

## **Abstract**

This paper is concerning taxes on so called sin goods. Consumption of these goods is believed to be wrong, its consumption have its negative effects on either the consumer or others. Such taxes are called excise taxes. In particular we focus this paper on tax incidence, the effect of these taxes on price of taxed goods. In economic literature concerning excise taxes it is usually presumed that the price rises by the same amount that the tax. If this presumption was false, it might have significant effect on this literature. We have tried to empirically analyse the effect of excise taxes using data from Czech statistical office and of our own. In particular we focused on cigarettes, beer, spirits and fuels. Using OLS estimates we came to interesting conclusions regarding effects of excise taxes on price of taxed products. Our results show almost zero effect of tax on cigarette and spirit price and at the same time confirm the presumption of full effect of taxes on beer. Further we modelled effects of value added tax and lagged effect of taxes with a one year lag. All of our results are definitely questionable though, as we used very low number of observations and therefore conclusiveness of these results is very little