

Raw Leaf Tobacco

The Ministry of Finance (MOF) assumed full oversight of all raw leaf tobacco (RLT) in the province on January 1, 2015, including flue-cured, dark-fired and burley tobacco which requires anyone who deals with RLT in Ontario to register and report activities to MOF.

As noted in the 2016 Budget, to further strengthen oversight of RLT, the Tobacco Tax Act (TTA) was amended in December 2015; and, the province is developing the administrative measures needed to support these amendments to the TTA, as well as a regulation to prescribe labelling requirements for bales and packages of RLT, which would be in place in advance of the 2016 RLT harvest.

Other Measures

Alcohol Charges

The following changes regarding wine and spirits are proposed:

- The Liquor Control Board of Ontario would increase the ad valorem mark-up for wine products by two percentage points effective June 2016.
 - The wine mark-up would be further increased by two percentage points in April 2017, two percentage points in April 2018 and one percentage point in April 2019.
- The basic tax on non-Ontario wine purchased at winery retail stores would be increased by one percentage point in each of June 2016, April 2017, April 2018 and April 2019.
- The collection of tax at winery retail stores on the premises of a grocery store would be provided for. The government proposes to introduce legislation in the future to establish higher basic wine tax rates on purchases at those stores.
- The government also proposes to introduce legislation to replace the current mark-up and commission structure at on-site distillery retail stores with a tax on purchasers of spirits.

Registration Requirements for Certain Road-Building Machines

Amendments are proposed to the Highway Traffic Act to implement the 2014 Ontario Budget announcement that the province would modernize the treatment of certain unregistered road-building machines. Implementation of this measure is expected to occur on January 1, 2017. Complementary amendments to the Act will also be proposed.