

Tax and Revenue Administration (TRA)

Tobacco Tax Act

Special Notice Vol. 3 No. 18

Budget 2022 Implementation of New Category and Tax Rate for Smokeless Tobacco

Issued: February 24, 2022

NOTE: This special notice 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 special notice and governing legislation, the legislation takes precedence.

As part of Budget 2022, Alberta's *Tobacco Tax Act* will be amended to implement a new category and tax rate for smokeless tobacco, which consists of tobacco that is not smoked or heated, but is used in another form. The new category includes chewing tobacco, snuff and snus, which were previously taxed as loose tobacco.

Effective immediately at the beginning of the day on March 1, 2022, the tax rate for smokeless tobacco is \$0.275 per gram or any portion of a gram. Other loose tobacco that is smoked or heated, such as fine cut tobacco, pipe tobacco and shisha tobacco, continue to be taxed at \$0.4125 per gram or any portion of a gram.

Refund of Tobacco Tax Differential

Registered tobacco tax collectors, wholesalers (non-collectors) and retailers may apply to TRA for a refund of the tax differential of \$0.1375 per gram on their tax-included inventory of smokeless tobacco held at the close of business on February 28, 2022.

The refund may be claimed by completing and submitting an Inventory Declaration (see below), which should include all stock of smokeless tobacco held on and off the premises of the collector, wholesaler or retailer, including:

- stock held at a location in Alberta where smokeless tobacco is also sold to retailers,
- dry and damaged stock to be returned to the supplier,
- stock in transit from suppliers and invoiced at the loose tobacco rate, and
- stock invoiced to a customer, but still on the premises.

TAX AND REVENUE ADMINISTRATION
9811 - 109 STREET NW, EDMONTON AB T5K 2L5

- Email: TRA.Revenue@gov.ab.ca
- Website: tra.alberta.ca
- Phone: 780-644-4300
- Fax: 780-644-4144

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



Refund Process for Tax Collectors

Registered tobacco tax collectors may claim the refund by downloading, completing and submitting [Form AT378, "Alberta Tobacco Tax Collectors – Declaration of Inventory of Tobacco Products"](#). Upon completion, the form should be uploaded to the respective TRACS account using the 'Submit Documents' function. TRA will not be issuing refund cheques to registered tobacco tax collectors. Rather, each collector may deduct their refund on the 'Tax Rate Adjustment' line of their next Tobacco Tax Return filed through TRACS.

Refund Process for Wholesalers and Retailers

Tobacco wholesalers (non-collectors) and retailers may claim the refund by downloading, completing and submitting [Form AT380, "Tobacco Tax Refund Application – Smokeless Tobacco Inventory Declaration"](#). Upon completion, the form should be emailed to TRA at tra.revenue@gov.ab.ca. Once the claim is approved, a cheque will be issued.

Deadline for Refund Claims

All refund claims must be submitted to TRA on or before February 28, 2023.

Supporting Documentation

Claimants must maintain records supporting the amounts reported on their Inventory Declaration, including information to support the quantity of smokeless tobacco held at the close of business on February 28, 2022 and evidence that the inventory had been purchased with tax included. Supporting documentation does not need to be submitted to TRA at the time a claim is submitted, but must be made available to TRA upon request.

Additional Information

For additional information on Alberta's Tobacco Tax Program, refer to the [Tobacco Tax](#) page of our website.

Contact Information and Useful Links

Email TRA:	TRA.Revenue@gov.ab.ca
Visit our website:	tra.alberta.ca
Subscribe to receive email updates:	tra.alberta.ca/subscribe.html
TRA Client Self-service (TRACS):	tra.alberta.ca/tracs