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EXCISE DUTY CHANGES IN CROATIA AND THEIR IMPACT ON THE HEALTH POLICY

Abstract:

The harmonization of Croatian excise system with the *acquis communautaire* has resulted in a number of consequences in fiscal and non-fiscal nature, with an emphasis on social and health component. Especially is highlighted the correlation between the increase of excise duties (*ad valorem* and specific duties) and tax evasion, wherefore the effect on revenue side of the state budget is negligible. Compensation for decreased demand for traditional manufactured tobacco is directed on consumption of their substitutes, whose health components are in question and their tax treatment is still dubious.

Frequent use of substitute tobacco products like e-cigarettes cannot be considered as desired effect of preventive health policy, because the degree of their harmfulness is still the subject of research, and the consequences of their use will be visible over a long time. One of the biggest threats and challenges of health care policy stems from the alarming statistics which show increasing consumption of tobacco products among young people, which has an impact not only on their health and relationship to their own body, but also the awareness of the harmful effects on the passive smokers as well as the environment.

Keywords:

tax, excise, health, budget, tax evasion