

Information Notice

IN 2021-03
Issued: April 2021

TAX RATE CHANGES UNDER THE TOBACCO TAX ACT, 1998

As announced on April 6, 2021, the following change has been made to the rate of tax on heated tobacco products.

The new rate is effective June 1, 2021.

“Heated tobacco products” means any tobacco product that is designed to be heated, but not combusted, in a heating unit to produce a vapour for inhalation. Heated tobacco products do not include devices or vapour products which are defined and taxed under *The Vapour Products Tax Act*.

Product	New Tax Rate	Previous Tax Rate
Heated Tobacco Products	20.5¢ per <u>unit</u> (stick, capsule or cartridge)	27.0¢ per <u>gram</u>

The tax rates on all other tobacco products remain unchanged.

Manufacturers and Wholesalers

The tobacco tax return will be updated to include the new heated tobacco products category, and will be available in early June for the June 1-30, 2021 filing period.

Please adjust the tax on your inventory of heated tobacco products for the tax increase, including orders filled but not shipped as of the close of business on May 31, 2021. The tax on shipments in transit from suppliers must also be adjusted accordingly. Please complete an inventory declaration form. The tax differential calculated must be reported on Schedule TT-5 (Part A) of your June 1-30, 2021 return. The form is due July 20, 2021, and must be uploaded as content in [SETS](#).

All licensed manufacturers must adjust the tobacco tax memo electronic file to include the new product category and tax rate. The new product category and tax rate must be reported on your June 1-30, 2021 tax memo, due July 7, 2021. In order to prevent errors in processing, please do not update the tax memo prior to the June 2021 period.

FOR FURTHER INFORMATION

Write: Ministry of Finance
Revenue Division
PO Box 200
REGINA SK S4P 2Z6

Telephone: Toll Free 1-800-667-6102
Regina 306-787-6645

Email: sasktaxinfo@gov.sk.ca

Internet: Tax bulletins, forms and information are available at www.sets.saskatchewan.ca/taxinfo.

To receive automatic email notifications when this or any other bulletin is revised, go to www.sets.saskatchewan.ca/subscribe.

Government website: Saskatchewan.ca