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# NATIONAL ASSEMBLY

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FIRST SESSION

THIRTY-FIFTH LEGISLATURE

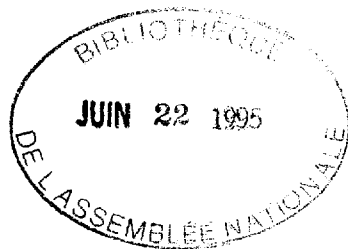
Bill 107

**An Act to amend the Tobacco Tax  
Act and the Act respecting the  
Québec sales tax**

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**Introduction**

**Introduced by  
Mr Jean Campeau  
Minister of Revenue**



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#### EXPLANATORY NOTES

*The object of this bill is to provide for more stringent control over the trade of tobacco products in Québec by making a number of amendments to the Tobacco Tax Act and the Act respecting the Québec sales tax.*

*First, the bill amends the Tobacco Tax Act to provide that a person must be the holder of a registration certificate issued under the Act respecting the Québec sales tax to sell tobacco in Québec. Several amendments are also introduced to prohibit the sale of tobacco to retail vendors who do not hold a registration certificate.*

*The bill also amends the Act respecting the Québec sales tax to provide for the compulsory registration of all persons who sell tobacco in Québec, notwithstanding the special rules applicable to small suppliers.*

#### LEGISLATION AMENDED BY THIS BILL:

- Tobacco Tax Act (R.S.Q., chapter I-2);
- Act respecting the Québec sales tax (R.S.Q., chapter T-0.1).

# Bill 107

## **An Act to amend the Tobacco Tax Act and the Act respecting the Québec sales tax**

THE PARLIAMENT OF QUÉBEC ENACTS AS FOLLOWS:

### TOBACCO TAX ACT

**1.** The heading of Division II of the Tobacco Tax Act (R.S.Q., chapter I-2) is replaced by the following heading:

“CERTIFICATES AND PERMITS”.

**2.** The heading of subdivision 1 of Division II of the said Act is replaced, in the French text, by the following heading:

“§1. — *Certificats d'enregistrement et d'inscription*”.

**3.** Section 3 of the said Act is replaced by the following section:

**“3.** No person may engage in the retail sale of tobacco in Québec unless a registration certificate has been issued to him under Title I of the Act respecting the Québec sales tax (chapter T-0.1) and is in force at that time.

No collection officer may sell or deliver tobacco or cause tobacco to be delivered in Québec unless a registration certificate has been issued to him under this Act and is in force at that time.

Carriers, importers, manufacturers, storers and vending machine operators are bound by the obligation set out in the second paragraph.”

**4.** The said Act is amended by inserting, after section 5, the following section:

**“5.0.1** Notwithstanding section 415 of the Act respecting the Québec sales tax (chapter T-0.1), the registration certificate provided for in the first paragraph of section 3 shall be posted at the chief place of business of its holder in Québec and is not transferable.

A copy of the registration certificate shall be posted in each establishment operated by the holder.”

**5.** Section 7 of the said Act is replaced by the following section :

**“7.** No person may sell or deliver tobacco in Québec to a retail vendor who does not hold the registration certificate provided for in the first paragraph of section 3 or to a wholesale vendor who does not hold the registration certificate provided for in the second paragraph of section 3 and the appropriate permit provided for in section 6.”

**6.** Section 13.3.1 of the said Act, replaced by section 12 of chapter 79 of the statutes of 1993, is amended in the first paragraph

(1) by replacing the words “a registration certificate provided for in section 3” in the sixth and seventh lines by the words “the registration certificate provided for in the first paragraph of section 3, in the case of a retail vendor, or the registration certificate provided for in the second paragraph of section 3”;

(2) by inserting, after the figure “6” in the seventh line, the words “, in the case of a person other than a retail vendor,”.

**7.** Section 17 of the said Act is amended by adding the following paragraph:

“The Minister may also make any agreement under the first paragraph with a retail vendor holding the registration certificate provided for in the first paragraph of section 3.”

#### ACT RESPECTING THE QUÉBEC SALES TAX

**8.** The Act respecting the Québec sales tax (R.S.Q., chapter T-0.1) is amended by inserting, after section 210.5, enacted by section 470 of chapter 22 of the statutes of 1994, the following:

#### “§1.2 — *Retail vendor of tobacco*

**“210.6** Sections 210.2 to 210.5, adapted as required, apply to every small supplier who is required to register pursuant to section 407.2.”

**9.** The said Act is amended by inserting, after section 407.1, enacted by section 589 of chapter 22 of the statutes of 1994, the following section:

**“407.2** Notwithstanding section 407, every small supplier who engages in the retail sale of tobacco within the meaning of the Tobacco Tax Act (chapter I-2) is required to be registered in respect of that activity.

Sections 411.1, 415.1 and 417.1, adapted as required, apply to every small supplier who engages in the retail sale of tobacco.”

**10.** Section 410.1 of the said Act, enacted by section 591 of chapter 22 of the statutes of 1994, is amended

(1) by replacing the words “407 or 407.1” in the first line by the words “407, 407.1 or 407.2”;

(2) by inserting the words “or required under section 407.2 to be registered in respect of the retail sale of tobacco” after the word “business” in the second line of paragraph 1;

(3) by inserting the words “, as the case may be” after the word “business” in the fourth line of paragraph 1;

(4) by inserting the words “or first engages in the retail sale of tobacco” after the word “business” in the fourth line of paragraph 1.

**11.** Section 411 of the said Act, replaced by section 592 of chapter 22 of the statutes of 1994, is amended by inserting “407.2,” after “407.1,” in the first line of the first paragraph.

**12.** Section 417 of the said Act, amended by section 595 of chapter 22 of the statutes of 1994, is again amended by inserting the words “or does not engage in the retail sale of tobacco” after the word “business” in the second line of the first paragraph.

**13.** This Act comes into force on *(insert here the date of assent to this Act)*.