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Australia Tobacco Tax: Price Of Cigarettes To Exceed \$20 A Pack

The Huffington Post | By Hunter Stuart

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If you think cigarettes are expensive in the United States, be glad you don't live in Australia, where the price of a pack of smokes is [set to rise to above \\$20](#), according to The Australian.

The higher price for cigarettes is the result of a [rise in the tobacco tax](#), which government officials say they hope will not only increase revenues by billions of dollars over the next few years, but encourage smokers to kick the habit.

"Price increases encourage existing smokers to quit and raise the barrier for people considering taking up smoking, especially young people," the government-sponsored [National Tobacco Strategy](#) reads, as The Australian notes.

This isn't the first time the Australian government has raised taxes on tobacco, however. In 2010 it [increased taxes](#) on tobacco products by 25 percent, [provoking](#) panic among smokers, according to the Australian Broadcasting Corporation.

The new tobacco tax comes in conjunction with new cigarette packaging restrictions in Australia, which [forbid tobacco companies](#) from including any branding on cigarette labels, the Guardian reports. As of Dec. 1, cigarette packages must use generic fonts and a drab olive-brown color meant to discourage consumers.

Australia's tobacco tax isn't the country's only sin tax. Australia also [taxes beer and alcohol](#), with higher taxes placed on beverages that have higher alcohol content.

Although higher tobacco taxes may reduce smoker addiction rates, at least one study has shown that such "nanny taxes," as they are often called, sometimes [place a greater burden](#) on lower-income consumers, the Australian reports.

But the increase in the tobacco tax may not bring in the higher revenues the Australian government is hoping for.

In September, the Australian Associated Press reported that [tobacco tax revenue fell](#) by \$341 million. The federal government says its anti-smoking measures likely contributed to the drop, according to the report.