

Tax and Revenue Administration (TRA)

Alberta Tobacco Tax Act (the Act)

Information Circular TTA-1R5

Overview of the Alberta Tobacco Tax Program

Last updated: June 8, 2021

NOTE: This information circular is intended to explain legislation and provide specific information. Every effort has been made to ensure the contents are accurate. However, if a discrepancy should occur in interpretation between this information circular and governing legislation, the legislation takes precedence.

The Government of Alberta recognizes that many First Nations people and communities in the province prefer not to describe themselves as Indians and bands. These terms have been used where necessary to reflect their legal meanings in the federal *Indian Act*.

Index

- [Introduction](#)
- [Consumers of Tobacco](#)
 - [Purchasing and Possessing Tobacco](#)
 - [Receiving Tobacco from Outside Alberta by Mail or Courier](#)
 - [Bringing Tobacco into Alberta](#)
- [Violation Tickets and Fines](#)
- [Tax-Exempt Consumers](#)
 - [Government of Canada](#)
 - [Diplomats and Armed Forces](#)
 - [Indians and Bands](#)
 - [Duty Free Shop](#)
- [Contact Information and Useful Links](#)

Introduction

1. The Alberta tobacco tax is a direct tax imposed on, and paid by, consumers of tobacco. For administrative efficiency and to reduce the cost of compliance to industry, Alberta uses a multi-level tax and recovery mechanism whereby the collection and remittance of tobacco tax occurs at the highest level of the distribution chain.

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Note: for toll-free service in Alberta, call 310-0000, then enter the number.



2. In general, a tax collector, such as a licensed wholesaler or licensed importer, is required to collect and remit deemed tax on tobacco inventory at the time the inventory is brought into Alberta for resale. A tobacco tax collector recovers the tax remitted at the time the respective tobacco is sold, tax-included, to the next person in the tobacco distribution chain, such as a retailer. The tobacco tax burden is ultimately borne by the consumer, who pays the tobacco tax to the retailer at the time of purchase.
3. Tobacco tax is applied to all tobacco, including, but not limited to, cigarettes, tobacco sticks, cigars, cigarillos, pipe tobacco, water pipe (shisha) tobacco, raw leaf tobacco, loose tobacco, fine cut tobacco, chewing tobacco, and snuff. For current and historic Alberta tobacco tax rates, refer to the [‘About tax and levy rates and prescribed interest rates’](#) page of our website.
4. For information on the selling of tobacco, licensing requirements for wholesalers and importers, collecting and remitting tobacco tax, filing returns, and other administrative aspects of Alberta’s tobacco tax program, refer to [Information Circular TTA-2, Information for Tobacco Tax Collectors, Wholesalers, Importers and Retailers.](#)

[Back to Index](#)

Consumers of Tobacco

5. A ‘consumer’ is a person who purchases or acquires tobacco in Alberta
 - for their own consumption or use,
 - for another person’s consumption or use at the first person’s expense, or
 - on behalf of, or as agent for, a principal’s consumption or use, or another person’s consumption or use at the principal’s expense.
6. An ‘importing consumer’ is a person who
 - ordinarily resides or carries on business in Alberta, and
 - imports or sends tobacco into Alberta, or acquires or receives delivery of tobacco in Alberta
 - for their own consumption or use,
 - for another person’s consumption or use at the first person’s expense, or
 - on behalf of, or as agent for, a principal’s consumption or use or another person’s consumption or use at the principal’s expense.

7. A 'person' includes a partnership, a trust and a band.

[Back to Index](#)

Purchasing and Possessing Tobacco

8. Subject to the [Tax-Exempt Consumers](#) section, every [consumer](#) who purchases tobacco in Alberta must pay the Alberta tobacco tax at the time of purchase, as well as federal taxes and duties. A consumer may purchase tobacco only from a retailer, licensed wholesaler or licensed importer.
9. For the current and historic Alberta tobacco tax rates for cigarettes or tobacco sticks, loose tobacco (per gram or part of a gram) and cigars, refer to the '[About tax and levy rates and prescribed interest rates](#)' page of our website.
10. A consumer who purchases tobacco for less than the Alberta tax payable and any applicable federal taxes and duties, or purchases tobacco from someone other than a retailer, licensed wholesaler or licensed importer, is guilty of an offence and liable
- for a first offence, to a fine up to \$20,000, to a term of imprisonment up to six months, or both, and
 - for a second offence, to a fine up to \$50,000, to a term of imprisonment up to one year, or both,
- and
- to a penalty up to three times the amount of tobacco tax that would have been payable had the tobacco been sold to the consumer by a retailer, licensed wholesaler or licensed importer.
11. A consumer is not permitted to possess at a particular time more than 200 cigarettes, 200 tobacco sticks or 200 grams of manufactured tobacco that are not [marked for tax-paid sale in Alberta](#), unless the consumer is
- an eligible consumer entitled to benefits under the Alberta Indian Tax Exemption (AITE) program,
 - a licensed wholesaler or licensed importer who has written permission from TRA to possess, store or sell tobacco products,
 - an importing consumer who can provide a receipt from the Canada Border Services Agency showing that Alberta tobacco tax was paid at the time the tobacco was brought into Alberta through a port of entry or received by mail from outside of Canada, or

- an importing consumer who can provide a copy of a [Non Alberta Marked Tobacco Importation Return \(Form AT208\)](#) filed with TRA, together with evidence, such as a receipt, that the tobacco tax was paid to TRA for the tobacco purchased in another province or territory.
12. The term 'marked for tax-paid sale in Alberta', with respect to the packaging of tobacco products on which tax is payable, means that the package is marked with a particular stamp to indicate that it is intended for retail sale in Alberta. For additional information on the tobacco marking program, refer to [Information Circular TTA-2, Information for Tobacco Tax Collectors, Wholesalers, Importers and Retailers](#).
13. A consumer who fails to pay tobacco tax as and when required, or possesses tobacco in excess of the permissible limits, is guilty of an offence and liable
- for a first offence, to a fine up to \$10,000, a term of imprisonment up to 30 days, or both, and
 - for a subsequent offence, to a fine up to \$30,000, a term of imprisonment up to six months, or both.
14. With respect to both marked and unmarked tobacco, no person is permitted to possess
- more than 1,000 cigarettes,
 - more than 1,000 tobacco sticks,
 - more than 1,000 grams of fine cut tobacco,
 - cigars that in total contain more than 1,000 grams of tobacco, or
 - any combination of tobacco containing more than 1,000 grams of tobacco
- unless the person
- has been issued a permit (which includes a voucher issued by an exempt sale retailer, a receipt issued by a duty free shop, or a permit issued by TRA) to do so, or
 - is a licensed wholesaler, licensed importer, retailer or marking permit holder, or possesses tobacco on behalf of any of those persons.

15. A consumer who illegally possesses tobacco in excess of the above-noted limits is guilty of an offence and liable
- for a first offence, to a fine up to \$20,000, a term of imprisonment up to six months, or both, and
 - for a subsequent offence, to a fine up to \$50,000, a term of imprisonment up to one year, or both.

[Back to Index](#)

Receiving Tobacco from Outside Alberta by Mail or Courier

16. The importation or sending by an [importing consumer](#) of tobacco from outside Canada into Alberta by mail or courier is considered to be non-commercial importation of tobacco. The Canada Border Services Agency (CBSA) and Canada Post Corporation are authorized to collect Alberta tobacco tax on non-commercial tobacco imports. The amount of tobacco tax payable is the same as the amount of tobacco tax that would be paid had the tobacco been purchased in Alberta.
17. If an importing consumer fails or refuses to pay the tobacco tax at the time of delivery, the tobacco will be detained.
18. It is illegal to mail tobacco products within Canada (contact [Canada Post](#) for additional information). It is also illegal for a consumer to send tobacco products from one province to another by courier (contact the [Government of Canada](#) or a courier company for more information).

[Back to Index](#)

Bringing Tobacco into Alberta

Tobacco from Outside Canada

19. Alberta tobacco tax applies to tobacco imported into Alberta by a Canadian resident returning to Canada where the quantity of tobacco being imported exceeds or does not qualify for the federal personal exemption. To be eligible for the exemption, the consumer must be at least 18 years of age and must have been away from Canada for 48 hours or more. The current exemption for marked tobacco products is
- 200 cigarettes,
 - 50 cigars,
 - 200 grams (7 ounces) of manufactured tobacco, and
 - 200 tobacco sticks.

20. All cigarettes, tobacco sticks and manufactured tobacco imported into Alberta must be stamped '**duty paid Canada droit acquitté**'. Otherwise, they will not be eligible for the personal exemption and will be subject to Alberta tobacco tax, federal duty and taxes.
21. For additional information on the laws, restrictions, entitlements and obligations that apply to Canadian residents returning to Canada following international travel of less than one year, including the personal exemption amounts for marked tobacco products, refer to the [CBSA](#) website.

Tobacco from Other Provinces and Territories

22. An importing consumer returning to Alberta with tobacco purchased in another province or territory is required to report the importation using the [Non Alberta Marked Tobacco Importation Return \(Form AT208\)](#) and pay to TRA the Alberta tobacco tax within 10 days from the day the tobacco was imported into Alberta. However, if the consumer was outside of Alberta for 48 hours or more, the federal personal exemption explained in the '[Tobacco from Outside Canada](#)' section may apply.

[Back to Index](#)

Violation Tickets and Fines

23. In accordance with the *Provincial Offences Procedure Act* (POPA), a person who has committed a particular offence under the Act may be issued a violation ticket, plead guilty and voluntarily pay a fine, instead of appearing before the Court of Queen's Bench of Alberta in order to resolve the matter. The specified fines for the particular offences under the Act are set out in the Procedures Regulation under the POPA, and include the following:
 - \$500 for a consumer who does not pay tax on purchases of tobacco,
 - \$250 for a consumer who purchases, possesses, stores, sells or offers for sale 400 or less cigarettes or grams of tobacco not marked for tax-paid sale in Alberta,
 - \$500 for a consumer who purchases, possesses, stores, sells or offers for sale more than 400 but less than 1,000 cigarettes or grams of tobacco not marked for tax-paid sale in Alberta, and
 - \$1,000 for an unauthorized person who possesses more than 1,000 but less than 2,000 cigarettes or grams of tobacco.

[Back to Index](#)

Tax-Exempt Consumers

24. Notwithstanding the general requirement to pay the tobacco tax at the time of purchase, certain entities and persons are exempt from paying tobacco tax in certain circumstances if they provide, at the time of purchase, valid evidence of their entitlement to the exemption.

[Back to Index](#)

Government of Canada

25. The Government of Canada, including all departments, certain agencies and crown corporations, is exempt from paying tobacco tax if the wholesaler or retailer obtains certification that the tobacco is purchased for the use of the Government of Canada.

26. The certification to be provided by the Government of Canada to a wholesaler or retailer should be in the following form:

This is to certify that the tobacco purchased is being purchased for the use of [name of department, agency or crown corporation], which is part of the Government of Canada or is a tax-free Government of Canada agency, and therefore is exempt from the Alberta tobacco tax.

27. The certification must specifically refer to the purchase order, contract or invoice relating to the tobacco acquired by the Government of Canada.
28. Tobacco acquired by the Government of Canada without certification is subject to the tobacco tax.
29. This exemption applies only when the Government of Canada itself pays for the tobacco, as the exemption does not apply to tobacco purchased by an individual Government of Canada employee.

[Back to Index](#)

Diplomats and Armed Forces

30. A person specified in the [Diplomatic, Consular and Other Representatives in Canada](#) listing (the listing), as published by the Government of Canada, or a person with the armed forces of another country stationed in Canada, is exempt from paying tobacco tax if the tobacco is for consumption by the purchaser or by others at the purchaser's expense.
31. Tobacco acquired by a person who is not included in the current listing, or who is unable to provide evidence that they are in the armed forces of another country stationed in Canada, as the case may be, is subject to tobacco tax.

[Back to Index](#)

Indians and Bands

32. An Indian or band is exempt from paying tobacco tax if the tobacco is the personal property of the individual or band situated on a reserve. In general, the tax exemption applies only if

- the individual or band presents to the exempt sale retailer at the time of purchase either a valid ministerial identification card issued by TRA or a valid Certificate of Indian Status card issued by the Government of Canada,
- it is reasonable to believe that the tobacco is not being purchased for resale or for export outside of Alberta, and
- the sale is made by an exempt sale retailer on a reserve in Alberta (including Garden River Settlement and certain land owned on behalf of Heart Lake First Nation).

[Back to Index](#)

Duty Free Shop

33. A person about to leave Canada is exempt from paying tobacco tax if the tobacco is purchased at a duty free shop.

[Back to Index](#)

Contact Information and Useful Links

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[Back to Index](#)