



NATIONAL ASSEMBLY

SECOND SESSION

THIRTY-FOURTH LEGISLATURE

Bill 152

An Act to amend the Tobacco Tax Act

Introduction

**Introduced by
Mr André Vallerand
Minister of Revenue**

**Québec Official Publisher
1994**

EXPLANATORY NOTES

As part of the plan of action announced by the Government to eliminate the illegal trading of tobacco products and to give effect to information bulletin 94-2 published by the Ministère des Finances on 8 February 1994, this bill amends the Tobacco Tax Act in order to reduce the tax payable on the sale of tobacco products.

The bill also contains provisions aimed at maintaining the deterrent effect of fines and penalties that are based on the rate of tobacco tax.

Bill 152

An Act to amend the Tobacco Tax Act

THE PARLIAMENT OF QUÉBEC ENACTS AS FOLLOWS:

TOBACCO TAX ACT

1. (1) Section 8 of the Tobacco Tax Act (R.S.Q., chapter I-2), amended by section 7 of chapter 79 of the statutes of 1993, is replaced by the following section:

“3. Every person must, at the time of a retail sale of tobacco in Québec, pay a tobacco consumer tax equal to

(a) \$0.0138 per cigarette;

(b) \$0.0058 per gram of any loose tobacco;

(b.1) \$0.0029 per gram of any leaf tobacco;

(c) 50 % of the retail price of each cigar;

(d) \$0.0147 per gram of any tobacco other than cigarettes, loose tobacco, leaf tobacco or cigars.”

(2) This section has effect from 9 February 1994. However, a retail vendor or collection officer is entitled to a reimbursement in respect of tobacco held in stock by him at midnight on 8 February 1994 if, for such tobacco,

(a) he has paid an amount equal to the tobacco tax calculated at the rates in force on 8 February 1994, and has not been reimbursed in any manner whatsoever by his vendor;

(b) he has collected the tobacco tax or an amount equal to the tobacco tax calculated at the rates in force on 9 February 1994; and

(c) he applies for a reimbursement by filing the prescribed form containing the prescribed information with the Minister before 2 August 1994.

The reimbursement to which the retail vendor or collection officer referred to in the first paragraph is entitled shall be equal to the amount by which the amount equal to the tobacco tax paid by him in respect of the tobacco described in that paragraph exceeds the tobacco tax or the amount equal to the tobacco tax collected by him in respect of such tobacco.

The tobacco held in stock by a retail vendor or collection officer does not include tobacco sold but not delivered that is in his possession at midnight on 8 February 1994.

2. Section 13.2 of the said Act is amended by replacing the second paragraph by the following paragraph:

“Every person who, contrary to the first paragraph, sells, delivers or causes to be delivered, outside Québec, tobacco in a package identified in accordance with section 13.1 shall pay to the Minister a penalty equal to the amount of tax that would have been payable under section 8 on 8 February 1994 if the tobacco had been sold by retail sale in Québec on that date.”

3. Section 14.2 of the said Act, amended by section 22 of chapter 79 of the statutes of 1993, is again amended by replacing that part which follows paragraph *e* by the following:

“is guilty of an offence and is liable to a fine of not less than the greater of \$2 000 and three times the tax that would have been payable on 8 February 1994 under this Act had the tobacco involved in the offence been sold by retail sale in Québec on that date and not more than \$500 000 or, notwithstanding article 231 of the Code of Penal Procedure (R.S.Q., chapter C-25.1), to both that fine and to imprisonment for a term of not more than two years.”

4. This Act comes into force on (*insert here the date of assent to this Act*).