

TTN: 134

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TOBACCO WHOLESALERS TOBACCO TAX ON TOBACCO INVENTORY ON-HAND

Introduction

The purpose of this notice is to inform tobacco wholesalers, who maintain tax paid inventories, of their responsibility to calculate and remit tobacco tax on their tobacco inventory on-hand at the time of a tobacco tax change.

Procedures

- Tobacco wholesalers are required to collect the new rates of tax on all sales or deliveries effective 12:01 a.m. on the date of the tobacco tax change. 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 the additional tobacco tax due on their tobacco inventory on-hand at the time of a tobacco tax change.
- A wholesaler's tobacco inventory on-hand at the time of a tobacco tax change shall include:
 - All tobacco inventory at the wholesaler's place of business at at 12:01 a.m. of the date of any tobacco tax change;
 - All tobacco inventory under the control of the wholesaler at at 12:01 a.m. of the date of any tobacco tax change;
 - All tobacco inventory invoiced to a tobacco retailer with an invoice date on or after the date of any tobacco tax change, when this inventory was in transit at at 12:01 a.m. of the date of any tobacco tax change.
- The additional tobacco tax shall be reported on a "[Tobacco Tax Self-declaration](#)" form.
- The "[Tobacco Tax Self-declaration](#)" form must be filed and the additional tobacco tax paid within 15 days of the date of the tobacco tax change.

- The Department will perform random audits of tobacco retailers and wholesalers to ensure compliance with this policy.
- The Department will review sales records of tobacco wholesalers for a period before and after the tobacco tax change to ensure compliance with this policy.

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:

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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.