305.32 per kilogram   |
| 3. Hand-rolling tobacco                             | £271.40 per kilogram   |
| 4. Other smoking tobacco and chewing tobacco        | £134.24 per kilogram   |
| 5. Tobacco for heating                              | £251.60 per kilogram   |

<sup>(1)</sup> See section 1 of the Tobacco Products Duty Act 1979.

<sup>(2)</sup> See section 2(1) of, and Schedule 1 to, that Act.

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(a) The Table in Schedule 1 to the Act was last substituted by section 82(1) of the Finance Act 2020 (c. 14) which was treated as having come into force at 6.00 p.m. on 11th March 2020 (see section 82(2) of that Act).

(b) The percentage of the retail price of cigarettes in paragraph 1(a) of the Table in Schedule 1 to the Act is unchanged from 16.5%. This is treated as a separate rate of duty for the purposes of section 6 of the Act (see section 6(5)(a)).

## EXPLANATORY NOTE

*(This note is not part of the Order)*

This Order increases the excise duty rates on tobacco products, in accordance with the Schedule to the Order. The percentages and amounts of duty applicable as a result of the changes made by this Order are shown in the table below. The increases take effect on 16th November 2020.

|   |   |
|---|---|
| 1 Cigarettes                                | An amount equal to the higher of –<br>(a) 16.5% of the retail price plus £244.78 per thousand cigarettes, or<br>(b) £320.90 per thousand cigarettes |
| 2 Cigars                                    | £305.32 per kilogram  |
| 3 Hand-rolling tobacco                      | £271.40 per kilogram  |
| 4 Other smoking tobacco and chewing tobacco | £134.24 per kilogram  |
| 5 Tobacco for heating                       | £251.60 per kilogram  |

A Tax Information and Impact Note covering this instrument was published on 12th November 2020 and is available on the website at <https://www.gov.uk/government/collections/tax-information-and-impact-notes-tiins>.

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