



DEPARTMENT OF FINANCE
TAX ADMINISTRATION DIVISION

Bulletin No. Tob 431
Issue Date: May 31, 2021

**TAX INFORMATION BULLETIN
TOBACCO TAX**

Effective 12:01 a.m., June 1, 2021, the provincial tobacco tax imposed on tobacco products under Part IX of the *Revenue Administration Act* will increase as follows:

Product	New Rate	Old Rate
Cigarettes	32.5 cents per cigarette	29.5 cents per cigarette
Tobacco, other than cigarettes and cigars	56 cents per gram	50 cents per gram
Cigars	125% of the purchase price - rounded to nearest 1/100 of a cent	125% of the purchase 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, Tuesday, June 1, 2021. 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 effective 12:01 am, Tuesday, June 1, 2021. The *Declaration Return of Tobacco Products Inventory* must be completed and filed with the Office of the Comptroller General, Central Cashier's Office by June 22, 2021, along with the additional tax payable resulting from the increased tobacco tax rates.

Tobacco retailers must also take and record their existing inventory of tobacco products as of 12:01 am, Tuesday, June 1, 2021. The *Tobacco Retailer Inventory Return* must be completed and submitted with the additional tax

payable resulting from the increased tobacco tax rates no later than June 22, 2021.

A nil return is required if there is no tobacco tax due on inventory. Failure to submit the inventory return by June 22, 2021 will result in the imposition of a \$100 late filing penalty and may result in the assessment of a penalty equal to the tax that should have been submitted.

Further information regarding this change may be obtained by contacting:

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Disclaimer: This bulletin is prepared as a guideline and interpretation of the statutes. Where a conflict between the bulletin and statutes arise, the statutes will take precedence.