

Excise Taxes and Special Levies Notice

March 23, 2006

Notice to all Tax Practitioners and Licensed Manufacturers, Wholesalers and Filers of End-user Refunds under the *Excise Tax Act*

EXTENSION OF THE CANADA REVENUE AGENCY EXCISE TAX END-USER REFUND POLICY UNTIL DECEMBER 31, 2006

On February 1, 2006, the Canada Revenue Agency (CRA) issued notice ET/SL-056 concerning the proposed cancellation of the CRA administrative policy that allows for the filing, under specific circumstances, of excise tax end-user refunds effective April 1, 2006. The CRA would like to thank all interested parties for their submissions with respect to this proposal.

Based on the comments received, the CRA will now extend the current end-user refund policy until **December 31, 2006**. This will allow the CRA further time to review alternative policy options and to consider possible recommendations for legislative changes to address this issue.

To provide further clarification, the CRA will continue to administer the current end-user refund policy as follows:

- If at time of purchase, the use of the goods was known to be for an excise tax-exempt purpose, the goods must be purchased exempt of excise tax by furnishing an excise tax exemption certificate or other acceptable documentation to the supplier; or
- If at time of purchase, it was not possible to determine the use of the goods, or the goods had both excise tax-exempt and taxable uses, the goods must be purchased on an excise tax-paid basis. The purchaser can then file an end-user refund claim directly with the CRA for the portion of the goods that was used under exempt conditions.

Under no circumstances should licensed manufacturers or wholesalers provide partial excise tax exemptions for goods. Goods must be sold either on a 100% excise tax-paid or tax-exempt basis.

Should you have any questions about this notice, please contact the excise tax information line at 1-866-330-3304.

ET/SL-058


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Canada Revenue
Agency

Agence du revenu
du Canada

La version française de cet avis est intitulée *Avis à tous les fiscalistes, les fabricants et grossistes titulaires de licence et les utilisateurs finals qui présentent des demandes de remboursement en vertu de la Loi sur la taxe d'accise.*

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