

Excise Duty Memoranda Series

1.5.1 Rates of Excise Duty

July 2006

Overview This memorandum sets out the rates of excise duty imposed under the *Excise Act, 2001* on spirits, wine and tobacco products. It also sets out the special duty on spirits, and additional duty and special duty on tobacco products. The revised rates that took effect July 1, 2006 are indicated in bold type.

Disclaimer The information in this memorandum does not replace the law found in the *Excise Act, 2001* (the “Act”) and its Regulations. It is provided for your reference. As it may not completely address your situation, you may wish to refer to the Act or its Regulations, or contact any Canada Revenue Agency (CRA) regional excise duty office for additional information.

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Canada

1.5.1 Rates of Excise Duty

Excise Duty on Spirits

Percentage of absolute ethyl alcohol by volume	Excise duty
Spirits containing more than 7% of absolute ethyl alcohol	\$11.696 per litre of absolute ethyl alcohol
Spirits containing not more than 7% of absolute ethyl alcohol	\$0.295 per litre of spirits

Special Duty on Spirits

Percentage of absolute ethyl alcohol by volume	Special duty
Spirits containing more than 0.5% absolute ethyl alcohol	* \$0.12 per litre of absolute ethyl alcohol

** Special duty is payable on imported spirits delivered to or imported by a licensed user*

Excise Duty on Wine

Percentage of absolute ethyl alcohol by volume	Excise duty
Wine containing more than 7% absolute ethyl alcohol by volume	\$0.62 per litre
Wine containing more than 1.2% but not more than 7% absolute ethyl alcohol by volume	\$0.295 per litre
Wine containing not more than 1.2% of absolute ethyl alcohol	\$0.0205 per litre

Excise Duty and Additional Duty on Domestic Tobacco Products (all provinces and territories)

Product category	Excise duty	Additional duty
Cigarettes	\$0.41025 per five or fraction of five cigarettes contained in any package	N/A
Tobacco sticks	\$0.0605 per stick	N/A
Manufactured tobacco – other	\$55.90 per kilogram	N/A
Raw leaf tobacco	\$1.572 per kilogram	N/A
Cigars	\$16.60 per 1,000 cigars	greater of \$0.066 per cigar and 66% *

* 66% of the Canadian manufacturer's sale price or of the duty-paid value if imported.

Excise Duty and Special Duty on Canadian Manufactured Cigarettes

For Delivery to	Excise Duty (rates per five or fraction of five cigarettes)	Special Duty (rates per cigarettes)
Foreign or Canadian duty free shops, customs bonded warehouses, or foreign or Canadian ships' stores	\$0.374875	N/A
Export markets (other than to foreign duty free shops or for use as foreign ships' stores) if not more than 1.5% of previous calendar year's production	N/A	\$0.075
Export markets (other than to foreign duty free shops or for use as foreign ships' stores) if greater than 1.5% of previous calendar year's production.	\$0.41025	\$0.095724

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Excise Duty and Special Duty for Canadian Manufactured Tobacco Sticks

For delivery to	Excise duty (rates per stick)	Special duty (rates per stick)
Foreign or Canadian duty free shops, customs bonded warehouses, or foreign or Canadian ships' stores	\$0.054983	N/A
Export markets (other than to foreign duty free shops or for use as foreign ships' stores) if not more than 1.5% of previous calendar year's production	N/A	\$0.055
Export markets (other than to foreign duty free shops or for use as foreign ships' stores) if greater than 1.5% of previous calendar year's production.	\$0.0605	\$0.042

Excise Duty and Special Duty on Other Canadian Manufactured Tobacco

For Delivery To	Excise Duty (rates per kilogram)	Special Duty (rates per kilogram)
Foreign or Canadian duty free shops, customs bonded warehouses, or foreign or Canadian ships' stores	\$49.983	N/A
Export markets (other than to foreign duty free shops or for use as foreign ships' stores) if not more than 1.5% of previous calendar year's production	N/A	\$50.00
Export markets (other than to foreign duty free shops or for use as foreign ships' stores) if greater than 1.5% of previous calendar year's production.	\$55.90	\$46.002

Excise Duty and Special Duty on Imported Manufactured Tobacco (payable when delivered to a Canadian duty free shop)

Product Category	Excise Duty	Special Duty
Cigarettes	N/A	\$0.075 per cigarette
Tobacco Sticks	N/A	\$0.055 per stick
Other Manufactured Tobacco (excludes cigars)	N/A	\$0.05 per gram

Excise Duty and Special Duty on Unstamped Canadian and Foreign Tobacco Products Imported as “Traveller’s Tobacco”

Product Category	Excise Duty	Special Duty
Cigarettes	N/A	\$0.075 per cigarette
Tobacco Sticks	N/A	\$0.055 per stick
Other Manufactured Tobacco (excludes cigars)	N/A	\$0.05 per gram

All of the memoranda in the Excise Duty Memoranda Series will be available on the CRA Web site at www.cra-arc.gc.ca/tax/technical/act2001-e.html.