



TAX INFORMATION BULLETIN TOBACCO TAX

Effective March 28, 2003, the provincial tobacco tax imposed on tobacco products under the Tobacco Tax Act will increase as follows:

Product	New Rate	Old Rate
Cigarettes	15 cents per cigarette	13.5 cents per cigarette
Tobacco, other than cigarettes and cigars	15 cents per gram	11 cents per gram
Cigars	125% of mfg. suggested retail price rounded to nearest 1/100 of a cent	125% of mfg. suggested retail price rounded to nearest 1/100 of a cent

Reporting Requirements

Tobacco tax collectors who are responsible for remitting this tax are reminded that they are required to collect the new rates of tax on all sales or deliveries effective 12:01 am, Friday, March 28, 2003. If a collector has invoiced the old rate of tax for sales or deliveries after that time he or she is required to issue an adjusting invoice for the additional tax. **Failure to collect the new rates of tax will result in the imposition of a penalty equal to the tax that should have been collected.**

Tobacco wholesalers who maintain tax paid inventories must also take and record their existing inventory of tobacco products as of midnight, March 27, 2003. The attached "Declaration Return of Tobacco Products" must be completed and filed in conjunction with the March 2003 return, along with the additional tax payable resulting from the increased tobacco tax rates.

Further information regarding this change may be obtained by contacting:

Department of Finance
Tax Administration Division
P.O. Box 8720
St. John's, NL
A1B 4K1
Phone: (709) 729-6297
Fax: (709) 729-2856
email: taxadmin@gov.nf.ca

Disclaimer: These bulletins are prepared as guidelines and interpretations of the statutes. Where a conflict between the bulletins and statutes arise, the statutes will take precedence.



GOVERNMENT OF
 NEWFOUNDLAND AND LABRADOR
 Department of Finance
 Taxation and Fiscal Policy Branch
 Tax Administration Division

Declaration Return of Tobacco Products Inventory

Date Inventory Taken: _____

Time: _____

Legal Name:		
Trade Name:		
Address: _____ _____ _____ _____		
License Number _____	Last Receiving Report Number Prior to Cut-Off _____	Last Sales Invoice Number Prior to Cut-Off _____

Inventory Declaration must include all Tobacco stock on the premises, including:

- (a) Dry and damaged to be returned to supplier;
- (b) In transit from suppliers and invoiced at old rates
- (c) Invoiced to a customer, but still on the property

NOTE: Detailed Inventory count sheets must be retained for audit examination.

Product	Unit	Quantity	Incremental Tax Rate	Amount of Tax Owing
Cigarettes	Ctn.		\$3.00	
All Other Tobacco Products (except Cigars)	Grams		\$0.04	
Total Tax Payable				

Certification: The above statements are hereby certified to be correct to the best knowledge and belief of the undersigned.

 Authorized Signing Officer
 Please Print or Type

 Title

 Signature of Authorized Signing Officer

 Date

IT IS A SERIOUS OFFENCE TO PROVIDE FALSE INFORMATION ON THIS RETURN