



**GOVERNMENT OF
NEWFOUNDLAND
AND LABRADOR**

**DEPARTMENT OF FINANCE
TAX ADMINISTRATION DIVISION**

Bulletin No. Tob 419

Issue Date: March 30, 2006

**TAX INFORMATION BULLETIN
TOBACCO TAX**

Effective 12:01 a.m., March 31, 2006, the provincial tobacco tax imposed on tobacco products under the Tobacco Tax Act will increase as follows:

Product	New Rate	Old Rate
Cigarettes	18 cents per cigarette	17 cents per cigarette
Tobacco, other than cigarettes and cigars	30 cents per gram	25 cents per gram
Cigars	125% of manufacturers' suggested retail price - rounded to nearest 1/100 of a cent	125% of manufacturers' 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, Friday, March 31, 2006. 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, Friday, March 31, 2006. The "Declaration Return of Tobacco Products" must be completed and filed in conjunction with the March 2006 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, Friday, March 31, 2006. The "Tobacco Retailer Inventory Return" must be completed by the retailer and submitted to the Department of Finance with the additional tax payable resulting from the increased tobacco tax rates no later than April 20th, 2006. The "Inventory Return" must be submitted as a nil return even if there is no tobacco tax due on inventory. **If the "Tobacco Retailer Inventory Return" is not received by the Department of Finance by April 20th, 2006, it will result in the imposition of a \$100 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:

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