



**GOVERNMENT OF  
NEWFOUNDLAND  
AND LABRADOR**

**DEPARTMENT OF FINANCE  
TAXATION AND FISCAL POLICY BRANCH**

**Bulletin No. Tob 411  
Issue Date: August 2, 2002**

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**TAX INFORMATION BULLETIN  
TOBACCO TAX**

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Under the Tobacco Tax Act, a person who, as a consumer, acquires tobacco at a retail sale in the province or brings tobacco into the province, must pay tobacco tax at that time at the rates prescribed.

**Tobacco** means all forms in which it is consumed including cigarettes, fine cut tobacco, cigars and other tobacco products, including snuff.

**Rates of Tax**

<b>Product</b>	<b>Newfoundland Rates</b>	<b>Labrador Border Zone Rates n</b>
Cigarettes	13.5 cents per cigarette	7.1 cents per cigarette
Tobacco, other than cigarettes and cigars	11.0 cents per gram	7.5 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.

- i The Labrador border zones include the towns of Labrador City and Wabush and the coastal region extending from the Quebec border up to and including the community of Red Bay.

The tax rate reduction is delivered through a tax rebate system administered by the Department of Finance. Retailers pay the general tax rate and apply for a rebate of the difference between the general rate and the Labrador border zone rate.

## **Exemptions**

The following tobacco products are exempt from tobacco tax:

- < tobacco sold for use as ships stores when delivered by common carrier under bond or by a customs officer under convoy and only when exempted from customs duty under the Ships Stores Regulations under the Customs Act (Canada);
- < tobacco sold in duty free stores under the Duty Free Stores Regulations(Canada) to persons departing from Canada;
- < upon receiving pre-authorization from the Minister, tobacco sold for delivery or shipment to a destination outside the province;
- < an amount of tobacco not exceeding 200 grams brought into the province for personal use by a person who has been outside Canada for a period of not less than 48 hours, or by a non-resident visiting the province.

## **Registration**

A person cannot sell tobacco at a sale other than a retail sale without holding a valid wholesaler's licence authorizing that person to keep tobacco for resale. In addition, a person may not bring tobacco into the province in an amount greater than 199 grams without holding a permit. Permits are also required to possess, sell or purchase unmarked tobacco, to mark tobacco packages or to stamp tobacco packages. Any tobacco that is not purchased, possessed, acquired, marked, stamped, transported, stored or sold in accordance with The Act is considered **contraband**.

Persons holding the required wholesaler (accountable) licence are considered collectors on behalf of the government. Taxes are collected in the manner prescribed by the *Tobacco Tax Regulations* and are due on or before the 20<sup>th</sup> day of the calendar month immediately following the month in which the tax was collected.

## **Permit Required**

A person may not bring more than one opened package of cigarettes into the province, other than as noted below, without obtaining a permit. A consumer may be issued a permit without charge upon application and payment of applicable taxes to the Department.

A person who has been outside Canada for not less than a 48 hour period or a non-resident visiting the province may bring into the province an amount of tobacco not exceeding 200 grams for their own personal use, without requiring a permit.

## **Refunds**

Where a dealer has acquired tobacco upon which tax has been paid to the government and the tobacco is lost or destroyed or where a person has paid over to the minister an amount which exceeds the amount that is required to be paid, he or she may request in writing to the minister a refund of the overpayment.

The relevant documentation required to be submitted by a dealer who has acquired tobacco that has been lost or destroyed includes:

- < recent invoices of tobacco purchases from supplier;
- < proof of loss from insurance company;
- < letter from investigating officer regarding the loss or destruction stating when the incident occurred and the amount of product involved.

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Should you require information regarding any of the tax laws administered by the Tax Administration Division, please contact either of the offices listed below:

Department of Finance  
Tax Administration Division  
P.O. Box 8720  
St. John's, Nf.  
A1B 4K1  
Phone: (709) 729-6297  
Fax: (709) 729-2856

Department of Finance  
Tax Administration Division  
Regional Taxation Office  
Sir Richard Squires Bldg.  
Corner Brook, NF  
A2H 6J8  
Phone: (709) 637-2470  
Fax: (709) 637-2618

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**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.

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