

# Alberta Tobacco Tax Act

## Information Circular TTA-2R6

### Information for Tobacco Tax Collectors, Wholesalers, Importers and Retailers

Last updated: April 2024

#### Important information

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 prefer not to describe themselves as Indians and bands. These terms have been used where necessary to reflect their legal meanings in the *Indian Act*.

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## Introduction

1. Alberta's tobacco tax is a direct tax imposed on, and paid by, a consumer of tobacco. A person who sells tobacco in Alberta must collect tobacco tax from the purchaser at the time of sale. 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 tax occurs at the highest possible level of the tobacco distribution chain. For example, a licensed wholesaler appointed as a tax collector collects tax at the time tobacco is sold to a retailer for the purpose of resale, and then remits that tax to Alberta Treasury Board and Finance, Tax and Revenue Administration (TRA). The retailer recovers the tax it paid to the wholesaler by charging the tax at the time tobacco is sold to its consumer customers. The consumer of the tobacco is ultimately liable for the tax and therefore bears the final tax burden by paying the tax to the retailer at the time the tobacco is purchased.
2. For an overview of Alberta's tobacco tax program, including information on the purchase of tobacco by consumers and various exemptions from tobacco tax, refer to [Information Circular TTA-1, Overview of the Alberta Tobacco Tax Program](#).

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## Calculation of Tobacco Tax

3. Tobacco tax is calculated at various rates on all tobacco, including but not limited to cigarettes, tobacco sticks, cigars (including cigarillos), smokeless tobacco (including chewing tobacco, snuff, and snus) and other loose tobacco (including fine cut, pipe, water pipe, and raw leaf tobacco). For current and historic tobacco tax rates, refer to the ['Tax, levy, and prescribed interest rates'](#) page of the Government of Alberta website.

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## Cigarettes, Tobacco Sticks, Smokeless and Other Loose Tobacco

4. Cigarettes and tobacco sticks are taxed per cigarette or tobacco stick. For administrative convenience, TRA also provides rates per package and carton.
5. Smokeless and other loose tobacco are taxed per gram or part of a gram. If smokeless or loose tobacco sold includes an amount that is less than one gram, the amount that is less than one gram is taxed as if it were a full gram. For example, if 16.2 grams of loose tobacco is sold, the tax payable must be calculated based on 17 grams.

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## Cigars

6. Tax payable on cigars is calculated on each cigar as a percentage of the taxable price of the cigar. The tax payable, per cigar, is not less than a minimum amount and not more than a maximum amount.
7. Where applicable, tax payable on cigars sold in a particular month should be calculated using the first-in, first-out method whereby it is assumed that the first or oldest cigars in inventory are the first cigars sold.
8. The taxable price of a cigar manufactured in Canada is the manufacturer's selling price before any volume discount, including any charges for delivery or transportation and any duty and excise tax required by Canadian law, except for the federal goods and service tax, multiplied by 1.3.
9. The taxable price of a cigar manufactured outside Canada is the importer's selling price before any volume discount multiplied by 1.3. The importer's selling price before any volume discount is the greater of
  - the price charged by the importer, and
  - the price charged by a party to whom the importer sells the cigar and with whom the importer does not deal at arm's length.
10. The taxable price of a cigar manufactured outside Canada also includes any charges for delivery or transportation and any duty and excise tax imposed by Canadian law, except for the federal goods and service tax.
11. If the amount of calculated tax payable includes a fraction of a cent, the amount must be rounded to the next higher cent.

12. The following example shows how the calculation of tobacco tax on a cigar is rounded in certain circumstances. The example merely demonstrates how this is done and may not reflect the [current tax rates](#).

A Canadian manufacturer sells a particular type of cigar in packages of 80 for \$148.67. Assume the following:

- the taxable price of a cigar is 1.3 times the manufacturer's selling price,
- tax payable on a cigar is 142% of the taxable price,
- the minimum amount of tax per cigar is \$0.275, and
- the maximum amount of tax per cigar is \$8.61.

To calculate the tax payable on the package of cigars, begin by calculating the taxable price of one cigar, as follows:

$$\frac{\$148.67}{80} \times 1.3 = \text{taxable price of one cigar}$$

$$\$1.858375 \times 1.3 = \$2.415888$$

Next, calculate the amount of tax payable on one cigar, as follows:

$$\text{Taxable Price} \times 142\% = \text{tax payable per cigar}$$

$$\$2.415888 \times 142\% = \$3.430560 \text{ rounded to } \$3.44 \text{ per cigar}$$

Finally, calculate the tax payable on the purchase of a package of cigars by multiplying the number of cigars in the package by the tax payable on one cigar, as follows:

$$80 \times \$3.44 = \$275.20$$

Notes:

- do not round the calculation of the manufacturer's selling price,
- do not round the calculation of the taxable price,
- if the amount of tax payable on one cigar includes a fraction of a cent, round the tax payable up to the next higher cent,
- if the tax payable calculated on one cigar is less than the minimum amount of tax per cigar, the minimum amount applies, and
- if the tax payable calculated on one cigar exceeds the maximum amount of tax per cigar, the maximum amount applies.

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## Collecting Tobacco Tax

13. Effective October 1, 2023, unless an exemption applies, a person who sells tobacco in Alberta must, at the time of sale, collect tobacco tax from the purchaser. If the purchaser is a consumer, the tax payable is the amount calculated in accordance with the '[Calculation of Tobacco Tax](#)' section. If the purchaser is a person other than a consumer, the tax payable is the amount that would be payable if the purchaser were a consumer required to pay tax.
14. For information on tax-exempt consumers, refer to [Information Circular TTA-1, Overview of the Alberta Tobacco Tax Program](#).
15. For information on tax-exempt sales of tobacco, refer to the '[Sale of Tobacco Exempt from Tax](#)', '[Exempt Sale Retailers](#)' and '[Duty Free Shops](#)' sections.

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## Alberta's Tobacco Marking Program

16. All packages of tobacco products manufactured in Canada or imported into Canada, to be sold for tax-paid sale in Alberta, must be marked for tax-paid sale in Alberta by a [marking permit holder](#).
17. The term 'tobacco products' means cigarettes, tobacco sticks, and fine cut tobacco. Other types of tobacco to be sold for tax-paid sale in Alberta, such as cigars, pipe tobacco, raw leaf tobacco and snuff, are not marked.

18. The term 'marked for tax-paid sale in Alberta' means that packages of tobacco products are marked with a particular red stamp to indicate that they are intended for retail sale in Alberta. Alberta stamps are used to mark various sizes of packages of tobacco products, as follows:

- cigarettes and tobacco sticks – 20 and 25 units, and
- fine cut tobacco – 50, 100, 150, 200, 250 and 400 grams.

19. An example of an Alberta stamp to be applied to packages is as follows:



20. Tobacco manufacturers and importers may obtain Alberta stamps through the Canada Revenue Agency using the established process to obtain federal excise stamps for tobacco. For additional information on obtaining Alberta stamps, contact the federal excise stamp order desk as follows:

Excise Stamp Order Desk  
Excise Duties and Taxes Division  
Excise and GST/HST Rulings Directorate  
Canada Revenue Agency  
11<sup>th</sup> floor, Place de Ville Tower A  
320 Queen Street  
Ottawa, ON K1A 0L5

Telephone: 1-866-330-3304 (option 4)  
Fax: 613-954-2226  
Email: [excise.stamp@cra-arc.gc.ca](mailto:excise.stamp@cra-arc.gc.ca)

21. Packages of tobacco products that are marked for sale in another province cannot be sold in Alberta.

22. All cartons of tobacco products to be sold for tax-paid sale in Alberta must be marked by a marking permit holder by affixing or imprinting on each end a sticker that seals the end flaps of the carton or, if the carton is a cardboard box, at each end of the box. The sticker should be a rectangle that is

- at least 2.9 cm wide and at least 1.4 cm high,
- surrounded by a border 1.5 points thick in process black, 100%, and
- bearing the inscription 'ALBERTA' in process black, 100% on a background in 'Pantone Red 485', 100% in 'Helvetica 10 point' type, and in uppercase letters.

23. All cases of tobacco products to be sold for tax-paid sale in Alberta must be marked by a marking permit holder with the inscription 'ALBERTA'. The inscription must be on the top of any two opposite-facing sides of the case, in process black, 100%, and in uppercase letters at least 38.1 mm high.

24. A 'marking permit holder' is a person to whom a permit has been issued by TRA authorizing the person to mark tobacco at a particular location (mark-point). A person interested in becoming a marking permit holder must apply to TRA in writing and may be subject to various conditions and restrictions. For information on becoming a marking permit holder, an interested person should [contact](#) TRA.

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## Wholesalers and Importers

25. A 'wholesaler' is a person who sells, or offers for sale, tobacco for resale. A wholesaler might also be a manufacturer of tobacco.
26. An 'importer' is a person who imports or brings tobacco into Alberta for sale to a consumer, or for resale.
27. In general, wholesalers (including manufacturers) and importers in Alberta are the ones who supply tobacco to Alberta as the first step in the tobacco distribution chain.

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## Licensing Requirements

28. A wholesaler is not permitted to sell tobacco for resale in Alberta unless licensed by TRA to do so. Similarly, an importer is not permitted to import tobacco for sale to a consumer, or for resale, in Alberta unless licensed by TRA to do so.
29. A wholesaler or importer may apply to become licensed by registering with TRA using the online tobacco tax registration process. New registrants must create an Alberta.ca account and use it to access the 'Online Registration' section of the Tax and Revenue Administration Client Self-Service ([TRACS](#)) secure online portal. For additional information on registering under Alberta's Tobacco Tax Program, refer to the '[Tobacco tax](#)' page of the Government of Alberta website.
30. In determining an applicant's eligibility to be licensed, TRA may conduct a background check on the applicant, on the applicant's directors, officers, employees, or contractors, or on anyone not dealing at arm's length with the applicant.
31. If TRA issues a licence to a wholesaler or importer, the licence may be subject to any conditions considered appropriate in the circumstances. TRA may refuse to renew a licence, or may suspend or cancel an existing licence, if the licence holder has not, in TRA's opinion, complied with the conditions to which the licence was made subject.
32. TRA may refuse to issue or renew a licence, or may cancel or suspend a licence, if the applicant or licence holder, or a director, officer or employee of the applicant or licence holder
  - has contravened the *Tobacco Tax Act* (Act) or its regulations, or
  - has contravened a law in force in Alberta or another jurisdiction that governs the sale of tobacco or the collection or payment of a tax or similar charge in respect of tobacco.
33. TRA may refuse to issue or renew a licence if TRA is satisfied that the applicant or licence holder, or a director, officer, employee or contractor of the applicant or licence holder, or someone not dealing at arm's length with the applicant or licence holder
  - has contravened any statute or regulation of Alberta (other than the Act or its regulations) that imposes any tax,
  - has not acted or may not act in accordance with the law, with honesty and integrity or in the public interest, having regard to the past conduct of the applicant or licence holder,
  - would be a detriment to the integrity of the lawful tobacco industry in Alberta, or
  - would be a detriment to the lawful manufacture, import, purchase, sale, or possession of tobacco under the Act.
34. TRA may cancel or suspend a licence if the licence holder, or a director, officer, employee or contractor of the licence holder, or someone not dealing at arm's length with the licence holder
  - has contravened any statute or regulation of Alberta (other than the Act or its regulations) that imposes any tax,
  - has not acted in accordance with the law or with honesty or integrity or in the public interest,
  - is a detriment to the integrity of the lawful tobacco industry in Alberta, or
  - is a detriment to the lawful manufacture, import, purchase, sale, or possession of tobacco under the Act.
35. Furthermore, TRA may cancel or suspend a licence if access to the business premises of the licence holder, or the location at which tax-exempt sales are made by the licence holder, is denied or impeded by any person.
36. TRA may also refuse to issue a licence to, or renew a licence of, a person who is not dealing at arm's length with a person whose licence has been suspended or cancelled or whose application for a licence has been refused.
37. If TRA refuses to issue a licence, or if TRA cancels or suspends a licence, TRA will send a notice of refusal, cancellation, or suspension. If a licence is suspended, the wholesaler or importer must not sell or import tobacco into Alberta until the suspension has ended or the licence has been reinstated.

38. Every licence holder must display its licence prominently at each of their places of business in Alberta. If the licence holder does not have a fixed place of business in Alberta, the licence must be kept on hand while doing business in Alberta and produced upon the request of TRA, and upon the request of any wholesaler, importer, retailer, or consumer conducting business with the licence holder.
39. A licence holder who ceases to be a wholesaler or importer must immediately return their licence to TRA. The respective licence expires at the time the licence holder no longer carries on business in Alberta as a wholesaler or importer.
40. If a licence is lost, destroyed, or defaced, the licence holder must immediately advise TRA, and TRA may issue a copy of the licence.
41. A licence holder must immediately notify TRA in writing if they
  - become subject to proceedings related to bankruptcy, insolvency, or receivership,
  - in the case of a corporation, amalgamate with another corporation, wind up, liquidate, dissolve, or become subject to any proceedings under the *Companies' Creditors Arrangement Act* (Canada),
  - in the case of a partnership, change partners,
  - sell, assign, or transfer the part of the business under which the activities authorized by the licence are carried out, and the sale, assignment, or transfer results in a change in control of the business,
  - undergo a substantial change in the core management group or operations of the part of the business for which the licence was issued,
  - change the name or address of the business, or
  - expand the business to a new location.
42. If there is a change in the ownership of the business and the new owner intends to continue selling or importing tobacco at the respective establishment, the new owner must apply to TRA for a new licence.

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## Sale of Tobacco Exempt from Tax

43. A wholesaler or importer may only purchase, possess, store, sell or offer for sale tobacco products that are not marked for tax-paid sale in Alberta with the written permission of TRA to do so. Such products include [black stock](#) and other unmarked tobacco products (such as cigars, pipe tobacco, raw leaf tobacco, and snuff). These tobacco products are the only products that may be sold exempt from tobacco tax in Alberta by a licenced wholesaler or licenced importer.
44. Once written permission is provided, the wholesaler or importer may sell [black stock](#) only to exempt sale retailers or duty free shops. The wholesaler or importer may sell other unmarked tobacco products only if the product will be transported out of Alberta for resale.
45. The term 'black stock' means cigarettes, tobacco sticks, and fine cut tobacco stamped in accordance with federal law to indicate that federal duty has been paid, but not marked in accordance with any provincial law to indicate that they are intended for provincial retail sale. Marked on or affixed to packages of black stock is a peach-coloured federal stamp that states, 'Duty Paid Canada • Droit Acquitté'.

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## Retailers

46. In general, a retailer selling tobacco in Alberta to consumers is not required to be registered or licensed with TRA, unless the retailer is an exempt sale retailer or a duty free shop. However, a retailer must purchase all tobacco from licenced wholesalers or importers.

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## Exempt Sale Retailers

47. An 'exempt sale retailer' is a retailer who is registered under the Act to sell tobacco to consumers who are exempt from tax under the Act or under federal legislation, such as eligible individuals and bands under the [Alberta Indian Tax Exemption \(AITE\) program](#).
48. The only tobacco that an exempt sale retailer is permitted to sell exempt from tax on reserve is [black stock](#). An exempt sale retailer must sell other tobacco products to consumers with tax included if the products are marked for tax-paid sale in Alberta with the red-coloured Alberta stamp.

49. An exempt sale retailer purchases, from licensed wholesalers and importers, tobacco products (including black stock) at a price that includes the Alberta tobacco tax. An exempt sale retailer is entitled to claim a refund of the tobacco tax paid on black stock that is subsequently sold exempt from tax to eligible tax-exempt consumers.
50. For additional information on tax-exempt sales made by an exempt sale retailer, including registration requirements, procedures for making tax-exempt sales, procedures for claiming refunds of tobacco tax paid to wholesalers and importers, and other administrative rights and obligations, refer to [Information Circular AITE-3, Tax-Exempt Sales Made by Exempt Sale Retailers, Vendors and Operators](#).

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## Duty Free Shops

51. A 'duty free shop' is defined in federal legislation, including the *Excise Tax Act* (Canada) and the *Customs Act* (Canada). In general, a duty free shop is a place licensed as a duty free shop by the Government of Canada and is intended only for consumers who are about to leave Canada.
52. To sell tobacco exempt from tax at a duty free shop in Alberta, the duty free shop must first be licensed as a duty free shop for federal purposes, and then the operator must be registered for Alberta purposes.
53. An operator of a federally licensed duty free shop that is interested in registering as a duty free shop operator for Alberta purposes may apply to TRA by emailing a written request to [tra.revenue@gov.ab.ca](mailto:tra.revenue@gov.ab.ca).
54. For the purpose of determining an applicant's eligibility to be registered as a duty free shop, TRA may conduct a background check on the applicant, on the applicant's directors, officers, employees or contractors, or on anyone not dealing at arm's length with the applicant.
55. A duty free shop that is registered for Alberta purposes may be subject to any conditions considered appropriate in the circumstances.
56. For additional information on duty free shops, including federal licensing requirements and operational responsibilities, refer to the [Duty free shops page](#) of the Canada Border Services Agency's website.

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## Tobacco Tax Collectors

57. TRA is authorized to appoint a wholesaler as a tax collector for the purposes of the Act. At the time a wholesaler applies for a licence, TRA reviews the application and decides whether the wholesaler should be appointed as a tax collector based on the activities conducted. TRA may make the appointment subject to any conditions considered appropriate in the circumstances.
58. To be eligible for appointment as a tax collector, a wholesaler cannot sell tobacco in Alberta from a retail store (including an online retail store) and cannot regularly sell tobacco directly to consumers. However, TRA may provide approval for a tax collector to sell tobacco directly to consumers during occasional special events, provided the tax is collected and remitted as and when required.
59. TRA may revoke a wholesaler's appointment as a tax collector if
  - the wholesaler no longer meets the eligibility criteria set out in the immediately preceding paragraph,
  - the wholesaler fails to comply with any conditions imposed on the appointment, or
  - the wholesaler or a director, officer, or employee of the wholesaler has contravened the Act or its regulations, or a law in force in Alberta or another jurisdiction that governs the sale of tobacco or the collection or payment of a tax or similar charge in respect of tobacco.
60. TRA may require a tax collector to provide a surety bond, bank guarantee or evidence of other financial arrangements satisfactory to TRA in an amount up to three times the amount of the estimated tax that would be collected by the tax collector for each collection period. TRA may also require a tax collector to deposit the amount collected into an account to be held in trust at a financial institution specified by TRA.
61. Notwithstanding the information provided in the '[Collecting Tobacco Tax](#)' section, tax does not have to be collected where both the seller and the purchaser are tax collectors. However, sales between tax collectors are reported on the tobacco tax return as sales to other collectors exclusive of tax.

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## Reporting Tobacco Tax

62. A person required to remit tax to TRA must report the amount of tax payable each month by filing a tobacco tax return on or before the 28<sup>th</sup> day after the end of the respective month.
63. The return must be filed electronically through [TRACS](#). For step-by-step instructions on how to file through TRACS, refer to the '[How to file](#)' section of the '[Tobacco tax](#)' page of the Government of Alberta website.
64. A person who fails to submit a return as and when required may be assessed a late-filing penalty in the amount that is the greater of \$25 for each day of default and 5% of any unremitted tax, to a maximum of \$1,000.

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## Remitting Tobacco Tax

65. A tax collector who sells tobacco in Alberta must remit to TRA the amount of tax payable each month on or before the 28<sup>th</sup> day after the end of the respective month. If the purchaser is a consumer, the tax payable is the amount calculated in accordance with the '[Calculation of Tobacco Tax](#)' section. If the purchaser is a person other than a consumer, the tax payable is the amount that would be payable if the purchaser were a consumer required to pay tax.
66. A tax collector or person who manufactures tobacco in Alberta who consumes or uses tobacco in Alberta where no tax has been required to be paid under the Act must pay and remit to TRA, at the time of consumption or use, the same amount of tax as would have been payable had the tobacco been purchased in Alberta.
67. An Alberta resident, other than an importing consumer or tax collector, who imports or sends tobacco into Alberta must remit to TRA the tax that would be payable in respect of that tobacco if the person were a consumer purchasing that tobacco in Alberta.
68. For information on how to remit tobacco tax to TRA, refer to the '[Making Payments](#)' page of the Government of Alberta website.
69. If a remittance is late or insufficient, interest will be charged on the unpaid balance.

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## Refunds

### Stolen or Destroyed Tobacco

70. A wholesaler or retailer may apply to TRA for a refund or credit of tax paid or remitted on tobacco that has been stolen or destroyed before being sold to a consumer. The application must be made through [TRACS](#) within one year after the date the theft or destruction was discovered.
71. An application for a refund must be supported by sales invoices, ledgers and any other records, documents and evidence required to prove the claim, to determine the amount of tax that was paid or remitted, and to determine the amount of tax to be refunded. If the tobacco was stolen, the applicant should retain proof that the theft was reported to the police. If the tobacco was destroyed by fire, the applicant should retain proof that the fire was reported to the fire department. Supporting documentation does not need to be submitted to TRA at the time the application for the refund is made, but it must be provided upon request.

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### Uncollectible Debts

72. A wholesaler may apply to TRA for a refund or credit of tax remitted in respect of sales made to another wholesaler or retailer on credit, and some or all the debt in respect of the sale becomes uncollectible. The application must be made through [TRACS](#) within 90 days of the earlier of the date that a notice of bankruptcy or a notice of the appointment of a receiver is received by the applicant, and the date that the applicant identified the debt as an amount to be claimed as an uncollectible debt for income tax purposes.



73. In general, a debt is not considered to be uncollectible unless the wholesaler has exhausted all reasonable efforts to collect the debt and, in the case of a bankruptcy or receivership, has filed a claim with the trustee or receiver that includes the amount of tax owing shown separately. TRA will not provide a refund of tax if the wholesaler is related to or associated with the debtor, or if it is determined that the wholesaler continued to sell tobacco on credit to the respective debtor after establishing that the debt owing by the debtor has become uncollectible.
74. An application for a refund must be supported by sales invoices, ledgers and any other records, documents and evidence required to prove the claim, to determine the amount of tax that was remitted, and to determine the amount of tax to be refunded. With respect to a bankruptcy or receivership, the applicant should retain a copy of the notice of bankruptcy or notice of the appointment of a receiver. Supporting documentation does not need to be submitted to TRA at the time the application for the refund is made, but it must be provided upon request.
75. In the event a wholesaler recovers full or partial payment of a debt in respect of which TRA paid a refund, the wholesaler must pay to TRA the portion of the refund related to the amount of the debt so collected.

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## Exported Tobacco

76. A wholesaler or retailer may apply to TRA for a refund or credit of tax paid on tobacco that was purchased in Alberta, or imported into Alberta, but was exported to another jurisdiction before being sold. The application must be made through [TRACS](#) within three years from the end of the year in which the tobacco was exported.
77. An application for a refund must be supported by sales invoices, ledgers and any other records, documents and evidence required to prove the claim, to determine the amount of tax that was paid, and to determine the amount of tax to be refunded. With respect to a tobacco that was exported to another jurisdiction, the applicant should be prepared to provide evidence that the tobacco was received by the other jurisdiction. Supporting documentation does not need to be submitted to TRA at the time the application for the refund is made, but it must be provided upon request.

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## Assessments

78. TRA may, within four years from the end of the calendar year in which tax was required to be paid or remitted, assess any tax required to be paid or remitted under the Act, as well as interest on that tax. However, TRA may assess at any time if the person being assessed made any representation that is attributable to neglect, carelessness, or wilful default, or committed a fraud in submitting a return or in supplying or omitting any information under the Act.
79. TRA may, within four years from the end of the calendar year in which tax was to have been collected or remitted, assess a penalty equal to three times the tax a person failed to collect or remit. TRA may also assess at any time a penalty equal to the tax a person failed to collect or remit if TRA establishes that the failure to collect or remit the tax was attributable to neglect, carelessness or wilful default, or to any fraud that the person committed in making a return or in supplying or omitting any information.
80. A wholesaler may log into [TRACS](#) to view submitted returns assessments, and access account period balances. If an amount remains unpaid, interest will accrue until the amount is fully paid. For current and historic prescribed interest rates, refer to the '[Tax, levy and prescribed interest rates](#)' page of the Government of Alberta website.

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## Collection Procedures

81. Tobacco tax, interest, penalties and any other amounts owing under the Act are debts recoverable by Alberta in an action in debt.
82. Normally a person assessed under the Act has 30 days to pay the assessed amount, and TRA may send a reminder notice within that 30-day period. If the person does not pay the assessed amount in full or does not otherwise make satisfactory payment arrangements with TRA, a demand may be sent to the corporation. A demand informs the person that legal action may result if payment, or satisfactory arrangements for payment, is not made by a particular date or within a particular period, as specified in the demand.

83. A person who is unable to pay as and when required, and seeks an extension of time to pay, must contact the Filing Compliance and Collections unit of TRA by email to [tbf.sco@gov.ab.ca](mailto:tbf.sco@gov.ab.ca). An extension may be granted if TRA agrees that immediate payment would result in extreme hardship. To assess a person's ability to pay, TRA may request additional information, including bank statements, financial statements or other relevant documents. In any event, interest will continue to accrue on all unpaid balances.
84. If a person has a refund owing from TRA, but also has a debt owing to TRA or to another Alberta government department, TRA may apply all or part of the refund to reduce the debt rather than issuing the refund.

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### Certificate of Amount Not Paid

85. If an amount owing under the Act has not been paid or has been paid only in part, TRA may issue a certificate stating the unpaid amount and file it with the Court of King's Bench of Alberta (Court). The certificate has the same force and effect as if it were a judgment of the Court. Once a certificate is filed, TRA may proceed to enforce payment of the amount owing, including, for example, registering a Writ of Enforcement and seizing the debtor's assets.
86. All reasonable costs payable in respect of the filing of a certificate, including interest, are recoverable from the debtor in addition to the unpaid amount.

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### Third Party Demands

87. If TRA has knowledge or suspects that a third party is or will be, within one year, liable to make a payment to a tax debtor, TRA may require (demand) that the third party pay to TRA the amount that otherwise would be payable to the debtor.
88. If TRA has knowledge or suspects that within 90 days a bank, credit union, trust company or other similar person (institution) will lend or advance money to, or make a payment on behalf of, or make a payment in respect of a negotiable instrument issued by, a debtor who is also indebted to the institution and has granted security in respect of the indebtedness, TRA may demand that the institution pay to TRA all or part of the amount that would otherwise be lent, advanced, or paid by the institution to the debtor.
89. If TRA has knowledge or suspects that within 90 days a person other than an institution (lender) will lend or advance money to, or make a payment on behalf of, a tax debtor that TRA knows or suspects
- is employed by the lender, or is engaged in providing services or property to the lender, or will be within 90 days so employed or engaged, or
  - is not dealing at arm's length with a lender that is a corporation,
- TRA may demand that the lender pay to TRA all or part of the amount that would otherwise be lent, advanced, or paid by the lender to the debtor.
90. To intercept amounts under a demand, TRA must serve a written notice on the third party, institution or lender demanding that the money be sent to TRA. Such a demand may be served by TRA by personal service, email, registered or regular mail.
91. Amounts payable under a garnishee issued pursuant to a judgment of the Court are paid to the Court. However, under a third party demand, the amounts must be paid directly to TRA, and TRA does not share the amounts received with judgment creditors. If a third party, institution or lender fails to pay the amounts to TRA, and makes a payment to someone else, the third party, institution or lender is liable for the amount that should have been paid to TRA and will be required to retrieve the money that was paid to the other party in error.
92. After service of a demand notice, a third party or institution is not entitled to set off any amount payable under the demand against an amount otherwise payable to the third party or institution.

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### Responsible Representatives

93. A trustee in bankruptcy, assignee, liquidator, administrator, receiver, receiver-manager or any similar person (responsible representative) who administers, winds up, controls or otherwise deals with the property or business of a debtor must obtain a clearance certificate from TRA before distributing property over which the responsible representative has control.

94. A clearance certificate certifies that all amounts
- for which the tax debtor is liable under the Act up to the date of the certificate, and
  - for the payment of which the responsible representative is or can reasonably be expected to become liable in the capacity as a responsible representative,

has been paid or that security for the payment of the amounts has been accepted by TRA.

95. A responsible representative who distributes property without obtaining a clearance certificate is personally liable for the payment of the amounts set out in the immediately preceding paragraph, to the extent of the value of the property distributed, and TRA may assess the responsible representative for the amounts.

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## Transfers by Insolvent Tax Collector

96. If a tax collector (who is tax debtor) transfers property to another person (transferee) with whom the tax collector does not deal at arm's length at the time of the transfer, and the tax collector is

- insolvent, or
- becomes insolvent because of the transfer, or
- becomes insolvent because of the transfer together with one or more other transactions with the transferee,

the transferee is jointly and severally liable with the tax collector to pay the amount owing to TRA, to the extent that the fair market value of the property transferred exceeds the consideration given for the property.

97. Joint and several liability also applies to back-to-back transfers of property between non-arm's length persons. A transferee cannot avoid liability merely by transferring property to another non-arm's length person. However, for joint and several liability to apply, it must be reasonable to conclude that the subsequent transfer was undertaken to avoid payment of an amount owing to TRA. If so, each non-arm's length person in the series of transfers will become jointly and severally liable with the debtor to pay the amount owing to TRA.

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## Amounts in Jeopardy

98. If there are reasonable grounds for TRA to believe that the collection of all or part of an assessed amount would be jeopardized by a delay in the collection of it, TRA may make an application to the Court seeking authorization to file a certificate before the 30-day period normally permitted for paying assessed amounts has elapsed. Unless the Court directs otherwise, an authorization granted by the Court must be served by TRA by personal service on the tax debtor within 72 hours after it is granted.

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## Liability of Directors

99. If a corporation fails to remit tax collected, the directors of the corporation (at the time the corporation was required to remit the tax) are jointly and severally liable, together with the corporation, to pay the tax collected and any interest or penalties related to it.

100. A director is not liable for the amount owing unless

- a certificate for the amount owing has been filed in the Court and execution for that amount has been returned unsatisfied in whole or in part,
- the corporation has commenced liquidation or dissolution proceedings, or has been dissolved, and a claim for the amount owing has been proved within six months after the earlier of the date of commencement of proceedings and the date of dissolution,
- the corporation has made an assignment, or a receiving order has been made against it under the *Bankruptcy and Insolvency Act* (Canada) and a claim for the amount owing has been proved within six months after the date of the assignment or receiving order, or
- a compromise or arrangement has been proposed under the federal *Companies' Creditors Arrangement Act* (Canada) in respect of the corporation.

101. In all cases, a director that exercised due diligence in attempting to ensure that the corporation remitted the tobacco tax is not liable for the amount owing.
102. TRA cannot take action to collect an amount owing from a director until TRA has made all reasonable efforts to collect the amount owing from the respective corporation, and the director has been notified in writing of the liability within two years after the director ceased to be a director of the corporation.

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## Records and Books of Account

103. Every wholesaler (including a manufacturer), importer, and retailer must keep records and books of account, including accounts, vouchers, financial statements, inventories (including an annual inventory), and any other documents, in a form and containing information that will readily enable TRA to make an accurate determination of
  - taxes collected or remitted or to be collected or remitted, and
  - transaction in tobacco, including transactions in [black stock](#), tobacco marked for tax-paid sale in Alberta, and tobacco (other than black stock) not marked for tax-paid sale in Alberta.
104. Records and books of account must be kept at the wholesaler's, importer's, or retailer's place of business or residence in Alberta, unless TRA has approved in writing that the records may be kept elsewhere.
105. All records and books of account must be retained for a period of four years from the end of the last fiscal year to which the records relate unless TRA has approved in writing that the records may be destroyed earlier. All records relating to an objection or appeal must be kept at least until the matter is resolved and the time for filing any further appeal has expired.

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## Inspections and Audits

106. To ensure compliance with the Act, an audit officer from TRA may, at any reasonable time, inspect, audit or examine records, documents and property. The audit officer is authorized to enter a premises, and the owner or manager of the premises must give the officer all reasonable assistance and make reasonable efforts to answer questions relating to the administration of the Act.
107. Members of the Royal Canadian Mounted Police and various municipal police officers, as well as peace officers and staff of the Alberta Gaming, Liquor and Cannabis Commission are also considered to be 'officers' for the purpose of enforcing the Act.

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## Search and Seizure Without a Warrant

108. An officer, who on reasonable grounds believes,
  - that a contravention of the Act is being or has been committed, and
  - that obtaining a warrant would cause a delay that could result in the loss or destruction of evidence, or anything used in the contravention of the Act,may without a warrant (and by reasonable force, if necessary) stop a vehicle or enter any premises, other than a dwelling house, and search for anything that the officer believes on reasonable grounds
  - affords evidence of the contravention of the Act, or
  - was used in the last 60 days in contravention of the Act,and the officer may seize that thing. Following the seizure, the officer must provide a judge of the Provincial Court of Alberta (Provincial Court) with an affidavit stating that the officer has reasonable grounds to believe that the person named in the affidavit has contravened the Act. Otherwise, the officer must return anything seized to the person from whom it was seized within a reasonable time.
109. If an affidavit is provided to a judge of the Provincial Court, the judge may order that the affidavit be served on the person named in the affidavit, set a hearing date, and order that anything seized either be retained by Alberta until the charges are disposed of, or be returned to the person from whom it was seized.

110. If an officer stops a vehicle or enters a premises, the person in charge of the vehicle or the owner or occupant of the premises must give the officer all reasonable assistance and make reasonable efforts to provide all information that the officer may reasonably require for the administration and enforcement of the Act.
111. Following a seizure made on the grounds that the seized thing was used in the last 60 days in contravention of the Act, the officer must, within 90 days from the seizure, return anything seized to the person from whom it was seized, or make an application to the Provincial Court for an order that anything seized be retained by Alberta until final disposition of any related charge, forfeited to Alberta, or returned to the person from whom it was seized.
112. The owner of anything seized may, on two clear days' notice to TRA within 90 days from the seizure, make an application to the Court (of King's Bench) for the return of the thing.
113. If a vehicle is seized and the person charged with an offence is not the registered owner of the seized vehicle, the officer must notify the registered owner of the seized vehicle as soon as possible.

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## Search and Seizure With a Warrant

114. Where a justice of the peace or a judge of the Provincial Court is satisfied that an officer has reasonable grounds to believe that a contravention of the Act has occurred, a warrant may be issued authorizing the officer to enter and search any premises, stop and search any vehicle, or seize anything that may have been used in the last 60 days in the contravention of the Act.
115. Following a seizure of anything, the officer must, within 90 days from the seizure, return anything seized to the person from whom it was seized, or make an application to the Provincial Court for an order that anything seized be retained by Alberta until final disposition of any related charge, forfeited to Alberta, or returned to the person from whom it was seized.
116. The owner of anything seized may, on two clear days' notice to TRA within 90 days from the seizure, make an application to the Court (of King's Bench) for the return of the thing.
117. If a vehicle is seized and the person charged with an offence is not the registered owner of the seized vehicle, the officer must notify the registered owner of the seized vehicle as soon as possible.

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## Waivers of Penalties or Interest

### Basis of Waiver

118. TRA recognizes there may be circumstances beyond a person's control that prevent the person from complying with the Act. In such circumstances, TRA may consider it appropriate to exercise its discretion in the application of penalties or interest, or TRA may exercise its discretion to waive or cancel all or any portion of penalties or interest that have been assessed under the Act. A waiver or cancellation of penalties or interest is intended to provide relief in circumstances not covered by the Act or administrative policy and should be used as a last resort. In considering a request for a waiver of penalties or interest, TRA generally considers extraordinary circumstances, administrative delay or error, or financial hardship. However, these circumstances are merely guidelines and TRA will consider all the relevant facts of a particular case when determining whether a waiver should be granted. In general, penalties that relate to false statements made knowingly or through negligence, carelessness, or wilful default will not be waived.
119. If a disputed liability relates to the application of the Act, a Notice of Objection should be filed, rather than a waiver. For information on filing a Notice of Objection, refer to the ['Objections'](#) section.

### Extraordinary Circumstances

120. TRA may waive penalties or interest if extraordinary circumstances prevented a person or its representative from complying with the Act in extraordinary circumstances including, for example,
  - natural disasters, such as floods or fires,
  - personal tragedies, such as a serious illness, accident, or death of the person (or in the family of the person) that oversees and ensures compliance with the Act,
  - civil disturbances or disruptions in services, and
  - public health emergencies.

121. In all cases, TRA must be satisfied that, despite the extraordinary circumstances, the person or its representative made all reasonable efforts to comply with the Act. Doing so includes filing returns and remitting the tax on time. If a person fails to file a return or remit tax by the due date, and the extraordinary circumstances leading to the request for a waiver of penalties or interest did not occur until after the due date, TRA may not waive the penalties or interest.

### **Administrative Delay or Error**

122. TRA may waive penalties or interest if the person requesting the waiver can establish that TRA's actions were in error or were the primary cause of the delay, for example,
- processing delays by TRA that result in a person not being informed within a reasonable time of an amount owing,
  - unreasonable delays in resolving objections or appeals, or in completing an audit,
  - incorrect advice or action in response to a person's enquiry or request,
  - [TRACS](#) outages that prevented a corporation from filing a return as and when required,
  - errors in information provided by TRA in publications or forms, and
  - new interpretations of tax law by TRA after a return was filed in reliance on a previous interpretation.

### **Financial Hardship**

123. TRA will consider waiving interest when substantial interest has accumulated or is expected to accumulate for a person confirmed to be unable to pay all amounts owing.
124. TRA will consider waiving interest accumulated over the course of an extended payment agreement that was based on the person's inability to pay. The waiver will apply only if the person maintains its payment schedule and complies with the Act.
125. Normally penalties will not be waived based on financial hardship unless it is determined that enforcing payment of the penalties would jeopardize the continued operation of a person's business, the jobs of its employees, or the welfare of the community.
126. Prior to approving an application for a waiver of penalties or interest based on financial hardship, TRA requires full financial disclosure from the applicant, including statements of income and expenses, and assets and liabilities.

### **Exclusions**

127. The Alberta tobacco tax program operates on a self-assessing system that depends on voluntary compliance. Persons are responsible for correctly calculating, collecting, reporting, and remitting tax as and when required by the Act. Interest or penalties may be assessed when TRA detects and corrects errors in filed returns. This may not occur until a post-assessment review of the return is made, which could be several months or years after the initial assessment. In these cases, the assessed penalties or interest may not be waived on account of the delay unless the delay was considered unreasonable.
128. Normally penalties or interest will not be waived for errors or delays caused by the person, its principals or representatives, including errors or delays on account of lack of knowledge, misrepresentation, or misapplication of the provisions of the Act.
129. A postal strike is not normally sufficient reason for TRA to waive interest on a late payment because payments can be made electronically. For information on how to remit tobacco tax to TRA, refer to the ['Making payments to Tax and Revenue Administration'](#) page of the Government of Alberta website.

### **Other Considerations**

130. Before an application for a waiver of penalties or interest is approved, TRA considers how the applicant has conducted business with TRA, including the person's history of compliance with the Act, efforts made to prevent the liability or take corrective action, and the amount of care taken in conducting its affairs under the self-assessing system.
131. An applicant should not seek relief from penalties or interest by more than one means at any one time. If an applicant has filed a Notice of Objection, has appealed to the Court, or has otherwise requested a reassessment, that applicant should not concurrently seek a waiver of penalties or interest on the same issue.

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## Application Process

132. To request for a waiver of penalties or interest, a person should complete and submit a [Request for a Waiver of Penalties and Interest \(Form AT4764\)](#). The request should include reasons why the penalties or interest should be waived, supported by a chronology of events (as applicable), as well as a description of all previous contacts with TRA or other areas of Alberta Treasury Board and Finance on the matter, if any.
133. The completed form or a written request may be emailed to [tra.revenue@gov.ab.ca](mailto:tra.revenue@gov.ab.ca) to the attention of the Tax Services Branch, or it may be mailed to

ALBERTA TREASURY BOARD AND FINANCE  
TAX AND REVENUE ADMINISTRATION  
TAX SERVICES BRANCH  
9811 109 STREET NW  
EDMONTON AB T5K 2L5

134. An application for a waiver of penalties or interest must be submitted to TRA within four years from the end of the calendar year in which the penalty or interest was assessed.
135. Before an application for a waiver of penalties or interest is approved, TRA may contact the applicant and ask for additional information or documentation to be provided. TRA will review the application in detail and consider all relevant factors. The applicant will be informed of the decision in writing.
136. Any resulting changes to penalties or interest will be made through an adjustment to the person's account, or through reassessment. Interest will not be paid on refunded amounts.

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## Dispute Options

### Second Administrative Review

137. If an application for a waiver of penalties or interest is partially approved or denied, the applicant cannot object to TRA's decision. However, if the applicant believes that TRA's discretion has not been properly exercised, the applicant may request that TRA reconsider the original decision. During the second review, the applicant will have the opportunity to make additional representations to TRA for consideration.
138. A written request for a second review may be sent to TRA by email or regular mail at the addresses set out in the ['Application Process'](#) section.
139. Tax Services Branch staff not involved in the review of the first application for a waiver of penalties or interest will perform the second review to ensure impartiality.
140. The applicant will be informed of the second decision in writing.

### Judicial Review

141. If the person disagrees with either of TRA's decisions in respect of a waiver of penalties or interest, an application for judicial review may be filed with the Court within six months from the day TRA notified the person of the decision. The person should obtain professional advice or contact the Court for information on how to make an application for judicial review.

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## Voluntary Disclosure Program

142. TRA encourages self-assessment of tax and welcomes submissions that show intent to voluntarily correct previous contraventions of the Act. Through the Voluntary Disclosure Program, taxpayers can make an application to correct inaccurate or incomplete information, or to disclose information not previously reported. Under this program, TRA has the authority to grant relief from any penalty or interest imposed under the Act. For additional information on making a voluntary disclosure, refer to [Information Circular TRA-3, Voluntary Disclosures](#).

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## Objections

143. A person who disagrees with an assessment or other notice under the Act should first [contact](#) TRA for an explanation, as many disputes can be resolved through discussion or exchange of additional information. However, if the dispute cannot be resolved through discussion with TRA and the person still disagrees with the basis of the assessment or other notice, the person may formally object to the assessment or other notice by filing a Notice of Objection in accordance with the '[Application Process](#)' section.
144. A person is entitled to object to
- an assessment of tax, interest or a penalty,
  - not being issued a refund,
  - not being issued a licence, a licence not being renewed, or a licence being suspended or cancelled,
  - not being registered, a registration not being renewed, or a registration being suspended or cancelled,
  - not being issued a permit to possess tobacco in excess of allowable limits or such a permit being cancelled,
  - not being issued a permit to mark tobacco or such a permit being cancelled,
  - the imposition of conditions on a licence, registration, or permit, or
  - the person's appointment as a tax collector, the imposition of conditions on the appointment, or the appointment being revoked.

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## Application Process

145. A Notice of Objection must be filed using the prescribed form, either in hard copy or electronically through [TRACS](#). For information on filing a Notice of Objection online, refer to the 'How to object' section of the [Tobacco tax](#) page of the Government of Alberta website.
146. A Notice of Objection must be served on TRA within 90 days after the day TRA sends the applicable assessment or other notice. If a Notice of Objection is served by registered mail, the date of registering the mail must be within the 90-day deadline. The date TRA receives the Notice of Objection applies when the Notice of Objection is served by any other means of service, including through [TRACS](#).
147. A separate Notice of Objection must be filed for each assessment or other notice to which an objection is made.
148. A hard copy [Notice of Objection \(Form AT4762\)](#) may be emailed to [tra.revenue@gov.ab.ca](mailto:tra.revenue@gov.ab.ca) to the attention of the Tax Services Branch, or may be sent by registered mail to

ALBERTA TREASURY BOARD AND FINANCE  
TAX AND REVENUE ADMINISTRATION  
TAX SERVICES BRANCH  
9811 109 STREET NW  
EDMONTON AB T5K 2L5

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## Extension of Time to File

149. If a person has not filed a Notice of Objection within 90 days after the day TRA sends the applicable assessment or other notice, the Act allows the person to apply for an extension of time to file an objection. The application for an extension of time must be accompanied by a copy of the objection and served on TRA within one year from the expiration of the 90-day deadline for serving the objection.
150. An application for an extension of time must set out the reasons why the Notice of Objection was not served within the 90-day deadline and demonstrate that
- within the time limit for filing the Notice of Objection, the person was unable to act or to instruct another to act in the person's name, or that the person intended in good faith to object,
  - given the reasons set out in the application for the extension and the circumstances, it would be just and equitable for TRA to grant the extension, and
  - the application was made as soon as circumstances permitted.



151. An application for an extension of time may be served on TRA by email or regular mail at the addresses set out in the ['Application Process'](#) section. If the application is served by registered mail, the date of registering the mail must be within the specified period (within one year from the expiration of the 90-day deadline for serving the Notice of Objection). The date TRA receives the application applies when the application is served by any other means.
152. If an application for an extension of time is refused, or TRA has not replied to the request within 90 days of being served, the Act allows a person to apply to the Court to have the application granted.

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## Review Process

153. A complete Notice of Objection received by TRA by the required deadline is assigned to a Tax Analyst of the Tax Services Branch with no previous involvement in the matter to ensure impartiality. The Tax Analyst will review the objection and make a recommendation for how it should be resolved. During the review, the Tax Analyst may contact the objector or its representative and ask for additional information or documentation to be provided.
154. A Director of the Tax Services Branch will consider the recommendation made by the Tax Analyst and will vacate, confirm, or vary the action or decision taken by TRA and notify the objector of TRA's decision in writing by registered letter or personal service.

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## Appeals

155. If a person indicates in a Notice of Objection the desire to appeal to the Court immediately, and waives reconsideration of the action by TRA, then TRA may file a copy of the Notice of Objection with the Court and notify the person in writing.
156. Otherwise, a person who has served a Notice of Objection on TRA may appeal to the Court to have the action or decision taken by TRA vacated or varied after TRA has confirmed or varied the action. An appeal to the Court must be made within 90 days from the day TRA notified the person of the decision in respect of the objection. However, a person may also appeal to the Court if 90 days have passed after the person served the Notice of Objection and TRA has not notified the person of TRA's decision.
157. An appeal to the Court is made by filing a Notice of Appeal with the clerk of the Court and serving a copy of the filed Notice of Appeal on TRA by registered mail, together with a copy of the respective Notice of Objection.
158. The Court may, in hearing an appeal,
- dismiss the appeal, or
  - allow the appeal and
    - in the case of an assessment, vacate or vary the assessment,
    - in the case of a refusal to issue a refund, determine and direct that a refund be issued,
    - in the case of the refusal to issue a licence or a suspension or cancellation affecting a licence, direct that a licence be issued or renewed or reinstated, or that the suspension be revoked,
    - in the case of the refusal to register a person or a suspension or cancellation affecting a registration, direct that the person be registered, the registration be renewed or reinstated, or that the suspension be revoked,
    - in the case of a condition imposed on a licence, registration, appointment as a tax collector or permit, direct that the condition be removed or varied,
    - in the case of a person's appointment as a tax collector, direct that the appointment be revoked,
    - in the case of a revocation of a person's appointment as a tax collector, direct that the appointment be reinstated,
    - in the case of a refusal to issue a permit to possess tobacco in excess of the allowable limits, or the cancellation of such a permit, direct that the permit be issued or reinstated, or
    - in the case of a refusal to issue a permit to mark tobacco, or the cancellation of such a permit, direct that the permit be issued or reinstated.

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## Offences and Penalties

159. A person who fails to maintain records and books of account when required to do so is guilty of an offence and liable to a fine of \$50 per day from the day a demand from TRA was received by the person until the person complies with the demand. For additional information on the books and records of account to be maintained by a wholesaler, importer, and retailer, refer to the [‘Books and Records of Account’](#) section.
160. A person who marks tobacco without holding a permit, or a [marking permit holder](#) who refuses or neglects to mark packages of tobacco as required, is guilty of an offence and liable to a fine up to \$1,000,000 or to imprisonment for a term up to three years, or both. A marking permit holder who contravenes any condition or restriction in respect of a permit is guilty of an offence and liable to a fine up to \$20,000.
161. The following persons may be charged with an offence for contravening a requirement of the Act:
- a person (other than an exempt sale retailer or duty free shop operator) who sells tobacco in Alberta to a consumer and fails to collect, at the time of sale, the tax payable in respect of the tobacco (other than sales to consumers entitled to purchase tobacco exempt from tax),
  - a person who sells tobacco in Alberta to a person other than a consumer and fails to collect, at the time of sale, the tax that would be payable in respect of the tobacco if the purchaser were a consumer (other than transactions between tax collectors),
  - a tax collector who sells tobacco in Alberta to a consumer and fails to remit the tax payable in respect of the tobacco,
  - a tax collector who sells tobacco in Alberta to a person other than a consumer and fails to remit the tax that would be payable in respect of the tobacco if the purchaser were a consumer (other than transactions between tax collectors),
  - a person who sells tobacco in Alberta after their appointment as a tax collector was revoked or suspended and fails to remit the tax that would be required to be remitted in respect of the tobacco if the person were a tax collector at the time of sale,
  - a person who purchases, possesses, stores, sells, or offers for sale tobacco products that are not marked for tax-paid sale in Alberta, unless the person is
    - a wholesaler or importer with written permission from TRA to do so and the tobacco products will be transported out of Alberta for resale or, in the case of tobacco products that are black stock, the tobacco products will be sold to an exempt sale retailer, or
    - a retailer with written permission from TRA to do so or, in the case of tobacco products that are black stock, is registered as an exempt sale retailer or duty free shop operator.
  - a person who possesses tobacco in excess of the allowable limits, and
  - a person who, without a licence to do so, sells tobacco in Alberta for resale, imports or sends tobacco into Alberta for sale or resale, acquires or receives delivery of tobacco in Alberta for sale or resale, or manufactures tobacco in Alberta.
162. A person who commits an offence described in the immediately preceding paragraph is liable
- for a first offence, to a fine up to \$20,000 or to a term of imprisonment up to 6 months, or both
  - for a second offence, to a fine up to \$50,000 or to a term of imprisonment up to one year, or both
- and, as applicable, to a penalty up to 3 times the amount of tax that
- should have been collected or remitted by the person,
  - would have been payable if the tobacco products were marked for tax-paid sale in Alberta and sold to a consumer in Alberta, and
  - would have been payable were the tobacco sold to a consumer.

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## Violation Tickets and Fines

163. In accordance with the *Provincial Offences Procedure Act*, 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 to resolve the matter. The specified fines include the following:

- \$250 for an unauthorized person who purchases or possesses 400 or less [black stock](#) cigarettes or grams of tobacco,
- \$500 for an unauthorized person who purchases or possesses more than 400 but less than 1,000 black stock cigarettes or grams of tobacco,
- \$500 for a person, other than an exempt sale retailer, who sells or offers for sale black stock, and
- \$1,000 for a person, other than a consumer, who purchases, possesses, stores, sells or offers for sale 1,000 or less cigarettes or grams of tobacco not marked for tax-paid sale in Alberta.

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Superseded