

INCREASE IN THE SPECIFIC TAX ON TOBACCO PRODUCTS

To support the strategy for a tobacco-free Québec 2020-2025, the government is announcing an increase in the specific tax on tobacco products of \$8.00 for each carton of 200 cigarettes, in order to achieve the target set by the government health prevention policy, which is to reduce the smoking rate to 10% by 2025.

The rates of this tax will accordingly be changed as follows as of February 9, 2023:

- the rate of the specific tax of 14.9 cents per cigarette will be raised to 18.9 cents;
- the rate of the specific tax of 14.9 cents per gram of loose tobacco or leaf tobacco will be raised to 18.9 cents;
- the rate of the specific tax of 22.92 cents per gram of any tobacco other than cigarettes, loose tobacco, leaf tobacco and cigars will be raised to 29.07 cents per gram; the minimum rate applicable to a tobacco stick will be raised from 14.9 to 18.9 cents per stick.

The rate of the ad valorem tax of 80% of the taxable price of cigars will remain unchanged.

□ Taking of inventory

Persons not under an agreement with Revenu Québec who sell tobacco products in respect of which the specific tax has been collected in advance or should have been will have to take inventory of all these products they have in stock at midnight February 8, 2023 and remit, before March 11, 2023, an amount equal to the difference between the tax applicable at the new rates and the tax applicable at the rates in effect prior to midnight February 8, 2023. This also applies for collection officers under agreement with Revenu Québec who sell tobacco products in respect of which the specific tax on tobacco has been paid in advance or has not yet been paid.

Persons required to take inventory must use for this purpose the form provided by Revenu Québec and return it before March 11, 2023. For greater clarity, the products acquired by a person before midnight, February 8, 2023 but not yet delivered to the person will be included in the person's stock.

For any information on the increase in the specific tax on tobacco products announced in this information bulletin as well as the terms and conditions of its application, please contact Revenu Québec at the following numbers:

Québec city area: 418 659-4692

Montréal area: 514 873-4692

Elsewhere in Canada or the United States: 1 800 567-4692 (toll free)

The English and French versions of this bulletin are available on the Ministère des Finances website at www.finances.gouv.qc.ca.