

INDEPENDENT STUDY	THE EXCISE TAX ON TOBACCO
TOPIC	
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ABSTRACT

Now a day, countries in the world focus more on the tobacco consumption control issues. This is because tobacco is a cause of many serious health problems that can be prevented. In the report of the World Health Organization, it is found out that, the death from tobacco consumption or tobacco smoke has been up to five million people per year. It is also predicted that if the countries do not cooperate together to prevent from and control tobacco consumption, there will be more death of eight million people per year in the year 2030. Accordingly the World Health Organization has classified tobacco as a priority issue for all countries to resolve urgently. For tobacco products, they are products being subject to taxation in every country. In the past, the taxation of tobacco products is similar to that of other products. This is to say that it is focused on gaining mainly revenue for the government. However, actually, the current scientific evidence indicates that tobacco is a leading cause of illness for both consumers and individuals around and thereby. the government has to pay a big amount for medical treatment for sickness from tobacco. From such justification and necessity, it has presently changed the concepts about the taxation of tobacco from the past. The objective of public health has been cited as a reason for taxation of tobacco at present. It can be said that such objective is not less important than that of the revenue side.

From the study, it is found out that there are three major issues with Tobacco Act 1966

1. The problem with regard to the tobacco tax rate structure. From the study, it is found out that determination of, the structure of the tax base of, Thailand is facing several problems in practice. Usage of the value of the tax based on the products' price reflect uncertainty of the tax base. In addition, determination of tax base's value is complicated, resulting disputes in tax collection.

2. The problem on license system in the tax administration. Usage of license system to manage taxation of tobacco causes, a problem that laws on issuing license are not strict and have not control over the licensees. This is due to the policy in the past of the state with intent to support domestic tobacco industrialization for the purpose of revenue which does not comply with tobacco control policy in the current situation.

3. The problem on unlawful trade of tobacco. Under Tobacco Act 1966, there are several provisions that could not efficiently control illegal tobacco trade as they should be. This results in taxation of tobacco products imported inefficiently, and cannot prevent from the smuggling of illegal tobacco effectively.

This study suggests legal measures in the tobacco excise tax, in respect of the structure of the excise tax base, the excise tax base, tax rate and penalties in Tobacco Act 1966. In many countries, such as Australia and Canada, they have emphasized on these matters and applied legal measures in the tobacco excise tax collection. The author intends to recommend guidelines for solving problems so that Thai government should modify the tobacco tax rate to make clear, gradually and increased continuously. This is to reduce persuasion for illegal tobacco trade and reduce overall tobacco consumption by improving Act, Ministerial Regulations, Regulation regarding tobacco control, development of capacity of tobacco control officers and a campaign of legal measures and publicizing tobacco control legislation. In addition, law regarding penalties in case of breach of license conditions should be implemented. The penalties should apply to both criminal and administrative sanctions in which. the licensee breaching the conditions would be liable to imprisonment or a fine with suspension or revocation of the license like Australia and Canada so as to be guideline on the improvement and development of laws related to the tobacco excise taxes to match and consistent with the current situation.