

# Health Taxes Action Guide

## A Road Map for Policymakers



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# Overview

Noncommunicable diseases (NCDs) such as heart disease, cancer and diabetes, kill 43 million people each year worldwide, accounting for 75% of non-pandemic deaths globally in 2021. In the same year, 18 million people died before age 70 from an NCD, mostly driven by tobacco use, alcohol consumption, or unhealthy diets, and 82% of these premature deaths occurred in low- and middle-income countries.<sup>1</sup> Tobacco alone claims more than 7 million lives each year.<sup>2</sup> Beyond the human toll, the economic burden of lost productivity and rising treatment costs outweighs most governments' tax revenue from these products.<sup>3</sup>

A proven solution exists in every government's toolkit: health taxes. When excise taxes on tobacco, alcohol and sugar-sweetened beverages (SSBs) are designed well and set high enough to raise retail prices significantly, consumption decreases, lives are saved, and public treasuries expand. Excise taxes are indirect levies applied at manufacture or import on specific products such as tobacco, alcohol and sugary drinks. By raising consumer prices, excise taxes reduce the purchase and consumption of

these unhealthy products with proven links to lung and heart diseases, cancer and obesity.<sup>4</sup>

In both design and impact, health taxes are equitable. While lower-income households are more price-sensitive, they also bear a higher burden of poor health. Therefore, reducing consumption enables this group to gain substantial health benefits. If taxes are appropriately designed, governments can secure a stable, inflation-proof revenue stream that can also be used for health and social priorities, like preventive screenings, universal health coverage, subsidized child care services and strategic communication about prevention. Those who make and profit from these unhealthy products will lodge false claims about taxes that policymakers and advocates will have to anticipate and counter, and those are outlined in this guide. The industries will assert, for example, that higher excise taxes on these products will cause job losses, a claim that does not hold up from evidence around the world that shows that at minimum, jobs are shifted to other sectors.<sup>5</sup>



## About This Action Guide

This guide aims to support countries committed to tackling noncommunicable diseases through stronger fiscal measures.<sup>6</sup> It is a road map designed primarily for health policymakers and highlights where they can strategically safeguard health objectives with a health tax agenda. While focused on health, the guide also recognizes the vital role of the relationship between health ministries and finance ministries. Working alongside finance officials and other key actors, health leaders can provide evidence for fiscal measures that benefit both health and the economy.

The guide reflects experience from countries that have successfully advanced reforms, translating lessons into what health leaders need to advance tax policy, from data modeling to building alliances with civil society to anticipating and countering the claims of commercial industries that produce these products. It complements global policy frameworks—such as the [WHO Framework Convention on Tobacco Control](#) and [WHO's health taxes guides](#)—by providing policymakers with actionable steps to adapt to their context.

# The Toll of Harmful Commercial Products

## Tobacco

Tobacco use caused an estimated 7.7 million deaths in 2019 and is a major driver of poverty and health care costs.

About 80% of the world's 1.3 billion tobacco users live in low- and middle-income countries, where the health and economic burdens of tobacco-related diseases are heaviest.

## Sugar-Sweetened Beverages

A global study published in 2024 found that consumption of sugary drinks is linked to 2.2 million new diabetes cases and 1.2 million new heart-disease cases each year.

Among children and adolescents, average sugar-sweetened beverage consumption increased by nearly 23% from 1990 to 2018, with particularly high consumption in Latin America and the Middle East/North Africa.

## Alcohol

In 2019 (most recent global data), 2.6 million deaths per year were attributable to alcohol, representing 4.7% of all global deaths.

Among youth aged 10–24 years, alcohol was responsible for nearly 60,000 deaths and caused around 6 million years of life lost due to premature death or disability, as of a 2019 analysis.

Health taxes are targeted levies on products—particularly tobacco, alcohol and sugary drinks—that harm health. They work by raising prices and reducing affordability, thereby reducing consumption and enabling people to make healthier choices. This formula—**tax increases → higher prices → lower consumption → better health**—has been proven across many contexts to lower disease rates, reduce health care costs and save lives. Well-designed health taxes also generate revenue, creating government resources to invest in health, education, and other public priorities. When used wisely, these funds can help reduce health inequalities, fix pricing of harmful products to reflect social costs, and support national development goals.

The structure of health taxes influences their contribution to health and fiscal outcomes. Good design choices should consider political, administrative and market realities while maintaining a clear public health goal. While finance experts are responsible for tax design and knowledgeable about all the technical details, it may be helpful for health policymakers to be aware of the thinking behind tax structures to ensure that the health rationale remains paramount.<sup>7</sup> (See Appendix 2.)

## Proven pathway to better health



Tax increases



Higher prices



Lower consumption



Better health



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# Taking Action

## A Road Map to Effective Health Taxes

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Health policy leaders need to pay close attention to how health taxes are designed—they must be robust enough to align with clear health goals and shielded from industry interference.

Strong design, fair implementation, thoughtful enforcement, and inclusive communication, all supported by strategic partnerships, are essential building blocks. This road map will walk you through each area step by step so that policies deliver health gains and resilience from the start.





Brazil World Food Day Mobilization Activities.

## Understand the Policy Change Pathway for Health Taxes

Health taxes are designed to achieve two core goals: to **protect public health** by reducing consumption of harmful products such as tobacco, alcohol, and sugary drinks, and to **generate sustainable revenue** supporting health systems and other social priorities. Since these products disproportionately harm youth and low-income people, well-designed taxes also advance **equity**. They help correct **market failures** by ensuring that the broader social and economic costs of disease, disability, and lost productivity are reflected in product prices. Reform can take several forms, including improving the effectiveness of existing taxes by:

- Changing the tax structure.
- Increasing the tax rate.
- Bundling or unbundling products under the tax.
- Adding or improving indexation to account for inflation.

Where no tax exists, policymakers can design and implement one from the ground up, following proven best practices. While decisions on which path to take will involve deliberations by finance officials and those guarding budgets, health officials can make the case with stakeholders and the public about the impact associated with each pathway, and push for the optimal strategy.

## Build the Health Case for Taxes on Tobacco, Alcohol and Sugary Beverages

For health policymakers, making the case for taxing harmful products means keeping the health rationale at the forefront of reform. Their role is to demonstrate the actual costs of consumption-related diseases and disabilities and the strain on health systems, and to show how well-designed taxes can prevent illness, save lives, increase productivity and save money. By supplying credible evidence and translating it into messages that resonate across government and with the public, health policymakers can ensure that taxes are understood as health measures and not just revenue tools.

Health policymakers can shape tax reforms by generating data to quantify health impacts; guiding policy design to protect public health goals; framing communication to strengthen political and public support; and anticipating and countering industry opposition.

## Turn Evidence Into Action

Data is the backbone of a credible health tax proposal, and data modeling can turn complex evidence into country-specific projections that give decision-makers confidence by answering two key questions:

- What does the country stand to gain from a properly designed tax?
- What does the country risk losing if reform is delayed or diluted?

Modeling can answer these questions by demonstrating what a strong health tax can achieve. Models can estimate revenue gains over time, project how prices and consumption will shift, and link these changes to improved health outcomes. Projections often highlight reductions in disease, deaths averted, and savings to health systems, including anticipated economic productivity gains that result when people are healthier. Equity analyses show that the most significant benefits

are usually realized among lower-income groups. Affordability and indexation models also confirm that taxes maintain their impact by keeping prices in line with inflation and income growth.

Modeling can also demonstrate the consequences of weak, delayed or poorly designed reforms. It measures the current burden of death, disease and injury caused by harmful products, and reveals health care costs linked to preventable illnesses. It also accounts for broader societal costs, such as lost productivity and lost revenue when loopholes or weak indexation remain. Projections can show good information on the impact of illegal trade and the need for better enforcement, and how increasing rates of NCDs add to the fiscal pressure over time. Finally, opportunity-cost models illustrate what missed revenues could otherwise support in health, education or social programs.



### Core analyses for health policymakers

Health policymakers should ensure the following evidence is in place and clearly communicated:

- Risk factor prevalence data from national surveys (e.g., [STEPs](#), [DHS](#), [GATS](#)) to show patterns of consumption and exposure.
- Baseline burden of death and disability from tobacco, alcohol and sugary drinks, drawn from national mortality data, cancer registries and hospital admissions.
- Health-care costs attributable to these products, calculated using insurance claims, hospital cost data and long-term care expenditures.
- Productivity losses such as sick leave, reduced labor force participation, and economic costs of premature death or disability.
- Distributional and equity impacts from household survey data to demonstrate that lower-income groups and those with health risks see the largest health and financial benefits, countering claims that health taxes are regressive.
- Deaths averted and disease burden reduced under proposed tax scenarios.





“Dose of Reality” Campaign art displayed on the biggest LED panel in Latin America, in Brazil.

## Anticipate Industry Arguments

Industries that profit from tobacco, alcohol, soda and junk food aggressively oppose health policies that threaten their profits. Health taxes are a direct threat because they increase prices, decrease consumption and reduce sales. The most powerful players are multinational companies with the resources, influence and reach to delay or weaken public health advances. These corporations control much of the world’s food and beverage supply and use that power to protect their profits, even at the expense of people’s health.

Understanding these strategies is crucial for health leaders. Industry interference is intentional, not accidental; it is planned and coordinated. With large budgets, companies can fund lobbying, legal threats and media campaigns faster than governments can react. Predicting this interference helps leaders defend strong tax policies, respond swiftly to pressure, and maintain public trust. When governments understand the industry playbook ahead of time, they are much less likely to be caught off guard and more capable of sticking to policies that save lives.

The industry playbook itself is simple. Perfected first by tobacco, these methods to weaken health policy have since been adopted wholesale by food, soda and alcohol companies:

- Undercutting the science in favor of questionable facts.
- Undermining the World Health Organization.
- Pushing industry-controlled voluntary guidelines when it is clear these will be weak.
- Blaming consumers instead of assuming responsibility.
- Bringing lawsuits to intimidate those seeking to protect health.
- Deploying front groups to carry their messages so that they are not seen as culpable.
- Pretending they are not targeting kids, even though, with slick marketing, they clearly are.
- Claiming huge losses in employment, even though data shows otherwise.

For a deeper look at how these tactics play out across industries, Vital Strategies’ report “[Fool Me Twice](#)” documents how food, soda and alcohol giants have borrowed directly from the tobacco industry’s playbook to protect profits and stall health progress.

## Strategically Communicate

Modeling and analysis are only the first steps. Their impact depends on how effectively the findings are communicated, framed and carried into decision-making spaces. Strategic communication is the bridge that turns data into political and public action.

1	<b>Partner with local research institutions and national and global experts</b> to generate and validate evidence.
2	<b>Publish findings in peer-reviewed outlets</b> to strengthen credibility and guard against industry misinformation.
3	<b>Frame the issue for the media and the public:</b> Present evidence that connects with widely held goals such as protecting children and families and strengthening prevention services. Make the link between health taxes and needed social protections, and present health taxes as collective solutions rather than narrow fiscal measures. <sup>8</sup>
4	<b>Refer to complementary evidence</b> , such as studies showing that health taxes do not lead to job loss and that illicit trade can be managed through proper enforcement.
5	<b>Present information disaggregated by income, gender and age</b> to highlight equity impacts and strengthen the case for protecting high-risk groups.
6	<b>Produce clear and visually compelling fact sheets</b> , talking points and other documents to clarify the case for health taxes to other policymakers, the media, the public and others.
7	<b>Tell stories of individuals suffering from the various associated illnesses;</b> if possible, enlist victims or their loved ones to give testimonials in their own words.
8	<b>Steer the conversation in real time: Monitor public debate and industry responses to counter opposition</b> and actively set the terms of discussion. Frame health taxes around solutions, fairness and shared benefits, so that opponents do not define the narrative.



## Safeguard Health Objectives When Drafting Health Tax Policies

The strength of the health rationale depends on how effectively tax reforms are translated from evidence into legal text. The drafting stage is where broad policy goals become enforceable measures, and details in the law can either secure or weaken the intended health impact. Policymakers are critical in ensuring that fiscal measures reflect public health objectives, close loopholes, and withstand political or legal challenges. To do so, they must be attentive to the positive elements that strengthen the law and the red flags that can compromise its effectiveness.

Ultimately, the legal text is more than a technical instrument; it is the foundation that determines whether health taxes deliver on their promise. Strong drafting reinforces public health goals, creates resilience against industry opposition, and sustains political legitimacy. By contrast, poorly designed provisions or hidden concessions can erode credibility and weaken long-term impact. For this reason, close attention to the essential elements and the red flags is critical to ensuring that fiscal measures genuinely advance health outcomes.



### Key Elements to Look For (Green Flags)

- **Comprehensive tax base:** Ensure all harmful products are included and clearly defined, closing loopholes that would allow substitution.
- **Indexation and sustainability:** Include automatic adjustments for inflation and, ideally, income growth, so that products do not become more affordable over time.
- **Health goals embedded into fiscal design:** For example, uniform specific excises for tobacco, rates linked to alcohol content, or sugar-based tiers for sugary drinks.
- **Explicit health rationale in the law:** The text should clearly state that the purpose is to reduce disease and protect health systems, reinforcing legal and political legitimacy.
- **Monitoring and reporting provisions:** Include requirements for periodic reporting on consumption, health outcomes and revenues to demonstrate early wins and maintain support.



### Red Flags to Watch Out For

- **Exemptions and carve-outs:** These are often presented as protecting jobs of small producers but undermine equity and weaken the tax system.
- **Tiered structures that invite substitution:** Differential rates by brand or category may shift consumption rather than reduce it.
- **Weak or absent indexation:** Without automatic adjustments, affordability creeps back, making the tax less effective.
- **Offsets or mitigation schemes:** Discounts tied to “corporate social responsibility” programs dilute the health rationale.
- **Vague or missing health language:** If the law does not explicitly mention health protection, opponents can reframe it as solely a revenue measure.

## Ally With Champions and Civil Society

Health tax reforms succeed when different stakeholders work together. Health leaders can best drive change when they collaborate with other policymakers, parliamentarians, researchers and civil society, and know how to work with the media.

### Align Evidence Across Ministries

Government actors beyond the health sector, such as those in finance, trade, education and social welfare, hold mandates that are central to whether reforms are adopted and implemented. Each ministry brings its priorities, and health arguments alone may not suffice. Health policymakers should engage colleagues early to frame taxes in terms of multiple benefits beyond reduced disease burden: lower household costs from preventable illness, increased productivity and economic growth, and stronger education budgets through revenue allocation. By framing the evidence to resonate across ministries, health officials preserve the health rationale while allowing colleagues to see the benefits of the reform within their mandate.

### Engage Researchers for Independent Validation

Researchers and academic institutions strengthen the credibility of reforms by modeling, validating evidence and publishing independent analyses. Governments can engage them as technical consultants, facilitating ownership of the policy process while benefiting from external validation of their policies. Independent validation creates trusted evidence that all actors can reference, protecting against accusations of bias and limiting opponents' ability to exploit discrepancies. This might include commissioning universities to analyze nationally representative surveys, peer-reviewing fiscal models, or co-branding briefs with government and research institutions.

### Enlist Civil Society and Champions to Build Public Will

Political will is most persuasive when linked to broader social benefits such as protecting children, safeguarding national productivity, or funding health and education. Health policymakers should proactively engage champions, supplying them with clear talking points, case studies and myth-busting facts. Civil society organizations, including medical associations, advocacy networks and community groups, can translate technical arguments into narratives that resonate with the public. They can humanize statistics with lived experiences, amplify health messages and mobilize communities. Health policymakers can work with these stakeholders to make sure they have credible health statistics and aligned framing. Civil society groups can also shield reforms from opposition. Civil society can bridge evidence and everyday realities, helping the debate remain focused on health benefits to people when health taxes are designed effectively.

### Leverage Global and Regional Technical Expertise

International supporters and technical experts can play a valuable role in health tax reforms by providing frameworks, models, benchmarks, legal templates and peer-reviewed evidence that strengthen the health rationale and counter industry arguments. Their involvement can also bring resources, visibility and credibility to national efforts.

# Conclusion

Health taxes are a practical way to reduce and prevent disease and strengthen public finances. They work when the health objective is kept at the center, the design is clear, and the narrative is straightforward about who benefits. Ministries of health have a distinct role: set the health rationale and show how revenues can fund visible priorities like prevention, primary care and social protection. Policy windows are short and industry opposition is certain.

The companies that profit from harmful products will try to reframe the debate, slow decisions and weaken design choices. Anticipate this. Use independent evidence, transparent processes and clear legal text to close loopholes. When leaders stay focused on the health purpose of taxes, coordinate across government and prepare for interference, health taxes deliver fewer deaths, less pressure on health systems, reliable revenue for public priorities, and a healthier population.

## Notable Health Tax Wins

### Vietnam (2025)

In June 2025, Vietnam's National Assembly approved a landmark revision to the Excise Tax Law, notably introducing a specific excise tax on tobacco products, starting in 2027 and increasing annually through 2031, in addition to the existing ad valorem tax. Alcohol taxation also changed, with the special consumption tax for beer and spirits over 20% alcohol **rising to 70% in 2027** and scheduled to **reach 90% by 2031**. Lastly, although sugar-sweetened beverages were included in the regime for the first time, the rate remains low and the structure underdeveloped, making this more of a starting point than a major breakthrough. This policy win follows the efforts of a distinguished coalition of health policymakers, finance officials, technical agencies (including WHO, Vital Strategies and UNICEF), and local NGOs. The alliance maintained its focus on health outcomes by commissioning updated models demonstrating long-term illness and cost savings, organizing policy workshops for high-level decision-makers, and coordinating media trainings and briefings to broadcast the benefits of taxes. Despite industry tactics questioning fairness and scientific basis, the coalition's clarity and persistence helped secure near-unanimous legislative approval.

### Ethiopia (2020)

In 2020 Ethiopia implemented a landmark excise tax reform, **raising tobacco taxes by over 600%** through a new mixed tax system designed to protect health as well as raise revenue. Analysis of cigarette prices from 2018 to 2022 showed that both legal and illicit prices rose significantly, with real increases of 18% and 37% respectively. By 2022, illicit brands were on average more expensive than legal ones. Overall cigarette prices rose 24%, demonstrating the reform effectively raised prices across the market despite sizable illicit trade. This was made possible through strong political commitment with a Parliament that championed the reform, and a Ministry of Health that played a central role in framing tax as a public health measure. Ethiopia has also started to expand its health tax efforts with increases on alcohol products but needs to raise rates higher and reform the tax structure.

### Brazil (2024–2025)

After decades of effort, Brazil's Congress passed a sweeping tax reform in December 2024, which includes adopting a **selective tax** that now categorizes tobacco, alcohol and sugary drinks among "harmful goods." Draft regulations approved by the end of 2024 explicitly repositioned these products alongside socially damaging goods, creating a structural foundation for health-oriented excise taxes. Beyond structural reform, the complementary law signed in early 2025 emphasizes **health equity** by channeling tax revenue toward social and health priorities. The advocacy that enabled these outcomes involved influential health research institutions (INCA, Fiocruz), public health NGOs and civil society networks. They generated evidence linking the tax reform to reductions in disease and health inequity, framed the reform as part of a broader social justice agenda, and aligned their messaging to support equitable recovery from the COVID-19 era. Strategic communication efforts supported by Vital Strategies, including the **"Dose of Reality"** campaign on alcohol harms, bolstered the advocacy.



## Appendix 1: Global Resources

#	Resource	Product area	Technical focus	Location	Why it matters / what you'll find	Reference
1	<a href="#">Health Taxes: Policy and Practice (2023)</a>	Multi product	Health tax design	Global	This comprehensive and recent volume edited by leading global public health economists offers both theoretical frames and practical case studies on designing and implementing excise taxes for tobacco, alcohol and sugary beverages.	Lauer, J. A., Sassi, F., Soucat, A., & Vigo, A. (Eds.). (2023). <i>Health Taxes: Policy and Practice</i> (World Scientific Publishing Co. Pte. Ltd., Book No. Q0365). ISBNs: 9781800612389, 9781800612396, 9781800612402. doi:10.1142/Q0365. Available via Open Access on OAPEN: <a href="https://library.oapen.org/handle/20.500.12657/61366">https://library.oapen.org/handle/20.500.12657/61366</a>
12	<a href="#">WHO Health-Taxes Database</a>	Multi-product	Statutory rates & design details	190 countries	Interactive tables for benchmarking bills and modeling inputs.	World Health Organization. (n.d.). <i>WHO health-taxes database</i> . <a href="https://www.who.int/tools/health-taxes-database">https://www.who.int/tools/health-taxes-database</a>
3	<a href="#">Tobacco Atlas (7th Edition) + CoRRE Tool</a>	Tobacco	Atlas provides comprehensive data on tobacco. CoRRE models revenue potential for tobacco taxes	Global	Country dashboards on prevalence, tax levels and industry tactics, plus the <b>CoRRE</b> calculator to model revenue.	Vital Strategies & Institute for Global Tobacco Control. (2022). <i>CoRRE: Cost-Recovery &amp; Revenue Estimator</i> [Interactive tool]. In <i>The Tobacco Atlas</i> (7th ed.). <a href="https://tobaccoatlas.org/corre/">https://tobaccoatlas.org/corre/</a>
4	<a href="#">WHO Best Buys for NCDs (2024)</a>	Multi-product	Cost-effectiveness rankings	Global	Confirms health taxes as the highest-ROI NCD measure.	World Health Organization. (2024). <i>Tackling NCDs: Best buys and other recommended interventions</i> (2nd ed.). WHO.
5	<a href="#">WHO Global Tobacco Epidemic 2023</a>	Tobacco	MPOWER metrics: affordability map	Global	Adds affordability heat-map & illicit-trade-proof clauses.	World Health Organization. (2023). <i>WHO report on the global tobacco epidemic 2023</i> . WHO.
6	<a href="#">WHO Global Alcohol-Tax Report 2023</a>	Alcohol	Benchmark rates; ad-valorem equivalents	Global	First WHO alcohol-tax atlas; Excel annex feeds revenue models.	World Health Organization. (2023). <i>Global report on the use of alcohol taxes 2023</i> . WHO.
7	<a href="#">WHO Global SSB-Tax Report 2023</a>	SSB	Design typology & price dataset	Global	Tiered vs. specific examples; downloadable CSVs.	World Health Organization. (2023). <i>Global report on the use of sugar-sweetened beverage taxes 2023</i> . WHO.
8	<a href="#">WHO Tobacco-Tax Manual (2021)</a>	Tobacco	Legal templates & administrative tools	Global	340-page workbook, revenue calculator, anti-smuggling checklists.	World Health Organization. (2021). <i>WHO technical manual on tobacco tax policy and administration</i> . WHO.

9	<a href="#">WHO Alcohol-Tax Resource Tool (2017)</a>	Alcohol	Excise design & enforcement	Global	Rate-setting, indexation, earmarks and troubleshooting annex.	World Health Organization. (2017). <i>Resource tool on alcohol taxation and pricing policies</i> . WHO.
10	<a href="#">IMF HTN – Tobacco Excises (2016)</a>	Tobacco	Excise structure & administration	Global	Finance ministry primer converting health logic into tax code.	International Monetary Fund. (2016). <i>How to design and enforce tobacco excises</i> (How-To Note 16/03). IMF.
11	<a href="#">IMF HTN – Alcohol Excises (2023)</a>	Alcohol	Rate design; revenue-health trade-offs	Global	It shows why specific-by-ABV beats ad valorem; model sheets are included.	International Monetary Fund. (2023). <i>How to design excise taxes on alcoholic beverages</i> (How-To Note 23/04). IMF.
12	<a href="#">IMF HTN – Obesity/SSB (2021)</a>	SSB/Food	Product coverage & rate trees	Global	Decision-tree templates for SSB-tax scenarios.	International Monetary Fund. (2021). <i>How to apply excise taxes to fight obesity</i> (How-To Note 21/12). IMF.
13	<a href="#">World Bank Global SSB-Tax Database</a>	SSB	Interactive map; legal citations	Global	Real-time rates; downloadable CSVs for graphics.	World Bank. (n.d.). <i>Global SSB tax database</i> . <a href="https://ssbtax.worldbank.org">https://ssbtax.worldbank.org</a>
14	<a href="#">TOBACTAX Toolkit</a>	Tobacco	Six-module economic modeler	Global	Excel/R/R/R/R sheets for elasticity, revenue, equity & smuggling tests.	World Bank. (2019). <i>Economics of tobacco taxation toolkit</i> . World Bank.
15	<a href="#">World Bank SSB-Tax Evidence &amp; Experiences (2020)</a>	SSB	Impact evaluation: case studies	Global	Synthesizes revenue & health outcomes from 20+ countries.	World Bank. (2020). <i>Taxes on sugar-sweetened beverages: International evidence and experiences</i> . World Bank.
16	<a href="#">Tobacco Atlas &amp; CoRRE tool</a>	Tobacco	Maps & quick revenue estimator	Global	Country dashboards & prevalence-drop revenue simulator.	Vital Strategies & Johns Hopkins University. (2022). <i>The Tobacco Atlas</i> (7th ed.). <a href="https://tobaccoatlas.org">https://tobaccoatlas.org</a>
17	<a href="#">UNECA Economic Report on Africa 2024</a>	Multi	Health-tax chapter & fiscal space	Africa	Higher excise could cover ≈15 % of Africa's NCD funding gap.	United Nations Economic Commission for Africa. (2024). <i>Economic Report on Africa 2024</i> . UNECA.
18	<a href="#">WHO Results Report 2022 (MTR) – health-tax section</a>	Multi	Implementation tracker	Global	Documents 2020-2022 surge in health-tax adoption.	World Health Organization. (2023). <i>WHO results report 2022: Mid-term review</i> . WHO.
19	<a href="#">Ghana Excise Duty Amendment Act 2023 &amp; TI Index</a>	Tobacco	Legal text & lobbying audit	Ghana	Blueprint clauses & tactics to counter industry interference.	Vision for Alternative Development Ghana. (2023). <i>Excise Duty Amendment Act &amp; Tobacco Industry Interference Index</i> .
20	<a href="#">Tobacconomics Cigarette-Tax Scorecard (3rd ed., 2024)</a>	Tobacco	Benchmarking gaps	170 countries	Color-coded scores on share, affordability & structure.	Drope, J., et al. (2024). <i>Tobacconomics cigarette tax scorecard</i> (3rd ed.). Johns Hopkins Univ.

## Appendix 2: Key Elements of Successful Health Tax Efforts

Category	Key Components
<b>Economic &amp; Health Impact Analysis</b>	<ul style="list-style-type: none"> <li>• Estimating potential revenue generation</li> <li>• Using elasticity estimates to forecast impacts on prices, consumption and substitution</li> <li>• Assessing effects on inflation, household expenditures (especially for low-income people) and employment or trade</li> <li>• Comparing tax levels with regional or global standards</li> <li>• Estimating deaths averted and other health benefits</li> </ul>
<b>Legal &amp; Administrative Preparation</b>	<ul style="list-style-type: none"> <li>• Designing tax structures (specific, ad valorem or mixed systems)</li> <li>• Checking alignment with existing tax codes, trade agreements and WTO or regional bloc rules</li> <li>• Assessing the capacity of customs and tax authorities to enforce</li> <li>• Identifying potential allocations of anticipated revenues</li> <li>• Defining specific products to be taxed</li> <li>• Planning monitoring mechanisms such as tax stamps or track-and-trace systems</li> <li>• Drafting legislation and regulations (including rates, definitions, exemptions and enforcement measures)</li> </ul>
<b>Stakeholder Engagement &amp; Politics</b>	<ul style="list-style-type: none"> <li>• Building consensus within government (finance, health, trade, agriculture and others)</li> <li>• Consulting legislators and affected sectors</li> <li>• Building alliances with civil society groups that support health</li> <li>• Preparing proactive communication to justify the new tax and pre-empt opposition</li> </ul>
<b>Implementation Preparation</b>	<ul style="list-style-type: none"> <li>• Upgrading systems (customs software, tax collection platforms, reporting requirements)</li> <li>• Training enforcement staff</li> <li>• Running systems tests before rollout</li> </ul>
<b>Monitoring &amp; Evaluation</b>	<ul style="list-style-type: none"> <li>• Tracking revenues against forecasts</li> <li>• Strengthening surveillance against smuggling or illicit trade</li> <li>• Monitoring consumption and health indicators</li> <li>• Refining tax rates and structures to ensure long-term impact</li> </ul>



## Appendix 3: Key Elements of Health Tax Design

Design Element	Options	What to look out for
<b>Tax Structure</b>	<p><b>Specific excise tax:</b> fixed amount per quantity (e.g., per pack, per liter); predictable revenue, stable with indexation.</p> <p><b>Ad valorem tax:</b> % of value/price; rises automatically but is vulnerable to price manipulation.</p> <p><b>Mixed system:</b> combines specific and ad valorem.</p> <p><b>Tiered tax:</b> rates vary by product characteristics; can encourage reformulation, but adds complexity.</p> <p><b>Indexed tax</b> automatically adjusts for inflation/income growth.</p>	<p>Prioritize specific excise with automatic indexation—most resistant to industry manipulation and best at ensuring predictability. Avoid tiered systems unless tightly justified; they create loopholes. Health policymakers should insist that the tax is simple and predictable, while also complex for the industry to exploit, supporting the impact of consumption reduction.</p>
<b>Defining the Tax Scope and Base</b>	<p><b>Narrow base:</b> limited to specific products; more straightforward to implement, but risks substitution.</p> <p><b>Broad base:</b> covers all products in the category; closes substitution loopholes.</p> <p><b>Inclusive valuation:</b> for ad valorem, include all price components to avoid under-declaration.</p>	<p>Push for a broad base that covers all relevant products (e.g., all sugary drinks, not just sodas). This avoids substitution and maximizes health impact. Where ad valorem is used, insist on inclusive valuation (retail price, not factory gate) to prevent under-declaration.</p>
<b>Tax Rate Level and Adjustment</b>	<p><b>High initial rate:</b> immediate impact on consumption.</p> <p><b>Automatic indexation:</b> keeps rate in line with inflation/income.</p> <p><b>Periodic review:</b> adjust rates to meet goals.</p>	<p>Start high, paying attention to regional and globally recommended thresholds, and build in automatic indexation to inflation/income to sustain impact. Ministries should insist on a review clause (every 2–3 years) to recalibrate against policy goals.</p>
<b>Revenue Use</b>	<p><b>Full earmarking:</b> all revenue to a specific purpose.</p> <p><b>Partial earmarking:</b> share goes to programs, the rest to general revenue.</p> <p><b>No earmarking:</b> all to the general budget.</p>	<p>The question of how revenues from health taxes are used often shapes public and political support. Some countries choose partial earmarking in the early years, directing a visible share of revenues to health, education or other social programs. This can help build trust and demonstrate immediate benefits, especially when linked to high-visibility priorities such as child health or NCD prevention. Others avoid earmarking but achieve similar outcomes by clearly signaling where resources will go—for example, committing tax gains to fund existing health budgets, expand social protection, or support education. What matters is transparency: showing the public that revenues are reinvested in ways that deliver tangible social benefits.</p>
<b>Administration and Enforcement Capacity</b>	<p><b>Simplicity:</b> fewer tiers/exemptions.</p> <p><b>Clear legal definitions:</b> reduce disputes and avoidance.</p> <p><b>Enforcement tools:</b> licensing, tracking, penalties and anti-smuggling.</p>	<p>Advocate for simplicity and strong enforcement tools. Complex structures invite evasion. Health policymakers should ensure that finance includes track-and-trace, licensing and smuggling controls in the package. Clear product definitions are essential to prevent industry reclassification tactics.</p>

## Endnotes

<sup>1</sup>World Health Organization. (2024). Noncommunicable diseases fact sheet. <https://www.who.int/news-room/fact-sheets/detail/noncommunicable-diseases>

<sup>2</sup>World Health Organization. (2025). Tobacco fact sheet. Retrieved from <https://www.who.int/news-room/fact-sheets/detail/tobacco>

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<sup>5</sup>Task Force on Fiscal Policy for Health. (2024). Health Taxes: A Compelling Policy for the Crises of Today. Bloomberg Philanthropies. <https://assets.bbhub.io/dotorg/sites/64/2024/09/Health-Taxes-A-Compelling-Policy-for-the-Crises-of-Today.pdf>

<sup>6</sup>World Health Organization. (2025). The 3 by 35 Initiative. <https://www.who.int/initiatives/3-by-35>

<sup>7</sup>Lauer, J. A., Sassi, F., Soucat, A., & Vigo, A. (Eds.). (2023). *Health Taxes: Policy and Practice* (World Scientific Publishing Co. Pte. Ltd., Book No. Q0365). ISBNs: 9781800612389, 9781800612396, 9781800612402. doi:10.1142/Q0365. Available via Open Access on OAPEN: <https://library.oapen.org/handle/20.500.12657/61366>

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