

# Notice of Ways and Means Motion to amend the Excise Act, 2001 and Other Related Texts

That it is expedient to amend the *Excise Act, 2001* and other related texts as follows:

## Tobacco and Vaping Product Taxation

Excise Act, 2001

### **1 (1) Subsection 38(3) of the *Excise Act, 2001* is replaced by the following:**

#### **Exception for specified manufactured tobacco brands**

**(3)** A container of manufactured tobacco does not require tobacco markings to be printed on or affixed to it if the brand of the tobacco is not commonly sold in Canada and is specified by the Minister.

### **(2) Paragraph 38(4)(a) of the Act is replaced by the following:**

**(a)** cigarettes of the particular type or formulation exported under that brand are cigarettes specified by the Minister; and

**(3) Subsections (1) and (2) come into force on the first day of the month following the month that includes the day on which the Act enacting those subsections receives royal assent.**

### **2 (1) Paragraph 58(1)(a) of the Act is replaced by the following:**

**(a)** the tobacco product of that brand is specified by the Minister;

### **(2) Paragraph 58(2)(a) of the Act is replaced by the following:**

**(a)** cigarettes of the particular type or formulation exported under that brand are cigarettes specified by the Minister; and

**(3) Subsections (1) and (2) come into force on the first day of the month following the month that includes the day on which the Act enacting those subsections receives royal assent.**

### **3 (1) The definition *adjustment day* in section 58.1 of the Act is amended by striking out “or” at the end of paragraph (a.2) and by adding the following after that paragraph:**

**(a.3)** the day after Budget Day; or

### **(2) Subsection (1) is deemed to have come into force on the day after Budget Day.**

### **4 (1) Section 58.2 of the Act is amended by adding the following after subsection (1.2):**

#### **Imposition of tax – 2024 increase**

**(1.3)** Subject to section 58.3, every person shall pay to His Majesty a tax on all taxed cigarettes of the person held at the beginning of the day after Budget Day at the rate of \$0.02 per cigarette.

### **(2) Subsection (1) is deemed to have come into force on the day after Budget Day.**

### **5 (1) Subsection 58.5(1) of the Act is amended by striking out “or” at the end of paragraph (a.2) and by adding the following after that paragraph:**

**(a.3)** in the case of the tax imposed under subsection 58.2(1.3), June 30, 2024; or

**(2) Subsection (1) is deemed to have come into force on the day after Budget Day.**

**6 (1) Subsection 58.6(1) of the Act is amended by striking out “or” at the end of paragraph (a.2) and by adding the following after that paragraph:**

**(a.3)** in the case of the tax imposed under subsection 58.2(1.3), June 30, 2024; or

**(2) Subsection (1) is deemed to have come into force on the day after Budget Day.**

**7 Subparagraph 211(6)(e)(x) of the Act is replaced by the following:**

**(x)** to an official solely for the administration or enforcement of the *Tobacco and Vaping Products Act* or the *Cannabis Act*,

**8 (1) Paragraph 1(a) of Schedule 1 to the Act is replaced by the following:**

**(a)** \$0.92883; or

**(2) Subsection (1) is deemed to have come into force on the day after Budget Day.**

**9 (1) Paragraph 2(a) of Schedule 1 to the Act is replaced by the following:**

**(a)** \$0.18576; or

**(2) Subsection (1) is deemed to have come into force on the day after Budget Day.**

**10 (1) Paragraph 3(a) of Schedule 1 to the Act is replaced by the following:**

**(a)** \$11.61031; or

**(2) Subsection (1) is deemed to have come into force on the day after Budget Day.**

**11 (1) Paragraph 4(a) of Schedule 1 to the Act is replaced by the following:**

**(a)** \$40.43121; or

**(2) Subsection (1) is deemed to have come into force on the day after Budget Day.**

**12 (1) Subparagraph (a)(i) of Schedule 2 to the Act is replaced by the following:**

**(i)** \$0.14533, or

**(2) Subsection (1) is deemed to have come into force on the day after Budget Day.**

**13 (1) Subparagraphs 1(a)(i) and (ii) of Schedule 8 to the Act are replaced by the following:**

**(i)** for the first 10 millilitres of vaping substance in the vaping device or immediate container, \$1.12 per 2 millilitres of vaping substance or fraction thereof, and

**(ii)** for any additional amount of vaping substance in the vaping device or immediate container, \$1.12 per 10 millilitres of vaping substance or fraction thereof; and

**(2) Subparagraphs 1(b)(i) and (ii) of Schedule 8 to the Act are replaced by the following:**

**(i)** for the first 10 grams of vaping substance in the vaping device or immediate container, \$1.12 per 2 grams of vaping substance or fraction thereof, and

**(ii)** for any additional amount of vaping substance in the vaping device or immediate container, \$1.12 per 10 grams of vaping substance or fraction thereof.

**(3) Subsections (1) and (2) come into force or are deemed to have come into force on July 1, 2024.**

**14 (1) Subparagraphs 2(a)(i) and (ii) of Schedule 8 to the Act are replaced by the following:**

- (i) for the first 10 millilitres of vaping substance, \$1.12 per 2 millilitres of vaping substance or fraction thereof, and
  - (ii) for any additional amount of vaping substance, \$1.12 per 10 millilitres of vaping substance or fraction thereof;
- and

**(2) Subparagraphs 2(b)(i) and (ii) of Schedule 8 to the Act are replaced by the following:**

- (i) for the first 10 grams of vaping substance, \$1.12 per 2 grams of vaping substance or fraction thereof, and
- (ii) for any additional amount of vaping substance, \$1.12 per 10 grams of vaping substance or fraction thereof.

**(3) Subsections (1) and (2) come into force or are deemed to have come into force on July 1, 2024.**

Amendments to Various Regulations

Regulations Relieving Special Duty on Certain Tobacco Products

**15 (1) The *Regulations Relieving Special Duty on Certain Tobacco Products* are repealed.**

**(2) Subsection (1) comes into force on the first day of the month following the month that includes the day on which that subsection is enacted or made.**

Regulations Respecting Prescribed Brands of Manufactured Tobacco and Prescribed Cigarettes

**16 (1) The *Regulations Respecting Prescribed Brands of Manufactured Tobacco and Prescribed Cigarettes* are repealed.**

**(2) Subsection (1) comes into force on the first day of the month following the month that includes the day on which that subsection is enacted or made.**

Stamping and Marking of Tobacco, Cannabis and Vaping Products Regulations

**17 (1) Paragraph 2(a) of the *Stamping and Marking of Tobacco, Cannabis and Vaping Products Regulations* is replaced by the following:**

- (a) raw leaf tobacco is packaged in a prescribed package when it is packaged
  - (i) in a package that contains no more than 500 g of raw leaf tobacco, and
  - (ii) in the smallest package — including any outer wrapper, package, box or other container — in which it is sold to the consumer;

**(2) Paragraph 2(c) of the French version of the Regulations is replaced by the following:**

- c) dans le cas d'un produit du cannabis ou d'un produit de vapotage, le plus petit emballage, y compris l'enveloppe extérieure, l'emballage, la boîte ou autre contenant, dans lequel il est vendu au consommateur.

**(3) Subsection (1) comes into force on the first day of the month following the month that includes the day on which that subsection is enacted or made.**

**18 (1) Section 4.01 of the Regulations is amended by renumbering subsection (2) as subsection (3) and by adding the following after subsection (1):**

**(2)** If the Minister holds, at any time in a calendar month, security that a person has provided under subsection 25.1(3) of the Act and if the person is not a tobacco licensee throughout the calendar month, the person must file with the Minister an information return for the calendar month in respect of the possession and use of any tobacco excise stamps issued to the person.

**(2) Subsection (1) comes into force on the first day of the month following the month that includes the day on which that subsection is enacted or made.**

**19 (1) Subsection 5(2) of the Regulations is amended by striking out “or” at the end of paragraph (c), by adding “or” at the end of paragraph (d) and by adding the following after paragraph (d):**

**(e)** 500 g of packaged raw leaf tobacco.

**(2) Subsection (1) comes into force on the first day of the month following the month that includes the day on which that subsection is enacted or made.**

