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**SUPPLEMENTARY INFORMATION TO
NEGOTIATING POSITION
ON CHAPTER 10 – TAXATION
(CONF-BG 22/01)**

ANNEX II

The estimated effect from introducing the minimum rates for the Community on spirits, cigarettes, unleaded petrol and diesel

	Spirits	Filter tipped cigarettes	Non filter cigarettes	Unleaded petrol	Diesel
Retail selling price at the moment	5.02	0.86	0.30	1.53	1.25
Excise duty at the moment	1.40	0.30	0.05	0.22	0.09
VAT	0.84	0.14	0.05	0.26	0.21
Cost price	2.79	0.33	0.17	0.90	0.80
<i>Tax burden at the moment</i>	<i>44.5%</i>	<i>51.3%</i>	<i>33.7%</i>	<i>31.4%</i>	<i>24.0%</i>
<i>Excise duty/Retail-Selling price</i>	<i>27.9%</i>	<i>34.7%</i>	<i>17%</i>	<i>14.7%</i>	<i>7.4%</i>
New Retail selling price	8.51	1.59	0.76	1.94	1.71
New excise duty	4.30	0.91	0.43	0.56	0.48
VAT	1.70	0.26	0.13	0.32	0.34
<i>New tax burden</i>	<i>70.59%</i>	<i>73.67%</i>	<i>73.67%</i>	<i>45.67%</i>	<i>47.95%</i>
<i>Excise duty/Retail selling price</i>	<i>50.59%</i>	<i>57.00%</i>	<i>57%</i>	<i>29.00%</i>	<i>27.95%</i>
Change in the retail selling price (%)	69.35	84.87	153	26.36	37.19
Elasticity of consumption to price	-0.94	-0.44	-0.44	0.88	
Change in consumption	-65.40	-37.56	-67.23	-2.27	
Elasticity of consumption to income	1.51	0.13	0.13	0.55	
Change in household expenditure – percentage points	0.59	1.15	0.83	0.97	
Effect from increasing the excise duty rate on general inflation of consumer prices – in percentage points	0.37	2.42	0.09	0.72	0.09