

Tax Information

Bulletin 5001

Bulletin: 5001 R1
Date: December 5, 2001
Subject: The Revenue Act - Bill 37

In the fall 1995 sitting of the Legislature, The Minister of Finance, the Honorable Bernie Boudreau, introduced Bill 37, "An Act to Revise the Gasoline and Diesel Oil Tax, the Health Services Tax and the Tobacco Tax...". The Bill which received Royal Assent on January 11, 1996 will be known as the "Revenue Act".

Effective 12:01 a.m. on Monday, April 1, 1996 the Revenue Act will replace three existing tax statutes. The Revenue Act, which consolidates the existing legislation into one comprehensive statute, consists of four sections:

PART I : Gasoline and Diesel Oil Tax
PART II: Health Services Tax
PART III: Tobacco Tax
PART IV: Administration

The administrative elements within the current Acts have been integrated and streamlined. Numerous changes aimed at simplification, modernization, improved service delivery and revenue optimization have been incorporated into the Revenue Act.

The Revenue Act and Regulations are the product of an ongoing consultation process. In designing the legislation the Provincial Tax Commission relied on input received from its employees, special interest groups, associations and the Department of Finance Business Advisory Committee (a committee representing 13 business and industry groups).

Significant highlights of the new legislation include:

- Removal of retail sales tax from tobacco products in favor of increased tax at wholesale level (effective 12:01 a.m., Monday, November 6, 1995)
- Penalties and fine structure have been increased to more adequately deal with cases of persistent or flagrant non-compliance (maximum 100% penalties, significant fine increases), in response to the threat on provincial revenues caused by the growth in the underground economy.
- More stringent Director's Liability ; compatible with other tax jurisdictions
- A General Anti-Avoidance provision
- 5% bond or deposit on real property work done by Non-Resident contractors
- Clarification through definition of terms such as "computer software", "telecommunication service", etc.

Copies of the [Revenue Act](#) and [Regulations](#) may be obtained online.