

Tobacco Tax Rates

Tobacco Tax Act

Are you a tobacco retailer?

Do you know the current tax rates on tobacco products?

This bulletin provides the current tobacco tax rates effective March 3, 2010. Tobacco products include cigarettes, loose (fine cut) tobacco, tobacco sticks, cigars, pipe tobacco, chewing tobacco, snuff, raw leaf tobacco and products that contain tobacco in any form.

If you are a retail dealer and you purchase tobacco products from a registered wholesale dealer, your purchase price includes a security amount, which is equal to the tobacco tax due on your retail sales. The selling price of your tobacco products will include this security amount. You do not remit any tobacco tax to the ministry because the registered wholesale dealer is responsible for remitting an amount equal to the tax you collect on your retail sales.

If you purchase tobacco products from anyone other than a registered wholesale dealer, you need to calculate and charge your customers the tobacco tax. You file a tobacco tax return and remit the tax to the ministry. For more information, please see [Bulletin TTA 003](#), *Tobacco Retailers*.

Definitions

Tobacco Sticks

A tobacco stick means a roll or tubular construction of tobacco intended for smoking, other than a cigar, that requires further preparation to be consumed.

Loose Tobacco

Loose tobacco includes chewing tobacco, fine cut tobacco, pipe tobacco, raw leaf tobacco and snuff.

Tax Rates

Product	Tax Rate
Cigarettes	18.5¢ per cigarette \$37.00 per carton of 200
Tobacco Sticks	18.5¢ per stick \$37.00 per carton of 200
Loose tobacco	18.5¢ per gram
Cigars	77% of the taxable price or the retail price, to a maximum of \$6.00 per cigar. For information on calculating tobacco tax on cigars, see Notice 2010-005 , <i>Notice to Cigar Wholesale Dealers</i> .

Other Bulletins

The following are additional bulletins relevant to your business.

Bulletin TTA 004, *Wholesale Dealers Security Payments, Exemptions and Refunds* – information on how tobacco tax applies to tobacco products purchased and sold by wholesale dealers in British Columbia.

Bulletin TTA 006, *British Columbia's Tobacco Marking Program* – information on how British Columbia's tobacco marking program regulates the purchase and sale of tobacco products by wholesalers, retailers and consumers.

Need more info?

Toll free in Canada: 1 877 388-4440

E-mail: CTBTaxQuestions@gov.bc.ca

The information in this bulletin is for your convenience and guidance and is not a replacement for the legislation. The *Tobacco Tax Act* and Regulations are on our website at www.sbr.gov.bc.ca/business/Consumer_Taxes/Tobacco_Tax/bulletins-leg-notices.htm

References: *Tobacco Tax Act*, Sections 2 and 59, and Regulations 8(1)