

Awareness of Tobacco Tax Policy and Public Opinion on Tobacco Tax Reform in Taiwan

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Abstract

This research investigates the general public's tobacco tax policy awareness and opinions on tobacco tax reform in Taiwan. To learn whether people are cognizant of tobacco tax policies and their preferences toward policy reform, we conducted a nationwide telephone survey in October 2016. Empirical methods used in this analysis include subgroup analysis and probit models. Our subgroup analysis shows that smokers, males, and individuals with more years of schooling are more likely to be knowledgeable about tobacco tax policies. As for public opinion on tobacco tax policy reform, non-smokers and more educated people prefer a tobacco tax hike policy. Females relative to males prefer to use regulatory programs to curb cigarette consumption. More educated people prefer an earmarked tax to a general excise tax. Males and more educated people tend to support a higher ratio of earmarked surcharge to overall tax revenue. The probit estimation results show that factors influencing people's tobacco policy awareness include smoking status, smokers in the household, gender, age, education, and marital status. The estimation results also demonstrate that, smoking status, gender, age, education, and marital status are important factors in determining people's preference for tobacco tax policy reform. To enhance the public's awareness of tobacco tax policies, the government could consider education campaigns, mass media, and social networking sites to provide information targeting certain groups of people such as non-smokers, females, and less educated individuals. To gain more public support of tobacco tax hike proposals, we also suggest that the government address the rationales behind taxing tobacco products and regularly examine whether the allocation of an earmarked surcharge is desirable and efficient. Lastly, in light of the fact that many people support non-price policies, we recommend that the government adopt diversified programs to curb tobacco consumption, in addition to increasing tobacco taxes.

[**Keywords**] tobacco tax policy awareness, tobacco tax reform, earmarked tax, public opinion

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