Between 1992 and 2011, the price of cigarettes in the United Kingdom increased more than 200%. During the same period, cigarette sales declined 51% and government revenue from tobacco taxes increased 44%. Adult smoking prevalence dropped from 27% in 2000 to 20% in 2010.

**Tobacco Use**
One in five adults (age 16+) in the United Kingdom smoke (males 21%; females 20%). Among 15 year old youth in England, 11% are regular smokers.

**Tax Structure**
Cigarettes incur both a specific and ad valorem tax. The government sets a tobacco tax escalator, which automatically increases tobacco taxes by a certain percentage above the inflation rate. Cigarettes are also subject to 20% VAT.

As a member of the European Union, total excise must be at least 57% of the weighted average retail selling price of cigarettes.

**Tax Change**
In 1993, the government introduced a tobacco tax escalator of 3% above inflation, which was increased to 5% in 1997. In 2001, the escalator was removed, and, until 2008, taxes rose only in line with inflation. In 2009, tobacco taxes were increased 2% above inflation. The escalator was reinstated at 1% above inflation in 2010, and raised to 2% in 2011 and 5% in 2012.

Currently, total taxes (including VAT) account for 82% of the retail price.

**Impact of Tax Increase**
**Tax and Price**
Total tobacco tax has remained at or above 75% of retail price since 1992.

**Sales**
Cigarette sales declined 51% from 85.7 billion sticks in 1992 to 42 billion sticks.

**Prevalence**
Between 1994 and 2000, there was no change in adult smoking prevalence. It declined significantly starting in 2000 once a comprehensive tobacco control strategy, including tackling smuggling, was introduced.

**Government Revenue**
Between 1992 and 2011, government excise revenue from cigarettes increased from £5.9 billion to £8.5 billion, even as sales declined.