



Provincial Sales Tax (PST) Notice

Notice 2012-021

Issued: December 2012
Revised: February 2013

Notice to Tobacco Wholesale Dealers

Tobacco Tax Act

With the re-implementation of the PST, the provincial portion of the HST on tobacco products will be eliminated. To offset this reduction, tobacco tax rates will be adjusted to generally keep the overall tax on tobacco constant. Effective April 1, 2013, the tobacco tax rates will be:

- Cigarettes – 21.3¢ per cigarette
- Tobacco other than cigarettes and cigars – 21.3¢ per gram of tobacco
- Cigars – 90.5% of the taxable price to a maximum of \$7 per cigar

This notice provides important information for wholesale dealers about the requirement to complete and submit an inventory return for tobacco held in inventory on April 1, 2013. For information on the requirement for retail dealers to submit inventory returns, please see [Notice 2012-019](#), *Notice to Tobacco Retail Dealers*.

Inventory Reporting Requirements

If you hold a Tobacco Wholesale Dealer (TWD) permit, you will be required to take an inventory of the unsold tobacco products you hold in BC immediately after midnight on March 31, 2013. You must then report your inventory to the ministry and remit the difference between the security you paid on the tobacco and the tax you will be required to collect on the tobacco you sell on or after April 1, 2013. Blackstock tobacco should not be included in the inventory.

The inventory return and additional security due must be received by the ministry no later than April 30, 2013.

If you submit your inventory return and payment on time, you will be eligible to deduct a commission of 5% of the additional security due.

The inventory return and instructions for completion will be provided to you, and be available online, in March 2013.

Further Information

If you have any questions, please call us toll free at 1 877 388-4440 or email your questions to CTBTaxQuestions@gov.bc.ca

You can also find information on our website at gov.bc.ca/pst

The information in this notice is for your convenience and guidance and is not a replacement for the legislation.

You can find the *Tobacco Tax Act* and regulations online at gov.bc.ca/consumertaxes (go to **Tobacco Tax** and then **Forms and Publications**).

For up to date information on the return to PST and related changes, subscribe to our What's New page at sbr.gov.bc.ca/msbr/whats_new/consumer_taxes/whatsnew.htm