



Tax-Included Pricing and List of Microbrewers Requirements for Beer Vendors and Wineries

- Subsection 65(2) of the *Alcohol and Gaming Regulation and Public Protection Act, 1996* (the Act) states that beer vendors and wineries must make available to purchasers, by an approved method, “information with respect to the amount of taxes included in the price”. This bulletin addresses this requirement as well as the approved methods of providing such information.
- This bulletin provides general information. It is not exhaustive and does not replace the law found in the *Alcohol and Gaming Regulation and Public Protection Act, 1996*, and related regulations.

General

Not All Beer, Wine and Wine Coolers Sold In Ontario Are Subject to the Beer and Wine Taxes

Although the retail price (i.e., purchases at a retail store and not licensed establishments) of a particular beer, wine or wine cooler is the same whether it is purchased at a Liquor Control Board of Ontario (LCBO) store or one of its agency stores, The Beer Store, a brewery retail store or a winery retail store in Ontario, the beer and wine taxes do not apply to all beer, wine and wine coolers sold in Ontario. For example:

- Beer not made by an Ontario beer manufacturer (e.g., foreign imported beer) is not subject to the beer tax.
- Beer purchased from the LCBO (other than a southern agency store) or from a person who purchased from the LCBO (other than a southern agency store) is not subject to the beer tax.
- Wine and wine coolers purchased from the LCBO or from a person who purchased from the LCBO are not subject to the wine tax, nor are wine and wine cooler purchased at a licensed establishment. Only wine and wine coolers purchased at an Ontario winery retail store are subject to the wine tax.

Tax-Included Pricing

Tax-Included Pricing Requirements

Subsection 65(1) of the Act provides that all beer sold by beer vendors to purchasers and all wine and wine coolers sold by wineries at winery retail stores to purchasers shall be made available for sale at a price that includes all beer and wine taxes payable.

Beer vendors include:

- The Beer Store,
- Establishments licensed under the *Liquor Licence Act* by the Alcohol and Gaming Commission of Ontario to sell liquor to the public (e.g., bars and restaurants), and
- Authorized beer manufacturers that sell beer from their brewery retail store.

Subsection 65(2) of the Act provides further that beer vendors and wineries shall make available to purchasers such information with respect to the amount of the beer and wine taxes included in the price as the Minister specifies and by a method approved by the Minister.

List of Microbrewers Pursuant to subsection 22(6) of the Act, the ministry will compile annually and make available to the public a list containing the names of beer manufacturers that are microbrewers and the names of the brands of beer they manufacture for each sales year, by posting the list on the ministry's website at ontario.ca/revenue.

A sales year is a 12-month period commencing March 1. If March 1 is a Saturday or Sunday, the sales year commences the following Monday.

Information with respect to the amount of taxes included in the price: Beer and Wine Taxes contained in invoices

Where Invoice is Issued by Beer Vendor or Winery Beer vendors and wineries may provide the amount of the beer and wine taxes payable on the beer, wine and wine coolers sold to purchasers on the invoices issued to purchasers.

Where Invoice is not Issued by Beer Vendor or Winery Where an invoice is not provided detailing the amount of beer and wine taxes payable, the following section outlines the information that beer vendors and wineries must provide to customers and the method of providing that information.

Information with respect to the amount of taxes included in the price: Beer and Wine Taxes not contained in invoices

Ministry Policy The ministry has approved the following as meeting the requirements of subsection 65(2) of the Act in specifying the "information with respect to the amount of taxes included in the price" that must be made available to purchasers and the method of providing the information:

1. A beer vendor must post in a prominent location of the premises where the beer is sold, or provide to purchasers, an [information sheet](#) specifying:
 - the **current beer tax rates** applicable to draft and non-draft beer made by an Ontario beer manufacturer or an Ontario microbrewer, and refer the purchaser to the ministry's website at ontario.ca/revenue for further information, including the list of beer manufacturers considered microbrewers for the sales year which will be posted on the website.

If the beer vendor also sells draft beer made at a brew pub in Ontario by the holder of a liquor sales licence with a brew pub endorsement for that brew pub, the information sheet must also specify the current beer tax rates applicable to draft beer made at a brew pub.

2. A winery must post in a prominent location of the winery retail store, or provide to purchasers, an [information sheet](#) specifying:
 - the current wine tax rates applicable to wine and wine coolers
 - information on what is considered "Ontario wine" and an "Ontario wine cooler" under the Act, and
 - information on how the "retail price" of the wine or wine cooler is determined under the Act, and refer the purchaser to the ministry's website at ontario.ca/revenue for further information.

Information sheets for beer vendors and wineries approved by the ministry are attached as appendices to this bulletin.

NOTE: The information sheet for beer vendors will be updated by the ministry each year to reflect the annual adjustment of the beer basic tax rates.

Additional Information

If this bulletin does not completely address your particular situation, refer to the Act and related regulations, or contact the:

Ministry of Revenue
Client Accounts and Services Branch
33 King Street West
Oshawa, ON L1H 8H9

Tel.: 1 866 ONT-TAXS (1 866 668-8297)
Fax: 905 436-4511
Teletypewriter (TTY): 1 800 263-7776

This bulletin and various other English and French tax materials published by the Ministry of Revenue may be obtained online at ontario.ca/revenue.

The *Alcohol and Gaming Regulation and Public Protection Act, 1996*, and Ontario's other public statutes and regulations may be obtained online at ontario.ca/e-laws.

Cette publication est disponible en français sous le titre « Prix taxes comprises et liste des microbrasseurs ». Vous pouvez en obtenir un exemplaire en appelant le 1 866 ONT-TAXS (1 866 668-8297) ou en visitant ontario.ca/revenu.

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Beer Tax Information Sheet

July 2010 – February 2011



Alcohol and Gaming Regulation and Public Protection Act, 1996

BEER MANUFACTURERS

Purchasers of beer made by an Ontario beer manufacturer are subject to the following taxes, which are included in the price of the product:

Beer basic and volume taxes combined:

- 87.35 cents per litre of beer, for beer shipped in a container with a capacity of less than 18 litres (non-draft beer), or
- 72.35 cents per litre of beer, for beer shipped in a container with a capacity of 18 litres or more (draft beer)

Environmental tax (if applicable): 8.93 cents per non-refillable container.

A list of Ontario beer manufacturers and the brands they manufacture subject to the beer taxes is available at the ministry's website at ontario.ca/revenue.

MICROBREWERS

Purchasers of beer made by an Ontario beer manufacturer that is a microbrewer for the sales year are subject to the following taxes, which are included in the price of the product:

Beer basic and volume taxes combined:

- 37.36 cents per litre of beer, for beer shipped in a container with a capacity of less than 18 litres (non-draft beer), or
- 35.86 cents per litre of beer, for beer shipped in a container with a capacity of 18 litres or more (draft beer)

Environmental tax (if applicable): 8.93 cents per non-refillable container.

A list of Ontario beer manufacturers that are microbrewers and the brands they manufacture subject to the beer taxes is available at the ministry's website at ontario.ca/revenue.

BREW PUBS

Purchasers of draft beer made at a brew pub in Ontario and purchased at the brew pub or a secondary location related to the brew pub are subject to the beer basic tax, which is included in the price of the product:

Beer basic tax:

- 20.90 cents per litre of draft beer.

Wine Tax Information Sheet

Effective July 2010



Alcohol and Gaming Regulation and Public Protection Act, 1996

WINES AND WINE COOLERS FROM WINERY RETAIL STORES

Purchasers of wine and wine coolers from Ontario winery retail stores, whether the winery retail store is located on-site or off-site of the winery, are subject to the following taxes, which are included in the price of the product:

Wine basic tax:

- 6.1% of the “retail price” of the wine or wine cooler, if the wine or wine cooler is an “Ontario wine” or an “Ontario wine cooler”, or
- 16.1% of the “retail price” of the wine or wine cooler otherwise

Volume tax:

- 29 cents per litre for wine, or
- 28 cents per litre for wine coolers

Environmental tax: 8.93 cents per non-refillable container

For the purposes of the wine taxes,

Ontario wine means wine that is Ontario wine for the purposes of the *Liquor Licence Act*, which means:

- (a) wine produced in Ontario from grapes, cherries, apples or other fruits grown in Ontario, the concentrated juice of those fruits or other agricultural products containing sugar or starch and includes Ontario wine to which is added herbs, water, honey, sugar or the distillate of Ontario wine or cereal grains grown in Ontario,
- (b) wine produced by the alcoholic fermentation of Ontario honey, with or without the addition of caramel, natural botanical flavours or the distillate of Ontario honey wine, or
- (c) wine produced from a combination of,
 - (i) apples grown in Ontario or the concentrated juice thereof to which is added herbs, water, honey, sugar or the distillate of Ontario wine or cereal grains grown in Ontario, and
 - (ii) the concentrated juice of apples grown outside of Ontario, in such proportion as is prescribed.

Ontario wine cooler is Ontario wine or a beverage containing Ontario wine that contains not more than 7 per cent alcohol by volume.

Retail price of wine or a wine cooler is the amount fixed by the Liquor Control Board of Ontario (or the winery if the LCBO has not fixed a price) for the wine or wine cooler, less the sum of,

- (a) the amount of any deposit on the container containing the wine or wine cooler that is required to be collected or remitted under the Ontario deposit return program;
- (b) all taxes imposed under Part IX of the *Excise Tax Act* (Canada) (i.e., HST) in respect of the purchase of the wine or wine cooler; and
- (c) all taxes imposed under the *Alcohol and Gaming Regulation and Public Protection Act, 1996*, in respect of the purchase of the wine or wine cooler.

Disclaimer: The contents of this publication do not replace the law found in the *Alcohol and Gaming Regulation and Public Protection Act, 1996*, and related regulations.

For more information, please visit ontario.ca/revenue