

**CZECH UNIVERSITY OF LIFE SCIENCES PRAGUE**  
**FACULTY OF ECONOMICS AND MANAGEMENT**  
**DEPARTMENT OF ECONOMICS**



**DIPLOMA THESIS ABSTRACT**

**Comparative Analysis of Excise Taxes in Selected EU  
Countries**

**Author: Kristýna Tomanová**

**© 2015 CULS Prague**

1. Úvod
2. Cíl závěrečné práce
3. Materiál a metodika
4. Výsledky
5. Závěr

### **Souhrn**

Tato diplomová práce analyzuje spotřební daně na tabákové výrobky v Evropské Unii. Je popsán vliv na změny spotřebních daní z tabákových výrobků na státní rozpočet a na černý trh. Také se text zabývá efektivní regulací trhu a neefektivností zvyšování spotřebních daní.

**Klíčová slova:** spotřební daně, Evropská unie, nelegální trh, HDP, legislativa

### **Summary**

This diploma thesis analyzes the excise tax on tobacco products in the European Union. It describes the impact of changes in excise taxes on tobacco products on the state budget and on the black market. The text also deals with effective market regulation and inefficiency of increasing in excise taxes.

**Keywords:** excise taxes, European Union, illegal trade, VAT, legislative

The market for tobacco products is subject to significant government regulation. These regulations affect not only the market itself, but their effects can be observed in other sectors and areas of the economy and society.

The aim of this thesis is the elaboration of a comprehensive analysis of the market of tobacco products, focusing on the taxation of these products, and the ensuing revenues for public budgets, consumption, and state regulation and their consequences, including the black market of tobacco products.

The work is based on two hypotheses that are related. The first concerns the identification of changes in the structure of consumption of tobacco products, caused by the growth of prices derived from the increase in excise tax on tobacco products. The question is whether raising the excise tax on tobacco products causes changes in consumption patterns. The second hypothesis is about maintaining the amount of budget revenues through excise taxes on tobacco products, despite a decline in sales of cigarettes in legal markets. Thus, if despite this reduction in consumption is to reduce public revenues or not.

Analytical section will be done using methods of collecting information, its subsequent study, analysis by analysis of individual products subject to excise duty, synthesis applied in the practical part in reconciling data collected in previous part of the thesis and the method of comparison, which is applied when examining the relationship between products with excise tax burden in the Czech Republic and in other member countries.

Tobacco stamps are used to label cigarette packages and operate on a similar principle such as duty stamps on bottles of alcohol. De facto declare that the manufacturer / importer has paid excise duty properly. Tobacco stamps that are dedicated to Act no. 353/2003 Coll. the Excise Tax Act and Decree no. 467/2003 Coll. the use of tobacco stamps in the labeling of tobacco products. The tax system in the Czech Republic is divided into two basic categories, namely on direct taxes and also income and indirect. Direct taxes are payable on the income or assets of the taxpayer. They are direct and take into account the assets and income situation of the taxpayer. Indirect taxes we pay, especially in the prices of goods and services and leases and transfers.

Excise taxes generally make up a significant portion of the state budget. In the Czech Republic during the reporting period, i.e. between 2005 and 2013, earned revenues from excise taxes on average 13% of the total state budget revenues. Excise taxes on tobacco products averaged 4% of the total state budget revenues, while the share of excise taxes on tobacco products in total collection of excise taxes was approximately one-third.

The shadow economy is an integral part of the highly regulated markets of consumer goods, including tobacco products. The market in counterfeit and contraband cigarettes is part of shadow economies worldwide. Mainly related to high taxation of cigarettes and tobacco products and the nature of demand for those goods - both increase the profit potential of all entities participating in illegal transactions. High tax burden, and therefore the high price of goods to counterfeit or bootleg motivate these products and sell them at a lower price with higher gain.

On the basis of the analysis of the market for tobacco products in the Czech Republic can be concluded that the phenomenon of smoking is still a current issue. On the market with tobacco products runs a number of changes that have an impact not only on the market for these products, but also on the whole economy.

State regulation of the frontloading of the stamps will not lead to the intended aim of reducing the "tax evasion", through diversion lower rates of excise duty (originally due to lower prices of tobacco stamps). This regulation will deepen market distortion and will reduce the competitiveness of the market. A better alternative would be to publish a long-term "plan" raising the excise duty so that producers can incorporate these expectations into their business strategies and on this basis to optimize their production.

## References

Kubátová, K.: „Harmonizace daní v Evropské unii“. Daně, 1998, č. 7-8, str. 2-7.

Laffer, A.: „The Laffer Curve: Past, Present, and Future“ (June 1, 2004). The Heritage Foundation. Research. Reports. Online dostupné zde: <http://www.heritage.org/research/report/s/2004/06/the-laffer-curve-past-present-and-future> (18. 8. 2014).

Ministerstvo financí České republiky. Tiskové zprávy 2014. „MF předložilo návrh novely zákona o spotřebních daních“. Mgr. Marek Zeman, 10. 3. 2014. Online dostupné zde: <http://www.mfcr.cz/cs/aktualne/tiskove-zpravy/2014/mf-predlozilo-navrh-novely-zakona-o-spot-17255> (12. 8. 2014).

Kubátová K., Vitek L., 1997. Daňová politika, teorie a praxe, Praha : nakladatelství Kodex Bohemia s.r.o.

ŠULC, I. Zákon o spotřebních daních s komentářem. 3. aktualizované vydání. [s.l.] : Anag, 2010.

Celní správa České republiky. Daně. Spotřební daně. Tabák. Předpisy Evropské unie upravující správu spotřební daně z tabákových výrobků. Online dostupné zde: [http://www.celnisprava.cz/cz/dane/spotrebni-dane/tabak/Stranky/predpisy\\_eu\\_tv.aspx](http://www.celnisprava.cz/cz/dane/spotrebni-dane/tabak/Stranky/predpisy_eu_tv.aspx) (3. 5. 2014).

Adler, J., Freedman, A.: „Tobacco Suit Exposes Ways Cigarette Firms Keep the Profits Fat“. Wall Street Journal, 5. 3. 1990, s. 1.

Allen, E.: „The Illicit Trade in Tobacco Products and How to Tackle It“. International Tax and Investment Center. Edition II, 2013. Online dostupné zde: <http://www.iticnet.org/images/The%20Illicit%20Trade%20in%20Tobacco%20Products%20and%20How%20to%20Tackle%20It%20-%20Second%20Edition2.pdf> (13. 8. 2014).

Becker, G., Becker, G. N.: „The Economics of Life“. McGraw-Hill, USA, 1996. ISBN 0-07-005943-8.