

• ***ECO/605 – Revision of the Tobacco Taxation Directive***

Rapporteur Matteo Carlo BORSANI (Employers' Group – IT)
References COM(2025) 580 final - 2025/0580 (CNS)
COM(2025) 581 final - 2025/0581 (CNS)
EESC-2025-02514-00-00-AC-TRA

Key points

The EESC:

- **supports** the revision of the Tobacco Taxation Directive, recognising the need to adapt the excise framework to market developments, new products and public health objectives, while stressing that the reform must remain proportionate, predictable and economically sustainable;
- **warns** against abrupt or excessive increases in excise duties, which risk fuelling illicit trade, undermining fiscal revenues and weakening public health outcomes; therefore **recommends** that excise adjustments be gradual and accompanied by strengthened enforcement, customs cooperation and cross-border anti-smuggling measures;
- **calls** for the consistent application of risk-proportionate taxation, ensuring that non-combustible and reduced-risk products are not taxed the same as combustible tobacco products, in line with the principle of 'less harm, less tax' and the objectives of the Europe's Beating Cancer Plan;
- **recommends** improving legal clarity and the harmonisation of product definitions, in particular by explicitly defining heated tobacco products, clearly distinguishing them from combustible products;
- **asks** the Commission to enhance coherence between excise definitions and the Combined Nomenclature (CN) by maintaining updated correlation tables and providing interpretative guidance whenever changes to customs classifications affect excise categorisation;
- **calls** for sufficient flexibility for Member States in excise structures, including the possibility to choose between unit-based or weight-based taxation for heated tobacco products, in order to reflect national market conditions while respecting EU-wide minimum levels;
- **calls for** carrying out a comprehensive and granular mapping of existing jobs and skills in the sector, alongside an assessment of the medium- and long-term scenarios associated with the proposal and the development of clear forecasts on its impact on employment;
- **calls** for predictable and limited use of delegated acts, strictly confined to technical inflation adjustments in line with subsidiarity and Member States' fiscal sovereignty.