

# Tax and Revenue Administration (TRA)

## Alberta Indian Tax Exemption (AITE)

### Special Notice Vol. 4 No. 14

### Purchase of Tobacco from Licensed Wholesalers

Last updated: February 6, 2017

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*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.*

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

## Purchase of Tobacco from Licensed Wholesalers

Alberta retailers are responsible for ensuring the entities from which they are buying tobacco have an Alberta wholesaler's licence. This notice explains this requirement and the potential penalties if retailers fail to comply.

Tobacco tax is collected by Tax and Revenue Administration (TRA) on tobacco sold in Alberta.

The *Tobacco Tax Act* (the Act) states **no retailer shall purchase tobacco in Alberta except from a person who holds a valid wholesaler licence**. The Tobacco Tax Regulation requires that the wholesaler licence be displayed prominently at each of the wholesaler's business locations. Where no specific place of business exists the wholesaler must make the licence available if requested by a retailer with whom the wholesaler does business. A wholesaler is a person who sells or offers for sale tobacco to a retailer or to another wholesaler, and includes a manufacturer who sells or offers for sale tobacco to a retailer.

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**TAX AND REVENUE ADMINISTRATION**  
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- Website: [tra.alberta.ca](http://tra.alberta.ca)
- Phone: 780-427-3044
- Fax: 780-427-0348

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



A person who purchases tobacco from an unlicensed wholesaler is guilty of an offence and liable, for a first offence, to a fine of up to \$10,000 or to a term of imprisonment of six months, or both. In addition, the retailer could receive a penalty of up to three times the tax that would be payable if the tobacco were sold to a consumer. The retailer's exempt sale registration could be cancelled or suspended.

It is to a retailer's advantage to ensure tobacco purchases are being made from a licensed wholesaler because, under circumstances such as theft or destruction of the tobacco, retailers may qualify for a refund from TRA of tobacco tax paid. If a retailer purchased from an unlicensed wholesaler the tobacco tax would not have been collected by TRA and, therefore, not be eligible for the refund.

A list of licensed Alberta wholesalers is provided to tobacco retailers located on Indian reserves when they register with TRA. An updated copy of this list is being sent to registered exempt sale retailers with this notice. Retailers should buy tobacco only from entities on the current list or who have a valid wholesaler licence. If the wholesaler does not appear on TRA's list or if there is any question regarding the wholesaler, the retailer should contact TRA immediately.

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## Contact Information and Useful Links

<b>Contact Tax and Revenue Administration (TRA):</b>	Email: <a href="mailto:TRA.Revenue@gov.ab.ca">TRA.Revenue@gov.ab.ca</a>
<b>Visit our website:</b>	<a href="http://tra.alberta.ca">tra.alberta.ca</a>
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