

Tax Information**Bulletin 5107**

Bulletin: 5107
Date: February 25, 2020
Subject: Notice to Tobacco Wholesalers and Tobacco Retailers

Effective 12:01 am, February 26, 2020 tobacco tax will increase on cigarettes, pre-proportioned sticks, fine cut, other tobacco and cigars.

The following Tobacco Tax Rates will be effective 12:01 am, Wednesday, February 26, 2020.

	Old Tax Rate	New Tax Rate	Increase/Difference
Per Cigarette	\$0.2752	\$0.2952	\$0.0200
Per Pre-Proportional Tobacco Stick	\$0.2752	\$0.2952	\$0.0200
Per Gram of Fine Cut	\$0.2600	\$0.4000	\$0.1400
Other Tobacco	\$0.1852	\$0.4000	\$0.2148
Cigars	60%	75%	15%

The tobacco tax rate for cigars increases from 60% to 75% of manufacturer's or importer's suggested retail selling price.

The tobacco Inventory remittance form calculates the tax due on cigars at 9.66% of the total selling price of all cigars included in your inventory count. The tobacco tax increase of 15% on the manufacturer's or importer's suggested retail selling price on a cigar is equivalent to 9.66% of the selling price of a cigar.

Tobacco Wholesalers and Retailers - Inventory

Tobacco Wholesalers and Tobacco Retailers who hold a tax paid inventory are required to self-assess on the difference between the old rate and the new rate on a separate inventory return form for each location and forward this amount to Service Nova Scotia.

The **TOBACCO TAX REMITTANCE** form and payment is due by March 20, 2020. Payments must be made payable to the Minister of Finance.

A blank **TOBACCO TAX REMITTANCE** form is attached.

Question:

What must a tobacco wholesaler count as inventory for calculating the additional tobacco tax?

Answer:

All tax paid cigarettes, pre-proportioned tobacco sticks, fine cut, other tobacco and cigars must be counted by a wholesaler and include:

- all of the above noted tobacco products stored in warehouses, store rooms, cash and carry outlets, retail outlets (if wholesaler operates a retail outlet), display areas, delivery trucks or any other location where tobacco products are stored.
- retail orders received before February 26, 2020 but not sold or removed from the wholesaler inventory;
and
- product purchased by the wholesaler prior to February 26, 2020 but received after the inventory count.

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Should you require further information, please contact us.

Question:

What must a tobacco retail vendor count as inventory for calculating the additional tobacco tax?

Answer:

All cigarettes, pre-proportioned tobacco sticks, fine cut, other tobacco and cigars must be counted by a retailer and shall include:

- all the above noted product stored in store display areas, store rooms, and any other location where tobacco products are stored;
- product purchased by the retailer prior to February 26, 2020 but received after the inventory count.

Question:

Do I have to file a remittance form even if I don't owe any extra tax due?

Answer:

The **TOBACCO TAX REMITTANCE** form must be returned even if no tax is owing. Enter \$ 0.00 under Total Tobacco Tax Due. Return the **TOBACCO TAX REMITTANCE** form to the address noted on the form.

[Tobacco Tax Inventory Remittance Form](#) 

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