

Calculation of Cambodia Tobacco Tax:

Previous Imported:

$$\text{CIF} + 0.07\text{CIF} + 0.1 (\text{CIF} + 0.07\text{CIF}) + 0.1 \{ \text{CIF} + 0.07\text{CIF} + 0.1 (\text{CIF} + 0.07\text{CIF}) \} + 0.03 [\text{CIF} + 0.07\text{CIF} + 0.1 (\text{CIF} + 0.07\text{CIF})] = 1.33001\text{CIF}$$

The total tax (import, excise, VAT and public lighting tax) is 33% of CIF, **24.81% of retail price.**

The excise tax is 10.07% of CIF, or 7.57% of retail price.

Current Imported:

$$\text{CIF} + 0.07\text{CIF} + 0.15 (\text{CIF} + 0.07\text{CIF}) + 0.1 \{ \text{CIF} + 0.07\text{CIF} + 0.15 (\text{CIF} + 0.07\text{CIF}) \} + 0.03 [\text{CIF} + 0.07\text{CIF} + 0.15 (\text{CIF} + 0.07\text{CIF})] = 1.390465\text{CIF}$$

The total tax (import, excise, VAT and public lighting tax) is 39% of CIF, **28.08% of retail price.**

The excise tax is 16.05% of CIF, or 11.54% of retail price.

Future Imported and assuming 3% retail margin:

$$\text{CIF} + 0.07\text{CIF} + 0.15 (\text{CIF} + 0.07\text{CIF}) + 0.1 \{ \text{CIF} + 0.07\text{CIF} + 0.15 (\text{CIF} + 0.07\text{CIF}) \} + 0.03 [\text{CIF} + 0.07\text{CIF} + 0.15 (\text{CIF} + 0.07\text{CIF})] = 1.390465\text{CIF} + 0.03 * 1.390465\text{CIF} = 1.43217895 \text{CIF}$$

The total tax (import, excise, VAT and public lighting tax) is 39% of CIF, 27.26% of retail price.

The excise tax is 16.05% of CIF, or 11.12% of retail price.

Current Domestic with old information (EF = ex-factory):

$$\text{EF} + 0.1\text{EF} + 0.1(\text{EF} + 0.1\text{EF}) + 0.03(\text{EF} + 0.1\text{EF}) = 1.243\text{EF}$$

The total tax (excise, VAT and public lighting tax) is 24.3% of EF price, or 19.55% of retail price.

Previous Domestic with updated information (EF = ex-factory):

$$\text{EF} + 0.1 * 0.65\text{EF} + 0.1(\text{EF} + 0.1 * 0.65\text{EF}) + 0.03(\text{EF} + 0.1 * 0.65\text{EF}) = 1.20345\text{EF}$$

The total tax (excise, VAT and public lighting tax) is 20.35% of EF price, or **16.91% of retail price.**

The excise tax is 6.5% of EF price, or 5.40% of retail price.

Previous Domestic if base is 65% of EF (EF = ex-factory):

$$\text{EF} + 0.15 * 0.65\text{EF} + 0.1(\text{EF} + 0.15 * 0.65\text{EF}) + 0.03(\text{EF} + 0.15 * 0.65\text{EF}) = 1.240175\text{EF}$$

The total tax (excise, VAT and public lighting tax) will be 24.02% of EF price, or **19.37% of retail price.**

The excise tax will be 9.75% of EF price, or 7.86% of retail price.

Previous Domestic if base is 85% of EF (EF = ex-factory):

$$\text{EF} + 0.15 * 0.85\text{EF} + 0.1(\text{EF} + 0.15 * 0.85\text{EF}) + 0.03(\text{EF} + 0.15 * 0.85\text{EF}) = 1.274075\text{EF}$$

The total tax (excise, VAT and public lighting tax) will be 27.41% of EF price, or **21.51% of retail price.**

The excise tax will be 12.75% of EF price, or 10.01% of retail price.

Current Domestic if base is 90% of EF (EF = ex-factory):

$$EF + 0.15 \cdot 0.90 EF + 0.1(EF + 0.15 \cdot 0.90 EF) + 0.03(EF + 0.15 \cdot 0.90 EF) = 1.28255 EF$$

The total tax (excise, VAT and public lighting tax) will be 28.25% of EF price, or **22.03% of retail price.**

The excise tax will be 13.5% of EF price, or 10.53% of retail price.

Future Domestic if base is 100% of EF (EF = ex-factory):

$$EF + 0.15 \cdot EF + 0.1(EF + 0.15 \cdot EF) + 0.03(EF + 0.15 \cdot EF) = 1.29955 EF$$

The total tax (excise, VAT and public lighting tax) will be 29.96% of EF price, or **23.05% of retail price.**

The excise tax will be 15% of EF price, or 11.54% of retail price.

Current Domestic with updated information and assuming 3% retail margin (EF = ex-factory):

$$EF + 0.1 \cdot 0.65 EF + 0.1(EF + 0.1 \cdot 0.65 EF) + 0.03(EF + 0.1 \cdot 0.65 EF) = 1.20345 EF$$

$$1.20345 EF + 0.03 \cdot 1.20345 EF = 1.2395535 EF$$

The total tax (excise, VAT and public lighting tax) is 20.35% of EF price, or 16.41% of retail price.

The excise tax is 6.5% of EF price, or 5.24% of retail price.

Future Domestic if base is 65% of EF and assuming 3% retail margin (EF = ex-factory):

$$EF + 0.15 \cdot 0.65 EF + 0.1(EF + 0.15 \cdot 0.65 EF) + 0.03(EF + 0.15 \cdot 0.65 EF) = 1.240175 EF + 0.03 \cdot 1.240175 EF = 1.27738025 EF$$

The total tax (excise, VAT and public lighting tax) will be 24.02% of EF price, or 18.80% of retail price.

The excise tax will be 9.75% of EF price, or 7.63% of retail price.

Future Domestic if base is 85% of EF and assuming 3% retail margin (EF = ex-factory):

$$EF + 0.15 \cdot 0.85 EF + 0.1(EF + 0.15 \cdot 0.85 EF) + 0.03(EF + 0.15 \cdot 0.85 EF) = 1.274075 EF$$

$$1.274075 EF + 0.03 \cdot 1.274075 EF = 1.31229725 EF$$

The total tax (excise, VAT and public lighting tax) will be 27.41% of EF price, or 20.89% of retail price.

The excise tax will be 12.75% of EF price, or 9.72% of retail price.

Future Domestic if base is 100% of EF and assuming 3% retail margin (EF = ex-factory):

$$EF + 0.15 \cdot EF + 0.1(EF + 0.15 \cdot EF) + 0.03(EF + 0.15 \cdot EF) = 1.29955 EF + 0.03 \cdot 1.29955 EF = 1.3385365 EF$$

The total tax (excise, VAT and public lighting tax) will be 29.96% of EF price, or 22.38% of retail price.

The excise tax will be 15% of EF price, or 11.21% of retail price.

How it was calculated:

Current Domestic with updated information (EF = ex-factory):

$$EF + 0.1 \cdot 0.65 EF + 0.1(EF + 0.1 \cdot 0.65 EF) + 0.03(EF + 0.1 \cdot 0.65 EF) = 1.20345 EF$$

The total tax (10% excise = 0.1 in 2nd expression, 10% VAT = 0.1 in 3rd expression, and 3% public lighting tax = 0.03 in 4th expression; the expressions in the brackets represent the base for the tax; the base is reduced to 65% [0.65] in the 2nd expression since this is the base for the excise tax) is 20.35% of EF price (the total is 1.20345EF, therefor the tax is 20.345% which rounds to 20.35%), or 16.91% of retail price (calculated as 0.20345/1.20345)
The excise tax is 6.5% of EF price ($0.1 * 0.65 = 0.065$), or 5.40% of retail price (calculated as $0.065/1.20345$)

The previous calculation showed that all taxes represent **19.55%** of retail price. That was not correct, because that calculation assumed that the excise tax was levied on 100% of the base. Using the new information that the base for calculating the excise tax is only 65%, the current share of all taxes in domestic price is only **16.91%**.

The new excise tax of 15% (instead of current 10%) will result in all taxes being **19.37%, 21.51%, and 23.05% of retail price if the new base is 65%, 85% and 100% of ex-factory price, respectively.**

This calculation is based on 0 retail margin. The share of all taxes in retail price is likely much lower than the calculation shows due to the presence of retail margin.

Also, the calculation is for all taxes combined. The international standard calls for expressing excise tax as share of retail price. The new excise tax of 15% (instead of current 10%) will result in **excise tax being 7.86%, 10.01%, and 11.54% of retail price if the new base is 65%, 85% and 100% of ex-factory price, respectively.**

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