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TOBACCO TAX

NOTICE

TTN: 125

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Notice to all IFTA Members regarding Illegal Tobacco

This Notice is intended to provide IFTA carriers with information regarding the possession of tobacco that may be in violation of the Prince Edward Island *Tobacco Tax Act*.

As required by law, all tobacco except for pipe tobacco, snuff, chewing tobacco and cigars is required to be specifically marked with a stamp or tear tape for the jurisdiction in which it is to be sold. These markings indicate that all relevant federal excise taxes have been paid, and that all provincial tobacco taxes have been paid relative to the jurisdiction for which the tobacco has been marked. Under the Prince Edward Island *Tobacco Tax Act*, tobacco that has not been marked for sale in Prince Edward Island or tobacco on which the Prince Edward Island tax has not been paid is illegal in Prince Edward Island.

Anyone, while in Prince Edward Island, who is in possession of tobacco in excess of stipulated limits would be in violation of the Prince Edward Island *Tobacco Tax Act*. The stipulated limits are as follows:

Tobacco products in compliance with the marking requirements for Prince Edward Island:

1,000 cigarettes, or 1,000 tobacco sticks, or 1,000 grams of loose tobacco, or 1000 grams of cigars or cigarillos, or 1000 grams of pipe tobacco, or 1000 grams of smokeless tobacco or a combination thereof.

Properly-marked tobacco products for other jurisdictions:

200 cigarettes, or 200 tobacco sticks, or 200 grams of loose tobacco, or a combination thereof; or

Legally imported tobacco products:

200 cigarettes, 50 cigars, or cigarillos, 200 grams of manufactured tobacco, 200 tobacco sticks legally imported and declared through a port of entry (customs). Please note, Individuals are permitted to have all of these products in their possession but they are not permitted to have more than the amounts shown for any one type of tobacco product.

WARNING: When a carrier is transporting tobacco products into, or through, Prince Edward Island, the driver must have proper documentation (i.e., bill of lading) in their possession to support the quantity (or amount) and type of tobacco products being transported, as well as ownership of the products, and the origin and destination of the shipment.

If carriers are found to be in possession of tobacco in amounts exceeding those listed above, without the appropriate shipping documents, they would be in violation of the Prince Edward Island *Tobacco Tax Act* and could be subject to fines, seizure of the tobacco, and seizure of the vehicle. The minimum fine, if convicted of such violations, is \$200.00, plus an additional fine equal to five times the value of the provincial tobacco tax on the tobacco.

For copies of the *Tobacco Tax Act*, *Revenue Administration Act* and Regulations or for any inquiries regarding this Tobacco Tax Notice please contact:

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This guide 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 guide and the statutes, the statutes shall prevail.