



TAX INFORMATION BULLETIN

TOBACCO TAX

Effective 12:01am, March 31, 2004, the provincial tobacco tax imposed on tobacco products under the Tobacco Tax Act will increase as follows:

Product	New Rate	Old Rate
Cigarettes	16 cents per cigarette	15 cents per cigarette
Tobacco, other than cigarettes and cigars	20 cents per gram	15 cents per gram
Cigars	125% of mfg. suggested retail price rounded to nearest 1/100 of a cent	125% of mfg. suggested retail price rounded to nearest 1/100 of a cent

Reporting Requirements

Tobacco tax collectors who are responsible for remitting this tax are reminded that they are required to collect the new rates of tax on all sales or deliveries effective 12:01 am, Wednesday, March 31, 2004. If a collector has invoiced the old rate of tax for sales or deliveries after that time he or she is required to issue an adjusting invoice for the additional tax. **Failure to collect the new rates of tax will result in the imposition of a penalty equal to the tax that should have been collected.**

Tobacco wholesalers who maintain tax paid inventories must also take and record their existing inventory of tobacco products effective 12:01 am, Wednesday, March 31, 2004. The attached "Declaration Return of Tobacco Products" must be completed and filed in conjunction with the March 2004 return, along with the additional tax payable resulting from the increased tobacco tax rates.

Tobacco retailers must also take and record their existing inventory of tobacco products as of effective 12:01 am, Wednesday, March 31, 2004. The attached "Declaration Return of Tobacco Products" must be completed and submitted with the additional tax payable resulting from the increased tobacco tax rates no later than April 20th, 2004. The "Inventory Return" must be submitted as a nil return even if there is no tobacco tax due on inventory. **Failure submit the "Inventory Return" by April 20th, 2004 will result in the imposition of a \$50.00 late filing penalty and may result in the assessment of a penalty equal to the tax that should have been submitted.**

Further information regarding this change may be obtained by contacting:

Department of Finance
Tax Administration Division
P.O. Box 8720
St. John's, NL A1B 4K1
Phone: (709) 729-6297
Fax: (709) 729-2856
email: taxadmin@gov.nf.ca

Disclaimer: These bulletins are prepared as guidelines and interpretations of the statutes. Where a conflict between the bulletins and statutes arise, the statutes will take precedence.