

**Tax Information****Bulletin 5029**

Bulletin: 5029 R2  
Date: October 18, 2010  
Subject: Notice to Tobacco Retail Vendors – Changes to Revenue Act Regulations

This Bulletin is to provide information in respect to recent changes to the *Revenue Act Regulations* that relate to retail vendors of tobacco products.

**Quantities of Tobacco Products That May Be Purchased by a Consumer or Sold by a Retail Tobacco Vendor:**

Retail vendors must note that the Regulations made pursuant to the *Revenue Act* state, in part, that no retail vendor shall sell tobacco to a consumer in a quantity greater than the quantities noted below and no consumer shall purchase, agree to purchase or hold tobacco in a quantity greater than the quantities noted below:

- (1) 1000 cigarettes;  
or
- (2) 5 cartons of cigarettes;  
or
- (3) a quantity greater than 1000 grams of fine cut or other tobacco or a combination of cigarettes, fine cut or other tobacco that exceeds 1000 grams.

**Tobacco Retail Permit for Each Location**

Each location from which tobacco is sold to a consumer must have a tobacco retail vendor's permit issued for that location.

**Cancellation and Suspension of Retail Tobacco Vendor Permits Resulting from Violation of the *Revenue Act* and Offences Under the *Income Tax Act (Canada)*; *Excise Tax Act (Canada)***

The Commissioner may cancel, suspend or refuse to issue or renew a retail vendor's permit of a person who contravenes the *Revenue Act (Act)* or regulations, breaches any agreement entered into pursuant to the Act or regulations, fails to comply with any condition or restriction required by the Commissioner or fails to furnish security required by or pursuant to Part IV of the Act, except that, if a person who holds a retail vendor's permit is convicted of an offence under the Criminal Code (Canada), the *Excise Tax Act (Canada)* or the *Income Tax Act (Canada)*, the Commissioner shall cancel the permit for such time as the Commissioner determines appropriate in the circumstances.

The Commissioner may cancel or suspend a retail vendor's permit or refuse to issue or renew a permit in the case of a person who is in arrears in the remission of tax; fails to file a return; or files a false return with respect to any Part of the *Revenue Act*.

## Records Requirements for - Tobacco Retailers

- A retail vendor shall keep and maintain records in such form and containing sufficient information to enable the determination of the vendor's liabilities and obligations under Part III of the *Revenue Act*.
- A retail vendor shall keep and maintain records in respect of the purchase and sale of tobacco products.
- A retail vendor shall retain the required records until the expiration of 72 months after the end of the year to which the records relate or for such other period as required by the Commissioner in writing, except that
  - a) a retail vendor may dispose of the records earlier if written permission for their disposal is given by the Commissioner;
  - b) if a retail vendor serves notice of objection pursuant to Section 60 of the *Revenue Act* or is party to an appeal pursuant to Section 61 of the *Revenue Act*, the retail vendor shall retain every record that pertains to the subject matter of the objection or appeals until the objection or any appeals are disposed of.
- A retail vendor having a place of business within the Province may elect to produce the retail vendor's records for inspection, audit and examination at a place outside the Province at the retail vendor's expense, including reimbursement of the Province for all reasonable transportation, accommodation and associated expenses the Province may incur in carrying out the inspection, audit or examination.
  - a) If, in the opinion of the Commissioner, a retail vendor has failed to keep adequate records, the retail vendor may be required to keep such records as the Commissioner may specify and the retail vendor shall subsequently keep the records so specified;
  - b) the Commissioner may deem the retail vendor's records to include the records of any person that supplied or sold tobacco to the retail vendor.