

TT 1-2000

Refund of Tax on Exported Tobacco

Please note that the following form, referenced in Ontario Tax Bulletin TT 1-2000, has been replaced as noted:

Previous Form Name (referenced in Bulletin)	Current Form Name(s)
Application for Tobacco Tax Refund on Exported Tobacco (pg.2)	TES Summary, and TES Schedule 9 (tobacco), or TES Schedule 10 (cigar)



Refund of Tax on Exported Tobacco

This bulletin was revised June 2008 to incorporate formatting changes and changes in ministry name and contact information only.

- This bulletin provides information on the requirements under the *Tobacco Tax Act* for claiming tax refunds on tobacco exported from Ontario.
- This bulletin provides general information. It is not exhaustive and should not be considered as a substitute for the *Tobacco Tax Act* and its regulations.

Who is an “exporter” under the Act?

The ***Tobacco Tax Act*** (“TTA”) defines an “exporter” as any person who takes out, or is responsible for the exporting from Ontario of “tobacco in bulk”, and who may be accountable for the tax on such tobacco to the jurisdiction receiving the tobacco.

“Tobacco in bulk” is defined as 10,000 or more cigarettes, 200 or more cigars or 10 kilograms or more of any other tobacco product. A series of tobacco exports over any six consecutive months, which in sum meets or exceeds 10,000 cigarettes, 200 cigars or 10 kilograms of any other tobacco product, is considered “tobacco in bulk”.

What is required of an exporter of tobacco?

- Every exporter of tobacco in bulk from Ontario is required to apply for and obtain a registration certificate. A registration certificate issued to an exporter may contain conditions and restrictions.
- On or before the 28th day of the month following the month in which tobacco in bulk was delivered to a person outside Ontario, the exporter is required to file a tax return with the Ministry providing information with respect to the tobacco delivered outside Ontario. Failure to file the requisite exporter’s return may result in a penalty assessment in an amount equal to the tax owing on the tobacco, as if it had been sold in Ontario.

On which exported tobacco products is a tax refund payable?

- A registered exporter will be eligible for a refund of the Ontario tax the exporter paid on cigars and cut or loose tobacco which has been exported.
- Ontario “marked” cigarettes are intended for taxable consumption in Ontario. No tax refund is available upon exported “marked” cigarettes. A registered exporter holding a valid “unmarked cigarette dealer’s permit” may acquire tax exempt “unmarked” cigarettes for export outside Ontario.

What are the rules for claiming a tax refund on exports of tobacco?

A refund of tax paid on tobacco (other than marked cigarettes) exported from Ontario may be claimed if all of the following conditions are satisfied:

- i) the exporter/refund claimant must be a registered exporter who is in good standing for the relevant period under the TTA,
- ii) the tobacco was exported from Ontario for the purpose of sale; and
- iii) the refund application is supported by:
 - a) invoices verifying the purchase of the tobacco by the applicant and the payment of the Ontario tax, and documentary evidence that the tobacco exported from Ontario was delivered to a purchaser in another jurisdiction. Such evidence may include U.S. customs documents if the shipments were delivered to a U.S. location and bills of lading accompanied by delivery slips; and
 - b) a certification by the jurisdiction into which the tobacco was delivered for consumption that tax was paid to that jurisdiction on the tobacco exported from Ontario, or that the tobacco is exempt from tax in that jurisdiction.

What is the time limitation to claim a tobacco tax refund?

An application for a tax refund on exported tobacco (other than marked cigarettes) must be received by the Ministry within four years of the date when the tax was paid.

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 *Tobacco Tax Act* and Ontario's other public statutes and regulations may be obtained online at www.e-laws.gov.on.ca.

Ce bulletin est disponible en français.

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