

TOBACCO TAX

NOTICE

TTN: 126

April 2011

TOBACCO TAX RATE INCREASES

Introduction

Effective 12:01 a.m. Thursday, April 7, 2011 the Prince Edward Island tobacco tax on tobacco products will increase. The increase will apply to cigarettes, tobacco sticks and bulk tobacco pursuant to the [Tobacco Tax Act](#) R.S.P.E.I. 1988, Cap. T-3.11.

The following rates come into effect at 12:01 a.m. Thursday, April 7, 2011:

- (A) The tax on **cigarettes** is increased to 25.40 cents per cigarette from 22.45 cents per cigarette.
- (B) The tax on **tobacco sticks** is increased to 25.40 cents per stick from 22.45 cents per stick.
- (C) The tax on **all tobacco products other than cigarettes, cigars and tobacco sticks** is increased to 19.30 cents per gram from 16.01 cents per gram.

There is no change in the tobacco tax rate on cigars.

Reporting requirements - Retailers

- Tobacco retailers are required to calculate and report the additional tobacco tax due on their tobacco inventory on-hand, excluding cigars, at 12:01 a.m. Thursday, April 7, 2011. This will include all cigarettes, tobacco sticks, fine cut tobacco and other tobacco products except cigars under the control of the retailer and includes inventory in store display areas, store rooms and any other location where tobacco products are stored.
- Tobacco retailers should refer to tobacco tax notice [TTN:120](#) for additional instructions.
- A "[Tobacco Tax Self-declaration](#)" form is attached to this notice for your convenience.

Reporting requirements - Wholesalers

- Tobacco wholesalers are required to collect the new rates of tax on all sales and deliveries effective 12:01 a.m. Thursday, April 7, 2011. If a wholesaler has invoiced the old rate of tax for sales or deliveries after that time, the wholesaler is required to issue an adjusting invoice for the additional tax.

- Tobacco wholesalers, who maintain tax paid inventories, are required to calculate and report the additional tobacco tax due on their inventory on-hand, excluding cigars, at 12:01 a.m. Thursday, April 7, 2011.
- Tobacco wholesalers should refer to tobacco tax notice [TTN:121](#) for additional instructions.
- A “[Tobacco Tax Self-declaration](#)” form is attached to this notice for your convenience.

Further Information:

For copies of the [Tobacco Tax Act](#), [Revenue Administration Act](#) and [Regulations](#) or for any inquiries regarding this Tobacco Tax Notice please contact:

Taxation and Property Records Division
Finance, Energy and Municipal Affairs
PO Box 1330
Charlottetown, PE
C1A 7N1

Telephone: (902) 368-6577
Fax: (902) 368-6164
Email: taxandland@gov.pe.ca
Web site: www.taxandland.pe.ca

This notice is prepared for information purposes only, and should not be considered a substitute for the statutes. Should there be any conflict between the contents of this notice and the statutes, the statutes shall prevail.