



Information Bulletin

October 27, 2006

No. TT-2

TO: TOBACCO TAX COLLECTORS

RE: TAX RATE CHANGES UNDER THE TOBACCO TAX ACT, 1998

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READER SURVEY

As announced on October 27, 2006, the following changes have been made to the rates of tax on tobacco products. The new rates are effective October 28, 2006.

<u>PRODUCT</u>	<u>NEW TAX RATE</u>	<u>PREVIOUS TAX RATE</u>
Cigarettes and Tobacco Sticks:		
Individual	18.3¢	17.5¢
Carton (200)	\$36.60	\$35.00
Other Tobacco:	18.3¢ per gram	17.5¢ per gram
Cigars: Retail Selling Price (RSP)	95% of taxable value	95% of taxable value
	Minimum tax of	Minimum tax of
	35¢ per cigar.	35¢ per cigar.
	Maximum tax of	Maximum tax of
	\$5.00 per cigar.	\$5.00 per cigar.

Please adjust the tax on your inventory of tobacco products for the tax increases. Include orders filled but not shipped as of the close of business on October 27, 2006. Also, the tax on shipments in transit from suppliers must be adjusted accordingly. An inventory declaration form is attached for you to complete and return with your remittance for each of your wholesale and cash and carry outlets, by November 20, 2006.

The tax rate on cigars is 95% of the taxable value, with a minimum tax of 35¢ per cigar and a maximum tax of \$5.00 per cigar.

The taxable price of a cigar is:

- If the cigar was manufactured in Canada, 1.3 multiplied by the manufacturer's selling price, including any charges for delivery or transportation and any duty and excise tax imposed under the laws of Canada, but excluding Goods and Services Tax (GST).
- If the cigar was manufactured outside Canada, 1.3 multiplied by the importer's selling price, including any charges for delivery or transportation and any duty and excise tax imposed under the laws of Canada, but excluding GST.
- If the manufacturer or importer of a cigar is also the retailer of the cigar, the price the consumer paid for it, including any charges for delivery or transportation but excluding the Saskatchewan Tobacco Tax and GST.

If further information is required, please call 1-800-667-6102 (extension 1795), or write to the above address.

Internet: Provincial Sales Tax bulletins, forms and information are available on the Internet at: <http://www.gov.sk.ca/finance/revenue/pst/pst.htm>

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INVENTORY DECLARATION OF TOBACCO PRODUCTS

Collector _____ Inventory Taken-Date: _____ Time: _____

Address _____ Type of Operation: ___ Wholesale

Account # _____ ___ Cash & Carry

<u>Location of Stock At Old Tax Rates</u>	<u>Cut Tobacco # Grams</u>	<u>Cigarettes and Tobacco Sticks (Individual)</u>
(1) <u>On Hand</u>		
• In warehouse	_____	_____
• On shipping floor	_____	_____
(2) <u>In Transit</u>		
<u>Supplier Invoice #</u>		
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
(3) Total Quantities (Items 1+2)	_____	_____
(4) Tax Rate Increase (per gram or cigarette)	0.8¢	0.8¢
(5) Total Tax Payable (Items 3 x 4)	\$ _____	\$ _____
Total From Item 5	= \$	
Less Commission (Item 5 x 0.0025)	= \$ (_____)	
Tax Remitted	= \$	

I hereby certify that, to the best of my knowledge and belief, the information contained in this declaration is correct and all relevant facts have been revealed.

DATE _____ SIGNATURE _____

Please make cheques payable to the Minister of Finance.