

THIRD SESSION

THIRTY-SECOND LEGISLATURE

NATIONAL ASSEMBLY OF QUÉBEC

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**Bill 39**

**An Act to amend the rules governing the duties connected  
with trade in alcoholic beverages, and certain legislation**

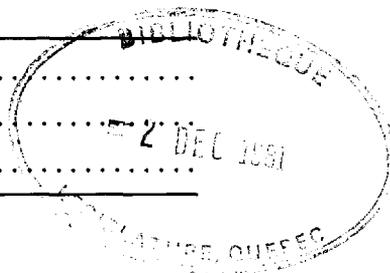
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M. RAYNALD FRÉCHETTE

Minister of Revenue

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## EXPLANATORY NOTES

*This bill gives effect to the Supplementary Budget of the Government for 1981-1982 presented on 17 November 1981, in which the Minister of Finance announced certain amendments to the system of duties and taxes applicable to alcoholic beverages, as well as amendments to personal income tax and the fuel tax.*

*Thus, this bill amends the Retail Sales Tax Act (R.S.Q., chapter I-1) to make the sale of beer, except in taverns, subject to the 8% sales tax. Further, that tax will be computed on the average retail sales price, as that may be determined by the Minister.*

*This bill also amends the Taxation Act (R.S.Q., chapter I-3) to reduce the tax rebate a taxpayer is entitled to in 1982 from 5% to 3%.*

*Further, this bill amends the Licenses Act (R.S.Q., chapter L-3) in order to create a retailer's licence for the sale of alcoholic beverages and to impose a duty of 13.4% on the purchase price from the supplier for wine and spirits, or on the average retail price for beer. These duties were already in existence, except that on beer.*

*Furthermore, this bill amends the Fuel Tax Act (R.S.Q., chapter T-1) to increase the tax rate on various fuels from 20% to 40%.*

*Finally, this bill amends the Act respecting liquor permits (1979, chapter 71) in order to transfer certain powers to collect duties from the Société des alcools du Québec to the Minister of Revenue, and to make certain amendments of concordance.*

### ACTS AMENDED BY THIS BILL

- (1) the Retail Sales Tax Act (R.S.Q., chapter I-1);
- (2) the Taxation Act (R.S.Q., chapter I-3);
- (3) the Licenses Act (R.S.Q., chapter L-3);

- (4) the Act respecting the Société des alcools du Québec (R.S.Q., chapter S-3);
- (5) the Fuel Tax Act (R.S.Q., chapter T-1);
- (6) the Act respecting liquor permits (1979, chapter 71).

*sec. 1. The proposed amendment defines the word "beer" for the purposes of the application of sections 12.1 and 12.3 enacted by section 2 of this bill.*

*sec. 2. This section introduces provisions into the Retail Sales Tax Act to make beer subject to the tax provided for in section 6 of the Act.*

## Bill 39

An Act to amend the rules governing the duties connected with trade in alcoholic beverages, and certain legislation

HER MAJESTY, with the advice and consent of the National Assembly of Québec, enacts as follows:

**1.** Section 2 of the Retail Sales Tax Act (R.S.Q., chapter I-1), amended by section 1 of chapter 78 of the statutes of 1979, by section 12 of chapter 14 of the statutes of 1980 and by section 24 of chapter 12 of the statutes of 1981, is again amended by adding, after paragraph 18, the following paragraph:

“(19) “beer” has the same meaning as in the Act respecting offences relating to alcoholic beverages (R.S.Q., chapter C-33).”

**2.** The said Act is amended by inserting, after section 12, the following sections:

“**12.1** Notwithstanding section 6, the tax provided for in that section shall be computed, in the case of beer, on the average retail sales price per litre of beer.

Such average retail sales price is \$1.40 per litre of beer.

“**12.2** The average retail sales price mentioned in the second paragraph of section 12.1 shall be used to compute the tax provided for in section 6, until it is replaced by an average retail sales price that the Minister shall determine from time to time by means of a representative statistical sampling of the prices of beer sold in cases of 12 bottles of 341 millilitre capacity, excluding the tax provided for by this Act, in force in the beer retail outlets situated on the Island of Montréal.

“**12.3** An average retail sales price determined by the Minister in conformity with section 12.2 shall be published in the *Gazette*

sec. 3. *The amendments proposed in this section are for concordance with section 2 of the bill.*

sec. 4. *This section gives effect to the Supplementary Budget proposed by the Government for 1981-1982 and the proposed amendment stipulates that the amount that an individual may deduct for the taxation year 1982 and subsequent taxation years from his tax otherwise payable for a taxation year will be 3% instead of 5%.*

sec. 5. *This amendment is technical, and provides that a person who operates a place of amusement or an activity contemplated by the Act without holding a licence is liable for the same duties as if he held a licence.*

sec. 6. *This section introduces provisions into the Licenses Act on retailers of alcoholic beverages who operate an establishment within the meaning of the Meals and Hotels Tax Act and gives effect to the Supplementary Budget Speech of the Minister of Finance.*

*officielle du Québec* and comes into force on the date stated therein; from such date, it replaces the price formerly in force.”

**3.** Section 17 of the said Act, amended by section 2 of chapter 20 and section 3 of chapter 78 of the statutes of 1979, by section 13 of chapter 14 of the statutes of 1980 and by section 25 of chapter 12 of the statutes of 1981, is again amended by replacing

(1) paragraph *e* by the following paragraph:

“(e) Sales of tobacco;”; and

(2) paragraph *g* by the following paragraph:

“(g) Sales of vitamins, decoctions and the vegetable substances used in preparing them, of foodstuffs and cider, excepting sales of candies and sales of beer except in taverns, alcohol, wines, spirits and aerated water to which essence or syrup has been added and the price of which is not fixed under the Meals and Hotels Tax Act (R.S.Q., chapter T-3);”.

**4.** (1) Section 776.1 of the Taxation Act (R.S.Q., chapter I-3), enacted by section 69 of chapter 13 of the statutes of 1980 and replaced by section 10 of chapter 12 of the statutes of 1981, is again replaced by the following section:

“**776.1** An individual may deduct from his tax otherwise payable for a taxation year under this Part, computed after any other deduction allowed for the year under this Part, an amount equal to 3 % of the amount of that tax otherwise payable for the year.”

(2) This section applies to the taxation year 1982 and subsequent taxation years.

**5.** (1) The Licences Act (R.S.Q., chapter L-3) is amended by inserting, after section 16, the following section:

“**16.1** Every person operating a place of amusement or carrying on an activity mentioned in this Act without holding a licence to that effect shall pay to the Minister of Revenue the same duties as if he were holding such licence.”

(2) This section is declaratory, save as regards cases pending on (*enter here the date of the deposit of this bill*).

**6.** The said Act is amended by inserting, after section 79.9, the following division and sections:



## "DIVISION IV.2

## "RETAILERS OF ALCOHOLIC BEVERAGES

**"79.10** In this division,

(a) "retailer" means a person operating an establishment within the meaning of the Meals and Hotels Tax Act (R.S.Q., chapter T-3) who sells alcoholic beverages, and

(b) "supplier" means

i. the Société des alcools du Québec or

ii. a person holding a brewer's permit issued under the Act respecting the Société des alcools du Québec (R.S.Q., chapter S-13).

**"79.11** No person may be a retailer in Québec without obtaining a licence to that effect involving the following duties:

(a) \$10; and

(b) as regards any alcoholic beverage he acquires, except cider, 13.4% of the sales price in force at the supplier's for wine or spirits and, for beer, of the average retail sales price per litre in force at that time, as determined in conformity with the Retail Sales Tax Act (R.S.Q., chapter I-1).

**"79.12** No person may obtain a retailer's licence unless he is already the holder of the appropriate permit issued under the Act respecting liquor permits (1979, chapter 71).

**"79.13** Notwithstanding sections 4, 7 and 9, a licence issued under this division remains in force until its holder surrenders it to the Minister of Revenue or the latter suspends or cancels it.

**"79.14** The duty of \$10 provided for in paragraph *a* of section 79.11 must be paid to the Minister of Revenue upon the application for a licence.

The duties provided for in paragraph *b* of that section are payable by the retailer to the supplier, directly or through the authorized agent of the latter, each time the retailer buys beer, wine or spirits.

**"79.15** A supplier shall collect the duties provided for in paragraph *b* of section 79.11 each time he sells beer, wine or spirits intended for resale by a retailer.

sec. 7. *This provision provides concordance with section 6 of this bill.*

sec. 8. *This section increases the tax rate provided in section 2 of the Fuel Tax Act from 20% to 40%.*

sec. 9 and 10. *The proposed amendments are technical and provide concordance with section 6 of this bill.*

The supplier then acts as the mandatary of the Minister of Revenue. Not later than the fifteenth day of each month, he shall hand over to the Minister the duties collected during the preceding month and at the same time, submit a report to him in such manner as the latter specifies, even if no duty has been collected.

As a mandatary, the supplier is subject to the same obligations and penalties as a mandatary under the Retail Sales Tax Act.

**“79.16** Every person referred to in section 79.11 who does not hold a licence in force is guilty of an offence and is liable to a fine equal to twice the duties payable under this division.

**“79.17** A retailer who acquires, within the scope of his operations under his retailer’s licence, alcoholic beverages, except cider, from a person other than a supplier or his authorized agent is guilty of an offence and is liable, in addition to the payment of the duties and any other penalty provided for by this Act, to a fine of not less than \$300 nor more than \$2,000, and for any subsequent offence, of not less than \$1 000 nor more than \$5 000; in the latter case, the court may, in addition to the fine and costs, condemn the offender to imprisonment for a maximum of three months.”

**7.** Section 37 of the Act respecting the Société des alcools du Québec (R.S.Q., chapter S-13), amended by section 168 of chapter 71 of the statutes of 1979, is again amended by striking out paragraph *d*.

**8.** Section 2 of the Fuel Tax Act (R.S.Q., chapter T-1), replaced by section 5 of chapter 78 of the statutes of 1979 and by paragraph 3 of section 1 of chapter 14 of the statutes of 1980, is amended by replacing the first paragraph by the following paragraph:

**“2.** Every person who in any way acquires in Québec one of the categories of fuel mentioned in section 4 for purposes other than resale shall pay to the Minister, on each litre, a tax equal to 40% of the average retail price per litre of that fuel.”

**9.** (1) Section 114 of the Act respecting liquor permits (1979, chapter 71) is amended by replacing paragraph 4 by the following paragraph:

“(4) prescribing the amounts of costs and duties payable under this Act and of all other duties that the Société des alcools du Québec must collect from the holder of a permit under this Act or the Act respecting the Société des alcools du Québec (R.S.Q., chapter S-13) and determining, where such is the case, the terms and conditions of payment;”.

(2) This section has effect from 1 June 1980.

**10.** (1) The said Act is amended by inserting, after section 114, the following section:

“**114.1** In addition to the costs and duties payable under this Act, the holder of a brewer's permit shall pay a duty equal to 13.4% of the value of the wine on tap he buys for the purposes of resale; such additional duty shall be collected by the Société des alcools du Québec.”

(2) This section applies to the period beginning on 15 October 1980 and ending on 17 November 1981.

**11.** This Act comes into force on the day of its sanction and, subject to subsection 2 of sections 4, 5, 9 and 10, has effect from 18 November 1981.