

Tax Rates on Tobacco Products

Tobacco Tax Act

Please view this bulletin in conjunction
with Budget Bulletin 2004

On December 19, 2003, the Minister of Finance announced the government's intention to increase the per unit tax rate for cigarettes, tobacco sticks, and loose tobacco by 1.9¢. There is no change to the tax rate on cigars.

The government announced its intention to introduce legislation to support this change at the earliest opportunity. Under the proposed legislation, this increase will be effective December 20, 2003 and will apply to all purchases of cigarettes, tobacco sticks, and loose tobacco that take place on or after that date.

The Consumer Taxation Branch will contact tobacco tax collectors directly to provide information and forms for remitting calculating and remitting the additional tax.

The information in this bulletin is provided for your convenience and guidance and is not a replacement for the legislation. The *Tobacco Tax Act* and Regulations can be found on the web at www.gov.bc.ca/sbr

TAX RATES

The tax rates set out below remain in effect until the government announces new tax rates.

TOBACCO PRODUCT	PROPOSED TAX RATE EFFECTIVE DECEMBER 20, 2003	PREVIOUS TAX RATE	CHANGE
Cigarettes:			
Individual	17.9¢ / cigarette	16¢ / cigarette	+ 1.9¢ / cigarette
Carton of 200	\$35.80 / carton	\$32 / carton	+ \$3.80 / carton
Tobacco Sticks:			
Individual	17.9¢ / stick	16¢ / stick	+ 1.9¢ / stick
Carton of 200	\$35.80 / carton	\$32 / carton	+ \$3.80 / carton
Loose Tobacco:			
Per Gram	17.9¢ / gram	16¢ / gram	+ 1.9¢ / gram
Cigars:			
Individual	77% of the retail selling price, to a maximum tax of \$5 per cigar	77% of the retail selling price, to a maximum tax of \$5 per cigar	No change

DEFINITIONS

Tobacco Sticks

A tobacco stick means a roll or tubular construction of tobacco intended for smoking, other than a cigar, that requires further preparation to be consumed.

Loose Tobacco

Loose tobacco includes fine cut tobacco, pipe tobacco, chewing tobacco, raw leaf tobacco, and snuff.

NEED MORE INFO?

This bulletin is provided for convenience and guidance.

If you have any further questions call us in Vancouver at 604 660-4524 or call toll-free at 1 877 388-4440, or e-mail your questions to CTBTaxQuestions@gov.bc.ca

Information is also on the web at www.gov.bc.ca/sbr While there, you can subscribe to our free electronic update service.

References: *Tobacco Tax Act*, Section 2 and Regulation 8