

Cost Estimate of Election Campaign Proposal

Publication date:	2019-10-11				
Short title:	Anti-Tobacco Levy				
Description:	Establishing a levy on tobacco companies equal to planned spending on the Federal Tobacco Control Strategy (FTCS), less planned litigation-related costs.				
Operating line(s):	Other revenues				
Data sources:	<table><tr><td>Planned FTCS spending:</td><td>Finance Canada <i>Budget 2018</i>; Health Canada <i>Departmental Plan 2018-19 Supplementary Information Tables</i></td></tr><tr><td>Planned litigation costs:</td><td>Health Canada <i>FTCS 2001-2011 Horizontal Evaluation</i></td></tr></table>	Planned FTCS spending:	Finance Canada <i>Budget 2018</i> ; Health Canada <i>Departmental Plan 2018-19 Supplementary Information Tables</i>	Planned litigation costs:	Health Canada <i>FTCS 2001-2011 Horizontal Evaluation</i>
Planned FTCS spending:	Finance Canada <i>Budget 2018</i> ; Health Canada <i>Departmental Plan 2018-19 Supplementary Information Tables</i>				
Planned litigation costs:	Health Canada <i>FTCS 2001-2011 Horizontal Evaluation</i>				
Estimation and projection method:	<p>Planned spending on the FTCS was determined using projections in <i>Budget 2018</i> and Health Canada's <i>Departmental Plan 2018-19 Supplementary Information Tables</i>. For later years without a government projection, PBO assumed nominal spending on the FTCS to be constant, in line with historical patterns.</p> <p>Estimated planned litigation costs were subtracted from FTCS planned spending to determine the total amount to be levied. While some administration costs are expected, these are not expected to be material.</p>				
Uncertainty assessment:	<p>The estimate has low uncertainty. Projected data are sourced from Finance Canada and Health Canada publications and are expected to be highly certain, notwithstanding future discretionary budget decisions, such as the funding enhancement announced in <i>Budget 2018</i>. Otherwise, annual planned spending on the FTCS has been constant in recent years, is projected to continue to be constant, and is not sensitive to uncertainty in the economic outlook. A behavioural response is not expected.</p>				

Cost of proposed measure

\$ millions	2019- 2020	2020- 2021	2021- 2022	2022- 2023	2023- 2024	2024- 2025	2025- 2026	2026- 2027	2027- 2028	2028- 2029
Total cost	-	-58	-58	-58	-58	-58	-58	-58	-58	-58

Notes:

Estimates are presented on an accruals basis as would appear in the budget and public accounts.

Positive numbers subtract from the budgetary balance, negative numbers contribute to the budget balance.

"-" = PBO does not expect a financial cost