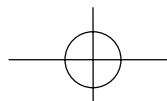
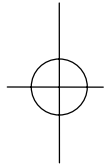
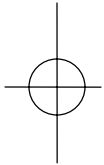
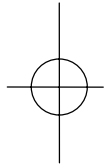
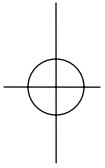
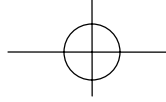


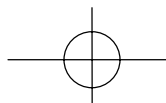
Highlights for Tobacco Growers

Excise Act, 2001





La version française de cette brochure est intitulée *Faits saillants pour les tabaculteurs*.



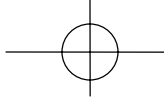
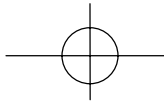
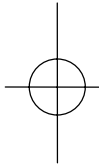
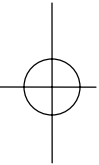
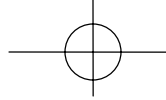


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Why make changes?

The *Excise Act* is one of the oldest taxing statutes in Canada. While many changes have been made over the years, a general review identified that a new regime for the federal taxation of spirits, wine and tobacco products was needed.

The new *Excise Act, 2001* is a modernized framework that is designed to reduce controls and costs on industry wherever possible. It also harmonizes various administrative provisions for payment, assessment, enforcement and appeals with other federal tax legislation.

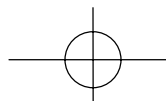
The new excise framework will allow the Canada Customs and Revenue Agency (CCRA) to serve its clients better, while providing us with the tools to become more effective. Consumers will not be affected by the changes to the legislative framework.

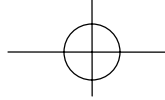
When will the changes take effect?

The *Excise Act, 2001* has now become law, and is scheduled to be implemented effective July 1, 2003. Bill C-47, the legislation to implement the *Excise Act, 2001*, was introduced in the House of Commons on December 6, 2001, and was given Royal Assent on June 13, 2002.

What changes will affect you?

Once it is implemented, there will be some significant changes to the way the CCRA deals with the **tobacco growing industry**. There will also be new obligations and entitlements for industry members. This information bulletin outlines the important changes that will affect your industry.





Technical issues

Currently, an Excise Duty Memoranda Series is being developed by the CCRA to address technical issues and questions you may have.

Prior to implementation, these publications will be made available to the public in both paper and electronic format.

Tobacco growers

The majority of raw leaf tobacco grown in Canada is grown in the Province of Ontario while the bulk of the remainder is grown in the Province of Quebec. The majority of raw leaf tobacco grown in Canada is of the flue-cured type, which in the Province of Ontario is sold via a provincial marketing board.

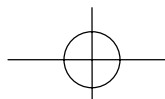
It should be noted that both the current *Excise Act* and the new *Excise Act, 2001* do not differentiate between varieties of raw leaf tobacco.

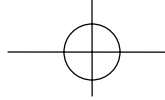
Under the current *Excise Act*, tobacco growers do not require a licence, but may sell raw leaf tobacco only to businesses that are licensed as tobacco packers or as tobacco and cigar manufacturers. Tobacco growers will also not require a licence under the new *Excise Act, 2001* and will continue to operate in the same manner as they have in the past.

Marketing boards

Marketing boards are organizations established under provincial law for the marketing of raw leaf tobacco grown in the province.

Under the new *Excise Act, 2001*, a marketing board will no longer be required to be licensed as a tobacco packer. Upon implementation of the new legislation, this licence will become obsolete.





The fact that a marketing board will no longer be licensed at the federal level should not affect the business practices of tobacco growers.

Federal and provincial legislation

You should be aware that federal and provincial legislation may vary with respect to the marketing and disposition of raw leaf tobacco. In this regard, please consult your local marketing board for clarification regarding specific situations.

Exporting raw leaf tobacco

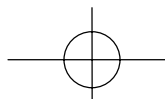
Currently, if you are a grower of raw leaf tobacco in Canada and you choose to directly export your crop, you must be licensed as a tobacco packer under the *Excise Act*.

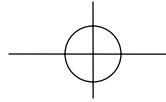
Under the new *Excise Act, 2001*, you will no longer need a licence to export raw leaf tobacco. However, you will require written approval from the CCRA to do so and will have to comply with certain conditions.

Records

Tobacco growers and marketing boards will be required to maintain all records necessary to determine whether they have complied with the new legislation. These records must, unless otherwise authorized, be kept in Canada in English or French.

You will have to keep these records in paper or electronic format for a period of six years after the end of the year to which they relate.





Need more information?

You can find related memoranda, forms and news releases as they become available at
www.ccra-adrc.gc.ca/tax/technical/exciseduty-html.

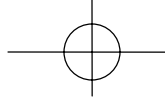
Other related bulletins that are available in the Tobacco Series are B2, *Highlights for Tobacco Packers and Cigar and Tobacco Manufacturers* and B3, *Highlights for Duty Free Shops*.

If you wish to discuss a specific matter, you may call your nearest Regional Excise Duty Manager. The phone numbers and addresses of our regional Excise Duty offices are listed at the end of this bulletin.

Comments or suggestions?

If you wish to make comments or suggestions regarding the contents of this bulletin, please write to us at the following address:

Attention: *Excise Act, 2001* Implementation Group
Excise Duties and Taxes Division
Policy and Legislation Branch
Canada Customs and Revenue Agency
20th floor, Tower A
Place de Ville, 320 Queen Street
Ottawa ON K1A 0L5



Regional Excise Duty Operations

Atlantic Region

c/o Excise Duty Manager
P.O. Box 638
Halifax NS B3J 2T5

Phone: (902) 426-5748

Fax: (902) 426-7177

Quebec Region (District of Québec)

c/o Excise Duty Manager
Section 441 - 8
165 de la Pointe-aux-lièvres Street
Québec QC G1K 7L3

Phone: (418) 649-4998

Fax: (418) 648-5484

Quebec Region (District of Montréal)

c/o Excise Duty Manager
305 René-Lévesque Blvd. West, 7th floor
Montréal QC H2Z 1A6

Phone: (514) 283-6738

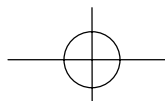
Fax: (514) 283-6154

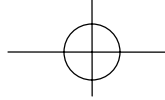
Northern Ontario Region

c/o Excise Duty Manager
1730 St-Laurent Blvd., 3rd floor
P.O. Box 8257
Ottawa ON K1G 3H7

Phone: (613) 998-9305

Fax: (613) 991-3236





Southern Ontario Region

c/o Assistant Director, Excise Duty
5800 Hurontario Street
P.O. Box 6000, Station A
Mississauga ON L5A 4E9

Phone: (905) 277-6476

Fax: (905) 615-2814

Prairies Region

c/o Excise Duty Manager
220 - 4th Avenue South East, Room 420
Calgary AB T2G 0L1

Phone: (403) 231-4124

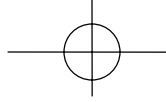
Fax: (403) 231-3033

Pacific Region

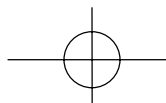
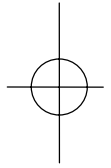
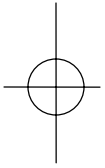
c/o Excise Duty Manager
9737 King George Highway, 5th floor
P.O. Box 9070, Station Main
Surrey BC V3T 5W6

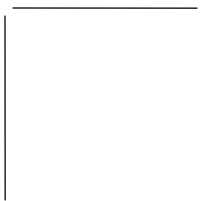
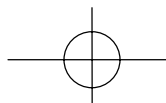
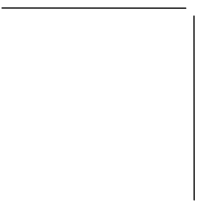
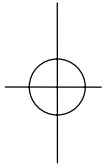
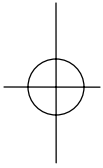
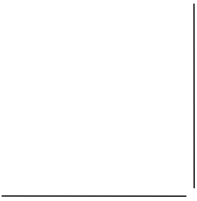
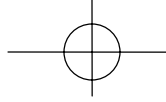
Phone: (604) 587-2100

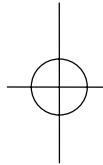
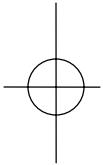
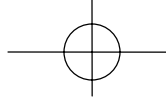
Fax: (604) 587-2162



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