
TOBACCO CONTROL STATUTE LAW AMENDMENT ACT, 2005:

Costs of Tobacco Use and Tax Revenues

This fact sheet provides basic information only. It must not take the place of medical advice, diagnosis or treatment. Always talk to a healthcare professional about any health concerns you have, and before you make any changes to your diet, lifestyle or treatment.

Costs of tobacco use in Ontario

Tobacco-related diseases cost the Ontario economy:

- at least \$1.7 billion in healthcare annually¹;
- result in more than \$2.6 billion in productivity losses²; and
- account for at least 500,000 hospital days each year³.

Ontario is being conservative in its estimates of the health care costs of tobacco use. According to a World Bank report¹, in developed countries, the overall annual cost of health care that may be attributed to smoking is estimated to be between 6% and 15% of total health care costs. For Ontario, this would mean that the estimate of health care costs attributable to smoking could be as high as \$5 billion.

Revenue from tobacco taxes in Ontario

- Tobacco taxes generated \$1.452 billion in the 2004/05 fiscal year and \$1.35 billion in the 2003/04 fiscal year.

References

¹ Jha, P. & Chaloupka, F.J. *Curbing the epidemic: Governments and the economics of tobacco control*. Washington, DC: The World Bank, 1999.

² *Investing in Tobacco Control: Good Health Policy, Good Fiscal Policy*. Toronto, ON: Ontario Medical Association, 2003.

³ Xie, X, Rehm, J., Single, E., Robson. *The Economic Costs of Alcohol, Tobacco and Illicit Drug Use in Ontario: 1992*, Toronto: Addiction Research Foundation, 1996.