



PLEASE NOTE

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This document is *not* the official version of the Act. The Act and the amendments as printed under the authority of the [Queen's Printer](#) for the province should be consulted to determine the authoritative statement of the law.

For more information concerning the history of this Act, please see the [Table of Public Acts](#).

If you find any errors or omissions in this consolidation, please notify the Legislative Counsel Office at (902) 368-4291.

CHAPTER H-3
HEALTH TAX ACT

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| 1. In this Act | Definitions |
| (a) “consumer” or “consumer of tobacco” means any person who, within the province, purchases from a vendor tobacco at a retail sale in the province for his own consumption or for the consumption of other persons at his expense or who, within the province, purchases from a vendor tobacco at a retail sale in the province on behalf of or as agent for a principal who desires to acquire such tobacco for consumption by the principal or other persons at the expense of the principal; | consumer |
| (b) “Minister” means the Provincial Treasurer; | Minister |
| (c) “package” means package, box, tin or other container in which tobacco is contained or sold; | package |
| (d) “purchaser” means any person who, within the province, purchases from a retail vendor, tobacco at a retail sale in the province; | purchaser |
| (e) “retail sale” means a sale to a consumer for purposes of consumption and not for resale; | retail sale |
| (f) “retail vendor” means any person who, within the province, sells tobacco to a consumer; | retail vendor |
| (g) “tobacco” means tobacco in any form; | tobacco |
| (h) “vendor” includes both wholesale vendor and retail vendor; | vendor |
| (i) “wholesale vendor” means any person who, within the province sells tobacco for the purpose of resale. R.S.P.E.I. 1974, Cap.H-3, s.1; 1983, c.1, s.6; 1986, c.5, s.2; 1986, c.12, s.1; 1993, c.29, s.4. | wholesale vendor |
| 2. (1) No person shall sell any tobacco in the province for resale unless he holds a wholesale vendor’s license issued to him under authority of this Act and unless the license is in force at the time of sale. | Wholesale vendor’s license |
| (2) No person shall sell any tobacco in the province at a retail sale unless | Retail vendor’s license or certificate under <i>Revenue Tax Act</i> |
| (a) he holds a retail vendor’s license issued to him under authority of this Act and such license is in force at the time of sale; or | |

(b) he is the holder of a registration certificate issued to him under the *Revenue Tax Act* R.S.P.E.I. 1988, Cap. R-14 and the certificate is in force at the time of the sale.

Purchase of tobacco by retail vendor (2.1) No retail vendor of tobacco shall purchase tobacco inventory other than from a wholesale vendor who holds a valid wholesale vendor's license issued under authority of this Act.

Sale of tobacco by wholesale vendor, conditions precedent (3) No wholesale vendor shall sell any tobacco in the province for resale in the province to a person who is not
 (a) a vendor duly licensed under this Act; or
 (b) the holder of a registration certificate in force at the time of sale issued to him under the *Revenue Tax Act*.

Licenses, issued annually (4) Vendor's licenses and such other licenses as may be prescribed by the regulations shall be issued annually by the Minister upon payment of such fees as may be required by the regulations; all licenses shall expire on February 28 following the issue thereof.

Cancellation or suspension of licenses (5) The Minister may cancel or suspend any license for failure to comply with any of the provisions of this Act. R.S.P.E.I. 1974, Cap. H-3, s.2; 1991, c.44, s.8; 2001, c.7, s.1; 2004, c.20, s.12.

Sale of tobacco, offence **2.1** (1) Any retail vendor or other person who sells
 (a) packages, cartons or cases of cigarettes that are not marked in accordance with the regulations made under this Act; or
 (b) tobacco other than cigarettes on which the tax levied pursuant to section 3 has not been collected,
 is guilty of an offence and liable on summary conviction to a fine of not less than \$2,500 and not more than \$25,000.

Prohibiting the sale of tobacco (2) Where a retail vendor is convicted of an offence under subsection (1), the Minister may, without prejudice to subsection 2(5), amend or endorse the registration certificate issued to the retail vendor under the *Revenue Tax Act* to prohibit the retail vendor from selling any tobacco.

Idem (3) Where a retail vendor is convicted of a first or second offence under the *Tobacco Sales and Access Act* R.S.P.E.I. 1988, Cap. T-3.1, the Minister may amend or endorse the registration certificate issued to the retail vendor under the *Revenue Tax Act* to prohibit the retail vendor from selling any tobacco for 1 month.

Idem (4) Where a retail vendor is convicted of a third offence under the *Tobacco Sales and Access Act*, the Minister shall amend or endorse the registration certificate issued to the retail vendor under the *Revenue Tax Act* to prohibit the retail vendor from selling any tobacco for three months.

(5) Where a retail vendor is convicted of a fourth offence under the *Tobacco Sales and Access Act*, the Minister shall amend or endorse the registration certificate issued to the retail vendor under the *Revenue Tax Act* to prohibit the retail vendor from selling any tobacco. *Idem*

(6) Where a retail vendor's registration certificate is amended or endorsed under this section to prohibit the sale of tobacco by the retail vendor, the retail vendor shall not sell any tobacco. 1994,c.50,s.3; 2004,c.20,s.12. Restriction

3. Every consumer of tobacco purchased at a retail sale in the province shall pay to the Government, at the time of purchase, a tax at the following rates: Consumption tax on tobacco

- (a) 17.45 cents per cigarette purchased;
- (b) 71.6% per cent of the retail price of each cigar purchased;
- (c) 14.00 cents on every gram or part thereof of tobacco purchased, other than cigarettes or cigars;
- (d) 17.45 cents per tobacco stick. 1993,c.9,s.1; 1994,c.24,s.1; 1995,c.18,s.1; 1997,c.23,s.1; 1998,c.90,s.1; 1999,c.4,s.1; 2001,c.39,s.1; 2001,c.7,s.2; 2002,c.30,s.1,2; 2003,c.7,s.1; 2004,c.37,s.1.

4. (1) Subject to subsection (3), every person residing or ordinarily resident or carrying on business in the province who brings into or receives in the province delivery of tobacco Report to Minister, tobacco brought into province

- (a) for his or her personal consumption or for consumption by others at the person's expense; or
- (b) on behalf of or as an agent for a principal for consumption by the principal or by others at the principal's expense,

shall immediately report the matter to the Minister and forward or produce to the Minister the invoice, if any, for the tobacco and such other information as the Minister may require.

(2) Subject to subsection (3), a person or agent described in subsection (1) shall pay the same tax in respect of the consumption of the tobacco as would have been payable if the tobacco had been purchased at a retail sale in the province at the same price. Payment of tax

(3) Subsections (1) and (2) do not apply to a person who, at any time, brings into the province or who receives delivery in the province of tobacco for his or her personal consumption of an amount not exceeding Exception

- (a) one carton of 200 cigarettes; and
- (b) 200 grams of fine cut, loose tobacco. R.S.P.E.I. 1974, Cap.H-3,s.4; 2001,c.7,s.3.

Computation to nearest cent	5. (1) The tax shall be computed to the nearest cent, and one-half cent shall be considered one cent.
Minimum tax	(2) The minimum tax payable shall be one cent. R.S.P.E.I. 1974, Cap.H-3, s.5.
Absorption of tax prohibited	6. No retail vendor shall advertise or hold out or state to the public or to any consumer, directly or indirectly, that the tax or any part thereof imposed by this Act will be assumed or absorbed by the retail vendor or that it will not be considered as an element in the price to the consumer or, if added, that it or any part thereof will be refunded. R.S.P.E.I. 1974, Cap.H-3, s.6.
	Sections 7 to 19 repealed by 1990, c.54, s.29.
Regulations	20. The Lieutenant Governor in Council may make regulations <ul style="list-style-type: none"> (a) providing for the affixing of stamps on tobacco or on the packages in which it is sold before or at the time of delivery to a customer as evidence of the tax having been paid; (b) providing for the issue of the stamps and the designs and denominations thereof; (c) prohibiting the delivery of tobacco to a consumer and the taking of delivery by a consumer upon which stamps are not affixed in accordance with the regulations; (d) providing for stamping or otherwise marking tobacco or the packages in which it is sold before or at the time of delivery to a consumer as evidence of the tax having been paid; (e) prohibiting the delivery to a consumer and the taking of delivery by a consumer of tobacco which is not stamped or otherwise marked in accordance with the regulations; (e.1) providing for the posting of bonds in favour of the government, by wholesale vendors and manufacturers, including the determination of the amount, the terms and conditions of the bonds and the disposition of the proceeds of the bonds. clauses (f) to (i) repealed by 1990, c.54, s.29; (j) prohibiting the doing of any act which may be in contravention of the spirit of this Act; (k) prescribing the doing of any act which may be considered necessary or expedient for the collection of the tax or to prevent evasion thereof; (l) defining any expression used in this Act and not herein defined; (m) generally for the better carrying out of the provisions of this Act. R.S.P.E.I. 1974, Cap.H-3, s.20; 1990, c.54, s.29; 2001, c.7, s.4.
Tax on liquor	21. Every consumer of liquor, as defined by the <i>Liquor Control Act</i> R.S.P.E.I. 1988, Cap. L-14 purchased from a retail vendor under the said

Act in the province shall pay to the Government a tax in respect of the consumption of the liquor and such tax shall be computed at the rate of twenty-five per cent of the retail price of the liquor purchased. R.S.P.E.I. 1974, Cap.H-3, s.21; 1981, c.16, s.1; 1990, c.54, s.29.

22. The Lieutenant Governor in Council may make such regulations, not inconsistent with the spirit of this Act, as are considered necessary or advisable. R.S.P.E.I. 1974, Cap.H-3, s.22. Regulations