

February 7, 2018

2018-2

HARMONIZATION WITH NEWS RELEASE 2017-114 OF THE DEPARTMENT OF FINANCE CANADA

On November 10, 2017, the Department of Finance Canada presented, in a news release,¹ a proposed excise duty framework for cannabis products, as well as legislative and regulatory proposals relating to the taxation of cannabis, including amendments pertaining to the goods and services tax and the harmonized sales tax (GST/HST).

In accordance with the principle of general harmonization of the Québec sales tax (QST) system with the GST/HST system, changes will be made to the Québec tax system to incorporate, with adaptations on the basis of its general principles and with its specific features and the provincial context underlying the QST taken into account, the proposed federal measures to:

- amend the basic groceries provisions to ensure that sales of edible cannabis products permitted in the future would be subject to the GST/HST in the same way as sales of other types of cannabis products;
- amend the agricultural products provisions to ensure that sales of cannabis products, including seeds and seedlings, will not be zero-rated under these zero-rating provisions;
- make the correlative amendments required in the GST/HST system to reflect the proposed excise duty framework for cannabis products.

However, the amendments to the QST system will be passed only following assent to any federal statute or adoption of any federal regulation giving effect to these GST/HST measures, taking into account technical amendments that may be made prior to assent or adoption. They will generally apply on the same dates as those retained for the purposes of the federal measures with which they are harmonized.

Furthermore, in Québec, the sale of cannabis products, including edible cannabis products, will be permitted only to the extent that it is authorized by the applicable federal and Québec legislation and regulations.

For information concerning the matter dealt with in this information bulletin, contact the Secteur du droit fiscal, de l'optimisation des revenus et des politiques locales et autochtones at 418 691-2236.

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

¹

Department of Finance Canada, News Release 2017-114, "Government of Canada Announces Consultation on Proposed Excise Duty Framework for Cannabis Products," November 10, 2017, www.fin.gc.ca/n17/17-114-eng.asp.