

Tax Information

Bulletin 5079

Bulletin: 5079
Date: June 22, 2009
Subject: Notice to Tobacco Wholesalers and Tobacco Retailers

Effective 12:01 am, June 23, 2009 tobacco tax will increase on cigarettes, pre-proportioned sticks, fine cut and other tobacco with the exception of cigars.

The following Tobacco Tax Rates will be effective 12:01 am, Tuesday, June 23, 2009 .

	<u>Old Tax Rate</u>	<u>New Tax Rate</u>	<u>Increase/Difference</u>
Per Cigarette	\$0.1652	\$0.2152	\$0.05
Per Pre-Proportional Tobacco Stick	\$0.1652	\$0.2152	\$0.05
Per Gram of Fine Cut	\$0.1500	\$0.2000	\$0.05
Other Tobacco	\$0.0752	\$0.1252	\$0.05

Please note the tobacco tax rate for cigars has not changed. The tobacco tax rate for cigars remains at 56% of the suggested retail selling price.

Tobacco Wholesalers and Retailers - Inventory

Tobacco Wholesalers and Tobacco Retailers who hold a tax paid inventory are required to self assess on the difference between the old rate and the new rate on a separate inventory return form and forward this amount to Service Nova Scotia and Municipal Relations.

The **TOBACCO TAX REMITTANCE** form and payment is due by July 14, 2009. Payments must be made payable to the Minister of Finance.

A blank **TOBACCO TAX REMITTANCE** form is attached.

Question:

What must a tobacco wholesaler count as inventory for calculating the additional tobacco tax?

Answer:

All cigarettes, pre-proportioned tobacco sticks, fine cut and other tobacco products excluding cigars must be counted by a wholesaler and include:

- all of the above noted tobacco products stored in warehouses, store rooms, cash and carry outlets, retail outlets (if wholesaler operates a retail outlet), display areas, delivery trucks or any other location where tobacco products are stored.
- product ordered from the wholesaler before June 23, 2009, but not sold or removed from the wholesaler inventory; and

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- product purchased by the wholesaler prior to June 23, 2009, but received after the inventory count.

Question:

What must a tobacco retail vendor count as inventory for calculating the additional tobacco tax ?

Answer:

All cigarettes, pre-proportioned tobacco sticks, fine cut and other tobacco product excluding cigars must be counted by a retailer and shall include:

- all the above noted product stored in store display areas, store rooms, and any other location where tobacco products are stored;
- product purchased by the retailer prior to June 23, 2009 but received after the inventory count.

Wholesalers\Retailers Who Have Tobacco Tax Owing Due to Tax Rate Increase:

The **TOBACCO TAX REMITTANCE** form must be returned even if no tax is owing. Enter \$ 0.00 under Total Tobacco Tax Due. Return the **TOBACCO TAX REMITTANCE** form to the address noted on the form

[Tobacco Tax Inventory Remittance Form](#) 

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