

December 14, 2005

**Tariff Notice TN-11                      Excise Tax Act Changes**

On November 25, 2005, Bill C-259, an Act to amend the *Excise Tax Act* (elimination of the excise tax on jewellery) received Royal Assent. The Canada Revenue Agency has issued a Fact Sheet replicated below on this issue. This amendment has had the following immediate effect on the administration of excise tax:

- The excise tax on clocks adapted for household or personal use, except those specially designed for the use of the blind, will be increased to 10% of the amount by which the sale price or duty paid value exceeds fifty dollars, as of November 25, 2005.
- The excise tax on all watches has been eliminated as of November 25, 2005.

Goods imported under the following Tariff Items may be affected:

Watch headings and tariff items:

**91.01 Wrist-watches, pocket-watches and other watches, including stop-watches, with case of precious metal or of metal clad with precious metal.**

9101.11.00, 9101.12.00, 9101.19.00, 9101.21.00, 9101.29.00, 9101.91.10, 9101.91.90, and 9101.99.00

**91.02 Wrist-watches, pocket-watches and other watches, including stop-watches, other than those of heading 91.01.**

9102.11.00, 9102.12.00, 9102.19.00, 9102.21.00, 9102.29.00, 9102.91.10, 9102.91.90 and 9102.99.00

Clock headings and tariff items:

**91.03 Clocks with watch movements, excluding clocks of heading 91.04.**

9103.10.00 and 9103.90.00

**91.05 Other clocks.**

9105.11.00, 9105.19.00, 9105.21.10, 9105.21.90, 9105.29.00, 9105.91.10, 9105.91.90, and 9105.99.90.

For further information concerning this notice, please contact Lynne Spirak, Tariff Officer, Duty Deferral Unit at (613) 954-6877 or Ron Gerold, Manager, Duty Deferral Unit at (613) 948-7085.

Additional information is available in the Excise Taxes and Special Levies Notices section of the Canada Revenue Agency's Web site. (<http://www.cra-arc.gc.ca/E/pub/et/ets155/ets155-e.html>)