

Notice to British Columbia Wholesale Dealers: New Tobacco Tax Rates

Tobacco Tax Act

This notice outlines the increase of 0.6¢ to the per unit rate of tobacco tax on cigarettes and loose tobacco. Effective **February 18, 2009**, the tax rate on cigarettes and loose tobacco increases to:

- \$37.00 per carton of 200 cigarettes from \$35.80 (the increase of \$1.20 per carton equals 12¢ per package of 20 cigarettes), and
- 18.5¢ per gram of loose tobacco from 17.9¢.

There is no change to the tax rate on cigars.

If you hold a Wholesale Dealer's Permit, you are required to take an inventory of your unsold cigarette, tobacco stick and loose cut tobacco stock held in British Columbia, immediately after midnight on February 17, 2009. You must report your inventory and pay the additional security due.

Inventory Count Requirements

You must complete and submit the attached *Wholesale Dealer's Inventory Return* form ([FIN 227](#)). Your return must:

- show the amount of unsold tobacco inventory (including unsaleable product not returned to the manufacturer, but excluding black stock tobacco held for resale to Exempt Sale Retail Dealers),
- the amount of security due,
- be reconciled to the inventory as recorded in your books of account, and
- be signed by an authorized officer certifying the information is correct.

Ministry staff will contact wholesalers to conduct physical inspections and review records to verify the accuracy and completeness of the inventory returns. You are required to keep supporting documentation, including a copy of the inventory return, for audit purposes.

Payments

Your completed *Wholesale Dealer's Inventory Return* and payment in the amount equal to the tax due must be postmarked or received by the Ministry of Finance **on, or before,** March 20, 2009. You are required to submit the return even if no additional amounts are due. Your payment is payable to the Minister of Finance.

You are required to pay a security equal to the new tax rate on any tobacco, other than cigars, received by you in British Columbia on, or after, February 18, 2009, regardless of the invoice date.

Your deductions for tobacco returned to manufacturers must include supporting documentation with your return, by detailing the initial rate of security paid. Refund claims must also be supported by documentation that verifies the initial security paid. For more detailed information, please see [Bulletin TTA 004](#), *Wholesale Dealers, Security Payments, Exemptions and Refunds*.

Further Information

For additional copies of the inventory return form, please visit our website at www.sbr.gov.bc.ca/business/Consumer_Taxes/Tobacco_Tax/forms.htm

If you have any questions or require assistance completing the form, please call us at 604 660-4524 in Vancouver, or toll-free at 1 877 388-4440, or e-mail your questions to CTBTaxQuestions@gov.bc.ca

You can also find information on our website at www.sbr.gov.bc.ca/business/Consumer_Taxes/consumer_taxes.htm

The information in this notice is for your convenience and guidance and is not a replacement for the legislation. The *Tobacco Tax Act* and Regulations are on our website at www.sbr.gov.bc.ca/business/Consumer_Taxes/Tobacco_Tax/bulletins-leg-notices.htm