



# CIRCULAR ED 212-5

January 1996

## GUIDELINES FOR BREWERY OPERATIONS LOSS ALLOWANCE

Brewers are entitled to an allowance for loss in production not exceeding 5% of the excise duty paid on the quantity of beer produced. This percentage loss may be calculated on the quantity of beer produced.

### *REFERENCES*

*Excise Act*, subsection 170(2)  
*Brewery Regulations*, section 6

### *COMPLIANCE*

1. (1) Subject to subsection (2), the production loss for every brewery is to be ascertained as the difference between:

- (a) the quantity of beer taken for packaging, and
- (b) the quantity of beer packaged on which duty was paid.

(2) The quantity of beer taken for packaging may be reduced by the amount equal to such accountable quantities as are taken from the packaging process for destruction or return to process stock.

2. (1) For the purpose of establishing the quantity of beer taken for packaging, a brewer may use

- (a) calibrated tanks, when the Superior Officer has approved the method used in gauging and calibrating the tanks; or
- (b) meters that have been inspected, tested and verified by an inspector of weights and measures.

(2) The quantities established pursuant to subsection (1) may be the gauge or meter readings related to the quantities of beer put into or removed from the packaging tanks.

3. Where the production loss in a calendar month is ascertained to be in excess of 5% of the quantity of beer packaged on which duty was paid during that calendar month, such excess will be deemed to be beer produced, and duty must be paid accordingly.

This supersedes Circular ED 212-5, dated September 8, 1989

**THE INFORMATION IN THIS CIRCULAR DOES NOT REPLACE THE LAW FOUND IN THE *EXCISE ACT* AND ITS REGULATIONS. AS IT MAY NOT COMPLETELY ADDRESS YOUR PARTICULAR OPERATION, YOU MAY WISH TO REFER TO THE ACT OR APPROPRIATE REGULATION, OR CONTACT ANY REVENUE CANADA TAX SERVICES OFFICE FOR ADDITIONAL INFORMATION.**