

Exempt Sale Retail Dealer Purchase of Tobacco From Licensed Wholesalers *Tobacco Tax Act*

Exempt Sale Retail Dealers (ESRD) can only buy tobacco from a wholesaler that possesses a British Columbia wholesale dealer permit issued by the Director of the *Tobacco Tax Act*.

Recently, individuals and businesses located outside of British Columbia are offering to sell discount tobacco products. Although they claim to be licensed to manufacture and distribute tobacco products in British Columbia, they do not possess a British Columbia wholesale dealer permit and are therefore committing an offence under the *Tobacco Tax Act*. Additionally, the packaged tobacco does not always have the required federal health markings or the black stock markings.

ESRDs are permitted to purchase their tobacco allocations exempt of provincial tax. However, the tobacco must be purchased from their designated wholesaler who is licensed to sell tobacco in British Columbia. The tobacco must be marked with black stock markings (peach colour tear tape or stamp) if it is sold exempt of tax to status Indians. If you wish to purchase taxable tobacco, it must be marked with green tear tape and you must ensure that the seller possesses a British Columbia wholesale dealer permit.

If you purchase, possess or sell tobacco that does not comply with provincial legislation, you are committing an offence. You may be subject to an assessment of tax plus interest, fines, criminal charges and your permit may be suspended and/or cancelled. Tobacco products not purchased through a licensed wholesaler and not bearing the prescribed tear tape will be seized. For more information, please refer to our online tobacco bulletins at www.sbr.gov.bc.ca/ctb

If you have been contacted by any individual offering to sell you tobacco products that is not your designated British Columbia tobacco wholesaler, please contact the Consumer Taxation Branch:

Phone: 250 387-3368

Toll-free TIPS Line: 1 877 977-0858

Fax: 250 387-1852

E-mail: tobaccotax@gov.bc.ca

Mailing Address:

Consumer Taxation Branch
Tobacco Tax Section
PO Box 9442 STN PROV GOVT
Victoria BC V8W 9V4